

MINIMUM WAGES IN DKI JAKARTA PROVINCE

To implement Government Regulation No. 78 of 2015 on Wages, the Governor of DKI Jakarta has just issued Governor's Regulation No. 227 of 2016 on The Provincial Minimum Wage for 2017 ("**Governor Regulation 227/2016**"). Governor's Regulation 227 of 2016 came into effect on the date of its promulgation, ie 31 October 2016 and the required minimum wage will apply from **1 January 2017**.

According to Governor's Regulation of 227/2016, the provincial minimum monthly wage for DKI Jakarta Province is IDR 3,355,750 (three million three hundred fifty five thousand seven hundred fifty Rupiah). Employers may not pay less than the determined provincial minimum wage.

Exemption

However, under Governor's Regulation 227/2016, the employer may submit a written application for a suspension of the implementation of the provincial minimum wage to the Governor through the Head of Service Office of Manpower and Transmigration of DKI Jakarta at least **10 (ten) days before this regulation is to be implemented**. The application must satisfy the technical requirements under Governor's Regulation No. 42 of 2007 on The Procedure for the Suspension of the Implementation of the Provincial Minimum Wage ("**Governor's Regulation 42/2007**"). According to Governor's Regulation 42/2007, as long as the application is still being processed, the employer may pay the wage which the employee(s) usually receives. However, the application may only be submitted if the employer and the employee(s) (or the relevant labor union) have signed a written agreement to do so.