

NEW 2015 MINIMUM WAGE

On 14 November 2014, the Governor of DKI Jakarta issued DKI Governor Regulation No. 176 of 2014 on the Provincial Minimum Wage for 2015 (DKI Reg. 176/2014). Under DKI Reg. 176/2014, the minimum wage for the DKI Jakarta area for 2015 is Rp.2,700,000.00 per month, effective on 1 January 2015.

Employers may not pay less than the minimum wage under DKI Reg. 176/2014. Any company unable to pay the minimum wage may apply to the Governor for a suspension at least 10 days before implementation.

The 2015 minimum wage for municipalities include:

- West Nusa Tenggara: Rp1,330,000.00
- Bandung: Rp2,310,000.00
- Bandung: Rp2,001,195.00
- Sukabumi: Rp1,572,000.00
- Tasikmalaya: Rp1,435,000.00
- Cirebon: Rp1,415,000.00
- Cirebon: Rp1,400,000.00
- Cianjur: Rp1,600,000.00
- Surabaya: Rp2,710,000.00
- Madiun: Rp1,250,000.00
- Banyuwangi: Rp1,426,000.00
- Sidoarjo: Rp2,705,000.0
- Tangerang: Rp2,730,000.00
- Tangerang: Rp2,710,000.00
- South Tangerang: Rp2,710,000.00
- Cilegon: Rp2,760,590.00
- Serang: Rp2,375,000.00

Under a 2013 Regulation on Minimum Wage, determination of the minimum wage is based on what is needed for a decent living (Kebutuhan Hidup Layak/KHL) considering productivity and economic growth. The minimum wage is reviewed every year. As well as the provincial minimum wage, the Governor may also determine sectoral provincial minimum wages and/or municipality minimum wages based on agreements between company organizations and the labor unions in the relevant sector. Sectoral minimum wages cannot be lower than the provincial minimum wage or the municipal minimum wage.

