



**CONSTITUTIONAL COURT  
OF THE REPUBLIC OF INDONESIA**

**SUMMARY OF DECISION  
FOR CASE NUMBER 61/PUU-XXIII/2025**

**Concerning**

**Constitutionality of Periodic Payment of Pension Benefits**

- Petitioner** : **Serikat Karyawan PT. Telekomunikasi, Tbk (SEKAR TELKOM or the Employees Union of PT. Telekomunikasi, Tbk), represented by Iwan Agus Sugiarto as Chairperson of the Central Executive Board of SEKAR TELKOM**
- Type of Case** : Judicial review of Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (Law 4/2023) against the 1945 Constitution of the Republic of Indonesia (1945 Constitution)
- Subject Matter** : Article 161 paragraph (2), Article 162 paragraph (4), and Article 164 paragraph (1) letter b of Law 4/2023 are deemed conditionally contrary to the 1945 Constitution
- Verdict** : To dismiss the Petitioner's petition entirely
- Date of Decision** : Thursday, August 14, 2025
- Overview of Decision** :

The Petitioner is a group of people with the same interests, namely fighting for, defending, and protecting workers' and laborers' rights and interests, as well as advancing workers' and laborers' aspirations. The Petitioner deems prejudiced since the norms of Article 161 paragraph (2), Article 162 paragraph (4), and Article 164 paragraph (1) letter b of Law 4/2023 cause the Petitioner to lose the right to receive Pension Benefits, which should be paid in a lump sum. The Petitioner argues that the norms of these articles violate the Petitioner's rights guaranteed by Article 28D paragraph (1), Article 28H paragraph (4), Article 28I paragraph (2) of the 1945 Constitution.

Regarding the Court's authority, since the Petitioner's petition is a review of Law, *in casu* Article 161 paragraph (2), Article 162 paragraph (4), and Article 164 paragraph (1) letter b of Law 4/2023 against the 1945 Constitution, the Court has the authority to hear the petition *a quo*.

Regarding legal standing, the Petitioner has established its qualifications as a public legal entity, namely a workers' union organization, whose members are employees of PT. Telekomunikasi Indonesia. Tbk, where some of its members are participants in a Defined Contribution Pension Program at a Financial Institution Pension Fund. Pursuant to the description

and evidence submitted, the Petitioner has proven that the party is entitled to represent the Petitioner's interests, particularly in submitting a petition for judicial review to the Court. The Petitioner has proven the existence of a causal relationship (*causal verband*) between the alleged constitutional loss, which is specific and potential, and the enactment of the norms being petitioned for review. Thus, regardless of whether the Petitioner's argument regarding the unconstitutionality of the norms of Article 161 paragraph (2), Article 162 paragraph (4), and Article 164 paragraph (1) letter b of Law 4/2023 is proven or not, the Court is of the opinion that the Petitioner has the legal standing to act as a Petitioner in the petition *a quo*.

Regarding the constitutionality issue in question, it is found that the norm in Article 161 paragraph (1) of Law 4/2023 is, in essence, the same as that challenged in Case Number 152/PUU-XXII/2024, which has been considered in Constitutional Court Decision Number 152/PUU-XXII/2024. Therefore, the legal considerations in Constitutional Court Decision Number 152/PUU-XXII/2024 with respect to the constitutionality of the requirement for periodic payment of pension benefits in Article 161 paragraph (1) of Law 4/2023 apply in a *mutatis mutandis* manner as the legal considerations in this Decision.

Pursuant to the description of Constitutional Court Decision Number 152/PUU-XXII/2024, in essence, the Court has taken the stance that the procedures for payment of pension benefits periodically, as regulated in Article 161 paragraph (2) of Law 4/2023, are not contrary to the 1945 Constitution. In addition, the Petitioner also argues regarding the unconstitutionality of Article 162 paragraph (4) of Law 4/2023, which states, "In Pension Funds administering Defined Contribution Pension Programs, Pension Benefits for Participants, Widows/Widowers, or children are paid periodically for a specified period" with the same reasons for review as those of the norm of Article 161 paragraph (2) of Law 4/2023, namely regarding the provisions for payment of pension benefits which are made periodically for a specified period. Because the petition for review of the norm of Article 162 paragraph (4) of Law 4/2023 has the same reasons as the review of Article 161 paragraph (2) of Law 4/2023, and basically has the same constitutionality issue, the legal considerations of Constitutional Court Decision Number 152/PUU-XXII/2024 apply in a *mutatis mutandis* manner to the legal considerations of the argument *a quo*. Therefore, in the Court's opinion, Article 161 paragraph (2) and Article 162 paragraph (4) of Law 4/2023 are a legal policy not contrary to the principle of fair legal certainty and to the right to property rights as guaranteed in Article 28D paragraph (1) and Article 28H paragraph (4) of the 1945 Constitution. Thus, the Petitioner's argument challenging the constitutionality of the norms of Article 161 paragraphs (2) and Article 162 paragraph (4) of Law 4/2023 is legally unjustifiable.

The Petitioner also argues that Article 161 paragraph (2) and Article 162 paragraph (4) of Law 4/2023 are contrary to the principle of economic democracy as regulated in Article 33 paragraph (4) of the 1945 Constitution since, in the Petitioner's opinion, the economic democracy reflects the principle of people's economic sovereignty which provides the greatest possible benefits for participants. Regarding the Petitioner's argument, the Court needs to emphasize that the provisions of Article 33 paragraph (4) of the 1945 Constitution states in full, "The national economy shall be organized on the basis of economic democracy, under the principles of togetherness, equitable efficiency, sustainability, environmental awareness, self-reliance, and the maintenance of a balance between economic progress and national economic unity." These provisions serve as the basis for implementing economic democracy, which reflects various principles to be fulfilled, namely togetherness, equitable efficiency, sustainability, environmental awareness, self-reliance, and the maintenance of a balance between economic progress and national economic unity. Under these principles, the people's sovereignty as described in the Petitioner's argument is not merely applied by absolutely prioritizing each individual's economic interests. The principle of economic democracy as mandated by Article 33 of the 1945 Constitution must be perceived and implemented by considering the balance between individual

rights and the goal of balancing between economic progress and national economic unity for the purpose of realizing the people's welfare.

In the context of providing pension benefits, it is not appropriate to conclude that the procedures for periodic payment eliminate or reduce the right to pension benefits for participants or entitled parties. If each entitled individual chooses or agrees that pension benefits are paid in a lump sum, this may cause a macroeconomic imbalance. In other words, the periodic payment mechanism for pension benefits is an implementation of the people's sovereignty under Pancasila democracy and is not counterproductive to the state's efforts to balance economic progress and national economic unity. From the perspective of good pension fund governance, large withdrawals at once can reduce liquidity and disrupt the overall stability of pension fund asset management. Periodic payment of pension benefits aims to ensure that beneficiaries receive sustainable economic benefits, enabling them to continue meeting their long-term needs, while simultaneously contributing to achieving national economic balance and unity. On the contrary, if the pension fund benefits are paid in a lump sum, as the Petitioner wishes, to be used as business capital during retirement, there is no certainty that the pension benefits will be used for business capital. Moreover, lump-sum pension funds may be used for other purposes that contradict the objective of institutionalizing pension funds, namely to provide participants or entitled parties with sustainable financial security during retirement. Therefore, there is no reason that periodic payment of pension benefits as regulated in Article 161 paragraph (2) and Article 162 paragraph (4) of Law 4/2023 is contrary to economic democracy as mandated by Article 33 paragraph (4) of the 1945 Constitution.

Whereas furthermore, the Petitioner also argues that Article 164 paragraph (1) letter b of Law 4/2023 is conditionally unconstitutional since, in the Petitioner's opinion, the provisions give rise to discriminatory treatment. Without the Court intending to examine the legality of Financial Services Authority (OJK) Regulation Number 27 of 2023 concerning the Administration of Pension Funds (POJK 27/2023), which is the implementing regulation of Article 164 paragraph (1) letter b of Law 4/2023, Article 73 paragraph (1) of OJK Regulation 27/2003 states that, "Where the total accumulated contributions, the Employer's initial fund, transfers of funds from other Pension Funds, and the returns on investment as referred to in Article 65 paragraph (1), which constitute the entitlement of a Participant, Widow/Widower, or child, amount to less than or equal to Rp500,000,000.00 (five hundred million rupiah), the Participant, Widow/Widower, or child in the DPLK shall be entitled to choose payment of the Pension Benefit in a lump sum." [*vide* Article 73 paragraph (1) of OJK Regulation 27/2023]. The Petitioner argues that the provisions of OJK Regulation 27/2023 hinder the Petitioner's right to choose and agree that pension benefits be paid in a lump sum rather than periodically, as provided in Article 161 and Article 162 of Law 4/2023. In this regard, in the Court's view, the OJK's authority over the administration of pension programs has been clearly established under Law 4/2023. Law 4/2023 provides the OJK with the authority to further regulate the administration of pension programs through Financial Services Authority Regulations. The norms providing the OJK with the authority include Article 164 paragraph (3) of Law 4/2023, which, in essence, stipulates that further provisions regarding the procedures for payment of pension benefits in a lump sum, as referred to in Article 164 paragraph (1) and paragraph (2), are regulated in Financial Services Authority Regulations. The OJK authority to further regulate the implementation of the administration of pension programs cannot be separated from the duties and authority of the OJK as regulated in Article 6 paragraph (1) letter c of Law 11/2011 as amended by Article 8 of Law 4/2023, which stipulates that one of the duties of the OJK is to carry out regulatory and supervisory duties regarding financial services activities in the insurance, guarantee and pension fund sectors [*vide* Article 8 of Law 4/2023].

Regarding the Petitioner's reasons for challenging the constitutionality of the norm of Article 164 paragraph (1) letter b of Law 4/2023 due to the loss of the Petitioner's right to choose payment of pension benefits in a lump sum, in principle, the Court has considered that payment of pension benefits periodically is not contrary to the 1945 Constitution. Therefore, these regulations, including the exceptions stipulated in Article 164 paragraph (1) letter b of Law 4/2023, constitute the lawmakers' legal policy. The provisions on exceptions as stipulated in Article 164 paragraph (1) letter b of Law 4/2023 provide the OJK with the authority to determine the value or amount that can be referred as a benchmark for a lump sum provision of pension benefits, and this remains within the corridor of the implementation of the OJK's duties and authority in regulating and supervising the administration of pension programs. The regulations on pension benefits apply to all participants or parties entitled to pension benefits, without exception, in accordance with the pension value limits set by the OJK. This is in line with the philosophy of the pension program as previously considered by the Court, and the differentiation in the opportunity to receive pension benefits in a lump sum based on the amount of the pension benefits aims to ensure that the value of the pension benefits can meaningfully support economic needs and the sustainability of the participants or entitled parties. If the value of pension benefits is too small or insufficient in accordance with the measurements set by the OJK, as the regulatory and policy-making institution, then the continuity and sustainability of participants' or entitled parties' economic capabilities, as intended in the national economic goals, will be challenging to achieve. Therefore, in the Court's opinion, the requirement that the value or amount of pension benefits be determined as a condition for a lump-sum payment is not a discriminatory legal policy, since it is applied without differentiating between participants based on discrimination categories or classifications. Accordingly, the Petitioner's argument that the norm of Article 164 paragraph (1) letter b of Law 4/2023 is contrary to Article 28I paragraph (2) of the 1945 Constitution is legally unjustifiable.

Accordingly, the Court subsequently passes down a decision in which the verdict is to dismiss the Petitioner's petition entirely.