

## Legal Consequences for Companies and Workers Due to Not Registering for BPJS Employment

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### ABSTRACT

BPJS Ketenagakerjaan is a mandatory social security program for companies and workers in Indonesia. This obligation is regulated by law to protect workers from risks such as workplace accidents, death, and retirement. However, many companies still fail to fulfill this obligation. Such non-compliance can lead to legal consequences, including administrative and criminal sanctions. On the other hand, workers become vulnerable to various risks without social security protection. This article examines the legal aspects governing company obligations, implications for workers, and potential sanctions faced. This study aims to provide a deeper understanding of the importance of compliance with BPJS Ketenagakerjaan registration. Raising awareness and enforcing the law are necessary to ensure fair protection for all stakeholders.

## INTRODUCTION

BPJS Employment is a public legal entity tasked with providing labor social security in Indonesia. This program is designed to protect workers from risks such as work accidents, loss of income, pensions, and death, as stipulated in Law Number 24 of 2011 (Suwandi & Wardana, 2022). This protection aims to improve the welfare of workers and their families while encouraging the stability of industrial relations. However, in practice, the implementation of this program faces many challenges, including non-compliance of companies in registering workers as BPJS participants. As a result, many workers lose their right to important social protection, which not only harms them financially but also affects the sustainability of social security programs.

The company's non-compliance with BPJS Ketenagakerjaan's obligations can cause various serious legal consequences. Based on Article 17 of Law Number 24 of 2011, companies that do not register workers with BPJS can be subject to administrative sanctions in the form of written warnings, administrative fines, and restrictions on certain public services, such as not being able to take care of business licenses or project tenders (Sutrisno, 2020). Furthermore, criminal sanctions in the form of fines of up to IDR 1 billion or a maximum prison sentence of eight years can also be imposed according to Article 55 of the law. These sanctions not only have an impact on company operations but also show the importance of the role of law in enforcing compliance with national social policies.

On the other hand, the company's non-compliance with the obligation to pay BPJS Employment contributions has a significant impact on workers, especially in the loss of vital social security benefits (Wicaksana, 2023). Unregistered workers lose access to essential services, such as treatment due to work accidents, post-death family benefits, and pension funds. This non-compliance not only causes financial losses for workers, but also creates economic uncertainty that affects the stability of their families. In addition, late payments by companies result in cumulative fines of 2% per month, which can put a strain on the social security system as a whole. This shows the importance of strict law enforcement to prevent further violations. Law enforcement needs to be accompanied by thorough education to employers about their obligations and the social impact of such violations. That way, not only workers' rights are protected, but also a fairer work ecosystem is created, so that industrial relations can be well maintained.

According to the latest data, only around 63% of companies are compliant in paying BPJS Employment contributions, while the rest do not carry out this obligation. Such non-compliance is often caused by the assumption that the administrative process is too complicated or a lack of understanding of the benefits of the program. In fact, this non-compliance harms many parties, including workers who have lost their social security rights and the company itself (Yusuf & Thohari, 2024). Fines due to late payments can continue to increase

by 2% per month, creating a significant financial burden for the company. In addition, non-compliant companies also have the potential to be subject to administrative sanctions, such as restrictions on access to certain public services, up to criminal sanctions in the form of a maximum fine of IDR 1 billion or imprisonment for up to eight years. This can affect the sustainability of the business, reputation, and the company's relationship with workers. Therefore, awareness of the importance of compliance with BPJS Employment needs to be increased. Proper education to employers and workers is essential to ensure the effective implementation of these programs, create equitable social protection, and support a healthy workforce ecosystem.

This study aims to provide an in-depth analysis of the legal consequences of corporate non-compliance with BPJS Ketenagakerjaan, including its impact on workers and companies. This study combines data from various sources, such as legal regulations, academic literature, and relevant current articles. Using a normative approach, this study not only aims to provide a broader understanding but also offers recommendations to improve company compliance with BPJS policies. This research is expected to encourage a fairer and more equitable implementation of social security, thereby creating a favorable balance for all parties involved.

## **METHOD**

This study uses a normative legal research method that aims to analyze the applicable legal rules and legal concepts related to BPJS Ketenagakerjaan. The approach used includes a statute approach and a conceptual approach. The approach to laws and regulations involves an in-depth analysis of various regulations, such as Law Number 24 of 2011 concerning BPJS, Government Regulation Number 86 of 2013, and other laws related to labor. The conceptual approach is used to understand legal principles, such as the concepts of legal compliance and labor protection. These two approaches complement each other in providing a theoretical framework to explain the problem of companies' non-compliance with the obligation to register workers with BPJS Ketenagakerjaan.

The data sources used in this study consist of three types of legal materials: primary, secondary, and tertiary. Primary legal materials include official laws and regulations on which legal analysis is based. Secondary legal materials include academic journals, scientific books, official reports, and articles relevant to the research topic. Meanwhile, tertiary legal materials include supporting documents such as legal dictionaries, encyclopedias, and other legal guides that help explain legal concepts. The data collection technique is carried out through literature study by searching various relevant legal documents and academic literature. In this process, primary legal material serves as the primary foundation, while secondary and tertiary legal material supports the analysis and provides additional context.

## RESULTS AND DISCUSSION

Meanwhile, companies that are negligent face administrative sanctions in the form of written warnings, administrative fines of 2% of the total unpaid contributions every month, to restrictions on access to certain public services, such as business licenses or licensing of foreign workers. This non-compliance can also pose a greater legal risk, including the possibility of being subject to criminal sanctions in the form of fines of up to IDR 1 billion or a maximum of eight years in prison if proven to have deliberately violated the rules. This shows that the implementation of the BPJS program is not only a legal obligation, but also an effort to protect the welfare of workers and the continuity of the Company's operations (Sutrisno, 2020).

Furthermore, this non-compliance can have an impact on the company's image. Companies that are negligent are often considered irresponsible for the welfare of their workforce, thus risking losing the trust of the public, investors, and business partners. On the other hand, unprotected workers will face large losses when experiencing work risks, such as accidents or death, without the benefits of financial protection from BPJS. Therefore, awareness of the importance of compliance with the BPJS program needs to continue to be increased, not only to avoid legal consequences, but also to realize social justice in the work environment.

Observations show that company compliance with BPJS Employment is still a big challenge. Based on BPJS data in 2022, out of 63,257 registered companies, only around 40,144 companies (63%) comply with the obligation to pay contributions on time. The rest, around 23,113 companies (37%), do not comply with the rules on administrative grounds that are considered complicated or lack of experts for management. This non-compliance not only harms workers, but also endangers the company's business continuity, especially when facing financial responsibility due to work accidents that should be borne by BPJS.

The following is data on the level of compliance of companies in paying BPJS Employment contributions over the past three years. This table shows the total number of registered companies, compliant companies, and non-compliant companies. This data illustrates that there is still a significant percentage of companies that do not meet their legal obligations, thus impacting workers and the sustainability of social security programs. This analysis aims to highlight the urgency of increasing awareness and compliance with BPJS Employment rules.

Table 1. Company Contribution Data in Paying BPJS Contributions

Year	Total Listed Companies	Obediently Pay Contributions	Non-Compliance in Paying Contributions
2020	60.000	38.000 (63%)	22.000 (37%)
2021	62.500	39.800 (64%)	22.700 (36%)
2022	63.257	40.144 (63%)	23.113 (73%)

Non-compliance also has an impact on workers. When a company does not register its workers, they lose protection such as medical expenses due to work accidents, retirement benefits, or post-death family benefits. Meanwhile, based on field observations, many workers do not know their rights to BPJS. This shows the importance of more intensive education and socialization, both from the government and entrepreneurs, to ensure a more effective implementation of BPJS (Yusuf & Thohari, 2024).

Non-compliant companies also have the potential to face lawsuits from aggrieved workers. For example, the case at the Tangerang District Court shows that BPJS Ketenagakerjaan through the legal process succeeded in recovering outstanding contributions of Rp51,992,678 from a company that did not register its workers. Cases like this show that companies not only face administrative and criminal sanctions, but also a much greater risk of financial losses if they continue to comply with legal obligations (Yusuf & Thohari, 2024)

## CONCLUSION

Based on the discussion that has been presented, the following conclusions are formulated to summarize the main findings of this journal.

1. ***Legal Obligations of the Company.*** Based on Law Number 24 of 2011, companies are required to register their workers with BPJS Employment to provide social protection for work risks, such as accidents, deaths, and old-age insurance.
2. ***Consequences of Non-Compliance.*** Company non-compliance can result in administrative sanctions, such as written warnings, fines of 2% of unpaid monthly dues, to restrictions on certain public services, as well as criminal sanctions in the form of fines of up to IDR 1 billion or imprisonment for a maximum of eight years.

3. **Impact on Workers.** Unregistered workers lose their rights to social security benefits, such as medical expenses, death benefits, and pensions. This increases workers' vulnerability to occupational risks.
4. **The Importance of Compliance.** Kepatuhan perusahaan terhadap kewajiban BPJS Ketenagakerjaan tidak hanya melindungi pekerja, tetapi juga menjaga reputasi perusahaan dan menghindari konsekuensi hukum yang berat.
5. **Recommendations.** There needs to be more intensive socialization and education from the government and BPJS to entrepreneurs to increase awareness and compliance with this program. Collaboration between the government, entrepreneurs, and workers is needed to ensure the implementation of the BPJS program runs optimally.

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