

Legal Protection for Workers Receiving Wages below the Minimum Wage Provisions at the District/City Level Post the Job Creation Law



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ABSTRACT: This research aims to analyze the legal protection for workers receiving wages below the minimum wage after the enactment of the Omnibus Law on Job Creation. With the regulatory changes, there is a potential decrease in the wage levels for workers at the district/city level. Therefore, this study seeks to delve into the impact of legislative changes on the rights and welfare of workers, particularly those affecting minimum wage standards. The research method employed is normative legal research, involving an analysis of relevant legislation and a literature review on the impact of the Omnibus Law on Job Creation on worker wages. The findings indicate that these regulatory changes have a significant impact on workers' rights, especially those receiving wages below the minimum standard. Furthermore, the study identifies several challenges in the legal protection of workers under minimum wage provisions, including the expansion of company authority in setting wages. Therefore, it is recommended to implement policy and regulatory improvements that prioritize the interests of workers to ensure adequate legal protection amid changes in the labor market structure. This research is expected to contribute to a deeper understanding of the changes in working conditions post-Omnibus Law on Job Creation and their implications for workers' rights. Consequently, constructive solutions are anticipated to enhance legal protection for workers receiving wages below the minimum wage at the district/city level.

KEYWORDS: Legal Protection; Minimum Wage; Job Creation Law; Worker Protection

I. INTRODUCTION

Indonesia as a legal state is guided by the four pillars of nationalism, namely Pancasila as an ideology, the 1945 Constitution of the Republic of Indonesia as a constitution, Bhineka Tunggal Ika as a state motto, and NKRI (Unitary State of the Republic of Indonesia) which includes an archipelago that stretches from Sabang to Merauke. With the existence of the four pillars of nationalism, national development will increase and further legal studies. The role of labor in national development is increasing with various risk challenges faced. Therefore, labor needs to be given protection and training to improve its welfare. Every worker or laborer has the right to earn a decent living for humanity. This right is guaranteed in Article 27 paragraph (2) of the 1945 Constitution. In general, the employment relationship that is formed is a legal relationship that is born based on a work agreement between employers and workers (Bahri, 2029). One of the efforts made by the government to provide protection for workers is through the existence of minimum wages. Wages play an important role and characterize a relationship called employment relationship, even wages are one of the conditions of employment agreements regulated by employers, workers and the government.

Wages play an important role and characterize a relationship called an employment relationship, even wages are the main purpose of a worker doing work for another person, company or other legal entity. This is contained in the International Labor Organization (ILO) Convention on the protection of wages or protection of wage Indonesia also follows this reference with minor adjustments (Putra et al., 2022). Before workers work in a company, a work agreement must be made to determine the necessary matters, including working conditions, rights and obligations of the parties. The implementation of a work agreement that has been made between the worker and the company, each party has rights and obligations that must be fulfilled (Iskandar & Edhi, 2023).

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The determination of the minimum wage previously applied Regulation No. 11 of 2020 concerning Job Creation Article 88D paragraph (2) regulates that the minimum wage calculation formula contains economic growth or inflation variables. This is further regulated in Government Regulation No. 36 of 2021 concerning Wages. Article 23 paragraph (3) of Government Regulation No. 36 of 2021 concerning Wages regulates that employers are prohibited from paying wages lower than the minimum wage. This regulates the minimum wage as the lowest monthly wage either without benefits or basic wages and fixed benefits. If the wage component in the company consists of basic wages and fixed benefits, the basic wage is at least the minimum wage. The minimum wage is the lowest wage for workers with less than one year of service in the company concerned. Economic and labor conditions are taken into consideration in determining the minimum wage. Article 26 paragraph (2) of Government Regulation No. 36 of 2021 states:

“Adjustment of the minimum wage value is set at a certain value range between the upper limit and the lower limit of the minimum wage in the region concerned”.

Workers who work for an employer/company are entitled to receive wages and every employer is obliged to pay wages to workers in accordance with the agreement. Regulations regarding wages are regulated in Government Regulation No. 36 of 2021 concerning Wages. The wage policy is aimed at achieving an income that meets a decent livelihood for humanity. One of the wage policies is the minimum wage, which is the lowest monthly wage consisting of basic wages including fixed benefits determined by the governor as a safety net. With the enactment of Law Number 11 of 2020, in principle, employers are prohibited from paying workers wages lower than the minimum wage, as stated in Article 88 E paragraph 2 of Law Number 11 of 2020 in conjunction with Article 23 paragraph (3) of Government Regulation No. 36 of 2021 as follows,

“Employers are prohibited from paying wages lower than the minimum wage”.

On the other hand, employers are obliged to pay wages to workers in accordance with an agreement that cannot be lower than the amount determined by laws and regulations (Fajriati et al., 2021).

Basically, the minimum wage is the lowest monthly wage set by the Governor as a safety net. The minimum wage consists of the Provincial Minimum Wage and the Regency/City Minimum Wage. Provincial Minimum Wage (UMP), which is the minimum standard of wages for workers applicable in a province whose determination must be determined by the Governor. While the Regency / City Minimum Wage (UMK), which is the minimum standard of wages for workers applicable in a regency / city whose submission is made by the Regent / Mayor to be determined by the Governor. In addition, the determination of UMK is carried out in the results of the calculation of UMK higher than UMP (Kirti & Priyono, 2018).

The basis for calculating UMP and MSE has a difference. The calculation of UMP is based on economic and labor conditions, which include the level of purchasing power, the level of employment and the median wage, which is adjusted annually. Meanwhile, the calculation of MSEs considers economic growth and inflation in the region concerned. Meanwhile, MSEs are determined by a decree of the governor based on the proposal of the regent/mayor and announced no later than November 31 of the current year, while the UMP is determined by a decree of the governor and announced no later than November 21 of the current year. If November 21 falls on a Sunday, national holiday or official holiday, the UMP is determined and announced by the Governor 1 day before the Sunday, national holiday or official holiday (Hendrawanto & Fatkhurohman, 2011).

In reality, even though the UMK / UMP has been determined, there are still workers who get wages below the UMK / UMP provisions, this results in welfare for workers because their wages do not meet their needs. Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 concerning Job Creation also regulates minimum wages. Article 88 paragraph (2) of Law Number 6 of 2023 stipulates that the central government establishes a wage policy as an effort to realize the right of workers/laborers to a decent livelihood for humanity. The policy includes determining the minimum wage every year. The governor is obliged to set the provincial minimum wage (UMP) and can set the district / city minimum wage (UMK). The minimum wage can be set by the governor if the result of the calculation of the minimum wage is higher than the UMP. The minimum wage is determined based on economic and labor conditions using data from the Central Bureau of Statistics.

The wages obtained by workers should be able to meet the needs of workers and their families, even though in a simple sense, the cost of living, when viewed from a humanitarian perspective it is only natural that workers get reasonable rewards and get proper protection (Malianawati, 2021). Indonesia is one of the developing countries that has a large enough population and always goes hand in hand with labor problems. The size of the population results in the need for more work so that the number of job seekers and unemployed is increasing, which results in relatively low opinions. Population growth is not proportional to the needs in the world of work. Opportunities and challenges in finding work are getting bigger, because limited job opportunities are not comparable to the existing workforce.

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Due to the problems faced by workers, there is a need for legal protection of workers to fulfill the basic rights inherent and protected by the constitution. Protection of workers is intended to be able to guarantee and protect the basic rights of workers and guarantee equality and equal treatment without discrimination. The provision of wages is one important aspect of employment protection and the size of wages is not allowed to be below the minimum wage standard provisions. However, this protection mostly only applies to workers with permanent worker status or those related to Indefinite Time Work Agreements (PKWTT), but legal protection is still weak for workers with Indefinite Time Work Agreements (PKWT). Legal protection has the meaning of protection using legal means or protection provided by law, aimed at protecting certain interests, namely by making the interests that need to be protected into a legal right (Febrianti et al., 2022).

The issuance of Law Number 6 Year 2023 on Job Creation changed some of the wage provisions. Article 88D paragraph (2) stipulates that the minimum wage calculation formula considers the variables of economic growth, inflation, and certain indices. Furthermore, Article 88F states:

“In certain circumstances the government may determine a minimum wage calculation formula that is different from the minimum wage calculation formula.”

Matters that must be considered in a work agreement in accordance with Article 124 paragraph (1) and paragraph (2) of Law No. 13 of 2003 concerning Manpower is that a collective work agreement at least contains the rights and obligations of employers and trade unions/labor unions as well as workers or laborers (Satria Hadi Wibowo, 2023).

The mandate of the 1945 Constitution and Law No. 6/2003 on Job Creation mandates that every person or every worker has the right to earn a decent living. The main function of setting a minimum wage is so that every worker can fulfill their needs. In our country, Indonesia has the characteristics of an unbalanced labor market where the amount of supply is higher than the demand, as a result labor wages, especially for workers who have low education and makeshift skills, tend to get lower wages. Meanwhile, workers who have higher education and more adequate skills tend to get the opposite.

Along with the development of time, this is related to labor relations in Indonesia. Regulated under Law Number 13 of 2003 concerning Manpower which is updated and amended by Law Number 6 of 2023 concerning Job Creation (Job Creation Law). Apart from being regulated in the Wage Regulation, the Job Creation Law also stipulates that in principle employers are prohibited from paying workers wages lower than the minimum. On the other hand, employers are obliged to pay wages to workers in accordance with an agreement that cannot be lower than the wage provisions stipulated in laws and regulations. Employers here are companies in the form of CV (Commanditaire Vennootschap) or a commander partnership as one of the business entities run by entrepreneurs in the form of an unincorporated partnership, also subject to the minimum wage provisions set by the government. It should be noted that the minimum wage only applies to workers/employees who have a working period of less than 1 year. Wages for workers/employees with a work period of 1 year or more must be above the minimum wage.

The problem here is that there are still many companies that have not paid wages to their workers not in accordance with the UMP set by the government, so there are still many workers who have not been able to meet their needs, therefore causing an increase in the poverty rate in Indonesia. This is where legal protection must exist for workers whose wages are still below the UMP. The reality that occurs in Indonesian society, there are still many workers whose wages are far from the UMP set by the government, and PP.No.36 of 2021 is not fully implemented by employers. And also the lack of direct supervision by the local government in enforcing the regulations contained in Law No. 13 of 2003. Seeing the inequality in wages received by PKWT and PKWTT workers, researchers are interested in examining the legal protection of wages for workers who receive wages below the minimum wage provisions of the UMP / UMK after the enactment of Law Number 6 of 2023 concerning Job Creation. The need to study the legal protection of workers who receive wages below the minimum wage provisions of the UMP / UMK is because workers are citizens and part of the Indonesian state.

II. LITERATURE REVIEW

In Indonesia, the legal protection of workers who receive wages below the minimum wage set by regional regulations post the enactment of the Omnibus Law on Job Creation is a critical issue that requires attention. The existing labor laws mandate that employers must pay their workers wages according to the minimum wage regulations (Faris Al Suddes & Deddy Effendy, 2024). This legal framework aims to ensure fair compensation for employees and protect their rights. However, the implementation of legal protection for workers, especially those receiving wages below the minimum, remains a challenge (Fajriati et al., 2021). There are instances where businesses fail to adhere to the minimum wage policies, leading to unjust compensation for workers (Sudiarawan & Martana, 2019).

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Legal protection for workers encompasses various aspects, including economic, social, and technical safeguards (Shubhan, 2020). It is essential to continuously evaluate and strengthen legal safeguards to prevent exploitation and uphold workers' rights effectively (F. A. P. Nasution et al., 2022). The protection of workers' rights, particularly in cases of non-compliance with minimum wage standards, is crucial to prevent unfair labor practices and ensure a just working environment (Fadia Denesa Aurallya D & Deddy Effendy, 2024). The government plays a significant role in enforcing these regulations to safeguard workers' interests and prevent any form of exploitation (Rasji et al., 2023).

In the context of the legal protection for workers who receive wages below the minimum wage set by districts/cities post the Omnibus Law in Indonesia, it is essential to consider the implications of the recent legal changes. The Omnibus Law has brought about significant modifications in labor regulations, affecting various aspects of employment relationships. One crucial aspect is the categorization of employment agreements into fixed-term (PKWT) and indefinite-term (PKWTT) agreements (Listiyani et al., 2022). This distinction is vital as changes in these provisions impact both employers and employees, potentially altering the dynamics of the labor market. Moreover, the Omnibus Law has sparked debates and controversies within society, reflecting differing perspectives on its implications (Amir & Watumlawar, 2022). Such discussions are indicative of the diverse opinions and concerns surrounding the legal changes and their practical implications. Additionally, the law's impact on the behavior of companies, particularly in terms of dividend policies, is noteworthy (Agusta & Tjaraka, 2023). Understanding how the Omnibus Law influences corporate decisions, such as dividend distributions, provides insights into its broader economic ramifications. Furthermore, the legal landscape post the Omnibus Law requires a thorough examination of the protection afforded to workers, especially those in vulnerable positions such as informal workers (Sibagariang et al., 2023). Addressing the challenges faced by informal workers is crucial for promoting decent work and reducing inequalities within the country. Additionally, exploring the legal framework concerning the registration of electronic land post the law's enactment sheds light on the evolving land registration processes (Tetama, 2023). Understanding these changes is essential for comprehensively assessing the legal environment post the implementation of the Omnibus Law.

One critical area of concern is the protection of vulnerable groups such as underage workers and migrant workers. While there are legal provisions in place to protect these groups, the actual implementation of these protections often falls short (Shaleh et al., 2023; Yusitarani, 2020). Ensuring that underage workers receive adequate legal protection and that the rights of migrant workers are upheld is essential for promoting fair labor practices in Indonesia. Additionally, the protection of female workers' rights is crucial, and efforts to eliminate discrimination against women in the workforce have been made through the adoption of international conventions like CEAW (Syahputra Al idrus & Chelvin Nurdiyanto, 2024).

The COVID-19 pandemic has further highlighted the importance of legal protection for workers, especially concerning job security and fair treatment during layoffs (Sibagariang et al., 2023; Tara Diva & Harriestha Marthana, 2022). The pandemic has posed new challenges, such as wage cuts and job losses, emphasizing the need for robust legal frameworks to protect workers' rights in times of crisis (Sibagariang et al., 2023). Ensuring that workers are not unfairly dismissed and that their rights are respected even in challenging circumstances is a fundamental aspect of labor law (Tara Diva & Harriestha Marthana, 2022). Moreover, the issue of informal workers in Indonesia presents a unique challenge in terms of legal protection and ensuring fair wages. Informal workers often face precarious working conditions and may not receive the same level of legal protection as formal employees. Addressing the rights and protections of informal workers is crucial for creating a more equitable labor environment in the country.

III. METHOD

The type of research used in this research is normative juridical research. Normative legal research is legal research conducted by examining existing literature by basing the law as a norm (Ali, 2021). Normative juridical legal research or also called Library Legal research is a method or method used in legal research by examining existing library materials. The approach model used for the normative juridical method, namely, first, the statute approach is a statutory approach carried out by examining all laws and regulations related to the legal issues being studied (Rukajat, 2018). Second, the conceptual approach is the opinions and doctrines that develop in legal science. By studying the views and doctrines in legal science, researchers will find ideas that give birth to legal notions, legal concepts and legal principles that are relevant to the issue at hand (Marzuki, 2009). The research conducted uses secondary data consisting of data sources in the form of primary legal materials, secondary legal materials, and tertiary legal materials. The data collection method used is literature research related to this research and literature related to the problems in writing research where studying laws and regulations under it. Literature study is data obtained based on data collection by reading, understanding, quoting and summarizing and making analytical notes from books and documents, journals and laws and regulations. The purpose and usefulness of literature study is to solve research problems. The method of analyzing secondary data

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and information obtained is then analyzed qualitatively, namely describing the facts based on the research results. This means that data and information are collected, described in the form of words and connected systematically to draw conclusions about the problems in this articles (Waluyo, 2016). The conclusion in this study uses the deductive method, which is a special way to draw a conclusion starting from a general statement to a specific statement using ratio / reasoning.

IV. RESULT AND DISCUSSION

Wage Policy towards Workers in Indonesia

According to article 1 paragraph 1 of the Regulation of the Minister of Manpower Number Per- 01/Men/1999 concerning Minimum Wage, the definition of minimum wage is the lowest monthly wage consisting of basic wage including fixed allowances. Based on the Regulation of the Minister of Manpower Number Per-01/Men/1999 in conjunction with the Decree of the Minister of Manpower and Transmigration Number Kep-226/Men/2000, the period of validity of the minimum wage includes, Provincial Minimum Wage (UMP) applicable in all districts / cities in one provincial area; and Regency / City Minimum Wage (UMK) applicable in one district / city area. According to Article 93 paragraph (1) of Law Number 13 of 2003 concerning Manpower, "wages are not paid if workers or laborers do not perform work." This means that wages are not paid to workers or laborers if workers do not do work. The work referred to in this case is work that has been agreed upon by the employer and the worker in the employment agreement. Basically, wages consist of basic wages and fixed allowances, so the basis for calculating overtime wages is 100% (one hundred percent) of wages. In the event that wages consist of basic wages, fixed allowances, and non-permanent allowances, if the basic wage plus fixed allowances is less than 75% (seventy-five percent) of the total wage, then the basis for calculating overtime wages is 75% (seventy-five percent) of the total wage (B. J. Nasution, 2014).

Living Wage Standards for Workers

As a wage policy, the Indonesian government tries to set a minimum wage that is in line with the standard of living. The minimum wage set in the past was based on Minimum Physical Needs, and subsequently based on Minimum Living Needs (KHM). This KHM is 20 percent higher in rupiah terms when compared to the Minimum Physical Needs. The latest legislation, Law No. 13/2003 on Manpower, states that the minimum wage must be based on the Decent Living Needs, but this legislation has not been fully implemented, so the determination of the minimum wage remains based on the KHM. The Consumer Price Index (CPI) is an index that provides information on the development of average changes in the prices of a fixed group of goods or services that are generally consumed by households within a certain period of time. An issue that is often associated with the consumer price index is the issue of wages and salaries. The issue of wages and salaries is not a simple problem, but is quite complex so that companies should have a principle of how to set wages or salaries. According to Lewis in Todaro, the effect of economic growth on employment begins with investment in the industrial sector, and overall capital accumulation in the modern sector will lead to an expansion of output in the modern sector. The transfer of labor from the agricultural sector to the modern sector (industry) will then increase output growth and increase employment in the modern sector.

Forms of Legal Protection for Workers Who Receive Wages Below the Regency / City Minimum Wage After the Job Creation Law

Legal protection is the protection of dignity, as well as recognition of human rights owned by legal subjects based on legal provisions from arbitrariness or as a collection of rules or rules that will be able to protect one thing from another. The purpose of labor protection is to ensure a harmonious system of labor relations without pressure from strong parties to weak parties (Agishintya & Hoesin, 2021).

Workers must get their rights without exception and in accordance with existing laws and employers are obliged to facilitate the rights of workers, but in reality in every industrial relationship is not always harmonious there are always disputes between the workers and the employers (Simanjuntak et al., 2019). The balance between the rights and obligations of the parties is an important factor in an employment relationship, because in essence the rights of workers/laborers are an obligation that needs to be fulfilled by employers, and vice versa what is the right for employers is an obligation that needs to be fulfilled by workers (Fathammubina & Apriani, 2018). Wages play an important role in labor relations, it can even be said that the main purpose of a worker working for an employer is to obtain wages.

The Manpower Law regulates the minimum wage which functions as a safety net for workers in Indonesia. This is reflected in Article 88 paragraph (3) letter a of the Manpower Law, which stipulates that the government is responsible for formulating wage policies to protect workers. One aspect of this policy is the determination of minimum wages. Decisions on minimum wages must be based on a decent standard of living and must also consider productivity and economic growth across Indonesian society as a whole.

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Article 89 of the Manpower Law stipulates that minimum wages are based on provincial/district/city areas and minimum wages are based on sectors within those provincial/district/city areas. The determination of the minimum wage in each province or regency/city is carried out by the Governor, taking into account the recommendations provided by the Provincial Wage Board and/or the local Regent/Mayor. Thus, the Manpower Law clearly regulates and guarantees workers' rights related to the minimum wage, thus providing protection for workers in Indonesia in order to get a decent wage in accordance with the conditions in their respective regions.

The normative rights of workers that must be provided by companies are financially divided into three, namely:

1. Basic wage rights, namely the basic wage given to workers based on the level or type of work, with an amount of not less than 75% of the total salary they receive, as regulated in Article 88 E paragraph 2 of Law Number 11 of 2020 in conjunction with Article 23 paragraph (3) of Government Regulation No. 36 of 2021 as follows, "Employers are prohibited from paying wages lower than the minimum wage." Employers are obliged to pay wages to workers in accordance with an agreement that cannot be lower than the amount determined by statutory regulations (Pratiwi & Hoesin, 2022);
2. The right to a fixed allowance, which is a regular payment related to work that is provided on a fixed basis for workers and their families and is paid in the same unit of time as the basic wage payment, such as Wife Allowance; Child Allowance; Housing Allowance; Death Allowance; Regional Allowance and others;
3. Non-permanent benefits, namely religious holiday allowances, incentives, bonuses, compensation for work facilities, and/or service money in certain businesses;
4. Meanwhile, the non-financial normative rights of workers that must be provided by companies are political rights, health and social rights, and pension guarantees.

According to Article 93 paragraph (1) of Law Number 13 of 2003 concerning Manpower, "wages are not paid if workers or laborers do not perform work." Wages are not paid to workers or laborers if workers do not perform work that has been agreed upon by both parties as stipulated in the employment agreement.

Wage policy towards workers in Indonesia is an imbalance between Indefinite Time Work Agreements (PKWTT) and Fixed Time Work Agreements (PKWT), because Article 24 of Government Regulation Number 36 of 2021 states that the minimum wage only applies to workers / employees who have a working period of less than 1 year. Wages for workers/employees with a work period of 1 year or more must be above the minimum wage. In this case, the minimum wage regulation only provides partial protection for workers with permanent worker status or those related to Indefinite Time Work Agreements (PKWTT), but the legal protection of Indefinite Time Work Agreements (PKWT) is still very weak.

Arrangements regarding employers who employ workers/laborers in excess of working time are obliged to pay overtime wages as stipulated in KEP 102/MEN/VI/2004, overtime working time is working time that exceeds 7 (seven) hours a day and 40 (forty) hours a week for 6 (six) working days in 1 (one) week or 8 (eight) hours a day, and 40 (forty) hours 1 (one) week for 5 (five) working days in 1 (one) week or working time on rest days and or on official holidays set by the government.

Wage arrangements are determined by agreement between employers and workers, must not be lower or contrary to the wage provisions stipulated in the applicable laws and regulations Government Regulation No. 78 of 2015 concerning Wages, which stipulates that future wage formulations are calculated only by inflation and economic growth figures issued by government agencies (BPS) even though initially the Minimum Wage was also derived from the Decent Living Needs (KHL), where the KHL basis was only reviewed every five years (Suhartoyo, 2020).

So the form of legal protection for workers who receive wages below the Regency / City Minimum Wage is protection regarding the work agreement as agreed by employers and workers regarding agreed wage rights both financial and non-financial rights in accordance with statutory regulations, as well as the protection of legal certainty in the form of prohibitions, as well as sanctions for violations with a compelling nature for employers who violate.

Legal Consequences for Employers Who Pay Workers Wages Below the Provision of District/Municipal Drinking Wages After the Job Creation Law

Sanctions and Fines for Minimum Wage Violations

According to article 88C paragraph (1) of the Job Creation Law which states that "The Governor shall determine the provincial minimum wage." furthermore in article 88C paragraph (2) which states that "The Governor may determine the district/city minimum wage with certain conditions." The above Job Creation Law contains several aspects in the legal force in determining minimum wages, especially in determining UMP and UMK in an area. From the aspects of regulations, fines, prohibitions, to administrative sanctions, it can be concluded that the legal basis for the minimum wage determination provisions of the Job Creation Law has covered all aspects of legal force in the substance of the Law which can cover all parties, namely the government, employers, and laborers / workers (Iskandar & Edhi, 2023).

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Legally, the validity of companies that pay wages to workers below the Provincial Minimum Wage (UMP) or Regency / City Minimum Wage (UMK) can be reviewed from the agreement or contract made. In this case, the decision regarding the work agreement or contract depends on the prospective worker's choice to accept or reject it. Because work agreements or contracts basically require an agreement between the two parties in order to be valid in accordance with applicable legal provisions, namely Law Number 13 of 2003 article 51 paragraph (2)

“Work agreements that are required in writing are carried out in accordance with the prevailing laws and regulations.”

The determination of the Provincial Minimum Wage (UMK) is an obligation of the government to ensure labor protection. There is a rule that employers are prohibited from paying wages below the minimum wage, in terms of determining the minimum wage there should be one party that will supervise each company. With this framework, it is expected that there will be no more companies that adopt wages below the minimum wage. However, if a company is unable to pay based on the corrected UMP, it also has the right to request a suspension of the application of the UMP or UMK against the company.

If any company promises wages below the minimum wage, it is null and void. In addition, companies that provide wages below the minimum wage can be subject to criminal sanctions as explained in Article 81 paragraph (63) of the Job Creation Law, that companies that pay wages below the minimum wage, will be subject to a minimum criminal sanction of 1 year imprisonment, and a maximum of 4 years imprisonment, and / or a minimum fine of 4 (four) years and / or a fine of at least Rp100,000,000.00 (one hundred million rupiah) and a maximum of Rp400,000,000.00 (four hundred million rupiah).

In practice, criminal law enforcement in the context of employment is still lacking, especially in cases of complaints related to wage payments below the minimum wage. The vulnerable condition of workers or laborers due to work needs is still the main obstacle that prevents them from reporting criminal violations related to wage payments. The role of labor inspectors is needed. The quality and quantity of these supervisors must be improved. Apart from the role of the Manpower Office, there are also other officials who act as supervisors as mentioned in article 80 of PP 36 of 2021, namely:

“(5) The director general or head of service as referred to in paragraph (4) submits recommendations to the official authorized to impose administrative sanctions. (6) The relevant minister, governor, regent/mayor, or a designated official shall notify the Minister of the implementation of the imposition of administrative sanctions.”

Minimum Wage Enforcement and Supervision Efforts

There are still many employers who have not paid their workers in accordance with the minimum wage set by the provincial government. Various laws and regulations in the field of wages have been issued by the government with the aim of providing wage protection for workers, such as Law Number 13 of 2003 concerning Manpower, Government Regulation Number 78 of 2015 concerning Wages, Minister of Manpower and Transmigration Regulation Number 15 of 2018 concerning Minimum Wages. But in fact, wage issues always cause problems because employers deliberately do not implement the provisions of laws and regulations in the field of wages (Wahyudi, 2016).

To provide legal protection for workers in obtaining minimum wages, the government gives authority to agencies in the field of manpower located at the central government, provincial government, and district / city government to conduct supervision. In reality, supervision by the Technical Implementation Unit for Manpower Supervision of the provision of minimum wages for workers is still not effective. Efforts are needed from the Manpower Supervision Technical Implementation Unit (UPT) in streamlining supervision of the provision of minimum wages for workers.

Efforts that can be made by the Manpower Office in streamlining supervision of the provision of minimum wages for workers are in ways such as conducting unannounced inspections (Sidak) to workers' places to supervise the provision of minimum wages for workers and providing strict sanctions to employers who pay their workers not in accordance with the minimum wage as stipulated in the laws and regulations in the field of wages (Fitriani et al., 2022).

According to the author, if there are still companies that pay wages below the minimum wage, workers can report to the Manpower Office that the company has violated the minimum wage rules, can settle by means of bipartite negotiations in the form of negotiations between the company and workers, if it does not produce results, they can take mediation which results in a collective agreement signed by the company and workers and witnessed by the mediator and registered at the Industrial Relations Court, the last one can file a lawsuit at the Industrial Relations Court if the negotiation efforts fail to reach a settlement agreement.

Wage Dispute Settlement Mechanism

The settlement of wage dispute disputes involves various mechanisms and institutions that have certain roles. The following are some of the mechanisms for resolving wage dispute disputes:

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1. **Bipartite Pathway:** To resolve industrial relations disputes, workers and employers first conduct negotiations within the company without involving third parties. Bipartite negotiations are negotiations between employers/combination of employers and workers/unions or between trade unions in one company that are in dispute. If a settlement agreement is reached in the bipartite negotiations, a collective agreement is made and signed by the parties. The scope of dispute resolution through bipartite negotiations is for all types of industrial relations disputes. The legal product of bipartite is a collective agreement (PB). Parties in the bipartite should sign the bipartite minutes as much as possible. Dispute resolution through bipartite is limited to a maximum of 30 working days. The 30 working days are calculated from the first date the negotiations begin. Disputes that have not been resolved through bipartite may not proceed to mediation. The mediator may conduct mediation if the party recording the dispute proves that bipartite settlement has been implemented or attempted. If bipartite settlement cannot be implemented, the proof of bipartite settlement is the bipartite request letter. If the bipartite request letter is used as the basis for registering the dispute with the Manpower Office, at least two or three bipartite invitation letters are required (Mashudi, 2019).
2. **Mediation Pathway:** If bipartite negotiations fail, for the settlement of rights disputes, tripartite negotiations can be conducted through mediation (Mantili, 2021), mediated by one/more neutral mediators. The third party in resolving the dispute must not take sides, must be neutral and willing to resolve and assist the disputing parties to reach an agreement voluntarily without any coercion or pressure (Tampubolon, 2022). If the mediation is successful, the agreement is set out in a collective agreement signed by the parties and witnessed by the mediator and registered at the Industrial Relations Court at the District Court in the jurisdiction of the parties to the collective agreement to obtain proof of registration. The settlement of industrial relations disputes using mediation is regulated in Article 8 through Article 16 of Law No. 2 Year 2004. The settlement of industrial relations disputes through mediation according to Article 4 of Law No. 2 of 2004 is preceded by the following stages:
 - A. In the event that bipartite negotiations fail, one or both parties register the dispute with the agency responsible for local manpower by attaching evidence that bipartite settlement efforts have been made;
 - B. After receiving the record from one of the parties or both parties, the agency responsible for manpower shall offer the parties to agree to choose settlement through conciliation or arbitration;
 - C. If within 7 (seven) days the parties do not make a choice, the agency responsible for manpower shall delegate the settlement to a mediator.
3. **Conciliation:** The process of industrial relations conciliation is basically the same as mediation. The difference lies only in the institutional status and staffing. The conciliator's legal product is a recommendation. The nature of the recommendation is not binding and cannot be executed. The conciliator is authorized to examine all industrial relations disputes, except rights disputes (*rechtsgeschillen*). Similar to mediation, the conciliator does not charge conciliation fees to the parties. The conciliator's fees are paid by the government. The interest of workers and employers in using the services of a conciliator is very low. In this case, two important principles are recognized in mediation and conciliation, namely avoiding "*win-lose*" (*win - lose*), but *win-win solution (win-win solution)*".
4. **Arbitration:** Arbitration is the settlement of disputes in only one company by an arbitrator, outside the Industrial Relations Court, through a written agreement of the parties to the dispute. The arbitrator is a person or is chosen by the disputing parties from a list of arbitrators determined by the Minister of Manpower. Arbitrators are tasked to give rulings only on types of interest disputes and disputes between trade unions. The arbitrator's decision is binding on the parties and is final (Santoso, 2012). Settlement of industrial relations disputes using arbitration conducted by arbitrators is based on the sincere agreement of the disputing parties. Arbitrators are obliged to complete their duties no later than 30 working days from the signing of the arbitrator's appointment. However, if the specified time is deemed insufficient, the arbitrator, based on the agreement of the parties, may extend the period of industrial relations dispute settlement by one extension of no later than 14 working days. The hearing of the dispute settlement by the arbitrator is conducted in private unless the parties to the dispute desire otherwise. In the arbitration hearing, the disputing parties may be represented by a power of attorney with a special power of attorney. Industrial relations disputes that are being or have been resolved through arbitration cannot be submitted to the Industrial Relations Court (Tampubolon, 2022).
5. **Industrial Relations Court Route:** The Industrial Relations Court route is the route taken by workers/entrepreneurs through a lawsuit mechanism registered at the Industrial Relations Court. This path is taken if negotiation efforts fail to reach a settlement agreement. The Industrial Relations Court (PHI) is one of the specialized courts in the general judicial environment. PHI is established in all District Courts located in the provincial capital. The stages of trial in PHI and PN are not different. The difference lies in the authority, the time limit for deciding cases, case fees and the position of parties

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who can act as legal counsel. PHI is required to decide cases, no later than 50 working days from the first hearing. Managers of workers' and employers' organizations, although not advocates, can act as legal counsel for their members. Regarding case fees, the PPHI Law provides different treatment. Case fees are not imposed on all litigants. Cases that are subject to fees refer to the value of the plaintiff's claim. The value of the lawsuit is described in the petition. The value of the claim is the demand for a sum of money to be paid by the employer to the worker or a sum of money to be paid by the employer's worker in the case of termination of PKWT by the worker. The mechanism for resolving industrial relations disputes is described as follows (Yuliastuti & Syarif, 2021):

- A. Settlement of industrial relations disputes, be it rights disputes, interest disputes, disputes over employment decisions, disputes between trade unions/labor unions in only one company, must first be resolved through bipartite negotiations in a deliberative manner to reach consensus.
- B. If within a period of 30 (thirty) days from the date of commencement of negotiations, one of the parties refuses to negotiate or negotiations have been conducted but no agreement has been reached, then Bipartite negotiations shall be deemed to have failed.
- C. In the event that Bipartite negotiations fail, the parties or one of the parties shall submit a notification to the agency responsible for manpower by attaching evidence that settlement efforts through Bipartite negotiations have been made.
- D. If the evidence is not attached, the agency responsible for manpower shall return the file to be completed no later than 7 (seven) working days from the receipt of the return of the file.
- E. The agency responsible for manpower shall offer the parties to the dispute regarding interest disputes, and disputes between trade unions/labor unions, to agree to choose a settlement through conciliation or arbitration. While for the parties to a dispute regarding a dispute over the termination of employment to agree through conciliation, and specifically for the parties to a dispute regarding a dispute over rights to be delegated directly to a mediator for mediation.
- F. In the event that the parties do not determine the choice of settlement through conciliation or arbitration within 7 (seven) working days, the agency responsible in the field of manpower shall delegate the settlement of the dispute to a mediator.
- G. In the event that the settlement through conciliation or mediation does not reach an agreement, then either party may file a lawsuit with the industrial relations court.

V. CONCLUSION

The legal protection for workers' wages is contained in the employment agreement, which includes agreed-upon financial and non-financial rights in accordance with the relevant regulations, providing legal certainty in the form of prohibitions and penalties for violators. This means that employers are prohibited from paying wages lower than the minimum wage or contrary to the wage regulations set forth in Article 88 (2) of Law Number 6 of 2023, which governs the central government's wage policy as part of efforts to ensure workers' rights to a decent living for humanity. The legal consequences for companies that pay wages below the minimum wage are null and void, and the wage dispute resolution mechanism can be pursued through Industrial Relations Dispute Resolution (PHI). Additionally, companies that pay wages below the minimum wage can face criminal sanctions as explained in Article 81 (63) of the Job Creation Law. If a company pays wages below the Minimum Wage (UMR), it will be subject to a minimum one-year imprisonment sentence and a maximum four-year imprisonment sentence, and/or a fine of at least four years and/or a fine of at least IDR 100,000,000.00 and at most IDR 400,000,000.00.

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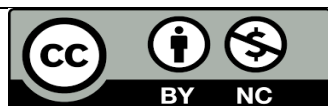
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