



Asian Social Work Journal (ASWJ)

Volume 7, Issue 3, June 2022

e-ISSN : 0128-1577

Journal home page:
www.msosocialwork.com

The Aging and Retirement: A Comparative Study on the Pension Policy in South Korea and Indonesia

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Abstract

The aging group in society faces challenging situations in most countries. This paper discusses comparing the aging challenge and pension policy to overcome the problems. As one of the most aging population countries globally, South Korea has become a good representative to learn about the aging context. Meanwhile, Indonesia as a populous country with a gradually growing aging population from year to year. The article analyses that even though South Korea and Indonesia have a similar threat for aging population growth, these two countries face different situations. South Korea faces a low fertility threat, and Indonesia faces poverty in the aging population. Therefore, pension policy as social security and protection are discussed through the state and corporate pillars in implementing the pension scheme. However, the pension policy implementation in South Korea should be supported by strengthening social networks to enhance the elderly group. Meanwhile, in Indonesia, there is a need to increase people's awareness in participating in the pension plan to enhance life quality in the old ages.

Keywords: aging, Indonesia, pension, social welfare policy, South Korea

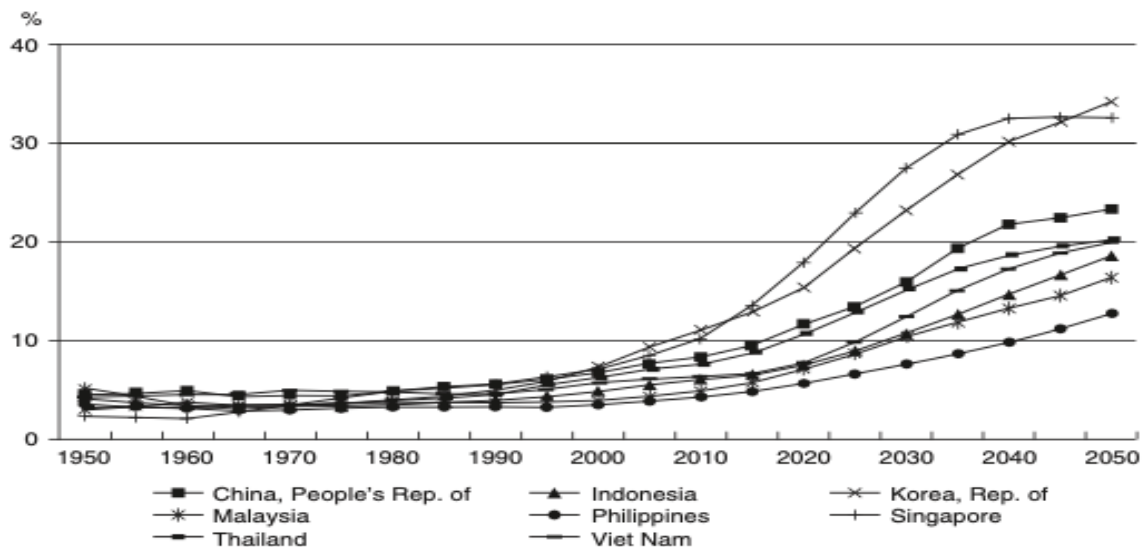
Introduction

Retirement is commonly referred to a life phase at a certain age (mainly the old-age period). Moreover, retirement reflects a period experienced by those whose age is considered unproductive and assumed as the proper time to stop working for enjoying old age (Amiq, et.al, 2020). The essential expectation related to 'enjoying old age' after retirement is challenging to fulfill. Retirement is becoming a complicated business due to the increase of life expectancies aligned with current health care services continue to develop. Rodney (2016) tried to remind about some essential things to fulfill the expectation about successful retirement. For instance, about how to prepare for the life changes involved after retirement, how to cope with a quality leisure-time, how to develop new hobbies, and so on. However, these questions are only relevant if the retired people have a good plan, especially the financial security for financing their old age.

Consequently, discussing retirement is also closely related to the pension system. In the twentieth century, the pensions system should be the one priority agenda for responding to the population aging in East and South-East Asia as Park & Estrada (2011) mentioned about their findings concerning the urgency to respond to the population aging with a well-functioning pension system in eight countries, namely the People's Republic of China (PRC), Indonesia, the Republic of Korea, Malaysia, Philippines, Singapore, Thailand, and Viet Nam. However, population aging in South Korea has already become an

emergency that requires the proper policy than the other seven countries. Also, as industrialized societies, Asia's demographic faces a low fertility rate yearly, potentially influencing the higher burden to less productive groups in financing the unproductive old age groups.

Figure 1. Population ratio aged ≥ 65 to a total population from 1950 – 2050.



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2008 Revision, <http://esa.un.org/unpp>.

Focusing the fastest population aging growth on figure 1 shows South Korea reached the most rapid population aging growth. Also, The World Bank (2020) reported that South Korea in 2019 increased the life expectancy average up to 83.2 years old due to success to improve the quality of life by advancing technology and health care services. On the other hand, South Korea is also facing a low fertility situation, whereas 2020 hit a record lowest of 0.84 (Soo-yeon, 2021).

A similar problem related to the threat of population aging but in a different situation has been shown in Indonesia. Indonesia is the most populous country globally, with a total population of 269 million, or 3.49% of the world's total population (Worldometric, 2020). Indonesia faces the challenge of demographic dividend, which is predicted to end in 2036 and has implications for an increase in the number of older adults by 19% until 2045 (BPS, 2019). Therefore, the productive age group should become a 'productive' resource to prevent dependence on state assistance and support population aging financing. Moreover, the worsening situation is that pension programs cover only 37% of the elderly in Indonesia are mostly work in the formal sectors, and the poverty rate on elderly is reached up to 9,4% of the total population of old age (TNP2K, 2020; Populix, 2021).

Consequently, this challenging situation requires the government, individuals, communities, and private sectors to set up an effective pension policy to anticipate and protect the retirement period and attain the well-being of the old age group. Also, it is necessary to compare the pension policy and its implication to the elderly's quality of life in these two countries with different society and policy system characteristics.

Literature Review

Aging And Retirement in South Korea and Indonesia's Context

To attain well-being until the end of life, people should set up a retirement plan. Morgan & Kunkel (2021) stated that one of the most crucial aspects to prepare the retirement plan is viewed by the

economic well-being of the elderly, including financial situation (salaries and wages, interest and dividend, income from public and private sources) and in-kind income (non-cash assets and benefits). It means the economic well-being condition for the individual's retirement period must be well planned during the young and productive ages. Furthermore, to set up the retirement plan, there is necessary to consider the good governance for pension funds to formulate the clear mission for pension program and policy, including investments, management, and benefits (Stewart & Yermo, 2008). It is aligned with Morgan & Kunkel (2021) that in macro-level should be concerned in policy and program to formulate the income maintenance system by public, private, or combined system. Furthermore, the macro-level should ensure that the micro-level (individual older people) maintains the income after retiring or economically dependent.

The Context of South Korea

Insufficient economic well-being is potentially bringing vulnerable conditions towards the elderly. Reflecting on research regarding the context of South Korea, there is a unique case related to demographic change in all aspects. In contrast, the old-age dependency ratio increased more than doubled (100,8%), fertility rates decreased to more than a fourth (-28,3%), and life expectancy increased to 8,8%. Moreover, low fertility rates from year to year also lose the opportunity for the elderly to access private financial sources and support from their children (Jun, 2020). Consequently, the retired people's unsteadiness in economic conditions forced them to re-enter the labor force even though this decision is not their own choice to spend the old age. Lee & Yeung, (2021) used the panel data involving the older workers and retirees from 2006 to 2016. The result showed that the skilled manual and bottom-line wage workers were forced to stay longer in the labor market, and those who had retired tend to search for re-employment, even in the higher risks or temporary jobs.

Moreover, the research showed that the cultural norms of Korean people that value work attachment also encouraged the elderly to maintain their work. This research is also consistent with Cho, Lee, & Woo (2016) that workers with low education levels were more likely to pursue their income through continuing to work after retirement. Although pension plans have a role in after-work decisions, retirees who only got a small public pension also tend to continue working to fulfill their living expenses. This condition is different from those with more stable positions and high income, and they can pay more for multilevel insurance of national pension plan. These findings are relevant with Noh, et.al (2019) that analyzed depressive symptoms among the retired people using CES-D10 showed no difference between the retired and employed groups. However, the male group showed a higher level of depression after their retirement. Thus, Korean elderly, especially those with insufficient capital in economic well-being, tend to stay working and earn income during their old age. Also, it becomes a poor condition in which the elderly experience the opposite situation of what the concept of retirement expects: enjoying the rest of life. Based on the data, OECD (2013) also reported that 60% of the total elderly in South Korea depend on their income from work after retirement, 21% depend on savings, and only 16% rely on public pension and social security programs from the government.

The Pension Policy in South Korea

Considering the urgency of the rapid aging and high population, the government of the Republic of Korea established the preparation for the Old Age retirement Plan through Basic Plan. In the second Basic Plan, the policy and program focus more on facilitating the elderly access to the labor market after their retirement age (Act on Supporting Preparation for Later Life). It is aligned with the concept of a longevity economy to support active aging in the aging population (Morgan & Kunkel, 2021). Also, the government ensures to provide a social safety net for the vulnerable and encourages community social services to strengthen women's participation in the economy. Besides, the government encourages the productive age group to participate in the multi-layered Basic National Pension program. The Basic Pension Program is social security to ensure the retired groups who meet the eligibility would access the benefit, and even they did not pay the premium (Yoon, 2013).

The pension system in South Korea is divided into two schemes based on institutional designs: Defined Benefit and Defined Contribution organized by both state and corporate pillars (Yeh, Cheng, & Shi,

2020; Jun, 2020; Pension Funds Online, 2021; Worldwide Tax Summaries, 2021). According to the state pillar, the government established two tiers of safety net for pension plan:

- a. The first tier by Basic Old-Age Pension Scheme with Basic Pension and National Pension Scheme or Public Pension as the defined benefit. The basic pension is a non-contributory pension program established in 2014 which provides benefits in the amount of 250,000 KRW in 2018 (a quarter of the single household minimum cost of living) for citizens aged 65 and older or below the income threshold. Meanwhile, National Pension Scheme is a mandatory public pension that covers old-age pension, disability pension, and survivor pension (Jun, 2020).
- b. The second tier of the government scheme, there are some schemes, including government employee pension scheme (enacted in 1960), military pension schemes (1963), and private school teacher pension scheme (1975). These pension schemes are applied as the pay-as-you-go system after 30 years of contribution with an earning amount of around 70%.

According to the corporate pillar (Yeh, Cheng, & Shi, 2020), the pension system is organized with dualist schemes, both Defined Benefit (as the second tier) and Defined Contribution and Individual Retirement Account (as the third tier). The pension schemes in South Korea can be summarized as follow.

Table 1. Pension Schemes in South Korea

The Pillar	Tier	Scheme	Institutional design
State Pillar	Tier 1	Basic Pension	Defined Benefit
		National Pension Scheme (old-age, disability pension, and survivor pension)	Defined Benefit
	Tier 2	<ul style="list-style-type: none"> • government employee pension • military pension • school teacher pension scheme 	Defined Contribution
Corporate	Tier 2	DB Pension	Defined Benefit
	Tier 3	DC Pension	Defined Contribution
	Tier 3	Individual Retirement Account	Defined Contribution

Source: Yeh, Cheng, & Shi (2020); Jun (2020); Pension Funds Online (2021); Worldwide Tax Summaries (2021)

The Context of Indonesia

In the context of Indonesia regarding the retirement plan, it showed a pretty similar situation with Korea. The (active) workers with higher income can prepare the desired retirement plan, and those with less income have less opportunity to access the multiple pension plan (Larisa, Njo, & Wijaya, 2020; Nizeyumukiza, et.al, 2020). Furthermore, Nizeyumukiza, et.al, (2020) found that the active workers with lower income may have a possibility to work longer after their retirement age. But, on the other hand, Larisa, Njo, & Wijaya (2020) found that there is a potential concern to increase the workers in planning the better retirement regardless of their income amount by increasing the financial literacy to workers. Financial literacy is expected to enhance the knowledge of financial issues.

Meanwhile, in a broader context related to social capitals, it showed quite different compared with the Korean elderly context. South Korean elderly's perception is more independent in fulfilling their needs whether from work-after retirement's income, pension allowance, or savings. On the other hand, some active Indonesian workers and older adults still show their dependency on their children and neighbors (community) for supporting their life after retirement. Astri & Naomi (2018) analyzed that 35% of total respondents (aged 25 – 50 years and categorized as active workers in Jakarta) believed their children would support their lives after retirement. Furthermore, the average research participants worried about their financial retirement as valued by 56% even though they have only a basic pension plan from the government scheme. The most worrying factor was related to their health decrease.

Regarding the social capital as the support system, the elderly tends to have sufficient physical mobility and mental well-being for spending their retirement life by optimizing the social capital (neighbourhood and community participation) (Cao & Rammohan, 2016). Also, the elderly in rural areas tend to get assistance from their social capital to meet daily needs. Based on these findings, we can conclude that perception of retirement plans is not always related to financial aspects. Still, social networks and capital may become another essential aspect of their life after retirement.

The Pension Policy in Indonesia

The pension policy in Indonesia is a part of the social security act in 2004. However, it has been effectively implemented since 2015 after the Social Security Organizing Agency (Badan Penyelenggara Jaminan Sosial/BPJS) and the Government Regulations related to pension plans were enacted. The pension scheme in Indonesia is quite different from the Korean scheme. Indonesia has only one scheme: Defined Contribution (Jannah, 2019; Susanto, 2019; Gayatri & Ramli, 2020); BPJS Ketenagakerjaan, 2021). According to the state pillar, the government of Indonesia established two schemes: Old-Age Security (Jaminan Hari Tua/JHT) and Pension Security (Jaminan Pensiun) for the active workers. Based on the act, these two schemes are mandatory to participate. Whether it is an individual, entrepreneur, legal entity, or other entity that employs workers, every employer is obligated to include their workers in both programs. Also, sanctions will be given if the membership is not registered. The further explanation can be seen as follow:

- a. Old-Age Security. This plan covers employees with 5,7% contribution of wage (2% contribution from the employees and 3,7% from the employer). For entrepreneurs, the contribution percentage is based on the earning rates. The benefit of pension plan would be delivered only once by those eligible to claim, such as entering the retirement age (56 years old considering the Regulation of Minister of Manpower of the Republic of Indonesia), permanently disabled, or the contributor has passed away). The old age security had been enforced through PT Jamsostek since 1995. However, based on the Social Security Administration Body Act (Badan Penyelenggara Jaminan Sosial) in 2011, BPJS took over the pension plan and management, including old-age security and pension security working accident protection, job-loss protection, and death protection. The participation in old-age security reached 36.520.623 participants in 2020. Up to 98% of participants were classified as wage recipient workers, and only 2% of participants participated as non-formal workers or non-wage recipient workers (BPJS Ketenagakerjaan, 2020). Also, migrant workers are mandatory to participate in old-age insurance based on Act No 18/2017 regarding Indonesian Migrant Worker's Protection and the Regulation of Minister of Manpower of the Republic of Indonesia No 18/2018 regarding Indonesian Migrant Worker.
- b. Pension Security. This plan covers employees with 3% contribution (1% of wage contribution from employee and 2% contribution from employer). Like the old-age security plan, the entrepreneurs' contribution percentage is based on the earning rates. The benefit would be delivered monthly for those who meet the criteria (same eligible criteria with old-age security plan). The pension security was implemented based on the Government Regulation on Pension Security in 2015 as the technical regulation to enforce the Act on National Social Security System (Sistem Jaminan Sosial Nasional/SJSN) in 2004 the Act on Social Security Administration Body in 2011. Considering those regulations, the participants will benefit at least Rp.300.000,00 and a maximum Rp.3.600.00,00 per month with the based maximum calculated wage at Rp.7000.000,00. This benefit will be changed due to economic conditions. BPJS Ketenagakerjaan (2020) reported the participation of pension security was 16.445.532 membership, less than the participation of the old-age security program.

Specifically for civil servants, the government enacted mandatory insurance, namely Civil Servant Insurance and Saving Account (in Bahasa Indonesia: *dana tabungan dan asuransi pegawai negeri*) (Ananta et.al., 2021). The source of contributions is paid by civil servants and state budget (APBN) fund allocation. Besides the state pillar, the pension system in Indonesia is also supported by corporates through retirement insurance (in Bahasa Indonesia: *Dana Pensiun Lembaga Keuangan*). This scheme can be initiated whether from the employer or employee. Generally, retirement insurance is organized by public or private banks with various programs offered. The pension schemes in Indonesia can be summarized as follow.

Table 2. Pension Schemes in Indonesia

The Pillar	Tier	Scheme	Institutional design
State Pillar	Tier 1	Old-Age Security Pension Security Civil Servant Insurance and Saving Account	Defined Contribution
Corporate Pillar	Tier 2	Retirement Insurance <ul style="list-style-type: none"> • Individual preference • Corporate scheme 	

Sources: Jannah (2019); Susanto (2019); Gayatri & Ramli (2020); BPJS Ketenagakerjaan (2021)

Methodology

This paper focuses on literature reviews towards research articles related to the pension policy and supporting the South Korea and Indonesia program. Also, the articles related to the policy and program evaluation towards the elderly's quality of life. This paper used articles from reputable international journals and proceedings published from 2016 to 2021. The keywords used for the literature search included pension policy, pension program, pension evaluation, and aging retirement related to both South Korea and Indonesia's context. In short, there were 17 relevant articles used as the primary data for this paper. Below is the thematic list found from the collected articles:

Table 3. A summary of relevant literatures regarding pension policy and the implications to elderly's quality of life in South Korea and Indonesia

Research Themes	Author (s)	Research Findings
Aging and Retirement	Noh, et.al. (2019).	The research measures the level of depression by using Korean version of the 10-item CES-D10 scale. The result shows the level of depressive symptoms of the retired group was not different from that of the employed counterpart. CES-D10 score gain is more significant for males than for females group.
	Cho, Lee, & Woo (2016).	The study shows a comparison between Germany and South Korea. The elderly with low education levels in South Korea has much probability of continuing working after retirement than those who received a higher pension. It is influenced by insufficient security in the labor market and pension system.
	Lee & Yeung (2021)	The Korean manual less-skilled workers are more likely to spend longer time in labor force in Korea
	Amiq, et.al. (2020).	The retirement age disparity between private sectors and civil servant workers in Indonesia.
	Astri & Naomi (2018)	The perception and preparation to retirement in Indonesia
	Larisa, Njo, & Wijaya (2020)	The significant influence of female workers' readiness and retirement planning
	Nizenyumukiza, et.al, (2020).	The (active) workers' perception regarding insufficiency income and assets to prepare their retirement. Only workers with higher income are able to prepare the desired retirement plan. Furthermore, the workers with lower income may have a possibility to work longer.

Pension Policy	Cao & Rammohan, (2016).	There is association between retirement and health well-being.
	Yeh, Cheng, & Shi (2020).	Public and private pension plan in South Korea
	Jun (2020).	Social security and retirement in South Korea.
Evaluation and Implication of Pension Policy to Elderly's Quality of Life	Jannah. (2019)	The Old Age Insurance (JHT) benefit policy in Indonesia and success factors in implementing the JHT benefit policy.
	Susanto (2019)	The pension system in Indonesia under Social Security Admission Body (BPJS)
	Ananta, et.al (2021)	The pension plan for Indonesian civil servants
	Ju, et.al. (2017)	Individuals without a national pension shows a lower quality of life than those received the national pension.
	Lee & Kim (2017).	The association of physical well-being, psychological health, and retirement.
	Park (2018).	The negative association between the basic old-age pension and the happiness of older people in South Korea.
	Ananta, et.al (2021)	The implication of civil servants pension scheme in Indonesia
	Gunadi, et.al. (2021)	The implication of pension policy implementation in Indonesia

To attain well-being until the end of life, people should set up a retirement plan. Morgan & Kunkel (2021) stated that one of the most crucial aspects to prepare the retirement plan is viewed by the economic well-being of the elderly, including financial situation (salaries and wages, interest and dividend, income from public and private sources) and in-kind income (non-cash assets and benefits). It means the economic well-being condition for the individual's retirement period must be well planned during the young and productive ages. Furthermore, to set up the retirement plan, there is necessary to consider the good governance for pension funds to formulate the clear mission for pension program and policy, including investments, management, and benefits (Stewart & Yermo, 2008). It is aligned with Morgan & Kunkel (2021) that in macro-level should be concerned in policy and program to formulate the income maintenance system by public, private, or combined system. Furthermore, the macro-level should ensure that the micro-level (individual older people) maintains the income after retiring or economically dependent.

Result

Considering the situations in South Korea and Indonesia, aging in retirement problems appeared the different situations and challenges. South Korea has experienced an aging population for a longer time than Indonesia. Furthermore, South Korea faced a low fertility problem which losing the potential source from younger and productive aged groups. This condition drives the Korean elderly to work longer after their retirement age. The dominant percentage proved that up to 65% elderly depends on the work-after-retirement income for fulfilling their daily needs. The research also showed that a person with less income only could access basic old-age schemes organized by the government. Thus, those with higher income can participate in the desired pension plan to support their well-being in old age.

Meanwhile, Indonesia also showed a similar condition with South Korea regarding the perception and plan for retirement age. Those with less skill and income plan to continue working after their retirement and can only access the basic pension scheme with a small benefit. However, the different fertility rates

within these two countries influence the different perspectives about dependency on families and social capitals (neighbours and communities). Some Indonesian older adults expect to be supported by their children and younger family members.

Besides the challenging situation as the fourth-most populous country with fertility rates of up to 2,1 children per woman, Indonesia also faces the demographic dividend (Jiao, Sihombing, & Jamrisko, 2021). This condition also drives the government to convince people having fewer children and focus on the quality of human capital. The most challenging concern is how to ensure the younger group can be the real productive groups, not as the burdensome groups.

Related to pension plans, both South Korea and Indonesia, the pension plans are provided by Government (state pillar) as the first tier and supported by Private Sectors (corporate pillar) for supporting additional pension schemes. Generally, pension schemes are divided into three plans: Social security-based, employer-based, and personal choice-based. South Korea established a dualist scheme (both Defined Benefit and Contribution). Meanwhile, all the pension schemes in Indonesia are managed as the Benefit Contribution that focuses on the contribution paid by the worker, entrepreneur, and non-worker members. Consequently, the pension plan in Korea can reach vulnerable people (those who are not working and below income thresholds). However, Indonesia's government focuses on vulnerable elderly groups through social assistance provision. Social assistance program for older people (TNP2K, 2020): Aid Program for Elderly (*Bantuan Lanjut Usia*) covers activities such as social treatment, therapy, family support.

- a. Family Hope Program provides conditional cash transfer and additional program (a) regularly health care services from Community Health Center; (b) home care services for needy elderly.
- b. In-kind assistance (food stamps and nursing care) is provided by local government.

Below is the summary of comparison related to pension schemes in South Korea and Indonesia:

Table 4. The Comparison of pension plan and schemes within two countries

The Pillar	South Korea	Indonesia
State-Pillar (government)	Scheme: Basic Pension Non-contributory (Defined Benefit) Covers all old ages regardless of the contributions (obtain benefit as the amount of a quarter of the single household minimum cost of living per month)	Scheme: Old-Age Security Defined Contribution. Old-Ages security provides benefit for those who are attaining the retired ages, (starting from age 56 years)/permanent disability and the Survivors. It is only paid once. The vulnerable elderly groups assisted by social assistance programs considering the beneficiaries' needs.
	Scheme: National Pension Scheme (old-age, disability pension, and survivor pension). Contributory and mandatory. Covers the Old-Ages (aged 65 years for maximum benefit)/ disability, and the survivors	Scheme: Pension Security Contributory and mandatory for formal workers. The entrepreneurs, informal workers, and non-workers are encouraged to participate but not mandatory. The benefit will be paid monthly.

	N/A	Scheme: Civil Servant Insurance and Saving Account
		Contributory and mandatory for civil servants only. The benefit will be paid monthly.
Corporate pillar	Dualist scheme	N/A
	(Both 'Defined Benefit' and 'Defined Contribution' Pension Plan)	
	Scheme: Individual Retirement Account	Retirement Insurance
	Defined contribution	(Individual choice or corporate scheme)- Defined Contribution
		Facilitated by public or private Bank agencies with consent between corporate, employee, and Bank agency (as provider) to invest and manage the pension funds (commonly remain fixed for contribution and benefit).

Discussion

Reflecting on the implementation of pension plan schemes in South Korea and Indonesia, some research showed the evaluation and implication to the elderly's quality of life. In South Korea, Park (2018) found that although there is no association between participating in the basic old-age pension and the elderly's happiness. However, Ju (2017) stated that individuals who were not covered by national pension showed lower quality of life, especially wealth and health, than those who received the national pension. Also, Lee & Kim (2017) highlighted that the retirement age is a crucial period due to loss of social and economic resources. Therefore, the retirement policy should focus on financial planning through a pension plan and on strengthening the elderly's social networks to support them.

In the context of Indonesia, pension and old-age security have less concern by only focusing on those who are formal workers are mandatory to participate, and sanctions will be imposed if the employer does not register the worker. However, informal workers and non-workers are only encouraged to participate in both plans voluntarily. Ironically, the participation rate in both programs is much less than the total number of formal workers. Therefore, the retirement plan has not thoroughly covered the informal workers and non-workers. Considering the data from TNP2K (2020), it can be a critical issue, which showed that pension and old-age security covered only 37% of the total elderly in Indonesia. Also, it is worsened by the high percentage of elderly poverty in 9,4% of the total elderly population. It is consistent with Gunadi, et.al. (2021) pension plan Indonesia still showed low participation because of the people's perception that assumed pension benefit would not help their old age life.

In addition, Ananta, et.al. (2021) focused on the pension system for civil servants in Indonesia. It showed that pension benefit is not sufficient to support old-age financial adequacy. There is a necessity to strengthen the comprehensive plan in macro-micro levels through these findings. At the macro level, mandatory participation for all citizens covered by pension plans might improve the aging group's quality of life with income security. Regarding the micro-level perspective, individuals in their young-age groups should increase their awareness and willingness to participate in pension planning through integrative support within the community, government institutions, and private sectors. Thus, this would increase the financial independence of the elderly groups (Larisa, Njo, & Wijaya, 2020; Gunadi, et.al, 2021, Ananta, 2021).

Conclusion

In the middle of better health and life expectancy, Indonesia faces new challenges for the aging population. This study tries to present the reflection of South Korea, one of the prominent aging society representatives in the global context. South Korea enforces the pension scheme with defined benefits and contributions through state and corporate pillars. To anticipate the 'uncovered' group, South Korean government obligate all citizens to participate in pension program as the safety net in later life. Although, the challenging situation in South Korea shows the absence of social networks for supporting the elderly groups and enforcing them for living and surviving alone. Meanwhile, Indonesia implements defined contribution-based and mainly only covers the formal workers. Therefore, this situation will be a challenging problem for future generations since the dependency of the elderly on the younger groups is increasing. As a result, this study expects the people's awareness for participating in the pension plan in their working age to secure their quality of life in the old age. Also, the government should formulate a pension scheme that covers all regardless of work status.

Acknowledgment

The authors would like to thank the Department of Social Welfare, Ewha Womans University and Faculty of Law, University of Indonesia. This paper has been organized with the support of Professor Soondool Chung in facilitating this study. Also, Dr. Siti Hajati Hoesin, M.H., C.N who gave insight related to labor protection law.

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