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**Legal Protection for Workers with Fixed-Term Employment Agreements
(PKWT) as Reviewed by the Job Creation Regulation**

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Article	Abstract
<p><i>Received: Des 02, 2025; Reviewed: Jan 07, 2026; Accepted: Feb 09, 2026; Published: Feb 26, 2026</i></p>	<p>One form of employment relationship in Indonesia is a fixed-term employment agreement, commonly known as a contractual employment agreement. Recently, an increasing number of businesses and companies have adopted a contractual employment system for their workers. In practice, this contractual employment system is suspected of favoring employers or companies, neglecting workers' rights. To obtain data, this study employed a library research method, conducted in libraries, by reading and reviewing books, laws and regulations, scientific papers, articles, the internet, and various other related documents. This article examines the legal protections available to workers whose contracts are continuously extended without clear status certainty. With the enactment of Government Regulation in Lieu of Law (Perpu) Number 02 of 2022, which replaces Law Number 11 of 2020 concerning Job Creation, it is hoped that this regulation will assist workers with Fixed-Term Employment Agreements (PKWT) in fulfilling their rights, particularly regarding the final compensation payment that should be received when the agreement expires.</p> <p>Keywords: Legal Protection, PKWT, Workers.</p>

A. INTRODUCTION

Based on the provisions of the 1945 Constitution of the Republic of Indonesia, specifically Article 1 paragraph (3), it is emphasized that *"The State of Indonesia is a state of law."* This statement emphasizes that Indonesia is a nation that places law as the main basis. The legal system currently used is the Continental European legal system (Djamali, 2014). In addition, the 1945 Constitution also guarantees that every citizen has the right to obtain work and a decent living for humanity. Based on this, Law Number 13 of 2003 concerning Manpower

(Law No. 13 of 2003) was formed, which is stated in the State Gazette of 2003 Number 39. This law then became the main legal basis in the field of employment in addition to the 1945 Constitution. In principle, the law functions as a protective barrier for all workers in Indonesia.

An employment agreement is the starting point for establishing industrial relations between capital owners and workers. However, companies often ignore the provisions contained in the employment agreement, as stipulated in Law Number 13 of 2003 and Decree of the Minister of Manpower and Transmigration Number KEP/100/MEN/VI/2004 (Minister of Manpower and Transmigration of the Republic of Indonesia, 2004). The agreement between the employer and the employee then creates an employment relationship that binds both parties. The establishment of an employment relationship between the employee and the employer gives rise to a number of rights that must be obtained by each party as agreed (Avriandi & Sihotang, 2022). This agreement then becomes the basis for the creation of an employment agreement. An employment agreement is a bond that arises from an agreement between the employee and the employer, which creates obligations for each party to implement the agreement's contents, because the agreement applies like a law to the parties who made it.

The Manpower Law classifies employment agreements into two types: Fixed-Term Employment Agreements (PKWT) and Indefinite-Term Employment Agreements (PKWTT). A PKWT is an agreement between an employee and an employer to establish an employment relationship for a specific period or for a specific type of work. Meanwhile, a PKWTT is an agreement between an employee and an employer to establish a permanent employment relationship. The PKWT system is widely used by companies because it is considered more efficient and effective for employers in increasing profits, due to lower costs for workers. This is because companies do not need to have many permanent workers (Muttaqin & Uwiyono, 2022). If the number of permanent workers is greater, companies are required to provide various welfare facilities, such as health services, severance pay, long-service awards, and so on. By using a PKWT, these costs can be reduced.

The high number of workers with fixed-term employment contracts (PKWT) is considered highly effective in reducing company operational costs and increasing profits, as the burden of expenses on workers is relatively lower. Companies do not need to employ many permanent employees (Permana, 2022). However, the implementation of PKWT raises anxiety among workers, particularly regarding the uncertainty of their future employment relationship. After working for three years as a PKWT worker with a new contract, some workers may feel more at ease, assuming they will transition to permanent employment. However, if the company decides not to renew the contract, workers must be prepared to face the reality of finding new employment (Noviana et al., 2022).

With the enactment of Government Regulation in Lieu of Law (Perpu) No. 02 of 2022 concerning Job Creation, a wave of demonstrations erupted again, involving various groups, including labor unions and students (Soepomo, 2001). This was triggered by several provisions in the Perpu, particularly Part IV concerning employment, which were deemed highly detrimental to workers, including those under PKWT (permanent employment contracts).

Previously, the implementation of PKWT based on the Manpower Law emphasized that PKWT could not be applied to permanent jobs, but only to certain jobs that could be extended or

renewed. The law also stipulates that PKWT can only last for a maximum of two years and can be extended once for one year (Soesilo & R, 2008).

Based on these various descriptions, PKWT workers face uncertainty in their status, because employers can continue to implement fixed-term work agreements in accordance with the provisions of Perpu Number 02 of 2022. Therefore, the author intends to study the Perpu along with aspects of protection and legal certainty for PKWT workers, to understand the position of workers while ensuring that their rights remain guaranteed (Zaeni, 2008).

B. MATERIALS AND METHODS

The research in this article uses a normative legal method. A normative legal approach is a legal study conducted by examining secondary data or library materials as the primary research object, obtained through literature relevant to the topic discussed in this journal. In this prescriptive legal approach, the method used is the statutory regulatory approach, also known as the statute approach .

The data sources used were primary legal materials, such as regulations regarding fixed-term employment agreements, as well as secondary legal materials, such as books and scientific publications related to the research topic. Additionally, tertiary legal materials, such as dictionaries, encyclopedias, newspapers, and various other online sources, were used. Data presentation and analysis were conducted using descriptive-analytical methods. Data processing was conducted qualitatively, while conclusions were drawn using deductive methods.

C. RESULT AND DISCUSSION

Fixed Term Employment Agreement based on Perpu Number 02 of 2022 (Perpu No. 2 of 2022

Fixed-Term Employment Agreements (PKWT), as stipulated in Government Regulation in Lieu of Law (Perpu) No. 02 of 2022 and its derivative regulations, are essentially intended to provide legal certainty for workers and employers. However, on the ground, the implementation of these provisions still presents various issues that directly impact fairness and legal protection for PKWT workers.

A concrete example can be found in the manufacturing sector in the Bekasi industrial area, where PKWT workers' contracts are continuously extended without a break, even exceeding five years (Agustianto, 2022). This practice contradicts Article 8 of Government Regulation No. 35 of 2021, which limits the PKWT work period to a maximum of five years. In reality, workers who have worked for more than five years are still not promoted to permanent employment (PKWTT), thus depriving them of normative rights such as severance pay or job security.

Another example is seen in the modern retail sector in Jakarta. In a number of retail companies, workers under contract with a permanent employment contract (PKWT) are placed in core jobs that should be within the scope of permanent employment. However, Article 59 of the Manpower Law stipulates that PKWT can only be applied to jobs that are temporary, seasonal, or have a specific time limit. In practice, workers often do not receive compensation after the contract expires, as required by Government Regulation No. 35 of 2021.

These conditions have real impacts on workers, such as uncertainty about their employment status, which impacts future planning, including home ownership, credit requirements, and children's education. Furthermore, non-permanent employment contracts (PKWT) workers are vulnerable to unilateral termination without adequate severance pay, and in many cases, they are not registered for social security programs, severely limiting access to social protection. This situation creates psychological stress and opens up opportunities for exploitation, such as excessive workloads without adequate protection of working hours and rest periods.

Comparing legal norms and field practice reveals a significant gap. Legal provisions regulate contract periods, types of work, compensation rights, and social security. However, weak oversight has led many companies to ignore these regulations. Consequently, legal protection for non-permanent employment contracts (PKWT) workers remains ineffective, as loopholes remain exploited by employers to evade their obligations (Udiana, 2011).

Government Regulation No. 35 of 2021, a derivative of the Job Creation Law, which has now been amended through Government Regulation in Lieu of Law No. 2 of 2022, explains that workers with fixed-term contracts (PKWT) face difficulties in becoming permanent employees. This is evident in Article 8, which states:

1. PKWT can be implemented for a maximum period of five years.
2. If the work is not completed after the contract ends, additional time can be given based on an agreement between the worker and the employer, provided that the total PKWT period does not exceed five years.

This provision allows companies to extend contracts up to a maximum limit, so that workers' positions are not as strong as previously stipulated in the Employment Law.

Legal Protection For Pkwt Workers

Justice is a fundamental normative foundation for a nation (Kartasapoetra, 1992), so the nation is obligated to instill values of justice in all its citizens. The principle of justice is the basis for regulating rights in employment relationships, as every nation is committed to implementing justice in the development of its legal system.

Legal certainty refers to a state of firmness and clarity. Law serves as a guide to behavior and an instrument of justice, and therefore must be clear, consistent, and enforceable. Just and consistent laws ensure effective enforcement.

Government Regulation in Lieu of Law (Perppu) No. 02 of 2022 amends numerous provisions in the Manpower Law, including those related to PKWT (Fixed-Term Employment Contracts). Article 59 of the Manpower Law previously limited PKWT to specific jobs. However, the amendment through the Perpu means that companies are no longer obligated to appoint PKWT workers as permanent employees even if they have worked for more than three years. This new provision is detrimental to workers by weakening their position and opening up opportunities for exploitation.

However, not all regulatory changes are negative. Government Regulation No. 35 of 2021 provides new forms of legal protection, such as online registration for PKWT (Personal Employment Contract) and compensation after the PKWT expires—areas previously unspecified.

According to Hanifah (2020), legal protection for workers is the state's responsibility. This protection includes:

1. Technical protection (K3) – to protect workers from the risk of accidents due to work tools or the work environment.
2. Social protection – to ensure the livelihood of workers as part of society.
3. Economic protection – in the form of a guarantee of a decent income.

Wages are an important element in employment relations (Trimaya, 2014). Therefore, the state establishes wage policies, including setting a minimum wage based on a decent standard of living.

K3, Working Hours, Wages, Trade Unions.

Occupational safety and health (K3) protection aims to create security and increase productivity. Employers are required to comply with provisions regarding working hours, as stipulated in Law No. 11 of 2020, Article 77 paragraph (1), namely:

- a. Seven hours per day and forty hours per week for six working days.
- b. Eight hours per day and forty hours per week for five working days.

Employers who employ workers beyond the stipulated hours are required to provide overtime pay. In addition, workers are entitled to rest periods as stipulated in Article 79 of the Job Creation Law, which include:

- a. 30 minutes break after working 4 hours in a row
- b. One day off weekly
- c. Minimum annual leave of 12 working days

Companies can provide longer rest periods based on work agreements or company regulations (Fardiansyah, 2013).

Occupational safety has also become crucial as work intensity increases due to modernization. Law No. 1 of 1970 states that workplace accidents include incidents occurring during work activities and on the way to work. Workers also have the right to form and join trade unions (Law No. 21 of 2000). Trade unions function to advocate for, protect, and improve the welfare of their members.

Immanuel Kant's thinking is considered relevant in the context of protecting working hours and the right to rest. Kant emphasized that humans are free and equal beings and should not be treated merely as tools for the benefit of others (Rif'an et al., 2020). Amendments to Article 59 of the Manpower Law have further weakened the position of fixed-term workers. Allowing fixed-term workers without strict limitations allows companies to extend contracts without requiring permanent employment. This makes it difficult for workers to demand a change in status. Therefore, the author believes there is no strong legal guarantee for fixed-term workers following the enactment of Government Regulation in Lieu of Law No. 02 of 2022 (Shalihah, 2016).

D. CONCLUSION

1. The enactment of Government Regulation in Lieu of Law (Perppu) No. 02 of 2022, which replaces the Job Creation Law, which amends several provisions in the Manpower Law, has created new problems. One of these is that it is increasingly difficult for workers with fixed-term employment contracts (PKWT) to obtain fixed-term employment contracts (PKWTT) status, as Government Regulation No. 35 of 2021 stipulates that workers can continue their contracts for a certain period without requiring permanent appointment.
2. However, not all of the changes in the Perpu have negative impacts. Some improvements in legal protections are present, such as online registration for PKWT (Working Permit) contracts and the provision of compensation after the PKWT period ends.

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