

Company Responsibility Regarding Compensation for Workers Who Violate PKWT in Semarang City According to PP No. 35 of 2021

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Abstract

This article discusses the obligation of companies to pay compensation to fixed-term contract workers whose employment relationship has ended due to violations committed by the workers based on laws and regulations, company regulations, and collective labor agreements. The purpose of this study is to analyze the mechanism of compensation payment by companies and the responsibility of companies regarding compensation payments to PKWT workers who violate PKWT or company regulations using an empirical juridical research method through analysis of labor regulations and empirical data obtained through observation and interviews with industrial relations mediators from the Semarang City Manpower Office and several company HR departments. Based on the results of observations and interviews, it was found that there was a discrepancy between the provisions of PP No. 35 of 2021 in conjunction with Law No. 13 of 2003 in conjunction with Law No. 6 of 2023 (*das sollen*), which requires companies to pay compensation to PKWT workers without exception. However, empirically (*das sein*), there are still many cases of disputes over rights arising because companies do not fulfill this obligation to workers. This situation has created a legal gap between normative provisions and practice in the field. The Constitutional Court Decision No. 168/PUU-XXI/2023, which requires companies to provide compensation without exception, and



the Industrial Relations Court Decision No. 203/Pdt.Sus -PHI/2022/PN Jkt.Pst, which states that companies are required to pay compensation to workers, are examples of the legal consequences faced by companies that fail to comply with applicable regulations.

KEYWORDS

Company, Workers, PKWT, Violation, Compensation Money

Introduction

Law plays an important role in various aspects of Indonesian society. This is stipulated in Article 1 paragraph (3) of the 1945 Constitution, which states that Indonesia is a country based on the rule of law, and that law plays an important role as the basis for regulating all aspects of relations between citizens and the state in society. This aspect must be implemented based on normative provisions and must take into account aspects of justice and guarantee the protection of citizens' rights. Article 28 paragraph (2) of the 1945 Constitution explains that every person has the right to work and receive fair and proper compensation and treatment in employment relationships. The meaning of compensation is divided into two main elements, namely compensation as an achievement for the employer towards the employee and the treatment given by the employer to the employee in accordance with existing provisions and in a fair manner¹. The remuneration received by workers is essentially the result of the employment relationship between workers and employers. Employment relationships are an important part of the implementation of labor law. This is because labor law recognizes three important elements in an employment relationship, namely work, wages, and orders in its implementation.

¹ Atika Intan Khairunnisa, "Analisis Terhadap Pekerja Berstatus Perjanjian Kerja Waktu Tertentu (PKWT) Berdasarkan UU No. 11 Tahun 2020 Tentang Cipta Kerja Studi Pada PT. Madeg Pilar Prayoga Kota Tegal," *Universitas Islam Negeri Walisongo Semarang* (2022).

In Indonesia, the development of labor law during the colonial era began when the Dutch East Indies government issued Staatblad No. 42, which prohibited the shipment of slaves to the island of Java. Then, in 1818, the *Regeling Reglement or Constitution -Constitution of the Dutch East Indies* in Article 115 RR, which stated that the Dutch East Indies government abolished slavery for a period from 1906 to 1960. After Indonesia's independence in 1945, regulations on labor law developed rapidly, beginning during the administration of President Ir. Soekarno, with the issuance of several laws and regulations, such as Law No. 33 of 1947 concerning Work Accidents, Law No. 12 of 1948 concerning Work, Law No. 23 of 1948 concerning Labor Supervision, Law No. 21 of 1954 concerning Labor Agreements between Labor Unions and Employers, Minister of Manpower Regulation No. 90 of 1955 concerning Trade Union Registration, Law No. 18 of 1986 concerning the Ratification of the International Labor Organization (ILO) Convention No. 98 concerning the Fundamentals of the Right to Organize and Bargain, and Law No, 22 of 1957 concerning the settlement of Industrial Relations Disputes². These regulations remained in place for quite some time until, during the administration of President K.H. Abdurrahman Wahid, Law No. 21 of 2000 on Labor Unions was enacted and further refined during the administration of President Megawati Soekarno Putri through Law No. 13 of 2003 on Employment, which replaced 15 previous laws and regulations.

The existence of the Manpower Act provides a legal umbrella for the implementation of manpower in Indonesia and remains in force to this day with regulatory improvements through Law No. 6 of 2023 concerning Job Creation as a derivative of Law No. 13 of 2003 and Government Regulation No. 35 of 2021 concerning Fixed-Term Employment Agreements. Philosophically, labor law is a concrete manifestation of the second and fifth principles of the 1945 Constitution as the highest legal basis in Indonesia.

² Arifuddin Muda Harahap, *Pengantar Hukum Ketenagakerjaan, Literasi Nusantara* (Malang, 2021), <https://doi.org/10.2307/j.ctt1zqrn98.22>.

This can be seen through the principles of just and civilized humanity in the second principle and social justice for all Indonesian people in the fifth principle, which places humans as legal subjects that guarantee a balance between rights and obligations in the context of labor law through legal protection for workers. The working relationship between workers and employers is important in realizing the success of a company. This relationship is based on the mutual interests of employers and workers through a conducive corporate climate fostered by good and mutually beneficial relations between workers and employers³. However, the implementation of employment relationships to date has often not been in accordance with the employment agreements agreed upon by the parties and the normative provisions of Law No. 13 of 2003 in conjunction with Law No. 6 of 2023 in conjunction with Government Regulation No. 35 of 2021, which has caused losses for workers. This can occur due to several factors, such as implementation rules that do not match the needs of the workplace and employers not recruiting workers for tasks that are not needed by a company⁴. The impact of non-compliance with these employment relationships will result in layoffs, either by employers for various reasons or by employees voluntarily and with the agreement of both parties⁵. Termination of employment must be carried out in accordance with the provisions of laws and regulations, both for fixed-term employment agreements (PKWT) and indefinite-term employment agreements (PKWTT).

The term of a fixed-term employment contract refers to Law No. 13 of 2003 as explained in Article 59, which states that a fixed-term employment contract may only be entered into for a maximum period of two years and may be extended once for a maximum period of one year. Meanwhile, the

³ Suwarno Hidayat, Khoirul, Abadi, "Perlindungan Hukum Bagi Pekerja Waktu Tertentu Akibat Mengundurkan Diri Sebelum Waktu Perjanjian Kerja Berakhir" 7, no. 1 (2023): 58–68.

⁴ Nova Rina Legsa, "Analisis Perjanjian Kerja Waktu Tertentu (Pkw) Pada Pt. Satya Agung Kabupaten Aceh Utara Menurut Undang-Undang Nomor 13 Tahun 2003 Tentang Ketenagakerjaan Dan Maqāṣid Al-Syarī'Ah" (Universitas Islam Negeri Ar-Raniry Banda Aceh, 2021).

⁵ Dkk Chamdani, Endarto Budi, Kusnadi Sekar Ayumeida, "Perlindungan Hukum Terhadap Pekerja / Buruh Yang Putus Hubungan Kerja Sebelum Masa Kontrak Kerja Berakhir," *Jurnal Kepastian Hukum Dan Keadilan* 4, no. 1 (2022): 1–16, <https://doi.org/10.32502/khdk.v4i1.4672>.

mechanism for terminating a PKWT employment relationship is explained in Article 62, which states that if one of the parties terminates the employment relationship before the end of the term specified in the PKWT or the end of the employment relationship other than the provisions of Article 61 paragraph (1), the party terminating the employment relationship is obliged to pay compensation to the other party in the amount of the worker's or laborer's wages until the end of the employment agreement period. The wording of this article serves as the normative basis for employers and workers in exercising their rights and obligations. The explanation of the company's obligation to provide compensation to PKWT workers is explicitly explained through Law No. 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law -Law in the provisions of Article 61A, which states that if when a fixed term employment agreement ends as described in Article 61 paragraph (1), letters b and c, the employer must give compensation to the worker based on how long they have been employed by the company. This article serves as the normative basis that applies to date, with the technical provisions for the implementation of Fixed-Term Employment Agreements and the provision of compensation regulated through Government Regulation No. 35 of 2021 in Article 15, which explains that employers are obliged to provide compensation to workers whose employment relationship is based on a Fixed-Term Employment Agreement, with the mechanism for providing compensation being given by the employer to workers who have worked for at least one month continuously or for the duration of the employment agreement. In this case, if the agreement is extended, the compensation will be provided upon the expiration of the agreement. Philosophically, the provision of compensation to workers is one of the legal efforts to provide legal protection to workers, both before and after the term of the agreement expires. However, labor regulations in Indonesia do not place workers in a strong legal position, which can lead to various problems in the fulfillment of workers rights by

employers⁶. The existence of provisions requiring the payment of compensation is one manifestation of the implementation of legal protection theory in the field of labor law. According to Fitzgerald, as quoted by Satjipto Rahardjo, this theory originates from natural law theory or the natural law school of thought pioneered by Plato, Aristotle, and Zeno. According to him, law originates from God, which is universal and eternal, so that law and morality are an inseparable unity. For adherents of this school of thought, law and morality are a reflection and rules, both internal and external, of the life that humans live⁷. In his work, Fitzgerald explains that the theory of legal protection aims to integrate and coordinate the many interests of various elements of society in order to minimize the risk of conflicts of interest. Furthermore, this theory views that the law has an interest in addressing human rights and interests and determining the interests of humans that need to be protected by looking at the stages of legal protection through legal mechanisms based on community agreements to regulate behavioral relationships between individuals, communities, and the government as representatives of the people's interests.

The weak legal position of workers has resulted in a high number of layoffs across all provinces in Indonesia. According to the official website of the Ministry of Manpower of the Republic of Indonesia, there were 79,302 cases of termination of employment in Indonesia throughout 2025⁸. This number has increased compared to 2024, with 77,965 cases of termination of employment, 64,855 cases in 2023, and the lowest number in 2022 with only 25,114 cases of termination of employment. Based on data from the Ministry of Manpower of the Republic of Indonesia, Central Java Province is included in the list of provinces with the highest number of termination of employment cases, with a total of 14,005 cases. This number increased from 2024 with 13,130 cases of termination of employment and 2023 with 9,435 cases, which is a significant

⁶ Muhammad Amin Effendy et al., "IMPLEMENTASI DAN PERMASALAHAN MENGENAI PERJANJIAN KERJA WAKTU TERTENTU (PKWT) PASCA BERLAKUNYA UNDANG-UNDANG CIPTAKERJA," *Jurnal Ilmiah Galuh Justisi Fakultas Hukum Universitas Galuh* 11, no. 1 (2023): 135–48.

⁷ Satjipto Rahardjo, *Ilmu Hukum* (Bandung: PT. Citra Aditya Bakti, 2000).

⁸ Kementerian Ketenagakerjaan, "Tenaga Kerja Ter-PHK, Januari – November Tahun 2025," *Satudata.Kemnaker.Go.Id*, 2025, <https://satudata.kemnaker.go.id/data/kumpulan-data/2986>.

increase compared to 2022 with 467 cases of termination of employment⁹. Data obtained from the Ministry of Manpower indicates that cases of termination of employment continue to increase every year in Indonesia, particularly in Central Java Province, which has also seen an annual increase in cases. Semarang City, the capital of Central Java Province, also experiences a significant number of termination of employment cases. This is reinforced by data from the Industrial Relations Dispute Resolution (PPHI) of the Semarang City Manpower Office during 2025, which found 423 cases of termination of employment based on reports from workers who reported termination of employment to the Semarang City Manpower Office¹⁰. Of the total 423 cases of layoffs reported by the Semarang City Manpower Office, 17 cases of violations were found to have resulted in termination of employment in Semarang City¹¹. This number is not final because the data was obtained based on reports from workers who reported termination of employment to the Semarang City Manpower Office. However, when compared to 2024, this number has decreased. As quoted in a news article from the Semarang City Manpower Office, there were 1,106 cases of termination of employment in Semarang City¹². The high number of cases of termination of employment in Indonesia, particularly in the city of Semarang, whether due to violations committed by workers or unilateral termination by employers, has raised various questions regarding the legal position of workers in obtaining compensation money as their right.

⁹ Kementerian Ketenagakerjaan, "Tenaga Kerja Ter-PHK Tahun 2022," *Satudata.Kemnaker.Go.Id*, 2022, <https://satudata.kemnaker.go.id/data/kumpulan-data/1659>.

¹⁰ Adzraa N.R Tsabita, "Ribuan Pekerja Di Semarang Terkena PHK, Program Jaminan Kehilangan Pekerjaan (JKP) Diuji Di Tengah Krisis Industri," *Dinas Tenaga Kerja Kota Semarang*, November 2025, <https://disnaker.semarangkota.go.id/artikel/dQuS4vMZbNgOT8dI3ZriBlrv56nDoLH9iD4NXNBwyOcY2VUpzwyTOxpmb5u1fsX1-WvwelPmpuh3YfkevFZpkjxRAnkraRmiAgqW4hWk2mtbsstPIXjwiWtebJLISmOW2>.

¹¹ Suci Sekarwati, "PHK Di Semarang Tembus 1.750 Pekerja, Perusahaan Pailit Jadi Sebab Utama," *Inilah.Com*, 2025, <https://www.inilah.com/phk-di-semarang-tembus-1750-pekerja-perusahaan-pailit-jadi-sebab-utama>.

¹² Bidang Pelatihan Tenaga Kerja, "Ribuan Buruh Di Kota Semarang Kena Badai PHK, Apa Solusinya," *Disnaker.Semarangkota.Go.Id*, 2025, <https://www.disnaker.semarangkota.go.id/artikel/3ZTMYSZtrWH4oYdgnIS1WoYiUdg3qwHSH2jP4XKk76PmjMxqpG6MAdC3i5dtToaYtTsgumydpIbmHI7p4OsXvoKqb5PSxfjf5uYBzahYbvAHCsMDYJE4MZIAjCHqAzkd>.

Cases of termination of employment that have entered the realm of the Manpower Office are attempts at non-litigation settlement in the tripartite stage. The reason for the large number of cases of termination of employment entering the tripartite stage is the failure of mediation conducted at the bipartite stage between the employer and the employee. During the tripartite stage, the industrial relations mediator, as a government official from the Manpower Office of the district or city where the company is located, will bring both parties together for mediation to resolve the dispute through non-litigation. In this case, the mediator, as a government official authorized by the state to act as a mediator in tripartite mediation, will explain the rights and obligations of each party and listen to the reasons why the employer has not fulfilled their obligations¹³. Later, the industrial relations mediator will explain the role of the government through Constitutional Court Decision Number 168/PUU-XXI/2023, which affirms that protection for the provision of compensation payments to workers is a constitutional right that cannot be unilaterally revoked by employers, and that compensation payments are a form of social justice and legal certainty for workers as mandated by law¹⁴.

Indonesian labor laws and regulations normatively require employers to fulfill their obligations to workers with fixed-term employment contracts regarding compensation payments. However, based on empirical data, the high number of employment termination cases in Indonesia, Central Java, and Semarang City in recent years has resulted in a high number of reports of employment termination by workers to the relevant Manpower Office and numerous cases resolved through tripartite negotiations regarding the fulfillment of obligations by companies to provide compensation to workers for certain reasons, thus creating a legal gap between the provisions of the law that do not explicitly explain whether there are exceptions for employers in providing compensation to workers whose

¹³ Geraldo Samuel Kambey, "PERJANJIAN KERJA WAKTU TERTENTU (PKWT) BERDASARKAN HUKUM KETENAGAKERJAAN," *Lex Privatum IX*, no. 6 (2021): 130–40.

¹⁴ Bella Andrian, Sri, Dalila, "Hak Kompensasi Karyawan Berdasarkan Undang-Undang Nomor 6 Tahun 2023 Tentang Cipta Kerja," *SUA Journal Of Law* 3, no. 1 (2023): 25–41.

employment relationship has ended due to violations of the employment agreement or company regulations. This research is important to determine the alignment between the normative provisions, namely Government Regulation No. 35 of 2021 and its implementation by companies through empirical facts that occur in industrial relations in the city of Semarang to clarify the mechanism for the provision of compensation by companies to fixed-term contract workers based on PP No. 35 of 2021 and the responsibility of companies to provide compensation if the worker violates the fixed-term employment agreement, thereby causing losses to the company. Based on the background described above, the author will comprehensively examine the following issues:

1. How does the company provide compensation to workers who violate fixed-term employment agreements (PKWT) based on Government Regulation No. 35 of 2021?
2. What is the company's responsibility regarding the provision of compensation to workers who violate fixed-term employment agreements that cause losses to the company?

Methods

In conducting this research, the author uses an empirical juridical method in presenting facts that are certain and real, as seen by the law itself, as an appropriate basis by analyzing the *legal gap* between Government Regulation No. 35 of 2021 concerning Fixed-Term Employment Agreements as *Das Sein* and the implementation of laws regarding corporate responsibility in terms of providing compensation to workers with fixed-term employment agreements (PKWT) who commit violations based on Article 59 paragraph (2), company regulations or collective labor agreements in the city of Semarang as *Das Sollen*. In collecting this data, the author conducted direct research to reveal the legal gap that exists in Semarang City regarding the application of laws and regulations, which can later be used as a reference for each party in re-conceptualizing regulations regarding the provision of compensation in the future. In this study, the data

obtained by the author is primary data sourced from observations and interviews with various sources, namely the Industrial Relations Mediator of the Semarang City Manpower Office and several HR companies in Semarang City, which can be processed into an article. In addition, to strengthen the data, the author also used secondary data derived from normative provisions such as Law No. 13 of 2003, Law No. 6 of 2023, Government Regulation No. 35 of 2021, and Constitutional Court Decision No. 168/PUU-XXI/2023, which regulate the implementation of labor law in Indonesia with a qualitative approach in interpreting applicable legal norms with empirical facts regarding the provision of compensation by companies to workers with fixed-term employment agreements in Semarang City.

Results and Discussion

1. Mechanism For Companies To Provide Compensation To Workers Who Violate PKWT Based on PP No. 35 of 2021

Companies are required to give workers compensation under fixed term employment agreements (PKWT) according to Government Regulation No. 35 of 2021. This rule is in place to protect workers rights when their employment ends either because the agreement period is up or if the job ends before that time. Similar legal provisions are also applied in Malaysia as a form of protection for workers regarding the provision of *Termination Benefits* and *Lay-Off Benefits* (compensation payments), which are specifically regulated through Employment Act tahun 1955 dan Employment Regulations 1980. The Employment Act 1955 is the labor law that applies in Malaysia and, in terms of function, this Act is the legal basis for the implementation of labor in Malaysia, while the Employment Regulation 1980 is the implementing regulation of the Employment Act 1955 which stipulates the rights of workers to receive compensation. However, the

Employment Act 1955 does not specifically regulate workers' rights to termination and layoff benefits in the body of the Act, and further provisions on this matter are regulated through implementing regulations applicable in Malaysia. This differs from the provisions of Indonesian legislation, which explicitly explains the obligation of companies to provide compensation to workers through Government Regulation No. 35 of 2021. The differences in legal construction between Indonesia and Malaysia are important to analyze comprehensively in order to determine the level of legal certainty and the effectiveness of the implementation of compensation payments, which are summarized in more detail in the following table.

TABEL 1. Comparative Data on Companies Authority to Provide Compensation to Workers

Jenis Perbandingan	Indonesia	Malaysia
Applicable law	1. Law No. 13 Tahun 2003 2. Law No. 6 Tahun 2023 3. Government Regulation No. 35 of 2021	1. Employment Act 1955 2. Employment Regulation 1980
Related articles	1. Article 15 of Government Regulation No. 35 Tahun 2021 2. Article 15 of Government	1. Section 60J Employment Act 1955 2. Regulation 3 Employment Regulation 1980

	Regulation No. 35 Tahun 2021 3. Article 61A of Law No. 6 Tahun 2023	3. Regulation 6 Employment Regulation 1980
Minimum period of employment	Article 15 paragraph (3) of Government Regulation No. 35 of 2021, which is at least 1 month continuously.	which is at least 12 months of work and termination of employment is not due to work errors.
Rights obtained by workers	If a fixed-term employee is terminated by the company for violating the provisions of Article 52 of Government Regulation No. 35 of 2021 in accordance with Article 15 in conjunction with Article 17 of Government Regulation No. 35 of 2021, the company is obliged to pay compensation to the employee in accordance with the	If a worker is terminated by the company due to violating the provisions of Section 14 paragraph (1) of the Employment Act 1955 and the basis for the company's termination must go through a due inquiry mechanism and has implications for the forfeiture of the worker's rights to termination benefits (severance pay or compensation).

	length of service of the employee.	
Sifat kewajiban	Mutlak dan bersifat mengikat	Tidak mutlak dan bersyarat

Sumber: PP No. 35 Tahun 2021, Employment Act 1955 dan Employment Regulation 1980, Februari 2026

The table shows several fundamental differences regarding the authority of companies to provide compensation to workers in Malaysia and Indonesia. Section 14 of the Employment Act 1955 explains that companies can terminate the employment of employees due to four main situations, namely disciplinary violations by workers, including dishonesty, theft, harassment, or insubordination; poor performance by employees who fail to contribute maximally to the company, unnecessary conditions due to restructuring or cost control by the company, and the expiration of fixed-term contracts that are not renewed by the company¹⁵. If workers are laid off by the company due to the four situations mentioned above, they are not entitled to *termination benefits* (severance pay or compensation). This differs from the provisions of the applicable laws and regulations in Indonesia. As explained in Article 15 of Government Regulation No. 35 of 2021, it is explicitly stated that employers or companies are obliged to provide compensation to employees or workers whose employment relationship is based on a fixed-term employment contract (PKWT). The provision of compensation is carried out at the end of the PKWT with the stipulation that compensation is given to employees or workers who have worked for at least one month continuously¹⁶. In this case, if the PKWT is

¹⁵ Ayman Falak Medina, "Termination Laws and Severance Obligations in Malaysia," *ASEAN Briefing*, October 2025, <https://www.aseanbriefing.com/news/termination-laws-and-severance-obligations-in-malaysia/>.

¹⁶ Indra Agus Priyanto, "PERLINDUNGAN HUKUM TERHADAP PEKERJA PKWT DALAM PEMBERIAN UANG KOMPENSASI," *Cakrawala Repository IMWI* 6, no. 2 (2023): 924–33, <https://doi.org/https://doi.org/10.52851/cakrawala.v6i2.288>.

extended, compensation will be paid at the end of the PKWT period. In addition, the obligation to provide compensation is also explained in Article 17, which states that if one of the parties terminates the employment relationship before the end of the period specified in the PKWT, the company or employer is obliged to provide compensation in accordance with the provisions of Article 15 paragraph (1), with the amount of compensation further calculated according to the PKWT period that has been carried out by the worker. The provisions of this article are further reinforced by Constitutional Court Decision No. 168/PUU-XXI/2023, which also affirms the company's obligation to provide compensation to workers in accordance with the provisions of Law No. 6 of 2023, Article 61A¹⁷. However, with reference to Article 36 letter k of Government Regulation No. 35 of 2021, a company may terminate an employment relationship if an employee or worker commits a violation as further stipulated in the employment agreement, company regulations or collective labor agreement and has previously been given a first, second, and third warning letters consecutively within a maximum period of six months, unless otherwise specified in the employment agreement, company regulations, or collective labor agreement¹⁸. Further explanation of the types of violations that can lead to termination of employment are regulated in Article 52 paragraph (2) of Government Regulation No. 35 of 2021 with the following details:

- a. Committing fraud, theft, or embezzlement of company property and/or money;
- b. Providing false information that causes loss to the company;

¹⁷ Devi Noviarani Rusyiana, Ilma Amalia, Nor Isma, Widi Pandu Ardiyanto, Muhammad Wildan Fahmi, Diena Mawaddah, "Analisis Putusan Mk Nomor 168/Puu-Xxi/2023: Implikasi Terhadap Perlindungan Hak Pekerja Di Indonesia Rusyiana," *Jurnal Ilmiah Wahana Pendidikan* 11, no. 168 (2025): 139-47, <https://doi.org/https://jurnal.peneliti.net/index.php/JIWP/article/view/10765>.

¹⁸ Dodi Junaedi, Anggreany Haryani Putri, and Ofis Rikardo, "Tinjauan Hukum Pembayaran Kompensasi Bagi Karyawan Yang Diputus Hubungan Kerjanya," *Jurnal Hukum Pelita* 4, no. 2 (2023): 108-22.

- c. Drinking alcohol or other intoxicating beverages, using and/or distributing narcotics, psychotropic drugs, or addictive substances within the company;
- d. Engaging in immoral acts or gambling within the company;
- e. Assaulting, abusing, threatening, or intimidating coworkers or superiors within the company;
- f. Persuading coworkers or superiors to commit acts that violate applicable laws;
- g. Carelessly or intentionally allowing coworkers or superiors to be in danger within the company;
- h. Disclosing or leaking company secrets, except for the benefit of the state;
- i. Committing other acts punishable by imprisonment for 5 (five) years or more.

The provisions of this article serve as the legal basis for companies to terminate the employment of workers who commit violations that may cause losses to the company and are regulated in employment agreements, company regulations, or collective labor agreements¹⁹. However, if the employee is dismissed when the period of employment is less than one month continuously, compensation cannot be given to the employee in accordance with the provisions of Article 15 paragraph 3. However, apart from this exception, the company is still required to provide compensation to the employee even if the employee's employment agreement is terminated before the specified term of the Fixed Term Employment

¹⁹Turro S Wongkaren et al., "Analisa Implementasi UU Cipta Kerja Kluster Perjanjian Kerja Waktu Tertentu (PKWT) Dan Alih Daya," *Jurnal Ketenagakerjaan* 17, no. 3 (2022), <https://doi.org/10.47198/naker.v17i3.184>.

Agreement (PKWT)²⁰. The amount of compensation paid by the company to workers is explicitly explained in Article 16 of Government Regulation No. 35 of 2021 with details as follows: if a fixed term employment agreement (PKWT) has been in place for 12 months straight, the employee gets one months salary as compensation, if the agreement is for one month or longer but less than 12 months, the compensation is calculated based on the time worked. If the agreement is for more than 12 months continuously, the compensation is also calculated based on the time worked. To figure out the compensation amount, divide the total years of service by 12, then multiply by one months salary.²¹ The result of this calculation is the final amount of compensation received by the worker.

2. Company Responsibility Regarding Compensation Payments to Employees Who Violate PKWT and Cause Losses to the Company

Since the enactment of Government Regulation No. 35 of 2021, which regulates in detail the provision of compensation payments to workers, to date these provisions have not been fully implemented by many companies in Indonesia, one of which is in the city of Semarang²². This was proven through observations and interviews conducted by the author together with the Industrial Relations Mediator of the Semarang City Manpower Office, explaining the reasons why many companies operating in various industrial fields in Semarang City have not implemented these provisions to date. The contributing factors include a lack of understanding among *human resources* (HR) departments of companies in Semarang City regarding the

²⁰ Sinarianda Kurnia Maziza, Charicia Nanda, Hartantien, "BENTUK PERLINDUNGAN HUKUM BAGI PEKERJA YANG TERIKAT DENGAN PERJANJIAN KERJA WAKTU TERTENTU BERDASARKAN UNDANG-UNDANG CIPTA KERJA," *Jurnal Judiciary* 11, no. 1 (2022), <https://ejournal.fh.ubhara.ac.id/index.php/judiciary/article/view/119>.

²¹ Indra Agus Priyanto, "IMPLEMENTASI TERHADAP PEMBERIAN UANG KOMPENSASI KARYAWAN PKWT" 1, no. 1 (2023): 1-7, <https://doi.org/10.28946/jis.Vol1.Iss1>.

²² Mashari Suroto, "Efektivitas Eksekusi Terhadap Pengusaha Yang Tidak Membayar Pesangon," *Jurnal Pembangunan Hukum Indonesia* 4, no. 3 (2022): 459-70, <https://doi.org/https://doi.org/10.14710/jphi.v4i3.459-470>.

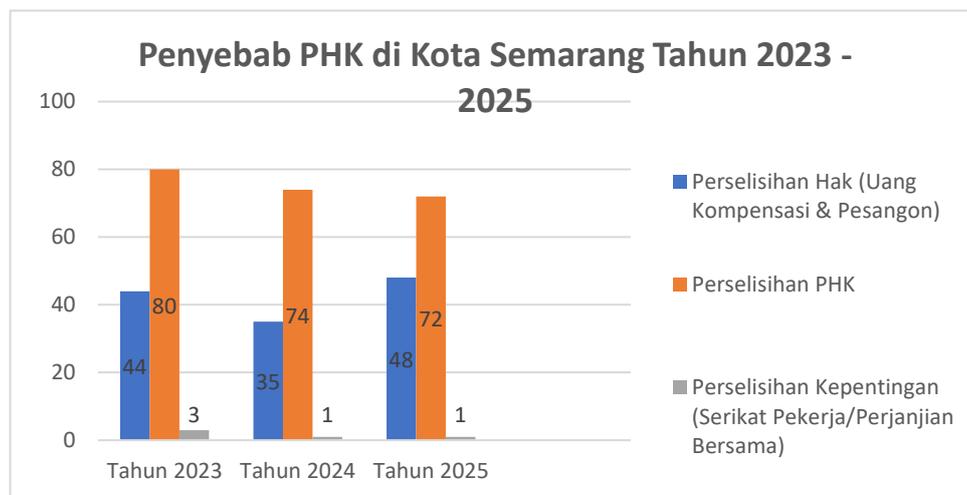
provisions of laws and regulations currently in force in Indonesia, then the financial limitations of companies that cause these obligations not to be carried out, to the existence of intentional acts by companies under the pretext of exceptions to the provision of compensation because the worker has committed a serious violation, the type of which is regulated in the Company Regulations or Collective Labor Agreement (PKB)²³.

Preventive measures were taken by the government through the Semarang City Manpower Office by providing various types of technical guidance (bimtek) to companies in Semarang City, such as technical guidance on the formulation of company regulations, company organizational structure and wage scales, the establishment of bipartite cooperation institutions, and the dissemination of information on the settlement of industrial relations disputes (PPHI). This technical guidance is provided to and targeted at companies that have a special record with the Semarang City Manpower Office, such as those that have had industrial relations disputes, received complaints from workers regarding rights not granted by the company, or companies that do not yet have a strong organizational structure. In addition, mitigation is carried out by the Semarang City Manpower Office when companies submit their PKWT reports. When the PKWT report is submitted, the Manpower Office will provide information to the company regarding the company's rights and obligations towards workers, such as the obligation to provide compensation even if the worker has committed a serious violation that could lead to termination of employment. If the PKWT reported by the company still contains articles that do not comply with the provisions of the legislation, the Manpower Office will provide special notes to the company for future PKWT reports. The Semarang City Manpower Office also conducts Tripartite Cooperation Meetings (LKS Tripartit) involving

²³ Micael Josviranto, "Tinjauan Yuridis Perusahaan Dalam Pelaksanaan Pemutusan Hubungan Kerja (PHK) Menurut Undang-Undang No.13 Tahun 2003 Tentang Ketenagakerjaan" 7, no. 13 (2022): 165–70, <https://doi.org/https://doi.org/10.28926/briliant.v7i1.895>.

representatives from companies, labor unions, and the Indonesian Young Entrepreneurs Association (Apindo) on a regular basis. It also implements an early detection program by conducting monthly inspections of several companies to ensure that they have addressed the special notes previously provided by the Semarang City Manpower Office.

TABEL 2. Causes of Layoffs in Semarang City In 2023-2025



Source: Semarang City Manpower Office

Based on data obtained by the author, it was found that over the past three years there have been fluctuations in employment termination in Semarang City caused by disputes over rights between companies and workers. In 2023, there were 44 cases of disputes over compensation and severance pay, which then decreased to 35 cases in 2024 and increased to 48 cases in 2025. When calculated from 2023 to 2025, there were 127 cases of disputes over rights between companies and workers in Semarang City. Of the total 127 cases of rights disputes, according to a statement by the Semarang City Manpower Office's industrial relations mediator, there are still many empirical facts that companies do not comply with their obligation to pay compensation to PKWT workers on the grounds that the workers have committed serious violations in accordance with the provisions of Article 52 paragraph (2) of PP No. 35 of 2021, company regulations or collective labor agreements, and were then subject to

termination sanctions but were not given compensation by the company on the grounds that the workers had caused losses to the company. This data serves as an initial indicator that there are still many disputes over compensation between companies and workers in Semarang City due to companies not fulfilling workers' rights, one of which is the provision of compensation. Companies that fail to provide compensation to workers in accordance with Article 61 of Government Regulation No. 35 of 2021 will be subject to administrative sanctions in the form of written warnings, restrictions on business activities, temporary suspension of some or all production equipment, and freezing of business activities²⁴. This is also explained in Law No. 6 of 2023, which explicitly clarifies the sanctions imposed on companies that do not fulfill their obligations to provide workers' rights, as explained in Article 185, which states that companies that violate the provisions of Article 156 paragraph (1) shall be subject to criminal sanctions of imprisonment for a minimum of one year and a maximum of two years and/or a fine of at least IDR 100,000,000 and a maximum of IDR 400,000,000 and shall be categorized as criminal offenses. Furthermore, Law No. 13 of 2003 also explains in Article 111 paragraph (2) that the provisions in company regulations must not conflict with the provisions of applicable laws and regulations, meaning that company regulations that conflict with the Law are null and void and must comply with the provisions stipulated in the Law ²⁵.

The existence of administrative sanctions against companies that do not comply with the provisions of the law in this case, namely the provision of compensation to PKWT workers, is also reinforced by the decision of the Central Jakarta District Court's Industrial Relations Court (PHI) Number 203/Pdt.Sus-PHI/2022/PN Jkt.Pst. In that decision, based on the legal

²⁴ Duwi Aprianti, "PERLINDUNGAN HUKUM TERHADAP PEKERJA DALAM PERJANJIAN KERJA WAKTU TERTENTU (PKWT)," *Jurnal Hukum Saraswati* 3, no. 1 (2021): 70–82, <https://doi.org/https://doi.org/10.36733/jhshs.v3i1.1853>.

²⁵ Diah Puji Lestari, "Analisis Yuridis Normatif Pemberian Kompensasi Perjanjian Kerja Waktu Tertentu (PKWT) Berdasarkan Undang-Undang Cipta Kerja," *Jurnal Hukum Lex Generalis* 3, no. 5 (2022): 339–49.

considerations of the Panel of Judges of the Industrial Relations Court (PHI) of the Central Jakarta District Court, the judge stated that the defendant was obliged to pay compensation to the plaintiff even though the worker had been dismissed by the company for violating company regulations. In the decision, the company was required to pay compensation to the worker in the amount of 1 month's salary, totaling IDR 26,000,000.00, due to the plaintiff's 12 months of service. This is in accordance with the provisions of Article 61A of Law No. 13 of 2003 and Article 16 of Government Regulation No. 35 of 2021. This is a moral defeat for the company and its Human Resources department, which was deemed to have been careless in understanding, interpreting, and complying with the provisions of labor laws applicable in Indonesia.

Conclusion

Referring to Government Regulation No. 35 of 2021, it explicitly states that companies are required to provide compensation to workers with a Fixed-Term Employment Agreement (PKWT) when the contract ends. The regulation also explains that if a party terminates the employment relationship before the PKWT expires, the company is required to provide compensation to the worker based on the length of service of the worker. In addition, Constitutional Court Decision No. 168/PUU-XXI/2023 also emphasizes that the provision of compensation by companies to workers is absolute and binding, even if the termination of employment is due to violations committed by workers according to Article 52 paragraph (2) of Government Regulation No. 35 of 2021, PKWT, Company Regulations or Collective Labor Agreements. However, based on observations and interviews conducted with several company HR departments and the Semarang City Manpower Office, it was found that there was a discrepancy between the normative provisions and the empirical facts in the field. This was confirmed by the Industrial Relations Mediator of the Semarang City Manpower Office, who stated that since Government Regulation No. 35 of 2021 was passed and came into effect, there are still many companies in Semarang City that have not implemented this obligation. The main factors causing this problem are the lack of understanding of labor regulations among company human resources (HR) personnel, the financial limitations of companies, and the deliberate actions of companies using the excuse of exceptions due to serious violations committed by workers. The discovery of 127 cases of rights disputes over the past three years in Semarang City is evidence that many companies are still not fulfilling this obligation. The decision of the Central Jakarta Industrial Relations Court No. 203/Pdt.Sus-PHI/2022, which ruled that the company must provide compensation to the

plaintiff as a PKWT worker in the amount of IDR 26,000,000.00, is one example of the legal consequences for companies that do not provide compensation to workers. Normatively, the company must still pay compensation, even if the employee was terminated due to violations that fall under the category of urgent according to the law, company regulations, or collective labor agreements. In addition, there are moral consequences for companies and HR departments that fail to understand and implement Indonesian labor regulations.

With the discovery of a *legal gap* based on this issue, as a preventive measure, companies through their Human Resources (HR) or *Industrial Relations* departments must proactively conduct training and dissemination of labor regulations to HR as the party authorized to issue termination letters and to workers so that employment relationships can run smoothly. Furthermore, it is important for the company's HR department to understand labor laws by participating in technical guidance sessions held regularly by the Manpower Office as a preventive measure to minimize the risk of similar incidents recurring. In addition, by implementing the provisions of laws and regulations, the company not only prevents potential disputes, but also contributes to maintaining harmonious industrial relations between the company and its employees.

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