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Legal Position of Employment Agreement after the Enactment of Government Regulation in Lieu of Law (*Perpu*) Number 02 of 2022 Concerning Manpower

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Abstract: The government has replaced Law Number 2 of 2022 on Job Creation, eliminating derivative provisions from Law Number 11 of 2020 on Employment and citing the principles of Legal Certainty and Protection. The terms of employment contracts are predominantly governed by Law Number 13 of 2003 on Manpower, with specific provisions from Law Number 11 of 2020 remaining intact, such as the conversion from Fixed-Term Work Agreements/*Perjanjian Kerja Waktu Tertentu (PKWT)* to Permanent Work Agreements/*Perjanjian Kerja Waktu Tertentu (PKWTT)*. Meanwhile, Government Regulation Number 35 of 2021 has been rescinded by the newly implemented Regulation, posing challenges for legal status adjustments in district courts. This investigation aims to scrutinize and elucidate the execution of converting *PKWT* to *PKWTT* before enacting the Government Regulation in Lieu of Law (*Perppu*) and the Omnibus Law. Subsequently, the aim is to explore and clarify the conversion of fixed-term work contracts such as *PKWT* into permanent work contracts such as *PKWTT* following the implementation of the *Perppu*. This study adopts a normative/doctrinal approach. The consulted literature encompasses various legal documents, including Government Regulation Number 35 of 2021. Then, it was found that the significance of regulations concerning the *PKWT* to *PKWTT* conversion was underscored in offering clarity to workers in their daily tasks. The Manpower Law imposes restrictions on work agreements with employees, mandating written contracts in Indonesian and prohibiting multiple extensions beyond the stipulated limit.

Keywords : Employment Agreements; Legal Status; *PERPPU* 02 of 2022; Job Creation.

Abstrak: Pemerintah telah mengganti Undang-Undang Nomor 2 Tahun 2022 tentang Cipta Kerja dengan menghilangkan ketentuan turunan dari Undang-Undang Nomor 11 Tahun 2020 tentang Ketenagakerjaan dan mengutip prinsip-prinsip Kepastian dan Perlindungan Hukum. Ketentuan kontrak kerja sebagian besar diatur oleh Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan, dengan ketentuan khusus dari Undang-Undang Nomor 11 Tahun 2020 tetap dipertahankan, seperti konversi dari *Perjanjian Kerja Waktu Tertentu (PKWT)* menjadi *Perjanjian Kerja Waktu Tidak Tertentu (PKWTT)*. Sementara itu, Peraturan Pemerintah Nomor 35 Tahun 2021 telah dibatalkan oleh Peraturan yang baru diimplementasikan, sehingga menimbulkan tantangan untuk penyesuaian status hukum di

pengadilan negeri. Penelitian ini bertujuan untuk meneliti dan menjelaskan pelaksanaan konversi PKWT menjadi PKWTT sebelum diberlakukannya Peraturan Pemerintah Pengganti Undang-Undang (Perppu) dan Omnibus Law. Selanjutnya, tujuannya adalah untuk mengeksplorasi dan mengklarifikasi konversi PKWT menjadi PKWTT setelah penerapan Perppu tersebut. Penelitian ini menggunakan pendekatan normatif/doktrinal. Literatur yang dikonsultasikan mencakup berbagai dokumen hukum, termasuk Peraturan Pemerintah Nomor 35 Tahun 2021. Kemudian, ditemukan bahwa pentingnya peraturan mengenai konversi PKWT ke PKWTT digarisbawahi dalam memberikan kejelasan bagi pekerja dalam menjalankan tugas sehari-hari. UU Ketenagakerjaan memberlakukan pembatasan perjanjian kerja dengan pekerja, mewajibkan kontrak tertulis dalam bahasa Indonesia dan melarang perpanjangan di luar batas yang ditentukan.

Keywords : Perjanjian Kerja; Status Hukum; PERPPU 02 tahun 2022; Penciptaan Lapangan Kerja.

INTRODUCTION

The role of the government continues to strive to improve the country's economy, of course, for the welfare of the people in various aspects¹. Since businesses have a significant impact on the business world and influence everyone's economic advancement, each firm is also involved in this development². Employees depend on the firm for their financial well-being since, in addition to pursuing profit, it also includes them in the lives of others who work for it. Indonesia has a relatively significant labor force and the availability of workers of variable quality results in pay discrepancies that might pose issues with employment³. However, economic development is also not separated from the development of law, so it involves all the elements in the country⁴.

Furthermore, the employees and the company are in a continuous state of industrial relations, in which the organization is represented by the entities that manage the business's interactions with its workers⁵. In order to carry out their industrial relations, the workforce is separated into fixed-term employment agreements / *Perjanjian Kerja Waktu Tertentu (PKWT)* and Indefinite-term employment agreements / *Perjanjian Kerja Waktu Tertentu (PKWTT)*. *Ipkwt* is generally a work agreement between workers/laborers and employers to create a working relationship determined from the start⁶. Workers and the firm always engage in

¹ James O'connor, *The Fiscal Crisis of the State* (Routledge, 2017).

² Pradnya Paramita Hapsari, Abdul Hakim, and Irwan Noor, "Pengaruh Pertumbuhan Usaha Kecil Menengah (UKM) Terhadap Pertumbuhan Ekonomi Daerah (Studi Di Pemerintah Kota Batu)," *Wacana Journal of Social and Humanity Studies* 17, no. 2 (2014): 88–96.

³ Martina Kirchberger, "Natural Disasters and Labor Markets," *Journal of Development Economics* 125 (2017): 40–58.

⁴ Fithriatus Shalihah, "Industrial Relations with Specific Time Work Agreements after the Decision of the Constitutional Court of the Republic of Indonesia Number 91/PUU-XVIII/2020 in The Perspective of Legal Justice," *Jurnal Hukum Novelty* 13, no. 1 (2022).

⁵ John Gennard and Graham Judge, *Employee Relations* (CIPD Publishing, 2005).

⁶ Indah Kesuma and Aloysious Uwiyono, "Legal Protection Of Outsourcing Workers Post Validity Of The Job Creation Law," *ULREV Unram Law Review* 6, no. 1 (2022).

industrial relations while conducting work relations. The company is represented by its management, which directly negotiates with its employees. The workforce is classified into two types of employment agreements: Fixed-Term Employment Agreements (*PKWT*) and Indefinite-Term Employment Agreements (*PKWTT*). Each type of agreement has its unique meaning and rights regarding labor relations. Notably, the renewal of the employment contract is conditional on alterations to particular commitments stated in the agreement and does not apply to extensions of *PKWT*. There are divergent opinions on whether the maximum duration of *PKWT* should be interpreted as 2+1+2=5 years or limited to a total of 3 years.

Various companies have unique contracts or work agreements to avoid violating these provisions. However, some companies ignore these regulations, leaving workers uninformed about their employment status. Consequently, these workers often experience indefinite extensions of their work agreements. They have more than ten years of service. A decade. Legal repercussions the worker's status changes to *PKWTT* in the sense that it is repaired if these clauses are broken. Typically, this appears as *PKWT* after the work period has ended. In late 2022, the Government released a Regulation to replace Law Number 2 of 2022 (referred to as "Perppu Ciptaker"), which had previously been enacted as the Job Creation Law (referred to as "Ciptaker Law") in 2020 and encompassed several statutes and provisions. The emergence of every legislation This updates or modifies several laws, one of which being the Manpower Law, which is met with both criticism and favor. When it comes to labor matters, there are four categories or areas to consider: (i) employment contracts, work schedules and breaks, subcontracting, and the end of employment (PHK); (ii) salaries; (iii) foreign employees; and (iv) a job loss insurance scheme^{7, 8}. In particular, *PKWT* is heavily influenced by the rules in this cluster in Indonesia. The impact of this legislation extends to the conversion of *PKWT* to *PKWTT*^{9,10,11}. While being granted *PKWTT* status offers employees additional claims and advantages compared to *PKWT* status alone, issues often arise in labor relations regarding how *PKWT* status can be modified or preserved^{12,13,14}.

⁷ Izzan Fathurrahman, "Melestarikan Pekerja Rentan Di Balik Ekonomi Inovasi: Praktik Kerja Perusahaan Teknologi Kepada Mitra Pengemudi Ojek Online Di Indonesia," *Menyoal Kerja Layak Dan Adil Dalam Ekonomi Gig Di Indonesia* 79 (2021).

⁸ Mhd Abdi, "Analisis Dampak Pandemi Covid 19 Terhadap UMKM Upaya Pemerintah Dalam Menyelamatkan UMKM Di Masa Pandemi Covid 19 (Objek Penelitian UMKM Kota Medan)" (Universitas Islam Negeri Sumatera Utara, 2021).

⁹ Ulul Albab Assyafi, "PERLINDUNGAN HAK PEKERJA TERHADAP PERJANJIAN KERJA WAKTU TERTENTU (PKWT) AKIBAT PANDEMI COVID-19 PADA PERUSAHAAN DI KABUPATEN KUDUS" (Universitas Islam Sultan Agung, 2022).

¹⁰ Saddam Saddam, "Hubungan Hukum Perjanjian Kontrak Kerja Karyawan Dengan Manajer PT. Bima Budidaya Mutiara Desa Piong Kecamatan Sanggar Kabupaten Bima," *CIVICUS: Pendidikan-Penelitian-Pengabdian Pendidikan Pancasila Dan Kewarganegaraan*, 2020, 128–39.

¹¹ Eva Noviana, Toto Tohir Suriaatmadja, and Rini Irianti Sundary, "Asas Keseimbangan Dalam Perjanjian Kerja Antara Pekerja Dan Pengusaha Dalam Rangka Mewujudkan Keadilan Bagi Para Pihak," *Jurnal Wawasan Yuridika* 6, no. 1 (2022): 84–100.

¹² Dedy Haryadi, "Perlindungan Hukum Pekerja Berstatus Perjanjian Kerja Waktu Tertentu (PKWT) Di Kabupaten Pekalongan," *Universitas Negeri Walisongo Semarang*, 2019.

¹³ S H Sumriyah and S H Djulaeka, *KAPITA SELEKTA HUKUM PERJANJIAN* (SCOPINDO MEDIA PUSTAKA, 2023).

Concerning the primary concerns outlined earlier, the objective of the author in this investigation is to examine and elucidate the execution of *PKWT* to *PKWTT* before the enactment and the Job Creation Law. Furthermore, the author aims to scrutinize and clarify the conversion of *PKWT* to *PKWTT* following the enforcement of the Government Regulation in Lieu of Law. In this study, the author will examine labor laws and regulations in Indonesia, especially those related to *PKWT* and *PKWTT*. Consequently, it is anticipated that the findings of this investigation will furnish a more comprehensive comprehension of the execution of the conversion from *PKWT* to *PKWTT* status and its repercussions on the workforce in Indonesia.

METHOD

This study uses normative/doctrinal analysis. This study explores issues based on court rulings that change how laws and regulations are implemented and the literature on various laws and regulations. The new circumstance may make the previous hypothesis stronger, leading to the creation of a new theory. The data utilized in this research will be sourced from existing literature, specifically secondary data. The literature consulted encompasses a range of legal materials, including Government Regulation Number 35 of 2021, which covers matters related to Fixed-Term Employment Contracts, Outsourcing, Work Schedules and Rest Periods, and Employment Termination. In lieu of Law Number 2 of 2022 on Job Creation, Law Number 13 of 2003 on Manpower, Law Number 11 of 2020 on Job Creation, and Minister of Manpower and Transmigration Decree Number 100 of 2004, which sets out guidelines for executing *PKWT*.

DISCUSSION

1. The Implementation of PKWT into PKWTT before the Government Regulation in Lieu of Law on Job Creation and the Job Creation Law Enacted.

The rules that contained the Employment Cluster before the Government Regulation in Lieu of Law on Job Creation transformed the previous rules on the Job Creation Law¹⁵. Although the amendments made to the two regulations are scarcely distinct in substance, neither of these revisions modifies the provisions relevant to the conversion of *PKWT* to *PKWTT*¹⁶. *PKWT* requirements were governed prior to the creation of these two laws by the Manpower Law and its derived regulations, which were utilized by several businesses that employ several people¹⁷. Workers who carry out activities and types of work

¹⁴ Niko Rudianto Simatupang, "Tinjauan Yuridis Terhadap Buruh Yang Kena Pemutusan Hubungan Kerja Secara Sepihak Oleh Perusahaan Akibat Menolak Dimutasi (Studi Putusan No. 156/Pdt. Sus-Phi/2018/Pn. Mdn)," 2021.

¹⁵ Evanto Pandora Manalu, "PERUBAHAN STATUS HUKUM PERJANJIAN KERJA PASCA BERLAKUNYA PERPPU NOMOR 2 TAHUN 2022 TENTANG CIPTA KERJA," *Jurnal Hukum PRIORIS* 10, no. 1 (2022): 32–42.

¹⁶ Tri Widya Kurniasari, "Kepastian Hukum Terhadap Perlindungan Pekerja Outsourcing Pasca Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja," *Jurnal Geuthèë: Penelitian Multidisiplin* 5, no. 2 (2022): 123–36.

¹⁷ Imam Budi Santoso and Holyness N Singadimedja, "Policy Of Specific Time Working Agreement (Pkw) On Law Number 11 Of 2020 Concerning Creation Work In Welfare Perspective Social And Subjective," *LEGAL BRIEF* 11, no.

that are different must be equalized, as well as workers who use the system remote working, which has advantages and disadvantages, but facilities, safety, and health of workers must be owned so that they have fair rights with workers so that they are ideal¹⁸. Usually, the alteration of employment status arises solely when a judicial decision mandates that the employment affiliation must terminate. Both workers and employers hold the right to terminate an employment relationship. However, ending this relationship can create new issues and may not resolve all problems¹⁹. Article 57 of the Manpower Law stipulates that fixed-term employment contracts must be recorded in written form using both Latin and Indonesian letters. If an oral fixed-term employment contract contravenes the provisions outlined in paragraph (1), it is categorized as an unclear duration employment contract. (3) If a labor agreement is later interpreted differently in Indonesian than it is in a foreign language, the Indonesian version will take precedence.

The term *PKWT* in the law above can be construed as enabling the conversion of an employee's position from a fixed-term employment agreement to a permanent employment agreement, indicating that employees operating under *PKWT* who lack a documented contract or written agreement in the Indonesian language with their employer or company, may be eligible to become permanent employees or *PKWTT*. Various court decisions have addressed the issue of converting *PKWT* status to *PKWTT*, including:

- (1) The ruling issued by the Supreme Court, identified as Decision Number 999 K/Pdt. Sus-Phi/2016.

Point 9 on page 4 mentions:

"...The Plaintiffs were working for Defendant I at Defendant II's location with an uncertain employment status and without a work agreement. It is evident and indisputable that there was a violation of Law 13 of 2003 regarding Manpower due to the absence of a work agreement system being implemented..."

- (2) Central Jakarta District Court decided case number 120/Phi.G/2011/PN.Jkt.Pstjuncto, which the Supreme Court later affirmed in Decision Number 324 K/ Pdt. Sus/2012.

The third paragraph on page 62 mentions:

" The PKWT between Plaintiff and Defendant was only written in English, given that the trial had produced the necessary information..."

- (3) Bandung District Court's ruling in case number 119/G /2013/Phi/PN. Bdg, which the Supreme Court subsequently supported in Decision Number 620 K/Pdt. Sus-Phi/2014

Point 25 on page 7 mentions:

1 (2021): 219–30.

¹⁸ Centia Sabrina Nuriskia and Andriyanto Adhi Nugroho, "Perlindungan Hukum Pekerja Dalam Penerapan Sistem Remote Working Sebagai Pembaharuan Sistem Kerja," *Jurnal USM Law Review* 5, no. 2 (2022): 678–92.

¹⁹ Sudawan Moh Yuda, "Perlindungan Hukum Terhadap Pekerja/Buruh Atas Pembatalan Keputusan Gubernur Provinsi Dki Jakarta Tentang Persetujuan Penangguhan Pelaksanaan Upah Minimum" (UNIVERSITAS INDONESIA, 2016).

"Following Article 57 paragraph (2) of Law Number 13 of 2003, considering that there was never a written agreement for a specific duration during the period of employment of the Plaintiffs by the Defendants, as established by the legal facts between the two parties..."

Other factors that may lead to the change above in employment status include the execution of a labor agreement that surpasses the allowed addition period or that violates the agreed-upon job specifications of the employee. Article 59, paragraphs 7 and 8 of the Manpower Law describe this structure. Regulations not covered in the Manpower Law are addressed in Kep's Ruling of the Ministry of Labor and Migration issue. 100/MEN /VI/2004 of 2004 regarding actualizing specific time-based employment contracts. This Ministerial Decree relates to Article 59, paragraph (8) of the Manpower Regulation. Article 15 paragraphs (2), (3), and (4) of Kep. 100/MEN /VI/2004 highlights explicitly the conversion of *PKWT* status to *PKWTT*.

Regarding changes in *PKWT* status resulting from breaches of work agreements or contracts, Indonesian workers encounter numerous issues, which are evident from several key excerpts from various court rulings.

- (1) The court ruling in the Bandung District Court Number 79/Pdt case.Sus-PHI/2016/PN.Bdg, the second paragraph of page 24 states the following:

"...Judge Pane concluded that the Plaintiff's role as a welding operator constitutes a job that is part of an uninterrupted production process within a single company, with no time limitations, and not seasonal. Therefore, according to the law, the previously agreed upon fixed-term employment contract between Defendant and Plaintiff must be converted to an indefinite-term employment contract (PKWTT)..."

- (2) The Central Jakarta District Court's judgment, number 147/Pdt .Sus-PHI/2015/PN.Jkt.Pst, the fourth paragraph on page 63 mentions:

"... If the work has been ongoing without interruption or end, it means that the employment agreement violates the stipulations in Article 59 paragraphs (1) and (2) of Law No. 13 of 2003..."

- (3) The verdict made by Bandung District Court in case number 17/Pdt.Sus-PHI/2016/PN.Bdg involving HERU WIBOWO, Defendant, against PT. TSUKASA MANUFACTURING OF INDONESIA, the first paragraph on page 48 mentions the following:

Since Limited Period Working Contract between the complainant and Respondent contravenes The second paragraph of Article 59 of Law Number 13 of 2003 on Human Resource Development, it can be paraphrased as Taking into account that the agreement for specific time employment between the Plaintiff and the Defendant is in breach of Article 59 paragraph (2) of the Manpower Law Number 13 of 2003, which states that "For positions that are continuous, Particular Period Working Contracts are

unable to be stood...."

- (4) The judgment issued by the Bandung District Court in case number 20/Pdt.Sus-PHI/2019/PN.Bdg, which the Supreme Court affirmed in case number 902 K/Pdt.Sus-PHI/2019 and pertained to the legal dispute between SUKARA and PT. SARANAPRATAMA PEMBANGUNAN KOTA), the second paragraph on page 23 states the following:

"... The Panel of Judges considers the employment agreement between Plaintiff and Defendant as a permanent employment agreement (PKWTT) because it does not adhere to the requirements stated in Article 59 paragraph (5) of Employment Law Number 13 of 2003. As a result, the Panel of Judges deems the employment agreement .to be transformed into a PKWTT from the moment a working relationship is established between the Plaintiff and the Defendant by the law"

2. The Changes in status of work agreements from PKWT to PKWTT after Government Regulation in Liew of Law Number 2 of 2022 on Job Creation Enacted

The Job Creation Law was formed to comply with a theory known as legal and development theory because it contains the spirit of a school of history, as evidenced by the fact that the Work Production Law is a written law based on the basic norms of the 1945 Constitution of the Republic of Indonesia²⁰. In theory, the entitlements of the parties who endeavor to terminate it in their own way are also safeguarded²¹. Employment relations that form in connection with a work agreement are binding on employees/employees and employers/employers. The demand for workers who aspire to become *PKWTT* or permanent *PKWT* employees cannot be separated from the termination of Employment, especially after being impacted by the COVID-19 pandemic, which has significantly affected existing work relationships. One of the issues that arose during the development of *Perppu* Number 2 of 2022, which is concerned with Job Creation in the Labor sector, is the elimination of the *PKWTT* updates. Nevertheless, the Ministry of Labor of the Republic of Indonesia, Ida Fauziah, has clarified via her Twitter account (@kemnaker) that the *PKWTT* updates continue to exist. The *Perppu* includes rules in the Employment cluster that allow for the conversion of *PKWT* to *PKWTT*. These provisions are based on Article *Perppu* Number 2 of 2022 on Job Creation, which supersedes the clauses of Regulation Number 13 of 2003 on Employment (specifically Articles 57 and 59).

If clause (1) is broken, it might be assumed that the employees engaged by the employers are not assigned work contracts or that their agreements are not legally required to be written in Indonesian. This is because Article 57 prohibits the transition of the work contract status from *PKWT* to *PKWTT*. Labor, in such a case, the employee's status is not a

²⁰ Arya Setya Novanto and Ratna Herawati, "Efektivitas Undang-Undang Cipta Kerja Dalam Pembangunan Hukum Indonesia," *Jurnal USM Law Review* 5, no. 1 (2022): 401–411.

²¹ T Wildan, "Islamic Law Thought: The Concept of Wages for Workers According to Syafi'iyah Fiqh and Positive Law," *Al-Muamalat: Jurnal Hukum Dan Ekonomi Syariah* 7, no. 2 (2022): 95–111.

PKWTT. Government regulations that specify work/work activities, working hours, and PKWT restrictions are not further regulated by Articles 57 or 59. *Perppu*, issued on December 30, 2022, does not provide a transparent procedure for converting from *PKWT* to *PKWTT* status, unlike the Job Creation Law and its subsequent regulation, Government Regulation Number 35 of 2021, which recently regulated the matter. The derivative regulation includes provisions not addressed in Article 59 of the Job Creation Law.

The COVID-19 virus pandemic was used as an excuse for compelling circumstances for employers to lay off their workers²². Employers can use force majeure as a legal justification for terminating the employment of workers. In the case of using Force Majeure as a reason for layoffs, business actors or employers must prove that an extraordinary event prevented the business actor from fulfilling his obligations²³. This justification also applies to the situation when a work contract's status might be changed from *PKWT* to *PKWTT* if it does not adhere to the rules of Article 81 of the Job Creation Law, which takes the place of Article 59 paragraphs (1) and (2) of the Manpower Law. For many employees in Indonesia, changes in *PKWT* status as a result of breaches of work agreements have become an issue. This is evidenced by some court cases, as follows:

- (1) Bandung District Court made a *PHI* decision in the case of Yadi Junaedi versus PT. SS Danisa Nusantara, with the case number 73/Pdt.Sus-PHI/2022/PN. Bdg.

The third paragraph on page 29 mentions:

"... The fact that the timing and nature of the work conflict with Article 4 and Article 6 of Government Regulation Number 35 of 2021 has been established, and as a result, the employment relationship must be classified as PKWTT in accordance with the law"

- (2) The case of PT. Sinar Baturusa Prima versus Su'ud was resolved in Supreme Court Decision Number 1044 K/Pdt.Sus-PHI/2022.

The third paragraph on page 4 mentions:

" The Plaintiff had been working for the Defendant since November 10, 2017, under a PKWT agreement. However, it was discovered that the regulations did not execute the PKWT agreement, and therefore, it was converted to a PKWTT agreement. "

- (3) Bandung District Court issued a *PHI* decision with case number 86/Pdt. Sus-PHI/2022/PN Bdg in the case of Ence Sukma Gumilar Purnama, S.Ip versus PT. Sinar Mas Multifinance.

First paragraph on page 16 mentions:

²² Mochamad Arifinal, Aris Suhadi, and Rani Sri Agustina, "Perlindungan Pekerja Buruh Terhadap Pemutusan Hubungan Kerja Pada Perusahaan Swasta Di Masa Pandemi Covid 19," *Legal Standing: Jurnal Ilmu Hukum* 4, no. 2 (2020): 290–300.

²³ Hetiyasari Hetiyasari, "Pertanggungjawaban Hukum Bagi Perusahaan Atas Batalnya Perjanjian Kerja Waktu Tertentu Di Masa Pandemi Covid-19," *Jurnal USM Law Review* 5, no. 1 (2022): 331–41.

"... Therefore, by the law, the Plaintiff's employment status was changed to PKWTT, and the Defendant's reason for terminating the Plaintiff's employment due to the expiration of the contract period is invalid and not by the law..."

- (4) The case of PT. Home Center Indonesia versus Robi Septian was resolved in Supreme Court Decision Number 1429 K/Pdt .Sus-PHI/2022.

Paragraph 5 on page 4 mentions:

"As the Plaintiff holds a permanent and continuous position, by Article 59 paragraph (3) of Law Number 11 of 2020 on Job Creation in the Employment Cluster Article 81, the Plaintiff's employment relationship with the Defendant must be legally changed from PKWT to PKWTT from the beginning of their employment on January 2, 2012..."

While the new Government Regulation does not explicitly mention whether work agreements and contracts can be extended or renewed, the regulation has been in effect for five years. Therefore, any extension or renewal must not exceed the five-year working period to avoid violating any provisions. When the Government Regulation in Lieu of Law on Job Creation replaced the Job Creation Law and Government Regulation Number 35 of 2021 regarding Job Settlements for Specified Times, Subcontracting, Working Hours and Rest Time, and Elimination of Employees (Government Regulation Number 35 of 2021), it resulted in a legal vacuum with no apparent provisions to fill the regulatory gap that existed before.

Suppose it is related to supervision in terms of the provision of minimum wages. In that case, this also has a broad impact, and before it becomes a dispute as above, for this reason, workers or laborers also need to involve legal awareness through legal knowledge, legal understanding, patterns of legal behavior, and legal attitudes²⁴. Workers need to be conscious of this matter, especially if it has reached the level of litigation in the court of business relations. Such litigation may also involve employers and investors from foreign countries, particularly those with a stake in promoting their specific industry and potentially damaging wider or global interests²⁵. Despite having the authority to perform judicial functions, the Supreme Court is obligated to follow Law Number 11 of 2020 on regulations for Job Creation and their offshoots. Hence, the previous regulations could serve as guidance to fill the legal gap without violating the essence of the contents of the Government Regulation that supersedes Law Number 2 of 2022 on Job Creation, which specifically governs the conversion of *PKWT* to *PKWTT*. In this regard, there are no discrepancies in the job settlements established between laborers or corporations and workers or laborers, as their fundamental rights are secured.

²⁴ Rizki Amalia Fitriani et al., "Efektivitas Pengawasan Ketenagakerjaan Terhadap Upah Minimum Pekerja," *JURNAL USM LAW REVIEW* 5, no. 2 (2022): 809–18.

²⁵ Hendrik Nathanael Saya, "Perlindungan Hak Membentuk Ikatan Perkawinan Dalam Undang-Undang Ketenagakerjaan," *Jurnal Ilmu Hukum: Alethea* 4, no. 1 (2020): 41–56.

CONCLUSION

The study findings suggest that the regulations regarding converting *PKWT* to *PKWTT* are crucial in providing clarity to workers in their daily work. The Manpower Law limits work agreements/contracts with workers. It stipulates that the work contract must be in writing, using Indonesian as the primary language, and cannot be carried out multiple times beyond the extension limit. The failure to meet these requirements will lead to the employment relationship being categorized as *PKWTT*. However, with the issuance of the Government Regulation in Lieu of Law on Job Creation, the conversion of *PKWT* to *PKWTT* is no longer covered by derivative regulations. There is a legal vacuum that leads to disputes between workers and employers. The Job Creation Law has been annulled, but it does not affect converting *PKWT* to *PKWTT*. Thus, practitioners and academics should apply or review the Job Creation Law and its derivative regulations to avoid chaos and disputes.

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