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**Comparison of Regulations on Pension Funds for Members
of the House of Representatives
(A Comparative Study between Indonesia and the United States)**

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Abstrak

Regulasi pensiunan untuk anggota Dewan Perwakilan Rakyat di Indonesia telah diatur secara tegas di Undang-Undang No 12 Tahun 1980, namun terdapat banyak perbedaan yang dilaksanakan di Negara Indonesia dengan Negara Amerika Serikat. Penelitian ini bertujuan untuk menganalisis kesesuaian kebijakan pensiun DPR dengan dasar pengelolaan pemerintahan berdasarkan prinsip good governance dan implikasi terhadap kebijakan tersebut dengan perbandingan antara Negara Indonesia dan Negara Amerika Serikat. Jenis penelitian yang digunakan adalah yuridis normatif dengan menggunakan teknik pendekatan perundang-undangan, pendekatan konseptual dan pendekatan perbandingan. Hasil penelitian menunjukkan bahwa regulasi pensiunan DPR di Indonesia dan Amerika menunjukkan perbedaan yang signifikan, sehingga diperlukan regulasi kebijakan yang sejalan dengan prinsip good governance, sebagaimana yang telah dilaksanakan di Negara Amerika Serikat.

Kata Kunci: Dewan Perwakilan Rakyat, Uang Pensiunan, Perbandingan Hukum, Perbandingan Hukum

Abstract

Regulations governing retirement for members of the House of Representatives in Indonesia are clearly stipulated in Law No. 12

of 1980, but there are many differences between the implementation in Indonesia and the United States. This study aims to analyze the suitability of the House of Representatives' pension policy based on the principles of good governance and the implications of this policy by comparing Indonesia and the United States. This study uses a normative juridical approach with legislative, conceptual, and comparative techniques. The results of the study show that the pension regulations of the House of Representatives in Indonesia and the United States show significant differences, so that policy regulations that are in line with the principles of good governance are needed, as has been implemented in the United States.

Keywords: House of Representatives; Retirement Money; Legal Comparison

INTRODUCTION

In practice, the House of Representatives is one of the institutions that safeguards the aspirations of the public interest, so in this case, the House of Representatives certainly has a great responsibility.¹ Article 20 paragraph (1) of the Constitution of the Republic of Indonesia explains the position, rights, and obligations of members of the House of Representatives, as the House of Representatives has the right to receive salaries and allowances.² The provision of salaries and allowances to members of the House of Representatives is one of the consequences that must be optimized as part of the framework for representing the interests of

the people.³ Based on this explanation, the House of Representatives is obliged to optimize the balance between rights and responsibilities so that this potential does not cause problems for the legitimacy of the House of Representatives as one of the representative institutions of the people.

There are several studies that have examined the provision of pension funds. The first was written by Haddat Alfaniza, et.al, with the title "Tinjauan Maqāṣid Al-Syarī'ah Terhadap Pemberian Dana Pensiun Bagi Pimpinan dan Anggota Lembaga Tinggi Negara"⁴ which discusses pension funds from the perspective of *maqasid al-syariah*

¹ Tengku Indira Larasati and Hesti Yulianti, 'Perspektif Hukum Terhadap Latar Belakang Pendidikan Anggota DPR', *Jurnal Ilmu Hukum "THE JURIS"* 9, no. 2 (2025): 557, <https://doi.org/10.56301/juris.v9i2.1846>.

² Rizky Andrian Ramadhan Pulungan and Lita Tyesta A.l.w, 'Mekanisme Pelaksanaan Prinsip Checks and Balances Antara Lembaga Legislatif Dan Eksekutif Dalam Pembentukan Undang-Undang Dalam Sistem Ketatanegaraan Indonesia', *Jurnal Pembangunan Hukum Indonesia* 4, no. 2 (2022): 287, <https://doi.org/10.14710/jphi.v4i2.280-293>.

³ Dea Nawang Wulandari et al., 'Tinjauan Hukum Terhadap Mekanisme Pembuatan Kebijakan Kenaikan Tunjangan Anggota DPR RI Dalam Perspektif Keadilan', *Al-Zayn : Jurnal Ilmu Sosial & Hukum* 4, no. 1 (2026): 5204, <https://doi.org/10.61104/alz.v4i1.4007>.

⁴ Haddat Al Faniza et al., 'Tinjauan Maqasid Al-Syariah Terhadap Pemberian Dana Pensiun Bagi Pimpinan dan Anggota Lembaga Tinggi Negara', *As-Siyadah* 2, no. 2 (2023): 38–52, <https://doi.org/10.22373/as-siyadah.v2i2.3198>.

and *masalah al-Daruriyah*, the second was written by Mawar Sitohang with the title “Menguji Keadilan Dalam Penerapan Hak Pensiun Menurut Undang-Undang Ketenagakerjaan”⁵ which discusses the provision of pension funds with reference to the perspective of the Manpower Act in relation to the concept of justice. Existing research has not discussed the provision of pension funds in terms of good governance and compared the provision of pensions for members of the House of Representatives between two countries, namely Indonesia and the United States. This is a novelty in previous research and fills a gap in academic studies by providing a relevant basis for analysis oriented towards the principles of good governance.

The urgency of this research lies in the provision of pension funds for members of the Indonesian House of Representatives, which provides large amounts of pension funds. This differs significantly from the United States, which provides pension funds based on length of service, age, and contributions made. Based on this, it is necessary to review this issue, given the lawsuit filed with the Constitutional Court against the provision of pension funds for members of the House of Representatives, which has led

to sociological and juridical implications in Indonesia.

The main focus of this research is the difference in regulations between Indonesia and the United States regarding the provision of pension funds to the House of Representatives. In Indonesia, the amount of pension funds provided is considered to be quite large, whereas in the United States, several aspects are taken into consideration when providing pension funds. In addition, this study examines the implications of pension fund payments to the House of Representatives, which have been challenged in the Constitutional Court in Indonesia.

This study uses normative legal research,⁶ using a legislative approach, conceptual approach, and comparative approach. The legislative approach is used to analyze the rules governing retired members of the House of Representatives in Indonesia and the United States, the conceptual approach is used to analyze the regulations applied in relation to the values of good governance, and the comparative approach is used to highlight the differences and similarities in the provision of pension funds in the two countries, namely Indonesia and the United States, by analyzing the regulations governing the pension system for members of the House of Representatives. This study

⁵ Mawar Sitohang, ‘Menguji Keadilan Dalam Penerapan Hak Pensiun Menurut UU Ketenagakerjaan’, *Honeste Vivere* 34, no. 1 (2024): 52–62, <https://doi.org/10.55809/hv.v34i1.297>.

⁶ Saif Ziad Aljunidi et al., ‘Negotiating Women’s Rights in Jordanian Electoral Law: Are They Fulfilled?’, *Legality: Jurnal Ilmiah Hukum* 33, no. 2 (2025): 652, <https://doi.org/10.22219/ljih.v33i2.42184>.

uses two legal materials, namely primary legal materials in the form of the 1945 Constitution of the Republic of Indonesia and Law Number 12 of 1980, while secondary legal materials are in the form of journals, books, and literature relevant to this study.

This study aims to examine the pension fund provisions for members of the House of Representatives in Indonesia and the United States, which have similar representative institutions but differ in terms of their forms of government: Indonesia is a unitary state, while the United States is a federal state. This study also compares the mechanisms for providing pension funds in Indonesia and the United States to provide an understanding of the elements of difference, namely the length of service and contributions of members to the state.

RESULT AND DISCUSSION

Regulations on the Provision of Pension Funds or Members of the People's Representative Council in Indonesia and the United States

Indonesia and the United States are both countries with the same parliamentary system, namely bicameral.⁷ In the United

States, the parliament is called Congress, which consists of the House of Representatives and the Senate. Meanwhile, in Indonesia, the parliament consists of the People's Representative Council and the Regional Representative Council.⁸

In practice, the role of the Regional Representative Council is limited by structural constraints and its dependence on its partners, particularly the House of Representatives and the central government. The Regional Representative Council is heavily reliant on the House of Representatives for decision-making, which undermines its effectiveness.⁹ These limitations indicate that the Regional Representative Council does not hold an equal standing with the House of Representatives. Each parliament has inherent rights and obligations. One of the rights they are entitled to is a pension.

In Indonesia, the provision of pension funds is a form of social security provided to citizens who have worked and reached retirement age, as stipulated in Article 28H of the 1945 Constitution of the Republic of Indonesia.¹⁰ The provision of pension funds in

⁷ Elvina Aretha et al., 'Separation of Powers dalam Dua Sistem Presidensial : Indonesia dan Amerika Serikat', *Judge : Jurnal Hukum* 6, no. 5 (2025): 1552, <https://doi.org/doi.org/10.54209/judge.v6i05.1895>.

⁸ Nurlita Purnama et al., 'Perbandingan Parlemen Di Indonesia Dengan Amerika Serikat', *Education : Jurnal Sosial Humaniora Dan Pendidikan* 2, no. 2 (2022): 91, <https://doi.org/10.51903/education.v2i2.147>.

⁹ Hadi Wuryandanu and Zaenal Arifin, 'Wewenang Dewan Perwakilan Daerah Dalam Memperkuat Otonomi Daerah Menurut Undang-Undang Dasar Negara Republik Indonesia Tahun 1945.', *Hukum dan Demokrasi (HD)* 24, no. 4 (2024): 265, <https://doi.org/10.61234/hd.v24i4.76>.

¹⁰ Ameliya Rasidi and Tahegga Primananda Alfath, 'Keselarasan Konstitusionalitas Program Pensiun Tambahan Dalam Kerangka Hukum Pengembangan dan Penguatan Sektor Keuangan', *Legal Standing : Jurnal Ilmu Hukum* 9, no. 2 (2025): 373, <https://doi.org/10.24269/lis.v9i2.11592>.

this study focuses more on the House of Representatives as one of the rights of its members to maintain a decent life and provide income after someone has worked and entered retirement. This study compares two countries, Indonesia and the United States, due to differences in regulations. This is a crucial issue that affects policy, implementation mechanisms, and legal implications.¹¹

Regulations on Pension Funds for Members of the House of Representatives in Indonesia

The management of state finances is embodied in the State Expenditure Budget, which is enacted annually by law and implemented in a transparent and accountable manner to maximize the welfare of the people, as affirmed in Article 23, Paragraph 1 of the 1945 Constitution of the Republic of Indonesia. The orderly, prudent, effective, and efficient management of state finances requires a clear legal framework that can serve as a reference for state financial management policies.¹²

The regulation on pension funds for members of the Indonesian House

of Representatives refers to the legal framework governing the finances and administration of state officials. The House of Representatives is the highest state institution with a term of office of five (5) years and has inherent rights and obligations, as stipulated in Article 12 paragraph (1) of Law Number 12 of 1980 concerning the Financial/ Administrative Rights of Leaders and Members of the Highest/High State Institutions and Former Highest/High State Institutions, which stipulates that leaders and members of state institutions who resign honorably have the right to receive a pension.¹³

The provisions regarding the minimum retirement age for State High Institutions and State Supreme Institutions, particularly in this case the House of Representatives, are not explicitly regulated in Law No. 12 of 1980 concerning the Financial/Administrative Rights of Leaders and Members of State Supreme/High Institutions and Former State Supreme/High Institutions. Meanwhile, many members of the House of Representatives in

¹¹ Restu Gusti Monitasari, 'Revitalisasi Kelembagaan DPR Melalui Reformasi Tata Kelola Anggaran Dalam Perspektif Hukum Tata Negara Terhadap Isu Tunjangan DPR', *Jurnal Silatene Sosial Humaniora* 3, no. 2 (2025): 34, <https://doi.org/10.53611/z9yzmx48>.

¹² Jonathan Santoso et al., 'Pengawasan Terhadap Pengelolaan dan Pengeluaran Anggaran Pendapatan dan Belanja Negara dan Daerah', *Pagaruyuang Law Journal* 7, no. 1 (2023): 157, <https://doi.org/10.31869/plj.v7i1.4562>.

¹³ Restu Gusti Monitasari, 'Revitalisasi Kelembagaan DPR Melalui Reformasi Tata Kelola Anggaran Dalam Perspektif Hukum Tata Negara Terhadap Isu Tunjangan DPR', *Jurnal Silatene Sosial Humaniora* 3, no. 2 (2025): 37, <https://doi.org/10.53611/z9yzmx48>.

Indonesia who are still young receive pension funds after their term of office has ended.¹⁴

In the provision of pension funds, the payment process takes place in the month after the individual officially leaves office. On the other hand, a person can be removed from office if the pension recipient dies or is reappointed as a high-ranking state institution leader or as a member of a high-ranking state institution. Members of the House of Representatives who choose to resign properly are entitled to a lifetime pension until the end of their lives, unless they are reappointed as leaders or members of the House of Representatives. For example, if a member of the House of Representatives of the Republic of Indonesia officially resigns in January, pension payments do not begin until February (the month following the resignation). If that member of the House of Representatives of the Republic of Indonesia subsequently passes away, the pension benefits are terminated (or transferred to the heirs in accordance with the regulations, if applicable).

Discussions and issues regarding the regulation and management of pension funds for members of the Indonesian House of Representatives cannot be separated from the constitutional framework, principles of good governance, and responsibilities of state financial management.¹⁵ Allowances related to legislative positions are not merely a form of respect, but also a tool that supports representative duties, lawmaking, budgeting, and oversight. However, the regulation and management of these allowances are often the subject of debate because they relate to issues of social justice, transparency, and accountability. The provision of disproportionate allowances and pensions has the potential to damage the reputation of the House of Representatives in the eyes of the general public, who may perceive the provision of allowances and pensions as unfair.

Unlike private sector employees in general, members of the House of Representatives are entitled to receive a pension even if they only serve one term or for five years. This right is

¹⁴ Mentari Puspadini, 'Kerja 5 Tahun, Anggota DPR Dapat Uang Pensiun Segini Seumur Hidup', CNBC Indonesia, 1 October 2024, <https://www.cnbcindonesia.com/market/20241001082046-17-575891/kerja-5-tahun-anggota-dpr-dapat-uang-pensiun-segini-seumur-hidup>.

¹⁵ Muhammad Padol and Radian Salman, 'Reconstruction of the National Financial Audit Institutional System for Optimizing State Loss Mitigation', *Jurnal Hukum Samudra Keadilan* 19, no. 1 (2024): 6, <https://doi.org/10.33059/jhsk.v19i1.9321>.

guaranteed by existing regulations and ensures that representatives continue to receive a monthly income for life after their term of office ends. The provisions regarding the provision of pension funds for members of The House of Representatives of the Republic of Indonesia are regulated in Article 13 of Law No. 12 of 1980 concerning the Financial/Administrative Rights of Leaders and Members of the Highest/Highest State Institutions and Former Leaders of the Highest/Highest State Institutions and Former Members of High State Institutions, The amount of pension received by retired members of The House of Representatives of the Republic of Indonesia is 1% (one percent) of the pension base for each month of service, with a minimum amount of 6% and a maximum amount of 75% (seventy-five percent) of the pension base. The provision of this pension fund shall be implemented starting from the month following the month in which the member concerned has been honorably discharged.

In addition to receiving lifetime benefits, there are several other factors that are rarely highlighted that further

add to this sense of injustice. For example, pensions for members of the House of Representatives are granted without any performance assessment process. Those who rarely appear, are involved in corruption cases, or are proven to have abused their power are still entitled to a full pension. This is very different from the working world, where lazy workers or those who commit serious violations can be fired without receiving severance pay, and civil servants who are dismissed dishonorably will lose their right to a pension.

However, when a member of the House of Representatives passes away, their pension rights will not cease. The pension will be transferred to their heirs, who may be their wife, husband, or children who still meet the criteria as stipulated in Article 19 of Law No. 12 of 1980 concerning the Financial/Administrative Rights of Leaders and Members of the Highest/Highest State Institutions and Former Leaders of the Highest/Highest State Institutions and Former Members of the Highest State Institutions.¹⁶ In this way, the state budget continues to bear the responsibility even though the individual is no longer alive. The

¹⁶ Ni Made Deby Anita Sari et al., 'Reformulasi Definisi Anak Sebagai Ahli Waris Pensiunan Pegawai Negeri Sipil', *Jurnal Komunikasi Hukum (JKH)* 10, no. 2 (2024): 132, <https://doi.org/10.23887/jkh.v10i2.84763>.

pensions of members of the House of Representatives do not take up a large portion of the state budget. However, from a political morality perspective, this becomes a symbol of how power can create privilege.

Regulations on Pension Funds for Members of the United States Congress

The provisions that form the basis for the acquisition of pension funds for members of the House of Representatives in the United States are an intersection of the federal civil service administrative law system, which is comprehensively regulated in federal legislation. The United States constitutional system does not place the House of Representatives as state officials with an independent financial regime. However, they are part of federal public officials who are subject to the old security system that applies comprehensively to federal government employees.¹⁷

The concept of pension funds under the US legal system is provided as an employment right that arises from the relationship between the state and the public official concerned, as long

as it complies with the applicable normative requirements. The United States Congress does not position pension funds as a form of reward for certain political positions, so the provisions for granting them are the same as for other public officials. This is regulated in the federal legal system, which is explicitly mentioned in Title 5 of the United States Code (5 U.S.C.), which explains that members of Congress, including members of the United States Congress, are participants in the federal pension system.

The development of pension regulations in the United States, underwent significant changes with the enactment of the Federal Employees Retirement System Act of 1986, which came into effect in 1983. The enactment of this regulation meant that the pension system for members of the US House of Representatives was the same as that for other federal employees, and they no longer received special or exclusive treatment.¹⁸ This includes the obligation to participate in the national social security system. Thus, legally, there are no norms governing special privileges related to the

¹⁷ Congressional Research Service, 'Etirement Benefits for Members of Congress, CRS Report RL30631', *Washington D.C*, 2021.

¹⁸ Sarita Pillay Gonzalez, 'Latent State Infrastructure and Financialisation: Insight from a Post-Apartheid Public Pension Fund and Real Estate', *Antipode* 56, no. 2 (2024): 615, <https://doi.org/10.1111/anti.12990>.

provision of pension funds to members of the House of Representatives.¹⁹

Historically, the United States has regulated pension funds for members of Congress based on the Civil Service Retirement System (CSRS)²⁰ which is an old-style pension system that is closed in nature and applies only to members of Congress who took office before 1984. This system applies a defined benefit model that determines pension payments based on length of service and the average highest salary during the last three years of employment.²¹ This system has ended and since 1984 has no longer been adopted for the provision of The House of Representatives pension funds, which then continued under the Federal Employees Retirement System (FERS) which to date most members of the United States Congress are subject to this pension fund provision system. This system was created to be more equitable and prioritizes the concept of fiscal sustainability. Within this system,

there are three integrated pension fund components, namely: basic annuity, social security, and individual retirement savings through the Thrift Savings Plan (TSP).

In addition to being subject to the FERS pension system in the United States Congress, pension fund is also subject to fairly strict normative requirements.²² Among the requirements that must be met is a minimum service period of at least 5 years of service to the state.²³ Then, the receipt of benefits is set at a minimum age of 62 years or unless further specified in FERS based on length of service and age. Thus, without compliance with these age requirements, members of the House of Representatives cannot claim their pension rights. The regulations established by the United States regarding age requirements, pension amounts, and maximum pension utilization limits are intended to control the fiscal

¹⁹ Frank J. [D-NJ-14 Rep. Guarini, 'H.R.2672 - 99th Congress (1985-1986): Federal Employees' Retirement System Act of 1986', legislation, 6 June 1986, 1985-06-05, <https://www.congress.gov/bill/99th-congress/house-bill/2672>.

²⁰ Tim Editorial Indeed, 'US Congressman Salary and Benefits (With Duties)', Indeed Career Guide, 29 January 2025, <https://www.indeed.com/career-advice/pay-salary/congressman-salary>.

²¹ Reynoldus Andrias Sahulata, 'Analisis Kebijakan Pemerintah Terhadap Produk Dana Pensiun ASN Menggunakan Metode SCRUM', *SISITI: Seminar Ilmiah Sistem Informasi Dan Teknologi Informasi* 14, no. 1 (2025): 3, <https://doi.org/10.36774/sisiti.v14i1.1669>.

²² 'Mengintip Gaji Anggota DPR Di AS', accessed 3 April 2026, <https://www.cnbcindonesia.com/news/20190116155504-4-50960/mengintip-gaji-anggota-dpr-di-as>.

²³ I. Putu Pasek Bagiarttha W et al., 'Rekosntruksi Hukum Periodisasi Pembatasan Masa Jabatan Legislatif Menurut Prinsip Keadilan', *Juridische: Jurnal Penelitian Hukum* 1, no. 2 (2024): 71.

burden on the state and avoid disproportionate financing burdens on state finances.

In the United States, if a member of the House of Representatives dies, their pension and benefits can be received by their heirs, such as their children, spouse, or other heirs, based on the criteria under the federal pension system, primarily the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS). The criteria for heirs to be eligible to receive benefits if a member of the United States Congress dies are as follows:

1. Legal spouse; as the primary beneficiary of the pension, entitled to receive a monthly pension equal to 50% of the member's annuity

under FERS or 55% under CSRS.

2. Children who are still dependents; those who are under 18 years of age or 22 years of age if they are still in school and do not yet have a spouse.

As stipulated in the FERS system, every employee who is a prospective pension fund recipient has a contributory obligation. The contribution referred to here is the involvement of prospective pension fund recipients in paying contributions during their employment period, paying social security taxes, and making voluntary contributions to the Thrift Savings Plan.

Based on the discussion presented above, there are significant differences regarding retirees, namely:

Aspect	The Republic of Indonesia	The United States
Institutions	House of Representatives of Indonesia	United States Congress
Nature of the Pension	For life	Based on age and length of service
Funding Source	<i>State Revenue and Expenditure Budget</i>	Government, individual contributions, and savings
Start Date of Payments	One month after leaving office	Upon reaching retirement age
Policy Orientation	Honorary title	Contributions and Professionalism

This scheme reflects the law of reciprocity, whereby the pension funds received by former members of the House of Representatives as public officials are part of the consequences of fulfilling obligations that

have been paid or carried out during their term of office, rather than a privilege granted to state officials with certain political influence. This shows that the US legal system places the pensions of legislators as

part of the state's social security mechanism, which is subject to the principles of justice, legal certainty, and equality before the law.

The existence of regulations regarding pension funds is actually a means of collecting funds to improve the welfare of participants and increase community participation in preserving national development that is growing and sustainable, because the existence of pension funds can also increase motivation and peace of mind at work to improve productivity.

Legal Implications of Pension Funds for Members of the House of Representatives between Indonesia and the United States on State Management

The provision of pension funds for members of the House of Representatives is a state financial policy that has legal and governance implications for government policy. Policies involving state finances must have a clear legal basis and be accountable as holders of sovereignty.²⁴ The policies that have been established must be oriented towards the principles of transparent, accountable, and fair governance. Therefore, a comparative study of the legal implications of pension

payments to members of the House of Representatives between Indonesia and the United States is crucial.

Legal Implications of Pension Funds for Members of the House of Representatives Between Indonesia and Other Countries

The provision of pension funds for members of the Indonesian House of Representatives has significant legal implications for state financial management and governance. Normatively, the pension rights of members of the House of Representatives are based on Law Number 12 of 1980 concerning the Financial/Administrative Rights of Leaders and Members of the Highest/Highest State Institutions and Former Members of High State Institutions, and are reinforced in Article 3 paragraph (1) of Law -Law Number 17 of 2003 concerning State Finances, as state finances must be managed in an orderly manner, in compliance with laws and regulations, efficiently, economically, effectively, transparently, and responsibly. The policies taken always favor the interests of the people based on aspects of justice.²⁵

²⁴ Nedia Martha Resmadiktia et al., 'Pertanggungjawaban Pemerintah Dalam Mewujudkan Good Governance Sesuai Hukum Administrasi Negara', *Jurnal Ilmiah Wahana Pendidikan* 9, no. 11 (2023): 685, <https://doi.org/10.5281/zenodo.8097882>.

²⁵ I. Gede Sujana et al., 'Integrasi Prinsip-Prinsip Pancasila Dalam Perumusan Kebijakan Hukum Nasional', *IJOLARES: Indonesian Journal of Law Research* 3, no. 2 (2025): 67, <https://doi.org/10.60153/ijolares.v3i2.215>.

According to Aristotle, as quoted by Indira, one of the originators of the concept of justice through proportionality is to provide each individual with what is rightfully theirs based on their contribution or achievement.²⁶ In Indonesia, the concept of justice is contained in Article 28J Paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which explains the concept of justice with freedom and human rights.

The provisions for pension funds for the House of Representatives, when viewed in terms of the length of their term of office, are considered disproportionate, because in practice The House of Representatives of the Republic of Indonesia term of office only lasts for one to two periods, each lasting five years. This is in contrast to the pension funds allocated in the United States. In the United States, pension funds are allocated based on length of service and contributions made during that period. This situation has led to legal criticism that the pension policy for the House of Representatives potentially violates the principle of social justice as mandated

in Articles 28D and 33 of the 1945 Constitution of the Republic of Indonesia.²⁷

On the other hand, the provision of pensions for members of the House of Representatives is considered a long-term fiscal obligation on the State Revenue and Expenditure Budget. The defined benefit pension scheme, which is provided for life, even to members of the House of Representatives who only serve one term, creates an ongoing obligation for the state. From a state financial law perspective, this condition raises issues of fiscal efficiency and sustainability because pension funds are paid without a proportional correlation to the recipient's length of service and financial contributions.

From a good governance perspective, the policy of providing pensions to members of the House of Representatives must be openly accountable to the public.²⁸ In this case, the provision of pensions should demonstrate a proportional relationship between the term of office, contributions during the period of employment, and the amount of pension benefits provided to members of

²⁶ Indira Jazmine et al., 'Prinsip Good Governance Dan Kritik Atas Rasionalitas: Diskursus Pengelolaan Tunjangan Anggota DPR RI Dalam Membentuk Persepsi Keadilan Publik', *Media Hukum Indonesia (MHI)* 3, no. 4 (2025): 122, <https://doi.org/10.5281/zenodo.17333377>.

²⁷ Merdiansa Paputungan, 'Formulasi Kedaulatan Rakyat Atas Anggaran Negara Dalam UUD 1945 Pasca Amandemen', *Mimbar Hukum* 36, no. 2 (2024): 352, <https://doi.org/10.22146/mh.v36i2.10419>.

²⁸ Indira Jazmine et al., 'Prinsip Good Governance Dan Kritik Atas Rasionalitas: Diskursus Pengelolaan Tunjangan Anggota DPR RI Dalam Membentuk Persepsi Keadilan Publik', *Media Hukum Indonesia (MHI)* 3, no. 4 (2025): 121, <https://doi.org/10.5281/zenodo.17333377>.

the House of Representatives. Currently, the regulation the House of Representatives pension fund is often the subject of public criticism and requests for judicial review by the Constitutional Court, which indicates dissatisfaction with the mechanism for establishing norms and a lack of public participation in the formulation of this policy. From a constitutional law perspective, the provision of pensions for members of the House of Representatives is not merely a right, but a public policy that must be communicated in a transparent, fair, accountable, and efficient manner. This measure is implemented so that the public can be informed and prevent the risk of undermining public trust and maintaining the perception of social inequality between the public and members of the House of Representatives.

Legal Implications of Pension Funds for the House of Representatives in the United States

Unlike Indonesia, the pension system for members of Congress in the United States is not regulated by specific legislation that is exclusive to legislators, but is integrated into the general federal employee pension system, namely the Federal Employees Retirement System (FERS) and/or the Civil

Service Retirement System (CSRS). This integration has different legal implications for state management. The implementation of this system supports the principle of equality before the law.

Members of Congress are treated as part of the federal civil service system, so their pension rights are subject to the same age, minimum service, and contribution requirements as other federal employees. From a constitutional law perspective, this approach strengthens the legitimacy of the policy because it does not create excessive legal privileges for legislative officials. In terms of controlling the fiscal burden on the state, the existence of retirement age and minimum service period restrictions allows the state to project pension obligations in a more measurable manner. This system reflects the principle of fiscal responsibility in good governance, because the state's obligations do not arise automatically simply because someone has served as a member of Congress, but are based on contributions and fulfillment of certain legal requirements.²⁹

The policy of providing pension funds to members of Congress in the United States supports increased trans-

²⁹ Leona Flentje Christina and Hufon, 'Saat Usia Jadi Batas: Kepastian Hukum Dalam Aturan Pensiun', *Journal Evidence Of Law* 4, no. 2 (2025): 430, <https://doi.org/10.59066/jel.v4i2.1237>.

parency and oversight. The federal pension system in the United States is subject to strict administrative oversight and public audit mechanisms. Information regarding contributions, pension benefits, and the financing of the system is relatively open and accessible to the public. In the context of good governance, this demonstrates a more consistent application of the principles of openness and accountability compared to specialized legislative pension models.

The implementation of this policy could potentially lead to conflicts of interest in the formulation of pension policy, because the pension rules for members of Congress are part of the general federal employment law regime, and changes to pension policy are not solely intended to benefit active legislators. Normatively, this condition supports the principle of the rule of law and prevents the abuse of legislative authority for personal or group interests.

The policy on pension funds for members of the House of Representatives in Indonesia tends to raise issues of fairness, accountability, and fiscal efficiency, because the policy design is specific and not entirely contribution-based. The relatively high

value of pensions given to members of the House of Representatives creates the perception that the state prioritizes the political elite, and as the number of former members of the House of Representatives increases, this creates long-term fiscal obligations. The heavy fiscal burden contributed by pension funds has triggered the emergence of inefficient financial policies.³⁰

In contrast, the system in the United States demonstrates a more consistent application of good governance principles, particularly in terms of legal equality, transparency, and fiscal control. From a good governance perspective, pension funds should ideally be classified as conditional employee benefits, rather than an automatic consequence of political office. This conceptualization is important to prevent elite capture in state financial management and to maintain equality before the law. The integration of legislative members into the general pension system reflects a more objective legal approach oriented towards the principles of good governance in the long term.

The difference in pension policies for members of the Indonesian House of Representatives and members of the United States Congress has legal implications, as it shows

³⁰ Muhammad Ananda Denny Ferdian and Taufiq Nugroho, 'Dinamika Butterfly Effect dalam Proses Pembuatan Kebijakan Dewan Perwakilan Rakyat Indonesia', *Shautuna: Jurnal Ilmiah Mahasiswa Perbandingan Mazhab*, 31 January 2025, 99, <https://doi.org/10.24252/shautuna.v6i1.54581>.

that pension policy design has a direct impact on state governance. The Indonesian model poses various legal and governance challenges, particularly in relation to fairness and public accountability, while the United States model is relatively more in line with the principles of good governance. Therefore, normatively, it is necessary to evaluate and reformulate the pension policy for members of the Indonesian House of Representatives to make it more proportional, transparent, and oriented towards the sustainability of state financial management.

CONCLUSION

The pension arrangements for members of the Indonesian the House of Representatives, as stipulated in Law No. 12 of 1980 concerning the Financial/ Administrative Rights of Leaders and Members of the Highest/Highest State Institutions, are still normatively valid, but substantively they are not yet fully in line with the principles of good governance. The granting of pension rights to members the Indonesian the House of Representatives without considering minimum tenure, contributions, and performance evaluations, and continuing to grant them for life even if they only serve one term.

This policy also has the potential to conflict with the principles of state financial management as stipulated in Article 23 of

the 1945 Constitution of the Republic of Indonesia, which states that state finances must be managed openly and responsibly for the greatest prosperity of the people. In addition, Law No. 17 of 2003 on State Finances and Law No. 1 of 2004 on State Treasury emphasize the principles of efficiency, effectiveness, and accountability in the use of state finances, which are not fully reflected in the current The House of Representatives of the Republic of Indonesia pension regulations.

When compared to the pension system for legislators in the United States, there are fundamental differences in the mechanism for granting pension rights. In the United States, pensions are granted based on contributions during the term of office, accompanied by minimum term of office requirements and a more measurable funding system. This model reflects the application of the principles of good governance, particularly the principles of fairness, accountability, and transparency, in the management of pension policies for state officials.

AUTHOR CONTRIBUTIONS

Nurika Falah Ilmania: Conceptualization, Formal Analysis, Data Curation, Writing-Original Draft, Writing – Review & Editing, Supervision. **Putri Diah Lestari:** Conceptualization, Formal Analysis, Writing-Original Draft. **Muhammad Riviano:** Methodology, Resources, Data Curation.

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