

Analysis of the Application of Statement of Financial Accounting Standards (PSAK) No. 18 Accounting for Pension Funds at PT Taspen (Persero) Palembang Branch

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Abstract

This study aims to analyze the application of Statement of Financial Accounting Standards (PSAK) No. 18 at PT Taspen (Persero) Palembang Branch. The type of research used is descriptive qualitative, namely the data that has been collected, then analyzed by describing and comparing the accounting treatment of pension funds at PT Taspen (Persero) Palembang Branch with PSAK No. 18. The results showed that the accounting process applied by the Taspen pension fund as a whole was in accordance with the applicable PSAK No. 18, as well as various regulations related to the accounting of employer pension funds that implement defined benefit pension plans, such as: PSAK No.18, Law No. 11 of 1992 concerning Pension Funds, Minister of Finance decisions, Pension Fund Regulations, and Investment Directives given by the Founder and Supervisory Board.

Keywords: accounting, pension fund, taspen, psak no. 18

1. Introduction

The State Civil Apparatus (ASN) is one part of the state apparatus that plays an important role in carrying out state development, the Indonesian government pays special attention to social security after retirement. This is done to increase the spirit and motivation of ASN. The government established a State-Owned Enterprise (BUMN) as a Limited Liability Company (PT). PT Taspen (PT) is a civil servant social insurance program that offers pension payments and Old Age Savings (THT).

Pension recipients get their money from their own pension fund program every month. According to Law Number 11 of 1992 on Employee Pensions and Employee Widow/Widower Pensions, pension payments are funded from the State Budget (APBN). The pension program pays a contribution or premium of 4.75% of the participant's monthly income (basic salary + wife allowance + child allowance) (taspen.co.id, 2020).

As a state-owned enterprise responsible for serving various transactions related to the Pension Fund program, PT Taspen (Persero) must face various risks of problems, such as violations, fraud, and misuse of company assets. To manage these risks, PT Taspen (Persero) needs an internal control procedure.

According to Desi (2013), internal control oversees all company operations to prevent fraud and errors and protect company assets, especially cash.

According to Firdaus et al. (2021), according to the reviewer's inventory, the internal handling order is evaluated in five parts: handling scope, handling actions, ratio calculation, facts and correspondence. In addition, securing the capacity to receive notifications and the results of the reviewer's calculations promotes the structure and control of the inventory.

According to Fadil (2023), with the title Application of Pension Fund Accounting at Pt. Pos Indonesia (Persero) Bulukumba Regency analyzes the application of Pension Fund accounting procedures and treatment applied at PT Pos Indonesia (Persero) Bulukumba Regency in accordance with the Financial Accounting Standards Guidelines (PSAK) Number 18.

PT Taspen (Persero) in carrying out its duties does not always go well. In February 2020, there was a delay in the payment of Civil Servant (PNS) pension funds through PT Taspen (Persero) in the media spotlight. It is known that the payment of pension funds, which should have been carried out every 1st date, was delayed to February 16, 2020. PT Taspen (Persero) stated that this delay was caused by retirees who had just registered in January who would start using Taspen's supplementary system on February 15, 2020. Pension payments will return to normal the following month, according to PT Taspen (Persero) (kompas.com, 2020).

PT. Tabungan Asuransi Pensiun Pegawai Negeri or commonly called TASPEN Palembang is located at Jl. Jendral Sudirman 103 30124 South Sumatra, has operational service activities to customers, both savings and loans. However, the main activity of PT TASPEN is still the Taspen market, which is retirees.

Therefore, the author wants to examine the suitability of pension fund accounting based on PSAK No. 18 at PT Taspen (Persero) Palembang Branch. PT Taspen (Persero) is the one that holds the most pension programs in Palembang, so it is an interesting thing to research. This research was conducted at PT Taspen (Persero) Palembang with the reason to find out how the application of pension fund accounting procedures and treatment at PT Taspen (Persero) whether it is in accordance with the guidelines of financial accounting standards PSAK No. 18. The motivation for researchers to conduct research at PT Taspen (Persero) is because PT Taspen (Persero) is one of the state-owned companies that runs a pension program for its employees in return for services that have been provided during the employee's service period.

Based on the above background, the authors chose the title "Analysis of the Application of the Statement of Financial Accounting Standards (PSAK) No.18 Accounting for Pension Funds at PT Taspen (Persero) Palembang Branch".

2. Literature Review

2.1 Accounting

According to Warren et al. (2017), accounting can be interpreted as an accounting information system that provides reports for stakeholders regarding the economic activities and conditions of the company. Accounting is the "language of *business*" (*Languange off business*) because through accounting business information is communicated to stakeholders.

2.2 Pension Fund Accounting

According to Statement of Financial Accounting Standards No. 18 concerning Accounting for Pension Funds, "Pension Funds are legal entities that manage and run programs that promise retirement benefits". Meanwhile, according to the Pension Fund Law (Law of the Republic of Indonesia Article 1 Paragraph 1 Number 11 of 1992) "Pension Funds are legal entities that manage and run programs that promise retirement benefits.

2.3 Statement of Financial Accounting Standards (PSAK) 18 Accounting for Pension Funds

Statement of Financial Accounting Standards No. 18 concerning Accounting for Pension Funds. The background of PSAK 18 is as follows:

1. Pension Fund laws and regulations dictate that the legal entity of the Pension Fund must be separate from the Employer or Founder of the Pension Fund.
2. The objectives and business activities of the Pension Fund are different from those of companies in general.
3. There is specificity in the content of financial statements, valuation of assets, and determination of pension benefit obligations. The purpose of PSAK 18 is to guide the accounting process and the process of preparing the financial statements of the Pension

Fund.

2.4 Pension Fund Financial Statements

2.4.1 Statement of Net Assets

The Statement of Net Assets is a report that can provide information about the amount of net assets (assets) of pension funds available for retirement benefits to participants.

2.4.2 Statement of Changes in Net Assets

The statement of changes in net assets is a report that can provide important information about changes in the amount of net assets available for retirement benefits and describe the causes of changes in a certain period.

2.4.3 Balance Sheet

A pension fund balance sheet is a financial statement that shows the financial position of a pension fund at a specific point in time, usually at the end of the reporting period.

2.4.4 Calculation of Business Results

The calculation of operating results is a report that can describe the results of the pension fund's business during a certain period that reflects the performance of the pension fund management in the period concerned.

2.4.5 Cash Flow Statement

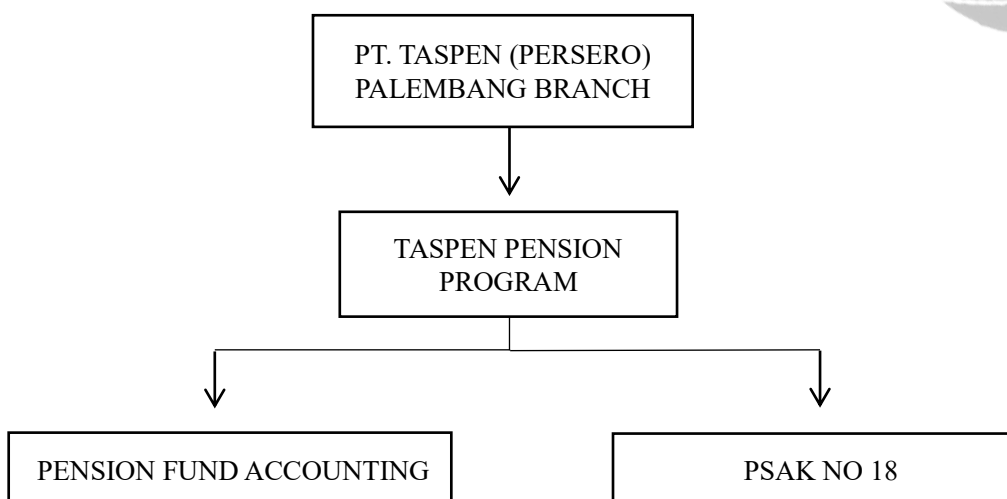
The pension fund cash flow statement is a financial statement that presents information about cash inflows and outflows during a certain period.

2.4.6 Notes to the Financial Statements

The notes to the pension fund financial statements are an important part of the financial statements that provide additional explanations and details about the items listed in the main financial statements, such as the balance sheet, statement of changes in net assets, cash flow statement, and statement of results of operations.

2.2 Framework of Thought

Figure 1. Framework of Thought



3. Research Method

3.1 Research Design

According to Antani (2021), research design provides an overview of the framework or information needed to organize, examine, and solve problems in research.

3.1.1 Research Benefits

This study aims to assess the suitability of the application of pension fund accounting with PSAK No.18.

3.1.2 Research Setting

This research is at PT Taspen (Persero) Palembang Branch, Jl. located at Jl. Jendral Sudirman103 30124 South Sumatra, which includes data collection, and analysis activities.

3.1.3 Level of Research Engagement

To start the research, the researcher conducts interviews with the subjects and collects secondary data such as records, documents or company reports.

3.1.4 Unit of Analysis

The data analysis unit in this research is the employees of PT Taspen (Persero) who are directly related to the management of pension funds.

3.1.5 Time Horizon

In cross-sectional research, subject variables are only observed once and measurements are made depending on the characteristics of the research problem to be answered.

3.2 Data Collection Sources and Techniques

3.2.1 Data Source

The data to be used in this study consists of two types of data:

- a. primary data derived from interviews; and
- b. secondary data that comes from intermediary media such as business documents or reports, records, a brief history of the business, and organizational structures relevant to the research objectives.

3.2.2 Data Collection Technique

The data collection techniques used in this study are as follows:

1. Literature Study
2. Field Research
3. Observation
4. Interview
5. Documentation Technique

3.3 Analysis Method

This research will use a qualitative descriptive method to analyze the data thoroughly by describing each element thoroughly to provide an accurate picture. The following is the procedure used to analyze the data:

1. Data Reduction
2. Display Data
3. Inference

4. Findings and Discussions

4.1 Research Results

4.1.1 Pension Fund Management of PT Taspen (Persero)

The management of pension funds by PT TASPEN (Persero) is an important and complex process

to ensure that State Civil Apparatus (ASN) and state officials receive decent pension benefits after they retire. In carrying out the task of managing the PT Taspen (Persero) Pension Fund, the board works based on Law No. 11 of 1992 concerning Pension Funds along with other Implementing Regulations and investment directives that have been implemented by the founder of PT Taspen (Persero).

4.1.2 PT Taspen (Persero) Pension Participants

The number of pension participants at PT Taspen (Persero) Palembang Branch is as follows:

1. The number of active participants in June 2024 is 150 people, 120 retirees.
2. The number of active participants in July 2024 is 167 people, and 175 retirees.

Table 1. Pension participants of PT Taspen (Persero) Palembang Branch

Retirement Participants	2024	
	June	July
Active Participants	150	167
Retired	120	175
Total	270	342

Source: Taspen Palembang Branch Office

4.1.3 Calculation of Pension Contributions

The founder is responsible for calculating and changing the amount of pension benefits set. With the founder's permission, the pension fund manager cannot change or increase retirement benefits. As shown by the results of research with employees of the Palembang Branch of PT Taspen, Presidential Decree No. 8 of 1977, concerning the Distribution, Use, Method of Withholding, Depositing, and Amount of Contributions Collected from Civil Servants, State Officials, and Pension Recipients, stipulates government banks selected by the Minister of Finance to receive deductions for pension contributions. After Government Regulation No. 25 of 1981, as amended by Government Regulation No. 20 of 2013, the Civil Servants Pension Fund was transferred to PT TASPEN (PERSERO). This was done based on a letter from the Minister of Finance Number S244/MK.011/1985 dated February 21, 1985. Minister of Finance Regulation Number: 243/PMK.02/2016 on Reporting the Management of Accumulated Pension Contributions of Civil Servants and State Officials regulates administration and reporting. www.taspen.co.id.

4.1.4 Calculation of Pension Contribution Payment

Based on the findings from interviews with employees of PT. Taspen, the amount of contribution deductions for employees who retire alone is $(2.5\% \times \text{Period of Service (in years)} \times \text{last basic salary}) + \text{allowances}$, for widows / widowers of $(36\% \times \text{last basic salary}) + \text{allowances}$, for orphans of $(36\% \times \text{last basic salary}) + \text{allowances}$, for parents of $20\% \times \text{pension for widows of dead participants}$, for widows / widowers / orphans of dead participants of $(72\% \times \text{last basic salary}) + \text{allowances}$, and death benefits of $3 \times \text{last income}$.

4.1.5 Payment of Retirement Benefits

1. Monthly Pension Payment.
2. Death Benefit (if the retiree passes away)
 - a. 3x Last gross income (civil servants/officials/police/NI)
 - b. 2x Veteran's allowance (own veteran)/ 1x Widow/Widower's allowance (Jd/Dd Veteran)
3. Forward Pension, if there are still heirs who are entitled to pension Widows / Widowers / Orphans
 - a. For 4 months (civil servants/officials)
 - b. For 6/12/18 months (TNI/POLRI/Veteran)

c. Perintis Kemerdekaan Republik Indonesia (PKRI)/ Komite Nasional Indonesia Pusat (KNIP) has no pension.

4.1.6 Claims Data

The number of pension claims at PT Taspen KC Palembang in 2022-2023 is as follows:

Table 2: Number of pension claims

Year	Total (Rp)
2022	80.145.892.205
2023	52.162.639.293

Source: PT Taspen Palembang Branch, 2024

In 2022, the amount of pension claims reached Rp 80,145,892,205. However, in 2023, there was a significant decrease in the number of claims, to IDR 52,162,639,293. This decrease shows a considerable difference between pension claims in the two years, with a difference of Rp 27,983,252,912.

4.1.7 Balance Sheet of Expenses – THT

Table 3. Balance Sheet of Expenses - THT Year 2023

Beginning Balance		Mutation of the Month		Ending Balance	
Debit	Credit	Debit	Credit	Debit	Credit
1.412.806.283	0	176.852.968	356.250-	1.589.303.001	0

Source: PT Taspen Palembang Branch, 2024

In 2023, the Expense Balance Sheet for Old Age Allowance (THT) shows some changes. The initial balance on the debit side is Rp 1,412,806,283. During the month, there was an addition of Rp 176,852,968 on the debit side and a reduction of Rp 356,250 on the credit side. After this, the final balance on the debit side was recorded to have increased to Rp 1,589,303,001, while the credit balance remained unchanged at Rp 0.

Table 4. Balance Sheet of Expenses - THT Year 2022

Beginning Balance		Mutation of the Month		Ending Balance	
Debit	Credit	Debit	Credit	Debit	Credit
1.742.137.342	0	204.936.453	70.000-	1.947.003.795	0

Source: PT Taspen Palembang Branch, 2024

In 2022, the Expense Balance Sheet for Old Age Allowance (THT) recorded an initial balance of Rp 1,742,137,342 on the debit side. During the month, there was an addition of Rp 204,936,453 on the debit side and a reduction of Rp 70,000 on the credit side. After this, the final balance on the debit side increased to Rp 1,947,003,795, while the credit balance remained unchanged at Rp 0.

4.2 Discussion

4.2.1 PSAK No. 18 concerning pension funds

The Pension Fund is a legal entity that stands alone and is separate from the Employer, which functions to manage and run pension programs in accordance with applicable laws and regulations. Given that the Pension Fund has objectives and business activities that are different from companies in general, it is necessary to prepare Financial Accounting Standards that apply specifically to the Pension Fund as a guide to the accounting process and the process of preparing financial statements. The specificity of the Pension Fund Financial Accounting Standards is mainly regarding the content of financial statements, valuation of assets and determination of

pension benefit obligations.

PSAK No. 18 concerning accounting for Pension Funds was prepared by adapting IAS 26 Accounting and Reporting by Retirement Benefit Plans with due observance of the laws and regulations concerning Pension Funds applicable in Indonesia, particularly Law No. 11 of 1992 concerning Pension Funds and its implementing regulations.

4.2.2 Regulation and Policy of Pension Fund of PT Taspen

Here are some regulations and policies related to pension funds managed by PT Taspen:

1. Law of the Republic of Indonesia Number: 11 of 1992 Dated April 20, 1992 concerning Pension Funds.
2. Government Law No. 25 of 1981 on Civil Servants' Social Insurance.
3. Government Regulation No. 68 of 1991 concerning Amendments to Government Regulation No. 25 of 1981.
4. Presidential Decree No. 8 of 1977 concerning the Establishment of PT Taspen (Persero).

4.2.3 Similarities between PSAK No. 18 and PT Taspen Pension Fund Regulations

In Indonesia itself, the law is the most basic legal basis. Between PSAK No. 18 and the pension fund of PT Taspen Palembang Branch itself, both are based on Law No. 11 of 1992 concerning pension fund accounting. Apart from this, the Taspen pension fund is also based on PSAK No. 18 concerning pension funds. Which PSAK No. 18 is the standard role model for managing pension funds in Indonesia. Judging from this, the legal basis for the pension fund of PT Taspen Palembang Branch is in accordance with PSAK No. 18 and applicable regulations.

No.	Aspects of PSAK No. 18	Description	Application to Taspen Pension Fund
1.	Asset and Liability Recognition	PSAK No. 18 regulates the recognition of pension fund assets and liabilities, including pension benefit obligations that must be recognized in the financial statements.	Taspen Pension Fund recognizes the retirement benefit obligation based on actuarial calculations, in accordance with PSAK No. 18, and recognizes assets at fair value.
2.	Measurement of Assets and Liabilities	Assets and liabilities are measured using fair value for investments and actuarial calculations for retirement benefit obligations.	The Taspen Pension Fund measures its investments at fair value and uses the actuarial method in measuring the retirement benefit obligation.

3.	Presentation of Financial Statements	PSAK No. 18 stipulates that pension fund financial statements must include a balance sheet, statement of changes in net assets, cash flow statement, and notes to the financial statements.	The financial statements of Dana Pensiun Taspen are presented in accordance with PSAK No. 18, including all required components of the financial statements.
4.	Disclosure in Notes to Financial Statements	Disclosure of detailed information regarding actuarial assumptions, investment risks, and details of assets and liabilities should be made.	Dana Pensiun Taspen provides adequate disclosures in the notes to the financial statements, including actuarial assumptions, details of investments, and associated risks, in accordance with PSAK No. 18.
5.	Accounting Treatment for Changes in Actuarial Estimates	PSAK No. 18 requires special treatment for changes in actuarial estimates, which may impact the financial statements.	Dana Pensiun Taspen treats changes in actuarial estimates in accordance with PSAK No. 18, with disclosure of such changes in its financial statements.
6.	Presentation of	PSAK No. 18 stipulates	Taspen Pension Fund

	Retirement Benefits Information	that information about pension benefits paid must be presented clearly and in detail.	presents information about the payment of pension benefits clearly, including the amount and type of benefits paid in accordance with PSAK No. 18.
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Source: Data processed, 2024

5. Conclusion

5.1 Conclusion

Based on the results of the discussion that has been described, it can be concluded as follows: The accounting process applied by the taspen pension fund as a whole is in accordance with the applicable PSAK No. 18, as well as various regulations related to the accounting of employer pension funds that implement defined benefit pension programs, such as: PSAK No.18, Law No. 11 of 1992 on Pension Funds, decree of the Minister of Finance, Pension Fund Regulations, and Investment Direction given by the Founder and Supervisory Board.

5.2 Suggestions

1. In order for PT Taspen KCP Palembang employees to better understand and explain pension funds, it is important for them to master the latest applicable regulations and understand in detail the related investment process.
2. For future researchers who want to study pension fund accounting at PT Taspen KCP Palembang, it is recommended that they develop this research further and conduct direct research. This is expected so that researchers can obtain more detailed and comprehensive data.

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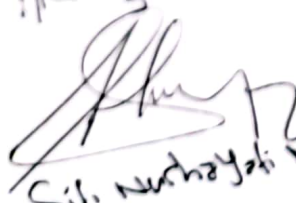
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