

# Implementation of Compensation for Workers Ending Contract Early: Labor Law Perspectives

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## Abstract

*According to public law, employers are required by statute to pay compensation to employees whose work period has ended or whose completed work has resulted in the termination of their employment relationship. This is specifically related to the implementation of paying compensation to workers with specified time agreement. But what about the employees whose jobs expire before the terms of the employment contract? What are the rights of employees as they relate to labor law which is applied in accordance with both public and private law?. The sociological juridical (empirical) method was employed in this study to gain legal information experimentally. The data were collected through interviews, literature studies, target object observation, and online websites. This study provided multiple findings. First, the agreement was implemented while adhering to the construction mandated by statutory laws and maintaining compliance with existing provisions during its implementation. Second, when considering the factor leading to the termination of the labor agreement prior to its expiration, it could be observed that this incidence was caused by two variables: the employer factor and the employee component. Third, if a worker's work period ended before the work agreement due date, didn't receive compensation money unless their death caused the work agreement to terminate. Similarly, if a worker's work period ended or the work was completed, they didn't receive compensation money because the payment was provided during the employment agreement's implementation. It is intended that recommendations derived from this study will consider different viewpoints when putting the agreement into practice. In addition, it is expected of the parties to always work toward a cordial and professional working relationship and to heed any signals sent by the government.*

**Keywords:** *Compensation Money; Worker; Specified Time Work Agreement (PKWT); Employment.*

## Abstrak

Dalam pelaksanaan pemberian uang kompensasi kepada pekerja PKWT secara hukum publik bahwa peraturan perundang-undangan mewajibkan pengusaha untuk memberikan uang kompensasi kepada pekerja yang telah habis masa kerjanya atau telah selesainya pekerjaan yang dikerjakan sehingga menyebabkan berakhirnya hubungan kerja antara keduanya. Namun, bagaimana dengan pekerja yang berakhir masa kerjanya sebelum perjanjian kerja berakhir. Bagaimana hak-hak nya pekerja itu jika dilihat dari kacamata hukum ketenagakerjaan yang keberlakuannya menganut dua bentuk hukum yaitu privat dan publik. Adapun metode yang digunakan dalam penelitian ini adalah metode yuridis sosiologis (empiris) yaitu memperoleh pengetahuan hukum secara empiris dengan teknik pengumpulan data melalui observasi pada objek yang dituju, wawancara, studi kepustakaan, dan juga website internet. Dalam penelitian ini menghasilkan beberapa kesimpulan *Pertama*, bahwa

pelaksanaan perjanjian yang terjadi dibuat dengan tetap mengikuti kontruksi yang diperintahkan oleh peraturan perundang-undangan serta dalam pelaksanaannya tetap sesuai dengan ketentuan yang ada. *Kedua*, bila dilihat dari aspek faktor penyebab berakhirnya perjanjian kerja sebelum perjanjian kerja itu berakhir disebabkan oleh dua faktor yaitu dari faktor pekerja itu sendiri dan dari faktor pengusaha yang menyebabkan kejadian ini terjadi. *Ketiga*, pekerja yang berakhir masa kerjanya sebelum perjanjian kerja berakhir tidak mendapatkan uang kompensasi kecuali perjanjian kerja tersebut berakhir disebabkan oleh pekerja meninggal dunia, dalam hal pekerja yang telah habis masa kerjanya atau telah selesainya pekerjaan yang dikerjakan maka uang kompensasi tersebut juga tidak diterima dikarenakan uang kompensasi tersebut tidak diberikan di akhir melainkan pada saat berjalannya perjanjian kerja. Saran dari penelitian ini diharapkan dalam pelaksanaan perjanjian memperhatikan berbagai perspektif. Selanjutnya para pihak diharapkan selalu mengupayakan hubungan kerja yang baik dan professional serta memperhatikan rambu-rambu yang diberikan oleh pemerintah.

**Kata Kunci: Uang Kompensasi; Pekerja; PKWT; Ketenagakerjaan**



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## A. INTRODUCTION

Any policy in a democracy-based nation must be determined by the general will of the populace. The Roman republic and the city-state of Athens both upheld the notion that authority must be used in accordance with the general will rather than the monarchy<sup>1</sup>. Nevertheless, a closer examination reveals that the concept of the general emerged only in the 17<sup>th</sup> century, particularly in the works of Thomas Hobbes and John Locke. The idea that emerged was about the social contract, which is defined as an arrangement between people with the intention of forming a political structure and giving rise to exclusive authority in the exercise of power<sup>2</sup>. That is the way democratic thought can emerge and develop.

It is essential to give the people's voice significant weight when putting democratic state ideals into practice and to base state administration decisions on popular consent. Therefore, under such a conception, all governments serving as the nation's administrators are accountable for handling domestic issues. An advanced nation is one that have better capabilities for managing both its natural and human resources. Therefore, having a legal framework, which serves as the foundation for everything, is essential to a nation's progress toward development. Accordingly, if it is connected to the fundamental idea of labor law, the State must establish a system by which the existence of laws can actualize the idea of equal rights for employees and business owners<sup>3</sup>.

<sup>1</sup> Nur Alfiyanti, "Perbandingan Regulasi Ketenagakerjaan Undang-Undang Ketenagakerjaan Dan-Undang Cipta Kerja," *An-Nizam: Jurnal Hukum dan Kemasyarakatan* 14, no. 02 (2020): 121–39.

<sup>2</sup> Donny Gahril Adian, *Demokrasi Substansial Risalah Kebangkrutan Liberalisme* (Depok: Koekoesan, 2010).

<sup>3</sup> Asri Wijayanti, "Menuju Sistem Hukum Perburuhan Indonesia Yang Berkeadilan," *Jurnal Arena Hukum* 5, no. 2 (2013): 210–17, <https://doi.org/https://doi.org/10.21776/ub.arenahukum.2012.00503.7>.

Naturally, there is a legal foundation for acknowledging this in terms of human resources as the entity in charge of managing significant natural resources. In this sense, employment law is seen as the cornerstone that will enable this country to rise to the status of an economic and human resource superpower. According to this narrative, economic expansion serves as both the foundation for bettering work conditions and a way to raise income.

Since employees lack power within the industrial relations system, which always has positions and interests in it, there are a number of statutory provisions that regulate employment and place workers in subordinate positions. Therefore, in this situation, employees should not be viewed as objects or factors of production, but rather as subjects, that is, as unique human beings attached to dignity and worth<sup>4</sup>.

The goal of employment-related development is to make Indonesians and society prosperous, just, and equitable both materially and spiritually<sup>5</sup>. Given their social nature, humans would naturally labor to sustain themselves by earning money to meet their basic requirements. Naturally, in the course of doing this work, there will be interactions between coworkers or between employees and employers. As a result of these interactions, an event will arise in society, and since the interactions that lead to an event arise in society are caused by interactions whose outcomes are governed by law, these interactions are known as legal events<sup>6</sup>.

An interaction of employment develops in every encounter between employees and employers. Private communication characterizes the working relationship. Article 50 of Law Number 13 of 2003 concerning Employment declares that "Work agreements between entrepreneurs and laborers result in employment relationships," indicating the private character of employment relationships. This article suggests that the emergence of a relationship between an employer and employee constitutes the beginning of a work agreement, and that the terms of the agreements pertaining to that relationship must comply with the requirements of applicable laws. According to Husni's previous perspective, an employment relationship is a type of legal relationship that results from an existing work agreement between an employee and an entrepreneur. This means that the employment relationship between an employer and an employee is established through a work agreement, thereby creating a legal relationship between the two parties<sup>7</sup>.

Through attentive examination, a work agreement, labor agreement, or collective work agreement is one of the sources of employment law as the employment connection is a legal occurrence<sup>8</sup>. Work agreements are open in nature, yet despite this, they nonetheless adhere to

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<sup>4</sup> Mochtar Kusumaatmadja and Arief Sidharta, *Pengantar Ilmu Hukum: Suatu Pengenalan Pertama Ruang Lingkup Berlakunya Ilmu Hukum Buku I*, 2nd ed., vol. 2 (Bandung: Alumni, 2013).

<sup>5</sup> Ujang Charda, "Telaah Kritis Terhadap Inkonsistensi Konsep Hubungan Kerja Dalam Undang-Undang Nomor 13 Tahun 2003 Tentang Ketenagakerjaan," *Jurnal Wawasan Hukum* 33, no. 2 (2015).

<sup>6</sup> Ni Putu et al., "Perlindungan Hukum Terhadap Pekerja Dalam Perjanjian Kerja Waktu Tertentu Menurut Undang-Undang No 13 Tahun 2003," *Jurnal Analogi Hukum* 2, no. 1 (2020): 124–28, <https://doi.org/10.22225/2.1.1613.124-128>.

<sup>7</sup> Lalu Husni, *Pengantar Hukum Ketenagakerjaan Indonesia*, Rev Cetakan Ke-14 (Jakarta: RajaGrafindo Persada, 2016).

<sup>8</sup> Shamad Yunus, *Hubungan Industrial Di Indonesia* (Jakarta: Bina Sumberdaya Manusia, 1995).

established regulations that act as guides for the parties involved in the agreement. Contrary to this openness, there are two different kinds of employment agreements that can be formed; Specified Time Work Agreement (PKWT) and Indefinite Time Work Agreement (PKWTT).

In order to satisfy their desire for employment, laws are required to offer assurances and instructions in relation to all rights and obligations, including the use of agreements. A work agreement is a sort of agreement that occurs in labor law. It is an agreement between an employer and employee or between a laborer and an entrepreneur. This contract involves an agreement to start a working relationship for a specific amount of time or for a specific job, also known as PKWT<sup>9</sup>.

Article 1233 of Book III of the Civil Code declares that there is a connection between agreements and their occurrence. It also specifies that an agreement originates from the existence of a law or agreement<sup>10</sup>. A sort of conduct in which one or more persons remind themselves of one or more people is characterized as an agreement under the language included in Article 1313 of the Civil Code. According to Abdul Kadir Mohammad, an agreement is any type of arrangement that unites two or more individuals and in which they are prepared to bind themselves to one another in order to perform or not do something within the realm of assets<sup>11</sup>.

It bears similarities to a work agreement, which is defined by Ridwan Halim in his book as an arrangement between an employer and one or more employees that governs all terms of mutually obligatory provisions that the parties must comply with. with regard for one another<sup>12</sup>. According to Mulia Syahputra Nasution, Suhaidi, Marzuki, work agreement made between employee and the employer must contain and accommodate the reciprocal rights and obligations of the employee and the employer. Thus, in carrying out an employment relationship, employees and employers are bound by the substance of the agreement that has been agreed in the employment agreement as well as the provisions stipulated in labor law<sup>13</sup>.

A work agreement that is made in writing by both parties is required in any employment relationship that makes use of the Specified Time Work Agreement (PKWT) system between the employee and the business or individual doing the work. This agreement must include provisions regarding the rights and obligations of employers and workers/laborers in accordance with statutory regulations, as stated in Article 13 of Government Regulation No. 35 of 2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time, and Termination of Employment Relations. One such provision is the amount and method of payment of wages. Concerning the beginning and duration of the PKWT coming into effect, in addition to the work conditions governed by Company Regulations or Collective Work Agreements, there are additional regulations.

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<sup>9</sup> Fithriatus Shalihah, "Perjanjian Kerja Waktu Tertentu (Pkwt) Dalam Hubungan Kerja Menurut Hukum Ketenagakerjaan Indonesia Dalam Perspektif HAM," *UIR Law Review* 01 (2017): 149.

<sup>10</sup> R Setiawan, *Pokok-Pokok Hukum Perikatan*, Cetakan ke-5 (Bandung: Binacipta, 1994).

<sup>11</sup> Abdulkadir Muhammad, *Pokok Pokok Hukum Perikatan Muhammad Abdul Kadir* (Bandung: Citra Aditya Bakti, 1992).

<sup>12</sup> A. Ridwan Halim, *Hukum Perburuahan Dalam Tanya Jawab* (Ghalia Indonesia, 1985).

<sup>13</sup> Mulia Syahputra Nasution, "Akibat Hukum Perjanjian Kerja Secara Lisan Menurut Perspektif Hukum Ketenagakerjaan," *Jurnal Ilmiah METADATA*, vol. 3, 2021.

Nonetheless, it's important to ascertain and thoroughly investigate whether employees of a company engaging in a PKWT work relationship with a set working period fail to finish the assigned tasks. Whether they are let go or resign on their own, whether they continue to get paid for their labor, and whether employees who leave for any reason What happens to compensation funds from the company in the event that the job relationship ceases before the employment agreement's expiration. Employers must pay workers compensation under Article 61A of Law No. 6 of 2023 Jo. Article 15 Government Regulation No. 35 of 2021, which is implemented at the conclusion of the PKWT. It is important to keep in mind that both public and private law regulate employment. This is reasonable because labor law is an independent legal body whose legal framework should be able to accommodate both public and private law.

Furthermore, in making a work agreement, it must contain an agreement between both parties regarding a matter which is emphasized in the principle of agreement which is implied in Article 1338 paragraph (1) of the Civil Code, namely the principle of freedom of contract. Work agreements, which in Dutch are commonly called *Arbeidsovereenkoms*, can be interpreted in various way<sup>14</sup>. When examining the agreement making must be adhered to; otherwise, there may be legal repercussions. The criminal repercussions of a desired course of action are determined by the law and will be enforced after the action is carried out. Thus, the activity taken might be classified as a legal action, which is an action done to achieve a result mandated by law.

In addition, all consequences resulting from a legal action taken by a legal subject against a legal object or any other type of consequence that happens as a result of a specific legal cause by the relevant party and has been decided upon or agreed upon as a legal consequence are considered legal repercussions<sup>15</sup>. This research focuses on implementation of the work agreement between specified time work agreement (PKWT) workers and the company; factors that cause specified time work agreement (PKWT) workers end their work period before the contract due; implementation of providing compensation money to specified time work agreements (PKWT) Workers; labor law point of view.

## B. METHOD

Empirical legal research (socio-legal) is a legal study of the legal cultural behavior of society and law enforcement official<sup>16</sup>. Specifically, data were collected by field research by using questionnaires, interviews, and observations. Those data were gained directly from the community as the primary sources. In order to gather information about compensation money by company or job providers to employees utilizing the PKWT system who terminate their

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<sup>14</sup> Masitah Pohan, "Employment Agreement in the Perspective of Business Civil Law," *DE LEGA LATA: Jurnal Ilmu Hukum* 7, no. 2 (December 9, 2022): 292–302, <https://doi.org/10.30596/dll.v7i2.10290>.

<sup>15</sup> Nur Azza Morlin Iwanti and Taun, "Akibat Hukum Wanprestasi Serta Upaya Hukum Wanprestasi Berdasarkan Undang-Undang," *Jurnal Ilmu Hukum "THE JURIS"* 1, no. 2 (2022): 346–51, <https://doi.org/https://doi.org/10.56301/juris.v6i2.601>.

<sup>16</sup> David Tan, "Metode Penelitian Hukum: Mengupas Dan Mengulas Dalam Menyelenggarakan Penelitian Hukum," *NUSANTARA: Jurnal Ilmu Pengetahuan Sosial* 8, no. 8 (2021): 2463–78, <https://doi.org/10.31604/jips.v8i8.2021.2463-2478>.

employment period prior to the expiration of their employment agreement, the author either made observations or traveled directly to the research location at PT. XXX in Sidoarjo. In this study, there were three different kinds of data. Firstly, primary data. Employers, employees, and company records were the direct sources of the data collected in the field. In addition, legislative rules, books, and journals provided secondary data that supplemented the primary data. In conclusion, tertiary data comprises legal material that bolstered the author's interpretations of the legal phrases utilized. Legal publications, dictionaries in Indonesian, official websites and pages that the author can attest to, and legal dictionaries were among the tertiary legal materials. The analysis technique used in processing data is to use qualitative descriptive analysis techniques. Qualitative descriptive analysis technique is a way to obtain concrete facts that occur in the field, in this case the researcher describes and explains with sentences that are easy to understand. Therefore, this analysis activity is expected to answer problems and provide conclusions in accordance with the research objectives.

## C. RESULTS AND DISCUSSIONS

### 1. The Implementation of the Work Agreement between Specified Time Work Agreement (PKWT) Workers and the Company

Employment agreement is one of them derivative of the generals agreement, where each agreement own characteristic special which distinguishes it from an agreement another. But all kinds the agreement has provisions that common that is universally owned by all types of agreements, namely regarding legal principles, validity of agreements, subjects as well as the object agreed upon<sup>17</sup>. One logical result of reaching an agreement is to put it into practice. The parties must fulfill and abide by the terms they have previously agreed upon in order to implement an agreement; but, because human nature often leads people to be careless, humans may neglect to fulfill the agreement. Employers' private rule which include provisions for punishments and other items that require regulation in employment agreements are formed by the parties and are governed by public domain law. This is the view of labor law, which is a combination of public and private law in a given time.

Nothing in the law states that an agreement must be made in writing to be enforceable, nor does it forbid an agreement from being invalid if it is not. According to Article 1320 of the Civil Code regulations on the conditions for an agreement's validity, an agreement that fails to meet both the objective and subjective requirements for its validity is legally void and susceptible to cancellation. In terms of the subjective conditions necessary for an agreement to be valid, failure to meet these requirements may result in the agreement's cancellation, or it may be deemed legal as long as the court does not cancel it<sup>18</sup>. Although there is a principle of freedom of contract, there are limitations to its application. Specifically, the agreement

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<sup>17</sup> Falentino Tampongongoy, "Penerapan Sistem Perjanjian Kerja Waktu Tertentu Di Indonesia 1 Oleh: Falentino Tampongongoy 2," *Lex Privatum* 1, no. 1 (2013): 146–58.

<sup>18</sup> Devina Ruth Merida, "Pembatalan Perjanjian Pengikatan Jual Beli Di Bawah Tangan Terkait Pemenuhan Syarat Subyektif Berdasarkan Putusan Pengadilan Negeri Malang Nomor 12/PDT.G/2017/PN MLG," *Indonesian Notary* 3, no. 1 (2021).

must not violate current laws, public order, or moral standards. This limitation is reflected in the clause of the agreement that serves as its foundation<sup>19</sup>.

At PT. XXX, agreements between laborers and entrepreneurs were made in writing. Naturally, before an agreement was made and went into effect, it was necessary to get the consent of all parties involved, as shown by their signatures. These parties were the entrepreneurs, who are the first party in the Specified Time Work Agreement (PKWT), and the workers, who are the second parties. Written agreements were not without purpose; according to Article 1866 of the Civil Code, which stipulate that written evidence is admissible in civil cases, they could be used as a foundation for civil prosecutions in court if one of the parties failed to carry out the terms of the agreement. Thus, written agreements give parties greater legal certainty, and it was true and proper that PT. XXX's business with workers made a written agreement in order to prevent unfavorable outcomes in the future.

Naturally, the accomplishment would be attained if the goal of reaching a consensus was followed through on. In order for the parties involved to have rights and obligations that arose from the realization of the desired outcome. Workers/laborers at PT. XXX entered into an agreement with the entrepreneurs with the intention of achieving a specific goal. From the entrepreneur's point of view, the goal of the Specified Time Work Agreements(PKWT) agreement was to employ workers/laborers in specific positions and jobs to work at specific times only, as this was thought to be more efficient for the business's operations.

Since the work agreement is a private law that only binds both parties, it is tailored to the interests of the parties while still taking regulatory provisions into consideration. The work agreement, made between the employer and employee in the form of an agreement, contains special provisions that are in fact a characteristic feature of the agreement. The agreement's guiding concept, the concept of Freedom of Contract, is put into practice by the relevant laws.

There are a number of unique clauses outlined in the employment contract between employers and employees, this is allowed under the principle of freedom of contract. However, it should be noted that one of the freedoms granted is the ability to choose the reason for or content of the agreement. Nevertheless, there are still restrictions that make this cause not entirely free, ensure that the cause generated is neither illegal or in conflict with other causes, and change the paradigm from one of freedom to one of propriety. There is no such an absolute freedom; the government has the authority to control or forbid transactions that could negatively affect the interests of several parties or behave arbitrarily.

The legal principles themselves serve as the broadest foundation for the creation of legal rules, indicating that the meaning of the regulations in the law will ultimately be returned to them. The presence of legal principles serves as a point of reference and guidance for determining the orientation based on possible legal implementations<sup>20</sup>. Legal principles serve as a sort of orientation or guideline depending on the possible applications of the law.

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<sup>19</sup> Niru Anita Sinaga, "Peranan Asas-Asas Hukum Perjanjian Dalam Mewujudkan Tujuan Perjanjian," *Binamulia Hukum* 7, no. 2 (2018): 107–20, <https://doi.org/https://doi.org/10.37893/jbh.v7i2.318>.

<sup>20</sup> Rokilah and Sulasno, "Penerapan Asas Hukum Dalam Pembentukan Peraturan-Undangun," *Ajudikasi: Jurnal Ilmu Hukum* 5, no. 2 (2021): 170–90, <https://doi.org/https://doi.org/10.30656/ajudikasi.v5i2.3942>.

Established legal principles can be useful when applying the laws themselves, as well as serving as a guide for handling complex cases now pending<sup>21</sup>.

The business considers the broad guidelines while drafting an agreement. The contract between the worker and the business owner at PT. XXX was made in writing. The Specified Time Work Agreements(PKWT) agreement was made in writing by the corporation, which claimed that it was only meant to be a temporary measure. In the event that there are issues with the agreement's implementation afterwards, one of the parties pursued legal action for activities that deviated from the terms of the agreement.

The agreement will become legally binding for the parties involved once it has been approved by both the workforce and the entrepreneur in line with the Civil Code's Article 1338 and the Pacta Sunt Servanda principles. In order for the things that are agreed upon in it to be implemented, the parties must adhere to the current provisions, which include rights and obligations that need to be acknowledged and fulfilled.

The Specified Time Work Agreement (PKWT) draft agreement was created and provided by PT. XXX. The agreement wasn't just put into effect by the company; it was also implemented through discussions, clarifications, and initial meetings with potential employees. If any provisions in the agreement that the employees felt weren't in line with what should be done or there were more things to be added, they could talk and negotiate with the employer. Therefore, both parties would accept and had no objections when the agreement was put into effect.

## **2. Factors that cause Specified Time Work Agreement (PKWT) workers end their work period before the contract due**

According to Iman Soepomo, work position occurs after an understanding has been reached between the employer, especially an agreement in which the employee declares himself to work and obtains an imbalance from the employer who declare themselves to take advantage of employees with pay wages to employess<sup>22</sup>.

Naturally, the agreement specifies in writing regarding the begin, when it is come to the effect, as well as the length of time they will last. The agreement's validity time is necessary in the terms of its contents since it is intended to be legally binding solely on the parties to it. There are a few limitations under which a work agreement may terminate, including the worker's or laborer's passing, the agreement's expiration, the completion of the task, a court ruling, and some other limitations.

Every person who performs labor and enters into an agreement is undoubtedly obligated to finish the task or perform the task within the allotted time. However, this does not preclude

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<sup>21</sup> Anita Kamilah, *Bangun Guna Serah (Build Operate and Transfer Bot): Membangun Tanpa Harus Memiliki Tanah (Perspektif Hukum Agraria, Hukum Perjanjian Dan Hukum Publik)*, ed. Darlin Darmansyah, *Bangun Guna Serah (Build Operate and Transfer Bot) : Membangun Tanpa Harus Memiliki Tanah (Perspektif Hukum Agraria, Hukum Perjanjian Dan Hukum Publik)*, 2nd ed., vol. 2 (Bandung: CV. Keni Media, 2020).

<sup>22</sup> Imam Sofii Toha et al., "Analisis Yuridis Kompensasi Pada Peraturan Pemerintah Nomor 35 Tahun 2021 Tentang Perjanjian Kerja Waktu Tertentu, Alih Daya (Outsourcing), Waktu/Jam Kerja Dan Waktu Istirahat, Dan Pemutusan Hubungan Kerja," *Wajah Hukum* 7, no. 2 (October 31, 2023): 350, <https://doi.org/10.33087/wjh.v7i2.1254>.



the worker or laborer from quitting earlier than the work agreement's due or the company ends the Specified Time Work Agreement (PKWT) to the employee.

A breach of contract occurs when one of the parties to an agreement fails to carry out the terms of the agreement. An agreement in which two subjects are involved, one carrying out an accomplishment and the other having the right to an achievement, is made, agreed upon, and binding on both parties. A breach of contract occurs when one of the parties to an agreement made by legal subjects is careless in carrying out its obligations or fails to perform as required; this is known as a failure to perform<sup>23</sup>.

The following are the purposes of PT. XXX terminated employment relations:

- a. The company wished that the management and operations to function properly and for all work activities to achieve their goals and be completed successfully.
- b. The company must optimize its productivity and minimize its operating expenses to attain operational stability.

Since agreements follow the principle of personality, which only applies between the parties as stated in Article 1340 of the Civil Code, they are made to safeguard the parties' interests and to provide a kind of legal certainty for ensuring that no parties are damaged in the pursuit of their interests.

The work term completed by the Specified Time Work Agreement (PKWT) workers complies with the terms stated in the agreement form. Consequently, the length of time needed to complete the task determines the work term. When the employee's work time finishes, there are two further types of constraints. Notwithstanding, it was a frequent occurrence for extraneous factors to culminate the work period before to the work agreement due, whether terminated by the employee or the employer directly.

**Table 1.**  
**List of PKWT Workers at PT. XXX Business who end their work before the contract due (2020-2023).**

No	Position	Amount	Factors cause
1	Office	3	1. own willingness 2. getting a new job 3. getting a new job
2	Sale (Operasional)	7	1. Fail to achieve Turnover 2. Fail to achieve Turnover 3. Fail to achieve Turnover 4. getting a new job 5. pass away 6. pass away 7. getting a new job

<sup>23</sup> Dyah Arum Selebesia, "Wanprestasi Dalam Perjanjian Kerja Pada" (Universitas Islam Indonesia, 2018).

It was confirmed by HRD at PT. XXX through field interviews that certain employees covered by Specified Time Work Agreements (PKWT) resigned from their positions prior to the employment contracts due for a variety of reasons. These are the following explanations:

a. Fail to achieve turnover

Failed to achieve turnover denotes that temporary work was done by workers who were assigned to do certain tasks that the company needed done. In other words, there were open positions. The company subsequently hired Specified Time Work Agreement (PKWT) worker to complete the agreed-upon tasks. In this case, the employee failed to perform his job duties correctly during the project. Therefore, the company obliged to terminate the labor agreement even though the predetermined length of time had not yet ended.

b. own willingness

own willingness was a personal factor came from the worker. Employees that departed before the end of the work agreement had a variety of background factors. In this instance, the corporation informed the author that some employees resigned voluntarily by sending in a letter of resignation, and they then gave an explanation.

c. Get a new job

There will never be a finish to the process of living their lives. The business owner was unable to intervene when an employee tenders a resignation letter citing job-related reasons, as doing so would compromise the company's otherwise excellent performance. Nonetheless, the mutually agreed upon plan in the event that the employee correctly proposed to leave. Also, the business incurred no expenses for compensation.

d. Pass away

Since no one is aware of this, the cause was outside the company's control. As per the provisions of statutory rules, work agreements, and corporate regulations, in the workers pass away, the work performed by them couldn't be transferred to another individual. Consequently, even if the work had not been completed, the work agreement must terminate.

A mutual agreement was reached by some of the laborers/specified time workers under the PT. XXX work agreement who left before the work agreement due. That was accomplished by sending a written resignation letter from the employee or laborer to the company. On the other hand, some employees chose to leave PT. XXX without warning and joined a different business. In accordance with Article 62 of Law Number 3 of 2003 covering employment, Specified Time Work Agreements (PKWT) employees who resign prior to the expiration of their work agreement are not obligated to pay compensation to the firm. In the event that one side terminates the labor agreement before its expiration, they must make up the difference. Nevertheless, PT. XXX's work agreement did not make advantage of this rule. This law came into effect when laborers left on their own initiative without consulting their employer or providing notice beforehand.

It was true that the Specified Time Work Agreements (PKWT) was not implemented in compliance with the legislation, but it should be remembered that the benefit was given priority in the law's intent. In other words, there were two types of labor law: public and private. Although the two laws were distinct from the legal rules that apply to public law, it

was still proper to implement them if done so from the standpoint of advantage. Private law was more useful when applied in this way.

The company made an effort to avoid ending the work agreement with workers before it's due when implementing Specified Time Work Agreements (PKWT) Workers who still employed, whose work agreements had finished, and whose work periods end before the work agreements due all attested to this. According to what they said, the company always made an effort to build and preserve a relationship with them, both during their employment and when they wanted to leave.

### **3. The Implementation of Providing Compensation Money to Specified Time Work Agreements (PKWT) Workers; Labor Law Point of View**

In reality, Specified Time Work Agreements (PKWT) employees at PT. XXX who had their work terms expire before the work agreement's due date or whose work period finished early did not receive compensation money from the company for their labor. However, this money was put to another use. In other companies, it was applied in several ways such as when it was granted as a Holiday Allowance to Specified Time Work Agreements (PKWT) employees who had worked for 12 (twelve) months. Workers of PT. XXX received this money as compensation for combining their work over the holidays, having worked for a total of three (3) months on multiple days.

Money for compensation that is required by law to be given to employees in the event that a work agreement ends due to the work agreement's term ending or a job being completed is also transferred to the function of providing health insurance and guarantees and assurances regarding work safety. The company offers social services. Therefore, the corporation does not provide compensation to PKWT employees whose work term has finished.

Employees will not be compensated if their job connection terminates before the terms of the employment agreement are fulfilled. Nevertheless, in the event that the worker/laborer dies and the work agreement terminates before the period is finished, the heirs of the deceased worker/laborer will get the compensation funds. Employees who quit for any of the four (four) reasons listed above, stop in accordance with the policies and procedures of the company, stop after the holidays, or finish the work period of three (3) months and one day will still be eligible for holiday allowance compensation. However, workers whose work period ends before the work agreement ends due to not achieving turnover, of their own volition, and getting a new job will not receive compensation money. the worker/laborer's surviving spouse, who receives compensation funds prior to the expiration of the job contract. The individual's family receives the compensation money from the corporation.

The duration of the employee's employment was taken into account while determining the compensation amount by PT. XXX. in this instance, as was the case with the implementing regulations that control the amount of compensation awarded, namely in Number Article 16 Government Regulation 35 of 2021 PT. XXX was in compliance with the laws.

According to the legislation, the corporation had followed the proper procedures for implementing the compensation money provision. With respect to the legal provisions outlined in Article 61A Law Number 6 2023 employment cluster, however its implementation

was different. While PT. XXX received compensation money in accordance with the foregoing methods and systems, the article stipulates that such money must be distributed at the conclusion of the PKWT agreement period. Since the law's requirement—namely, to provide workers with compensation money—was fulfilled, there was no legal breach.

The actions taken by the company did not conflict with legal provisions because this was a form of implementation of legal objectives, namely the principle of legal benefit. Looking at the implementation of labor law which consisted of public law and private law, the implementation here was to combine these two forms of legal systems. Looking at the discussion above regarding the workers/laborers who quit before the work agreement ends and compared it to the provisions of the legislation in Article 62 Law Number 3 of 2003 concerning Employment. It mentioned that the party who terminates before the work agreement ends should have obligation to pay compensation, but in this case the company did not necessarily adhere to the law and implement legal certainty.

In this instance, the advantages of the law and the enforceability of private law take precedence. Specifically, there is a work agreement between the laborer and the company. It states that one of the parties who wishes to end the agreement before its due, both parties should discuss to take an agreement. When both parties agreed, thus the one whom terminate doesn't need to pay the compensation money. On the other hand, the party who terminates must pay compensation money if he unilaterally quit without any notifications and agreements.

Regarding the provision of compensation money, PT. XXX did not specifically give workers compensation funds. According to Article 61A Law Number 6 of 2023 employment cluster, PKWT employees are only eligible for compensation if their work time ends when the work agreement expires or a certain task is completed. Public law suggests that employers are not required by the firm to pay workers' or laborers' compensation when their work agreement expires before the worker's time of employment finishes.

#### **D. CONCLUSION**

The principles of discussion and consensus were used at PT. XXX to implement the agreement between business owners and PKWT employees. It also involved being mindful of the rights resulting from a contract to conduct business in an employment relationship. Both rights originating from private law, specifically the occurrence of an agreement in the form of an employment agreement, and rights arising as governed by legislative rules. To establish legal clarity between the parties, the agreement was established in writing. The agreement was made in compliance with the terms of Article 1320 of the Civil Code, which meant that it was legally obligatory on both parties and became law for those who made it.

Workers whose terms of employment ended prior to the work agreement's due date received compensation money. The worker's employment relationship for three months in a row, the company paid the worker compensation money. Since compensation money was nonetheless paid to workers in this instance, despite a different implementation, the corporation did not break any applicable labor laws. Due to the rules of Article 61A of Law Number 6 of 2023 employment cluster, workers who quit before the work agreement was due

were not granted compensatory money. It clarified that only PKWT employees whose employment relationship ends with the termination of the employment agreement or the completion of the completed work are eligible to receive compensation money.

Prior to the employee signing the employment contract, the employer gave them information about the rights and responsibilities they would have under the terms of the agreement as well as what they needed to do legally. so that a cordial working relationship could be established and maintained throughout the duration of the work agreement after it was put into effect. It would be preferable for the employee to become aware of their rights before signing a job contract. the legal rights as well as those specified in the agreement. Employees would therefore know what needs to be accomplished when implementing the work relationship, and there wouldn't be any friction between employees and employers as a result of employees' failure.

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