

The Phenomenon of Retired Employees Who Are Re-Employed to Fulfill Their Tax Obligations

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Keywords:

Pension,
Income Tax
Article 21, Tax,
Research

Abstract

This research explores the phenomenon of retired employees being re-employed to fulfill their tax obligations, especially in relation to PPh Article 21 which applies to casual employees and retirees. Retirement is a period that requires special attention in the context of taxation. This research uses descriptive qualitative research methods to understand and describe this phenomenon. Indonesia implements a Self Assessment System in its tax system, which gives full responsibility to taxpayers in calculating and paying taxes. In the context of withholding, depositing and reporting income tax article 26 which is related to work, services and activities of individuals, the Director General of Taxes Regulation number PER-16/PJ/2016 regulates the technical guidelines. This research takes secondary data from various sources, including literature and applicable tax regulations. The research results provide insight into the calculation of PPh Article 21 for permanent employees and periodic pension recipients. This calculation involves various aspects, including the tax period, recalculation, PTKP, and the tax withholding process. This research aims to provide a better understanding of the challenges faced by retired employees who are reemployed in the context of taxation in Indonesia.

1. Introduction

Retirement is an important phase in a person's life, often a time of significant change. Especially in Indonesia, understanding taxation, especially related to PPh Article 21, is very relevant in the context of retired employees who are rehired. Indonesia has a national goal of creating a just and prosperous society, as reflected in the 1945 Constitution. In an effort to achieve this goal, the tax system in Indonesia implements the Self Assessment System, which gives full responsibility to taxpayers in calculating and paying their own taxes.

Taxation is an important aspect in achieving this national goal, and every taxpayer is expected to understand and fulfill their tax obligations correctly. PPh Article 21 is one of the tax regulations that regulates income tax deductions that apply to freelance employees and retirees. Within the scope of withholding, depositing and reporting income tax article 26 which is related to work, services and individual activities, the Technical Guidelines for Regulation of the Director General of Taxes number PER-16/PJ/2016 provide relevant technical guidance. In this context, retired

employees who are reemployed face various challenges related to tax calculations, especially in calculating their tax returns. Calculating Income Tax Article 21 for permanent employees and periodic pension recipients involves various elements, including the tax period, recalculation, PTKP, and the tax withholding process. Understanding these rules is important to ensure compliance with tax regulations and proper fulfillment of tax obligations. This research aims to provide better insight into the phenomenon of retired employees being rehired in the context of taxation in Indonesia.

Through qualitative descriptive research methods, this research seeks to describe relevant social situations in depth. Secondary data obtained from various sources, including literature and applicable tax regulations, was used to support this research. With a better understanding of the challenges faced by re-employed retired employees in terms of taxation, it is hoped that it will be possible to refine tax policies that are more appropriate and effective for this group, as well as help achieve Indonesia's national goal of

creating a just and prosperous society through a tax system better.

2. Literature Review

2.1 Pensions and Taxation

Investigation phenomenon employee employed retirees _ return For fulfil obligation tax especially related with Income Tax Article 21 applies For employee freelance and retired reflect complexity connection between pensions and taxation . Pension is required stage _ attention special in context taxation , remember exists regulation tax specifically regulated _ cutting tax income . A research (name research) highlights how importance understanding taxation , esp Income Tax Article 21, in context employee employed retirees _ return .

2.2 Self Assessment System in Indonesian Tax

Indonesia implements Self Assessment System in system its taxation , which provides not quite enough answer full to must tax For calculate and pay tax they Alone . System This reflect influence to not quite enough answer must tax in matter manage obligation the taxation . Studies This in line with objective Indonesian national for create a just and prosperous society .

2.3 Regulation Taxation Related

In context deductions , deposits and reporting tax income , esp related article 26 with jobs , services , and activities individual , Directorate General Tax emit Regulatory Technical Guidelines number PER-16/PJ/2016 which provides guide technical . Guidelines This become guidelines technical For understand regulation taxation in situation certain , like case employee employed retirees _ return .

2.4 Calculation Process Income Tax Article 21

Counting Income Tax Article 21 for employee fixed and recipient pension

periodically involve various elements , such as tax period , calculation return , PTKP, and cutting process tax . Understand this process is key For ensure obedience to regulation taxation . Studies This give outlook in details about calculation Income Tax Article 21 for group This .

3. Methodology

The research method used is qualitative descriptive research. The aim of this method is to explore the social situation that will be researched thoroughly. This method uses a qualitative data approach, which is a research procedure that produces descriptive data in the form of written or spoken words from people and observed behavior (Bandung PT Teen Rosdakarya, 2007). Qualitative research is based on the belief that knowledge comes from social settings and that understanding social knowledge is a legitimate scientific process (Jakarta PT Raja Grafindo Persada, 2011).

Data collection is an activity to search for information data in this research. This research uses library research (*Library Research*). Library research is research carried out using literature (libraries), whether in the form of books, notes or previous research reports (Iqbal Hasan, 2008). This research was conducted using secondary data. Secondary data is data obtained or collected by people conducting research from existing sources (Iqbal Hasan, 2004).

4. Results And Discussion

Based on the Directorate General of Taxes Regulation number PER-16/PJ/2016, which outlines technical guidelines for the process of withholding, depositing and reporting income tax in accordance with Article 26 relating to work, services and individual activities. As for calculating PPh Article 21 for Permanent Employees and periodic pension recipients, there are two different approaches:

a. Periodic Calculation (Monthly): Becomes the basis for deducting Article 21 Income

Tax payable for each Tax Period. This deduction is then reported in the Income Tax Return (SPT) Period Article 21, with the exception of the December Tax Period or in cases when permanent employees stop working.

- b. Recalculation: Used as a basis for filling out Form 1721 A1 or 1721 A2 as well as withholding Income Tax Article 21 payable for the December Tax Period or in situations when a permanent employee stops working. This recalculation is carried out in two situations:
- 1) The month in which the permanent employee stops working or retires.
 - 2) December, if the employee continues to work until the end of the calendar year, or in a situation where the pension recipient receives pension money until the end of the calendar year.

Calculation of Income Tax Article 21 on Regular Income for Periodic Pension Recipients in the first year of retirement involves the following steps:

- a. First of all, calculate your net income per month by subtracting gross income from pension costs. Then, multiply this number by the number of months from when the pension recipient received the pension until December.
- b. Add the net pension income (as explained in step a) with the net income received or obtained from the employer before the employee concerned retires, as stated in the proof of withholding of Income Tax Article 21 before retirement.
- c. To calculate Taxable Income, subtract the amount in step b from PTKP, and next, calculate PPh Article 21 on this Taxable Income. d) Calculate PPh Article 21 on pension money in the year concerned by reducing PPh Article 21 calculated in step c with PPh Article 21 owed from the employer before the employee concerned retires, as stated in the proof of withholding PPh Article 21 before retirement.

- d. PPh Article 21 on monthly pension money is the amount of PPh Article 21 as explained in step d, and divided by the number of months as explained in step a.

Calculation of Income Tax Article 21 on monthly pensions for the second year and subsequent years follows the same procedure as for permanent employees.

5. Conclusion

Indonesia has a national goal as stated in the 1945 Constitution, namely creating a just and prosperous society. Indonesia adheres to a taxation system that is a *Self-Assessment System*, namely a tax collection system that is given full responsibility to each taxpayer who carries out their own calculations and payments for the amount that must be paid by the taxpayer himself. Based on Regulation of the Director General of Taxes number PER-16/PJ/2016 which states technical guidelines for procedures for withholding, depositing and reporting income tax article 26 in connection with work, services and activities of individual individuals.

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