



**Judicial Review on Article 82 of Law No. 2 of 2004:
Constitutional Court Reinterprets Time Limit
for Unfair Dismissal Claims**

I. Background

On 17 September 2025, the Constitutional Court of the Republic of Indonesia (*Mahkamah Konstitusi* - "**MK**") delivered Decision No. 132/PUU-XXIII/2025 (the "**Decision**"). This ruling concerns a judicial review of Article 82 of Law No. 2 of 2004 on the Settlement of Industrial Relations Disputes ("**Law 2/2004**"). This Decision marks the third time MK has reviewed this provision, following its previous examinations in 2015 (Decision No. 114/PUU-XIII/2015) and 2023 (Decision No. 94/PUU-XXI/2023). Article 82 originally prescribed a one-year limitation period for dismissed employees to bring a claim against their employer, calculated from the date of termination notice.

II. The Constitutional Court's Ruling

MK partially granted the petition. Whilst affirming the necessity of a statutory time limit, MK recognised the merit of the petitioner's reasoning. Accordingly, MK issued a binding interpretation that the one-year limitation period for filing claims over unlawful termination shall commence only from the date when the mandatory Alternative Dispute Resolution ("**ADR**") process concludes without a settlement.

III. Implications for Indonesian Employment Law

This Decision constitutes a major development in Indonesian employment law. The legal shift ensures that the litigation clock now begins not from the termination date, but from the conclusion of the pre-litigation ADR processes. This approach safeguards workers from the risk of their claims becoming time-barred due to lengthy pre-litigation processes.

From the employers' perspective, the Decision modifies the equilibrium between dispute resolution efficiency and legal certainty. With this new procedural clarity, companies are now more incentivised to engage in genuine, good-faith negotiations to resolve disputes efficiently and at an early stage.

Ultimately, this Decision strengthens the integrity of the entire industrial relations dispute resolution system. It reaffirms that mandatory pre-litigation procedures serve as a genuine avenue for settlement rather than a procedural barrier. By prioritising substantive fairness over rigid procedural timelines, MK promotes a more equitable balance between labour and capital.

IV. Conclusion

This Decision establishes crucial legal certainty for all parties involved in industrial relations disputes. For employees, it confirms that the one-year limitation period is not exhausted by mandatory ADR proceedings, thereby securing their access to justice. For employers, the ruling provides definitive clarity on when the statutory limitation formally begins.

Ultimately, by aligning the procedural timeline with the completion of pre-litigation ADR, MK reinforces the integrity of the mandatory ADR process as a genuine path to settlement, fostering a more transparent and equitable framework for dispute resolution.

Authors:



Eddy Isworo
Partner

Practice Areas:

- Employment, Foreign Direct Investment & Joint Ventures
- Corporate Merger and Acquisition (M&A)
- Construction, Real Estate & Hotels
- Infrastructure & Project



Samuel Joviandre
Associate

Practice Areas:

- Employment, Foreign Direct Investment & Joint Ventures
- Corporate Merger and Acquisition (M&A)
- Construction, Real Estate & Hotels
- Infrastructure & Project

For General Enquiries & Client Emergency Assistance

Contact: (62) 8577 9898 668

Email: cr@budidjaja.law

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Sahid Sudirman Center, Floor 49, Jl. Jendral Sudirman No. 86, Jakarta
10220 Indonesia



(62) 21 520 1600



cr@budidjaja.law



www.budidjaja.law