



## Termination Of Employment Due To Company Bankruptcy During Covid 19

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### ABSTRACT

*One of the consequences of the covid 19 pandemic is that many companies are forced to lay off their employees and terminate their employment. The issue is whether the company is allowed to terminate the employment relationship due to Covid-19 and whether the company can be prosecuted for not being able to carry out its obligations to its workers. The research method used is lie research by using secondary data in the form of primary legal materials, secondary legal materials and tertiary legal materials. Research is normative juridical and qualitative type of research adalan. In conclusion, the company can terminate the employment relationship during Covid-19 on the grounds of Overmacht, if the company can prove due to the Covid-19 pandemic that it is no longer able to carry out its obligations to workers/ laborers. Companies that are unable to fulfill their obligations to their workers can be declared bankrupt and the seized assets of the company are subsequently sold, auctioned for payment of the rights of workers who are prioritized for payment.*

### INTRODUCTION

The Covid-19 outbreak started from Wuhan, one of the regions in China, which then spread to many countries in the world including Indonesia. The Covid-19 outbreak that has hit many countries in the world includes global problems that have a negative impact on the deterioration of the community's economy, a nation that is experiencing a dramatic decline. The Covid-19 outbreak that hit the world from March 2020 until now including Indonesia has had a negative impact on many sectors of people's lives, including the economic sector, the tourism sector . the transportation sector is experiencing a dramatic decline. The Covid-19 outbreak has caused the country's economic sector and society to be slumped. The people most affected by the Covid-19 outbreak are people who

work in the informal sector such as online motorcycle taxis, angkot drivers and taxi drivers, culinary traders, street vendors and MSME traders. Their income drops dramatically.

In addition, people who work in the industrial sector as workers or workers in an industrial company. The decrease in company turnover caused by weakening people's purchasing power caused by Covid-19 has an impact on job cuts. The government implemented large-scale social restrictions and implemented physical distancing causing in order to break the chain of the spread of Covid-19, the company had to lay off several workers and even the company had to terminate its employment unilaterally because it was no longer able to carry out its obligations in accordance with the provisions stipulated in the labor agreement. Although in any

condition the company should be subject to and obey the rules or norms that apply where a business process where the implementation focuses on the principle of Justice.

The threat of the Covid-19 pandemic is that many companies are unilaterally terminating their work relationships. In labor law, the company may not terminate the relationship unilaterally, if the worker / laborer complies with the obligations stipulated by the labor agreement, labor agreement and company regulations. However, the reality during the Covid 19 pandemic has been that many companies have terminated their work relationships because they are no longer able to fulfill the rights of workers.

With the unilateral termination of the employment relationship carried out by the company, there is a default of the employment agreement which is caused by the company being unable to carry out its obligations in accordance with the provisions stipulated in the employment agreement. With the default of the work agreement due to Covid-19, it creates obligations for the company towards workers /laborers. The obligation of the employer is a debt to be paid by the employer to the worker / worker who determines the company's position as a debtor or as a party who must carry out the achievement, while the position of the worker/worker is as a creditor as a party entitled to the achievement.

With the Covid-19 outbreak, it is possible that the company can be wound up due to the company not being able to pay its overdue debts. Based on the bankruptcy law and the postponement of the obligation to pay the debt which is further abbreviated as UUKPKPU, the company can be filed if the company has two creditors and at the time of payment maturity, one debtor is unable to pay his overdue debt.

The Covid-19 pandemic that has hit the world since the beginning of March and is still ongoing until and cannot be determined with certainty when it will end. The Covid-19 pandemic is an unpredictable global problem that has had many negative impacts on many sectors of people's lives.

One of the worst sectors due to the Covid-19 pandemic is the economic sector of the community and Country. The company as the driver of the economy of the people who are no longer able to carry out the production process causes the company to unilaterally terminate the employment relationship carried out by the company, the company is no longer able to carry out the production process, so that the company loses its

income decreased drastically causing the company no longer able to pay its credit to the bank so that bad debts occur. The condition of the company that is unable to pay its debts to the bank and the obligations to be paid by the company to the workers/ laborers has an impact that the company can be threatened.

## **METHOD**

The research method used in writing this article is Library Research using secondary data in the form of primary legal material, secondary legal material and tertiary material. Primary legal materials in the form of legislation relating to Law No. 23 of 2003 on Labor and Law No. 34 of 2007 on bankruptcy and postponement of debt payment obligations as well as the Civil Code. While the secondary legal material consists of books, expert opinions are concerned relating to Labor Law, treaty law and Bankruptcy Law. Tertiary legal materials in the form of legal dictionaries and Indonesian dictionaries. The Data obtained from the results of the library research in the form of secondary data analyzed in a systematic scientific to answer the formulation of the problem. Research is normative juridical and qualitative type of research.

## **RESULTS AND DISCUSSION**

### **A. Legal Rules Of Termination Of Employment Due To The Threat Of Bankruptcy**

Based on Article 156 paragraph (1) Law No. 13 of 2003 on employment States, in the event of termination of employment, employers are required to pay severance pay and/ or money awards and money replacement rights should be received. The Covid-19 pandemic caused many companies to terminate their employment relationships, because they were unable to pay their obligations to the workforce.

Covid-19 is a virus that originated in Wuhlan one region in China. The spread is very fast and is a deadly virus that has claimed many lives, both medical personnel and members of the public as ordinary people, state officials and heads of State did not escape being victims of Covid-19. The Covid-19 outbreak is a global problem that has spread in many countries including major countries in the world , such as the United States, Germany, England, Russia. The Covid-19 Virus originally started from the Wuhan country, one of the regions in China, which then crossed quickly to several countries in the world including Indonesia. Various ways are carried out by countries in the world including the country of Indonesia in order to

prevent and break the chain of the spread of Covid - 19.

Indonesian government issued several regulations, including Perpu Number 1 of 2020 concerning State Financial Policy and financial system stability for handling the Corona Virus Disease 2019 (Covid-19) pandemic and/or in order to face threats that endanger the national economy and/or financial system stability. President Joko Widodo issued Perpu No. 1 of 2020 with the consideration that: the spread of Corona Virus Disease 2019 (Covid-19) which was declared by the World Health Organization as a pandemic caused many casualties, material losses had implications for social, economic, and community welfare aspects. The Covid-19 pandemic has caused a slowdown in national economic growth, a decrease in state revenue and an increase in state spending and financing, so various government efforts are needed to save health and the national economy. as well as economic recovery including for businesses and affected communities .

Government Regulation Number 21 of 2020 concerning large-scale social restrictions ( PSBB). What is meant by PSBB is the restriction of certain activities of residents in an area suspected of being infected with Covid-19 to prevent its spread. PSBB apply 14 days and can be extended within the next 14 days since the discovery of the last case.

Presidential Decree Number 7 of 2020 concerning the Covid-19 handling acceleration group headed by The Disaster Management Agency (BNPb) and Permenkes number 9 of 2020 concerning large-scale social restrictions (PSBB). The scope of the PSBB contained in the regulation of the Minister of health of the Republic of Indonesia number 9 of 2020 includes school and workplace leisure, public facilities, except supermarkets, minimarkets, markets, shops, places of sale of medicines and medical equipment, as well as basic necessities, social and cultural activities, banning crowds, political meetings, Sports, Entertainment, academic, and cultural activities, modes of Transportation, defense and security aspects except, defense and security activities to uphold the sovereignty of the state, territorial integrity, and protect the nation from the threat of interference, and realize the security and public order.

Financial Services Authority regulation ( PoJK) number 11/POJK.03/2020 on National Economic Stimulus was issued as a policy on the impact of the spread of the Corona virus. POJK issued to reduce the impact on debtor performance and capacity

which is expected to decline during the Covid-19 pandemic (Republika.co.id, accessed April 4, 2020). National economic Stimulus is given to debtors ranging from MSMEs, industry, informal workers. Bank credit customers can apply for credit relief, extension of credit installment period, reduction of principal arrears, interest arrears, addition of credit/ financing/ credit conversion facilities, allowance for time to pay principal or interest installments. A policy that is not provided to abolish credit. Credit restructuring is given to debtors affected by the Covid-19 virus such as online motorcycle taxis, angkot drivers, fishermen and the MSME sector.

MUI Fatwa number 18 of 2020 states that the management of bodies, especially bathing and flogging must be carried out according to medical protocols carried out by the authorities while still paying attention to sharia ( religious law) (Ahmad Faiz Ibnu Sani, Tempo .com, May 2020). As for praying and burying him, it is done as usual while maintaining (pertugas and pentakziah ) so that they are not exposed to Covid-19.

National Police Chief Information number Mak/2 / III / 2020 regarding compliance with government policies in handling the spread of the Corona Virus. The contents of the Police Chief's information, among others, did not hold social activities that led to mass gathering in large numbers. Stay calm and do not panic and further increase vigilance in their respective environments, following information and government appeals. In urgent circumstances, it is carried out while maintaining distance and must follow government procedures. Not buying and / or hoarding basic needs and other community needs excessively. Not affected and spread news with unclear sources that cause public unrest (Hoax). If there is unclear information to contact the local police.

The information letter number 02/MLM/1.0/H/2020 regarding the Covid-19 virus outbreak and letter number 03/1.0 / B / 2020 regarding the implementation of JU'mat prayers and Fard prayers in congregation when Covid-19 struck. Muhammadiyah took several decisions based on Islamic values in the Qur'an and Hadith, the current emergency condition If until Ramadan and Shawwal the Covid-19 outbreak still does not decrease, then Tarwih prayers and other Ramadan activities, such as religious lectures, tadarus in congregation, Itikaf and other activities in congregation are carried out at home. Fasting is still done except for people who are sick and his immune condition is not good can replace it according to Shari'a. If Covid-19 has subsided Eid prayers and the series can be carried

out by still paying attention to the instructions issued by the competent authorities .

The government has made various efforts to prevent and break the spread of the Covid chain-19 by issuing regulations as mentioned above. However, the reality is that there are still many people whose behavior is less concerned with the regulations or appeals that have been determined by the government, including violations of the implementation of the Psbthe speed of preventing the spread of Covid-19 determined by the government has not been successful, because until now there has been found the spread of Covid-19 even though in some areas it has been declared a green zone because the number of covid-19 spread has sloped, decreased to below 1% and there has not even been an increase in Covid-19 victims.

An effective and powerful way to break the chain of the spread of Covid-19 is for every member of the community to get used to living healthy, avoiding crowds, staying at home and if necessary to leave the house to follow health protocols such as, maintaining distance, using masks, wearing gloves and washing hands frequently.

Behavior of people who do not obey the law and do not discipline themselves to obey and obey the rules made by the government. There are still many people who commit violations, between not regulating the distance in crowded places, not using masks when leaving the house, the use of private vehicles with the number of people not exceeding 50% of what should be. The culture of our society that is not law-abiding does not discipline itself greatly affects prevention efforts and breaks the chain of the spread of Covid-19.

The company's turnover has decreased drastically impact on income which also decreased drastically. The company was forced to lay off some of its employees or work from home even the company was forced to terminate the employment relationship, because it was no longer able to perform its achievements on its workforce. One of the retailers in the Depok area immediately terminated the employment of workers permanently because they were unable to survive due to the Covid-19 pandemic.

Various ways and efforts are carried out by various countries in the world including in Indonesia in order to break the chain of the spread of Covid-19. The Indonesian government issued several regulations to prevent and break the chain of the spread of Covid-19. However, these regulations in reality there are still many people who have

violated, so that the Covid-19 pandemic is still increasing, although for some regions in Indonesia the Covid-19 victims are sloping and tend to decrease and there are no new victims.

In addition to implementing healthy living so that every member of the community always follows the health protocols set by the government, among others, avoiding crowds, staying at home and if necessary having to leave the house in order to always follow the health protocol always keep your distance, use masks, wear gloves, wash your hands often and if using private vehicles to regulate the number of passengers does not exceed 50% of the number of passengers.

The behavior of people who do not obey the law and do not discipline themselves, if they are outside the home and do not follow the rules and appeals made by the government are still found to be violations of the law. Violations of the law committed by the community include not regulating the distance in crowded places, not using masks when leaving the house, the use of private vehicles with the number of people not following the rules, namely 50% of the number of passengers who should. The culture of our society that does not obey the law does not condense very influential on the spread of Covid-19.

The Covid-19 problem is a common problem that must be tackled together. The impact of the Covid-19 outbreak on the economic sector of the community and the state is very much felt, causing new social problems to prohibit activities that invite many people, the unemployment rate has increased due to many companies terminating their jobs, because they are unable to survive running their business amid the Covid-19 pandemic. New social problems arise, increasing unemployment due to job cuts, the emergence of new Poor People due to Covid-19.

The cooperation agreement with the agreement in general must meet the legal requirements of the agreement contained in Article 1320 of the Civil Code, the legal requirements of the agreement contained in Article 1320 of the Civil Code must meet the elements of agreement, skill, certain things and a lawful cause. Proficiency and agreement is a requirement subjektif means that the parties to the agreement must be legally competent and agreement should not be any element of coercion in making an agreement . If the conditions are not met subjektif in making an agreement, then the agreement can be canceled.

While the element of "certain thing" and "a lawful cause" is an objective requirement of the validity of a treaty. "Certain thing" means that the object to be agreed must be clearly defined. The object of the agreement that is not clear or the goods do not yet exist or new will exist is null and void or void by itself. Null and void or void by itself to cancel the agreement, it is not necessary for any party to cancel it but by itself the agreement is null and void. Agreement that has met the requirements subjektif and objective conditions contained in Article 1320 of the Civil Code, the agreement becomes valid and legally binding for the parties who make it. An employment agreement must meet the objective conditions and objective conditions of the validity of an agreement.

During the Covid-19 pandemic, many companies were affected, so the company was no longer able to fulfill obligations to workers as stipulated in the work agreement. How the legal force of the existing labor agreement came into force with the outbreak of Covid-19. The Covid-19 pandemic has had a negative impact on the company. Companies that can no longer perform the production process normally or decrease the production process causes the company's turnover according to the dramatic. The company is no longer able to pay the salaries of workers and provide the rights of workers as specified in the employment agreement.

The Covid-19 pandemic, which caused companies to make mass, massive, massive layoffs, caused new social problems, causing an increase in the unemployment rate in the community. Termination of employment unilaterally, laying off workers/laborers, reducing the rights of employees who should be accepted, rarely taken by the company is no longer in accordance with the agreed labor agreement. During the Covid-19 outbreak, many companies have been unable to carry out achievements against work agreements, resulting in default due to the Covid-19 pandemic. Labor law companies are prohibited from terminating their employment except for reasons justified by law whether the Covid-19 pandemic allows companies to terminate their employment. The Covid-19 pandemic caused the company to be unable to perform its achievements, resulting in default. Termination by the employer should only be temporary because the Covid-19 outbreak is also temporary. Companies may temporarily terminate their employment during the Covid-19 outbreak. However, when conditions return to normal, the company should re-employ its workforce. The company does not have to terminate work but can

lay off temporary labor or reduce some of the rights of its workers. In the face of conditions such as this the company should not take a unilateral stance but should discuss with the Union, rare-steps to be taken and mutually beneficial to both parties (win-win solution).

### **B. Termination of employment in review of bankruptcy law**

The company may not terminate the employment relationship, if the worker / laborer performs and complies with its obligations stipulated in the employment agreement in the law No. 13 of 2003 on employment, termination of employment (PHK) can be done because of resignation of their own accord from the worker, the worker is detained by the authorities and the worker dies and the worker commits an offense ( Erica Gita Mogi, Les Adminstratum, Mar-Apr Vol .V/ No.2/ 2017). Labor legislation does not specify the reasons for termination for reasons of a pandemic.

The Covid-19 pandemic caused many companies to be unable to carry out their obligations, even though workers/laborers did not violate labor agreements, but because of Overmach reasons or circumstances forcing the occurrence of Covid-19 cannot be predicted to occur at the time of making the agreement. Termination of employment is allowed if with the Covid-19 outbreak the company is no longer able to carry out its obligations to workers/workers. Termination of employment obligations of the company still provides what is the rights of workers, for example severance pay is still given in accordance with the provisions of the laws and regulations. However, if the company is unable to provide severance pay stipulated in the laws and regulations, it must take the mediation or mutually beneficial peace settlement method by holding a meeting with the workers/laborers. In a mediation/peace settlement, the worker/ Labor Party can be represented by a union/ trade union.

In Law No. 13 of 2003 concerning employment, termination of employment by the employer is regulated in Article 158, article 163-165. Termination of employment by the employer can be done for several reasons as follows: First, the worker/laborer has made a grave mistake, second. the occurrence of changes in status, merger, merger and change of ownership of the company and workers or laborers are not willing to continue work, third, the company closed because the company suffered losses continuously for 2 (two) years, or force majeure circumstances, the company did efficiency, the company went bankrupt,

workers/ laborers entered retirement age. Workers / workers who are terminated are entitled to severance pay.

Termination of employment carried out by the company due to the Covid-19 pandemic can be categorized as termination of employment due to overmacht/Force majeure circumstances. Circumstances force (Overmacht or Force majeure) is a situation that occurs outside the power of cyber and the circumstances can not be known at the time the agreement was made, cyberhutang not bear the risk, if it can prove the existence of circumstances force . The Covid-19 pandemic caused the company to be unable to carry out its achievements, so the work agreements that had been made caused the company to default. Defaults made by employers/ employers cannot be expected at the time of making the agreement there will be an outbreak of Covid-19. The occurrence of default due to Covid-19 Reasons termination of employment carried out by the company for Covid-19 reasons, the company still handles the risk, because the default caused by Covid-19 includes overmach which is of relative nature. Overmacht which is relative, the party who defaults in this case the company still wins the risk due to the default is to provide severance pay to workers / workers who are terminated.

Companies that terminate their employment must be able to deal with the Covid-19 pandemic, the company's turnover has drastically decreased, so that the company is no longer able to continue the production process and carry out obligations to fulfill what are the rights of workers/ workers. If the company cannot prove that the company is affected by the Covid-19 outbreak, then the company must not terminate the employment relationship. Labor law prohibits companies from making a termination without a reason justified by law.

Termination of employment by the employer on the grounds of the Overmacht during the Covid-19 pandemic whether it can terminate the obligations of the employer/ employer to the rights of workers/laborers. Some are relative (temporary) and some are absolute (absolute) . Termination of employment by employers during the Covid-19 pandemic includes termination of employment by reason of overmach which is relative (temporary) not including overmacht which is absolute. Termination of employment during the Covid-19 pandemic does not exempt companies from providing what is the right of workers, including severance pay.

The Covid-19 pandemic is only temporary, the work agreement still exists if the Covid-19 pandemic has passed, the work agreement can be resumed. We recommend that during the Covid-19 pandemic the company does not terminate its permanent employment relationship, but temporarily terminates its employment relationship until the Covid-19 outbreak is declared to have sloped to zero no more new cases. Companies to be more humane in taking attitudes such as, to temporarily lay off workers or keep working from home by reducing some of the rights of workers, among others, do not provide transport money, do not give bonuses and do not provide overtime pay. But if the situation has returned to normal to re-employ the workforce by giving all the rights of workers that have been stipulated in the employment agreement .

Therefore, the employer / employer before terminating the employment relationship by reason of covid-19, must first discuss with the worker/ worker or trade union the work agreement that has been agreed due to Covid 19 to make a new work agreement that is adjusted to the conditions of Covid-19. Employers/ employers do not actually have to terminate their employment due to the Covid-19 pandemic, because in the labor law it is also stipulated that employers / employers cannot terminate their employment if it is not in accordance with the provisions of the law. A contract does not always end for reasons of the Covid-19 pandemic seen from perkasus cases. Companies that layoffs due to Covid-19 reasons are allowed due to a decrease in the economic capacity of companies that are unable to fulfill their obligations to their employees.

During the Covid-19 pandemic the company does not have to terminate the employment relationship, the company can lay off workers/workers for an equal time, or reduce part of the workers/workers ' rights, for example because work is done at home to workers not given transport money, not given overtime pay, not giving bonuses, money will still be given because workers/ workers at work need to eat and drink or transport money is replaced with quota money, because workers/workers work using quotas. If the company is not able to provide holiday allowance is not given. We recommend that during the Covid-19 pandemic the company does not have to do termination of employment, but can reduce some of the rights of workers until the company's boundaries recover normally.

Therefore, the government must supervise and take action against companies that terminate their work relationships due to Covid-19, in which case the company is still able to provide some worker/ labor

rights. However, if in fact the company is unable to carry out its obligations to provide the rights of workers/ laborers, it must also be proven that there has been an absolute Overmach which causes it to be impossible for the company to continue its business, resulting in termination of employment forever. Companies that terminate the employment relationship absolutely forever and are unable to provide workers ' rights due to termination of employment, then the company can be wound up. Interested parties in this case the worker can apply for palit against the company that has made the termination. The company is expected that workers ' rights can be given from the sale of assets of the company. Workers ' rights as preferred creditors take precedence in the fulfillment of their rights compared to other creditors.

The Covid - 19 pandemic which caused many companies to terminate their employment because economically the company is no longer able to bear the burden to fulfill the rights of workers /workers of the company, in such conditions to fulfill workers ' rights, the company can be filed for bankruptcy. Because tidan able to fulfill the obligation to provide the rights of workers/labor. Law Number 37 of 2004 on bankruptcy and postponement of debt payment obligations, hereinafter abbreviated as UUKPKPU. Article 1 UUKPKPU States Bankruptcy is a general seizure of wealth Palit debtors whose management and ordering is done by the curator under the supervision of the supervisory judge.

Based on Article 1 of UUKPKPU, it can be concluded that the elements of bankruptcy are: general confiscation, is the seizure or all property of the insolvent debtor. Article 21 of the UUKPKPU States, "Bankruptcy includes the entire wealth of the debtor at the time the bankruptcy declaration decision is pronounced as well as everything obtained during bankruptcy". Termination of employment by the company during the Covid-19 pandemic, where the company can no longer fulfill workers ' rights due to termination of employment, then workers as creditors can apply for bankruptcy against the company. By submitting an application for bankruptcy, the entire assets of the company as a debtor will be foreclosed and the management will be carried out by the curator. The Commercial Court judge will impose a bankruptcy verdict if the company is no longer able to fulfill its obligations to workers ' rights.

As a result of the bankruptcy verdict, all seized assets will be sold, auctioned and the money used to pay the rights of workers/ laborers who are debts of the company, first against the wealth of the

bankrupt debtor. Bankruptcy is directed against property not against the debtor's personal. Which is filed is the debtor's company Palit property. Bankruptcy assets, also called bankruptcy boedel, are sold, auctioned to fulfill the company's obligations as a bankruptcy debtor to workers/laborers as bankruptcy creditors. The management and settlement of the bankruptcy boedel is carried out by a curator appointed by the supervisory judge and the supervisory judge oversees the duties of the curator in managing the bankruptcy boedel. Since the time of the bankruptcy declaration the debtor loses the right to manage and control his property Article 24 paragraph (1) UUKPKPU States" the debtor by law loses his right to control and manage his assets included in the bankruptcy property, since the date of the decision of the bankruptcy statement pronounced.

There is a supervisory judge, the second task of the supervisory judge in the bankruptcy of the debtor is to supervise the management and control of the property of the insolvent debior by the curator ((H.Man S Sastravidjaja: 79-81).Termination by employers / employers during the Covid-19 pandemic does not eliminate the company's obligation to provide employee rights, such as unpaid salaries, severance pay. If the company does not provide what are the rights of the worker / laborer then the worker / laborer can apply for bankruptcy against the company.

In bankruptcy law, a company can be declared bankrupt if the debtor has at least two creditors and at the time of payment maturity, none of the debtors are unable to meet their overdue debts (Article 2 Paragraph (1). Companies that terminate their employment during the Covid-19 pandemic can be wound up, because companies that are unable to fulfill employee rights are more than debts to be paid to workers/laborers. All assets of the company, including insolvent boedel, can be seized, sold and then used to pay the company's obligations to workers/workers due to termination of employment.

Interested parties in this case the worker / laborer who made the termination of the employment relationship can apply for bankruptcy against the company to the Commercial Court. The worker / Labor Party can be represented by a legal representative who can be appointed by the trade union representing the worker/labor. Bankruptcy petition filed by workers/ laborers is an effort to fulfill the rights of workers who have not been paid by the company being filed. The rights of workers/ laborers include severance pay, old age allowance,

unpaid salaries and other rights of workers/ laborers regulated in laws and regulations.

The company can be declared bankrupt necessarily through a court decision. Pursuant to Article 2 of the UUKPKPU, the parties who can apply for bankruptcy for a debtor are the debtor concerned, creditors or creditors, the public interest prosecutor's office, Bank Indonesia if the debtor is a bank, the Minister of finance if the debtor is an insurance company, reinsurance company, pension fund or state-owned enterprise engaged in the public interest. Based on Article 2 of the UUKPKPU mentioned above, companies that terminate their employment due to Covid-19 can be filed for bankruptcy. Bankruptcy application can be submitted by the company as a debtor who submits adapted to the type of company as stated in Article 2 UUKPKPU.

In addition, money can apply for bankruptcy is a creditor or creditors can be filed by workers/ laborers who can be represented by the union or its power of attorney. The procedure for filing an application for bankruptcy is provided for in Articles 6 and 7 of the UUKPKPU. The application for bankruptcy is submitted to the Commercial Court. In the event of a lawsuit the Commercial Court may summon the debtor. Bankruptcy application can be granted if the debtor has at least two creditors and at maturity none of the debtors can not meet the debt ( Article 2 Paragraph (1) UUKPKPU. During bankruptcy proceedings, all assets of the company are seized and under the supervision and management of a curator appointed by the supervisory judge. The supervising judge oversees the duties of the curator.

A company declared bankrupt gives rise to new legal consequences. based on Article 21 UUKPKPU states, that bankruptcy includes the entire wealth of the insolvent debtor and all assets obtained during bankruptcy. Since the date of the bankruptcy verdict pronounced the debtor loses his right to control the management of his assets, including boedel bankruptcy. The management of the insolvent boedel is carried out by a curator appointed by the supervisory judge.

Before being handed down a decision palit company may apply for deferment of debt payment obligations or obligations to workers/ laborers. This can be done by making peace between the company as a debtor and the worker / laborer as a creditor. Creditors form a temporary team of creditors to make peace. If peace can be realized, then the bankruptcy verdict is not declared. On the

other hand, if peace cannot be realized, then a bankruptcy verdict must be required. As a result of the bankruptcy verdict against the employment agreement regulated in Article 39 UUKPKPU states that, workers who work on the debtor may terminate the employment relationship. From the date of the decision of the bankruptcy declaration the wages owed before and after the decision of the bankruptcy declaration is pronounced are the debts of the bankruptcy assets. Workers ' rights received and expressed in the form of money as remuneration from the employer to the worker or a work or service that has been or will be performed, determined, paid according to the work agreement, agreement or according to legislation including benefits to be paid to the worker or his family.

So the company terminating the employment relationship during the Covid-19 pandemic can be declared bankrupt if the company is no longer able to fulfill its obligations to workers ' rights. Since the verdict, the bankruptcy declaration against the company has caused new legal consequences for the company. Workers ' rights that have not been paid by the company in accordance with the employment agreement or legislation are debts from the employer to the worker or his family. The company declared bankrupt boedel bankruptcy seized then auctioned, sold to pay the company's obligations to the worker or his family. Workers ' rights are the first right of fulfillment in the settlement of bankruptcy boedel.

## **CONCLUSION**

Termination of employment by a company during the Covid-19 pandemic is allowed for reasons of Overmacht or coercive circumstances. Termination of employment by reason of Covid-19 the company must be able to prove that the Covid-19 pandemic has had a bad impact on the company, including the company's turnover has decreased drastically, the production process has decreased, so the company is no longer able to survive and finance the production process and carry out obligations to workers/ workers specified in the work agreement. The state of force (Overmacht) because Covid-19 is only reative (temporary), namely during the Covid-19 pandemic. If the Covid-19 pandemic has ended, then the employment agreement can be resumed. However, if the company cannot prove that the Covid-19 pandemic has not adversely affected the company, then the company must not make permanent or permanent termination of employment.



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