

**RETHINKING RETIREMENT: IMPLICATIONS OF EXTENDED PENSION STATUTORY AGE ON ELDERLY
HEALTH AND LABOR DYNAMICS IN INDONESIA**

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ABSTRACT

This study examines Indonesia's current policy of increasing the Pension Statutory Age (PSA), focusing on its potential impact on labour dynamics, particularly health, fairness, and inclusivity. Utilising quantitative methods and multiple regression analysis on data from Indonesia's National Labor Force Survey (SAKERNAS) for Q1 2022, it is found that age-based decisions do not significantly affect the health of elderly workers, whether they continue working post-retirement or fall into pension-eligible or precarious employee categories. However, challenges include establishing direct causation, incomplete consideration of the COVID-19 pandemic's influence, and a limited understanding of seniors' motivations for working beyond the retirement age. Practical implications include the necessity for clear retirement age guidelines, strengthened social safety nets for vulnerable seniors, and further extension of Indonesia's retirement age to 65. This study provides a scientific basis for understanding the extended work life of older adults in Indonesia, offering original insights into the impact of extended working life on senior workers' health.

Keywords: Pension Statutory Age, Elderly Health, Labour Dynamics, Retirement Policy, Social Security

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