

The background of the entire page is a photograph of several hands of different skin tones reaching towards a small, white, cube-shaped gift box. The gift box is wrapped with a vibrant red ribbon tied in a large, elegant bow. The scene is brightly lit, creating a warm and festive atmosphere. The hands are positioned around the gift box, suggesting a shared moment of anticipation or presentation.

Business Insight

**Christmas Holiday
Allowance 2025:
What Employees and Employers
Need to Know**

Christmas Holiday Allowance 2025:

What Employees and Employers Need to Know



The Religious Holiday Allowance (THR) is an additional payment that employers are required to provide to employees ahead of religious celebrations. THR is not part of the basic salary, but rather an additional income intended to help employees meet their needs during major religious holidays such as Eid al-Fitr, Christmas, Nyepi, Vesak, and Lunar New Year. The disbursement of THR is generally aligned with employee's religious holiday or, in some cases, based on the majority religion within the company.

Based on the Minister of Manpower Regulation No. 6 of 2016 concerning Religious Holiday Allowances for Workers/Labourers in Companies, THR must be paid no later than **7 (seven) days before the respective religious holiday**, which in this case is Christmas Day 2025. This requirement applies to private companies, state-owned enterprises (BUMN), and all other employers across Indonesia.

Accordingly, employers must ensure that THR for Christmas 2025 is disbursed no later than **18 December 2025**.

Who is Eligible & How Much THR Will Be Paid

Employees are eligible to receive THR once they have completed at least one month of service, regardless of their employment status—whether they are permanent employees, contract employees, or daily workers.

The amount of THR varies based on length of service:

- ▶ Employees who have worked for 12 months or longer are entitled to one month's salary (full THR).
- ▶ Employees with less than 12 months of service will receive THR on a pro-rated basis, calculated according to the number of months they have worked.

These rules follow the Circular Letter of the Minister of Manpower Number M/2/HK.04.00/III/2025 regarding The Implementation of Religious Holiday Allowance (THR) Payment for 2025 for Workers/Labourers in Companies.

Employer Obligation

Employers are only required to provide THR once per calendar year. Therefore, employers who have already paid THR during Eid al-Fitr in 2025 are not obligated to provide an additional THR payment for Christmas 2025.

Employers are required to pay THR in full, as the regulation does not permit installment payments. THR must also be paid on time, without any delay beyond the mandatory deadline of seven days before the religious holiday.

Timely and compliant THR disbursement helps ensure smooth operations, supports employee well-being, and minimizes the risk of regulatory penalties.



For more information on how BDO can support your company and help navigate its compliance requirements, please contact our technical team at Corsec.helpdesk@bdo.co.id