

## Vietnam

Exchange rate: US\$1.00 = 21,000 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current law:** 2006 (social insurance), implemented in 2007, and 2008 (voluntary social insurance).

**Type of program:** Social insurance system.

#### Coverage

Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and military and policy personnel.

Voluntary coverage for self-employed persons and other persons without compulsory coverage.

#### Source of Funds

**Insured person:** 7% of gross monthly earnings (rising to 8% in 2014).

Voluntary contributors pay 20% of assessed earnings (rising to 22% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Self-employed person:** 20% of declared earnings (rising to 22% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Employer:** 13% of monthly payroll (rising to 14% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Government:** Subsidies as necessary and the total cost of old-age pensions for workers who retired before 1995;

contributions for those employed in the public sector before January 1995.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 20 years of contributions.

Age 55 (men) or age 50 (women) with at least 20 years of contributions, including at least 15 years of employment in hazardous or arduous working conditions or in certain geographic regions. Age 50 (men) or age 45 (women) with at least 20 years of contributions and an assessed degree of disability of at least 61%. At any age with at least 20 years of contributions, including 15 years in extremely hazardous or arduous working conditions, and an assessed degree of disability of at least 61%.

Employment must cease.

**Old-age grant:** Age 60 (men) or age 55 (women) with less than 20 years of contributions and not eligible for the old-age pension. At any age with less than 15 years of contributions and an assessed degree of disability of at least 61%. If emigrating permanently, less than 20 years of contributions after 12 months of leave with no paid contributions.

**Permanent disability benefits:** See Old-Age Benefits.

**Survivor pension:** The deceased had at least 15 years of contributions; was an old-age pensioner; or was a pensioner with an assessed degree of disability of at least 61%. The benefit is paid to up to four dependent survivors.

Eligible survivors include a husband (aged 60 or older) or a wife (aged 55 or older) with an income less than the minimum wage (no age limit if disabled with a reduced working capacity of at least 81%), children younger than age 15 (age 18 if a student; no limit if disabled with a reduced working capacity of at least 81%), and a father (aged 60 or older) or a mother (aged 55 or older) with an income less than the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** The deceased had less than 15 years of contributions, or there are no eligible dependent survivors.

**Funeral grant:** Paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** 45% of the insured's average earnings is paid for the first 15 years of contributions plus 2% (men) or 3% (women) of the insured's covered average monthly earnings for each year of contributions exceeding 15 years.

Average earnings are based on five or 10 years of contributions or the whole contribution period, depending on number of years of contributions and the earnings level.

The maximum pension is 75% of the insured's average earnings.

For insured persons with more than 30 years of contributions, a lump sum is paid of 50% of average monthly earnings in the last five years before the pension is first paid for each year of contributions exceeding 30 years.

**Early pension:** The pension is reduced by 1% of the insured's average earnings for each year the pension is taken before the insured's normal pensionable age.

The minimum benefit is the monthly minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Old-age grant:** A lump sum based on the number of years of covered employment and average monthly earnings is paid.

### Permanent Disability Benefits

See Old-Age Benefits.

### Survivor Benefits

**Survivor pension:** 50% of the monthly minimum wage is paid for each eligible dependent survivor; 70% if the survivor has no other means of support.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** A lump sum based on the number of years of contributions multiplied by 1.5 times the deceased's average monthly earnings is paid. The minimum benefit is three months of the deceased's average monthly earnings.

When a pensioner dies, a lump sum is paid according to the amount of time the pension had been paid before death. The minimum lump sum is three times the deceased's monthly pension. The maximum lump sum is 48 times the deceased's monthly pension.

**Funeral grant:** A lump sum of 10 months of minimum wage is paid.

The legal monthly minimum wage is 1,050,000 dong.

### Administrative Organization

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security implements policy and administers the old-age and survivors programs.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current laws:** 2005 (medical benefits); 2006 (social insurance), implemented in 2007; and 2008 (health insurance), implemented in 2009.

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and military and police personnel.

**Health insurance:** Salaried employees, civil servants, pensioners, persons with disabilities, unemployed persons, war veterans, social welfare recipients, poor households, children younger than age 6, students, and other groups of persons according to government regulation.

Voluntary coverage for self-employed persons, agricultural workers, and members of cooperatives.

### Source of Funds

#### Insured person

*Cash sickness and maternity benefits:* None.

*Medical benefits (health insurance):* 1.5% of gross monthly earnings.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Self-employed person

*Cash sickness and maternity benefits:* Voluntary contributions only.

*Medical benefit (health insurance):* 4.5% of the minimum wage.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Employer

*Cash sickness and maternity benefits:* 3% of monthly payroll.

Employer contributions also finance work injury benefits.

*Medical benefits (health insurance):* 3% of monthly payroll.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Government

*Cash sickness and maternity benefits:* None.

**Medical benefits (health insurance):** Provides subsidies; pays contributions for certain groups of insured persons, such as the poor and persons with disabilities.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

### **Qualifying Conditions**

**Cash sickness benefits:** There is no minimum qualifying period. The incapacity must not be work-related, self-inflicted, or related to drug or alcohol abuse.

The sickness benefit is also paid to an insured parent caring for a sick child under age 7.

**Cash maternity benefits:** The insured must have at least six months of contributions in the last 12 months before childbirth. Also paid for the adoption of a child younger than 4 months old.

**Medical benefits:** Provided for a nonoccupational injury or illness. The voluntarily insured must have at least 30 days of contributions for normal medical services; 180 days for specialized medical services.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the insured's earnings in the month preceding sick leave is paid for up to 30 days in a calendar year with less than 15 years of contributions; 40 days with 15 to 30 years of contributions; 60 days with more than 30 years of contributions. If the insured is engaged in hazardous or arduous work or working in certain regions, the benefit is paid for up to 40 days in a calendar year with less than 15 years of contributions; 50 days with 15 to 30 years of contributions; 70 days with more than 30 years of contributions. A lower benefit level may be extended up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

For convalescence and rehabilitation after sickness, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days in a calendar year.

The legal monthly minimum wage is 1,050,000 dong.

75% of earnings is paid to insured workers for up to 20 days in a calendar year to care for a sick child.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Maternity benefit:** 100% of the insured's average monthly earnings in the last six months is paid for prenatal care, childbirth, or an abortion. The benefit is paid for five one-day leave periods (or two-day leave periods in special cases) for prenatal care. The benefit is also paid during maternity leave for four months (rising to six months in May 2013), including for a baby younger than 4 months old.

For multiple births, an extra month of leave is paid for the second and each subsequent child.

A female employee can return to work before the end of the maternity leave and receive wages and maternity care if she returns to work 60 or more days after giving birth, is cleared by a health professional to return to work, and has an advance agreement with her employer.

For convalescence and rehabilitation after maternity leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Birth grant:** A lump sum of two months of minimum wage is paid for each child born or for each child younger than 4 months who is adopted.

The legal monthly minimum wage is 1,050,000 dong.

### **Workers' Medical Benefits**

**Medical benefits:** Medical benefits include medical exams and care, preventive care, rehabilitation, maternity benefits, and transfers between certain hospitals for certain insured persons.

100%, 95%, or 80% of the cost of primary services are paid, depending on the type of insured person and service. 100%, 95%, or 80% of the cost of specialized services are paid, up to 40 times the monthly minimum salary per use. 70%, 50%, or 30% of the cost of other services is paid, depending on the grade of medical services, up to 40 times the monthly minimum salary per use.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

Free medical benefits are provided for children younger than age 6 and dependents of insured military or security personnel, and partially provided for poor households and students. Dependents of other mandatorily insured persons pay a premium depending on the number of insured persons in the household.

### **Administrative Organization**

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision for sickness and maternity benefits.

Ministry of Health (<http://www.moh.gov.vn>) provides general supervision for health insurance.

Vietnam Social Security collects contributions, pays cash benefits, implements health insurance policy, and manages the health insurance fund.

## Work Injury

### Regulatory Framework

**First laws:** 1947 and 1950.

**Current law:** 2006 (social insurance), implemented in 2007.

**Type of program:** Social insurance system.

### Coverage

Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; and military and police personnel.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% of monthly payroll.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease. Must have a loss of earning capacity of at least 5% due to a work injury that took place at work, while on assignment for work, on the way to and from work, or as a result of an occupational disease according to a schedule in law.

### Temporary Disability Benefits

100% of the insured's earnings is paid from the first day for treatment until certification of permanent disability.

A Ministry of Health medical board assesses the degree of disability.

### Permanent Disability Benefits

**Permanent disability benefit:** 100% of the monthly minimum wage is paid for an assessed loss of working capacity of at least 31%, in addition to the disability grant.

For convalescence and rehabilitation after disability leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

Additionally, the Social Insurance Fund pays for health insurance coverage for employees receiving monthly work injury benefits.

**Disability grant:** A lump sum is paid for an assessed disability of at least 5% (a person with an assessed disability of at least 31% receives the grant in addition to the permanent

disability benefit). The lump sum is five months of the minimum wage for an assessed loss of working capacity of 5%, plus 0.5% of the monthly minimum wage for each additional 1% loss in working capacity. An additional sum is paid based on years of contributions; 0.5 month of the insured's last monthly earnings is paid for the first year of contributions plus 0.3 month of the last monthly earnings for each subsequent year of contributions.

For convalescence and rehabilitation after leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

A Ministry of Health medical board assesses the degree of disability.

### Workers' Medical Benefits

Medical benefits include inpatient and outpatient treatment, surgery, medicine, and rehabilitation, until recovery.

### Survivor Benefits

**Survivor pension:** 50% of the monthly minimum wage is paid for each eligible dependent survivor; 70% of the monthly minimum wage if the survivor has no other means of support.

The deceased must have had at least 15 years of contributions and was an employee whose death was caused by a work injury or occupational disease. The benefit is paid to up to four dependent survivors.

Eligible survivors include a widower (aged 60 or older) or a widow (aged 55 or older) with no income or with an income less than the minimum wage (no age limit if disabled with a reduced working capacity of at least 81%), children younger than age 15 (age 18 if a student; no limit if disabled with a reduced working capacity of at least 81%), and a father (aged 60 or older) or a mother (aged 55 or older) with an income less than the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** If the deceased had less than 15 years of contributions or if there are no eligible dependent survivors, a lump sum is paid based on the number of years of contributions multiplied by 1.5 times the deceased's average monthly earnings. The minimum benefit is three months of the deceased's average monthly earnings.

When a pensioner dies, a lump sum is paid according to the amount of time the pension had been paid before death. The minimum lump sum is three times the deceased's monthly pension. The maximum lump sum is 48 times the deceased's monthly pension.

**Funeral grant:** A lump sum of 10 months of minimum wage is paid to the person who pays for the funeral.

The legal monthly minimum wage is 1,050,000 dong.

### **Administrative Organization**

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security implements policy and manages the work injury and occupational disease fund.

### **Unemployment**

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#### **Regulatory Framework**

**First and current law:** 2006 (social insurance), implemented in 2009.

**Type of program:** Social insurance system.

#### **Coverage**

Vietnamese citizens with employment contracts of one to three years or permanent contracts who are employed by private- and public-sector organizations with 10 or more workers.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** 1% of gross monthly earnings.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Self-employed person:** Not applicable.

**Employer:** 1% of monthly payroll.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Government:** 1% of insured's gross monthly earnings and administrative costs.

#### **Qualifying Conditions**

The insured must have at least 12 months of contributions during the last 24 months, must be registered as unemployed, and must not have found a job within 15 days of registration.

The benefit is suspended if two suitable job placements are refused for no plausible reason.

#### **Unemployment Benefits**

60% of the average monthly earnings in the six months before unemployment is paid for three months with 12 to 35 months of contributions, for six months with 36 to 71 months of contributions, for nine months with 72 to 143 months of contributions, or for 12 months with 144 months of contributions or more.

The benefit is paid after a 15-day waiting period.

Benefits also include health insurance coverage, vocational training, and job placement support.

#### **Administrative Organization**

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security collects contributions and pays benefits.