

## Vietnam

Exchange rate: US\$1.00 equals 16,245 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**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 3 months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and officers of the armed forces.

Voluntary coverage for persons without compulsory coverage.

#### Source of Funds

**Insured person:** 5% of gross monthly earnings. (The contribution rate will rise to 6% in 2010, 7% in 2012, and 8% in 2014.)

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

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

**Employer:** 11% of monthly payroll. (The contribution rate will rise to 12% in 2010, 13% in 2012, and 14% in 2014.)

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

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

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 20 years of contributions; age 50 (men) with at least 30 years of contributions.

Age 50 (men and women) with at least 20 years of contributions, including 15 years of employment in coal mines; 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 or with at least 10 years of work in South Vietnam or Laos before April 30, 1975, or Cambodia before August 31, 1989.

Age 50 (men) or age 45 (women) with at least 20 years of contributions and an assessed degree of disability of at least 61%; regardless of 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%.

**Early pension:** An early pension is possible.

Periods of employment in the public sector before 1995 are credited for the purpose of contributions.

A pensioner residing abroad may nominate a relative residing in Vietnam to receive the old-age pension on his or her behalf.

Retirement from employment is necessary.

**Old-age grant:** Age 60 (men) or age 55 (women) and not eligible for the old-age pension.

**Disability grant:** Paid for a permanent total or partial disability at any age with an assessed degree of disability of at least 61%. The insured must have been in covered employment before the disability began.

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

**Survivor pension:** The deceased had more than 15 years of contributions or was a pensioner. The benefit is paid to a maximum of 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 assessed as disabled with a reduced working capacity of at least 81%), children younger than age 15 (age 18 if a student; no limit if assessed as 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 minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

**Survivor grant:** Paid if the deceased had less than 15 years of covered employment or if there are no eligible dependent survivors. In the absence of eligible dependent survivors, the grant is paid to surviving family members.

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

#### Old-Age Benefits

**Old-age pension:** With at least 15 years of coverage, the pension is equal to 45% of the insured's average earnings

plus 2% (men) or 3% (women) of the insured's covered average monthly earnings in the previous 5 to 10 years for each year of contributions exceeding 15 years.

The maximum pension is equal to 75% of the insured's average earnings in the last 5 years before the pension is first paid.

Insured persons with more than 30 years of contributions also receive a lump sum equal to 50% of their average monthly earnings in the last 5 years before the pension is first paid for each year of contributions exceeding 30 years, up to five times the minimum monthly wage.

**Early pension:** The pension is reduced by 1% of the insured's average earnings in the last 5 years before the pension is first paid for each year the pension is taken before the insured's normal pensionable age.

The minimum benefit is equal to the minimum monthly wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

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

**Old-age grant:** A lump sum is paid based on the number of years of covered employment after age 31 (men) and age 26 (women) multiplied by 50% of the average monthly earnings.

### **Permanent Disability Benefits**

**Disability grant:** A lump sum is paid (not yet defined by legislation). The old-age pension is paid to certain groups of insured persons with an assessed disability of at least 61% (see qualifying conditions, above).

### **Survivor Benefits**

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

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

**Survivor grant:** 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 equal to 3 months of the deceased's average monthly earnings.

For the death of a pensioner, a lump sum is paid equal to 12 times the deceased's monthly pension. The lump sum is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is equal to three times the deceased's monthly pension.

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

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

### **Administrative Organization**

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

Vietnam Social Security collects contributions and pays benefits.

### **Sickness and Maternity**

#### **Regulatory Framework**

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

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

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

#### **Coverage**

**Cash sickness and maternity benefits:** Private- and public-sector employees with contracts of at least 3 months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and officers of the armed forces.

Voluntary coverage for cash sickness and maternity benefits for self-employed persons, school children, and students.

**Medical benefits:** Private- and public-sector employees with employment contracts of at least 3 months, including household workers; employees in agriculture, fishing, forestry, and salt production; members of cooperatives; pensioners; persons who have received the old-age grant; war veterans affected by agent orange and receiving a pension; dependents of army officers; civil servants; and officers of the armed forces.

Voluntary coverage for medical benefits is possible, including for insured persons with compulsory coverage who wish to have supplementary coverage.

#### **Source of Funds**

##### **Insured person**

*Cash sickness and maternity benefits:* None.

*Medical benefits:* 1% of gross monthly earnings (2% as of July 2009). Voluntary contributors pay between 30,000 dong and 160,000 dong a month, according to geographic region and profession. Pensioners contribute 3% of the monthly benefit.

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

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The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

### Self-employed person

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

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

*Medical benefits:* Voluntary contributions of between 30,000 dong and 160,000 dong, according to geographic region and the type of self-employment.

### Employer

*Cash sickness and maternity benefits:* 4% of monthly payroll (5% as of July 2009).

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

The employer contributions also finance work injury benefits.

*Medical benefits:* 2% of monthly payroll.

### Government

*Cash sickness and maternity benefits:* None.

*Medical benefits:* Administrative costs; the cost of benefits for low-income persons.

### 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. The benefit is paid for care given to the insured's first two children younger than age 7; paid to the father only in special circumstances.

**Cash maternity benefits:** There is no minimum qualifying period. The insured must have at least 6 months of contributions in the last 12 months before childbirth.

The benefit is paid for the first two childbirths or adoptions of children younger than age 4. If one of the first two children dies, the insured is entitled to benefits for a third child.

**Medical benefits:** Provided for a nonoccupational injury or illness. The insured must have at least 45 days of contributions.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 75% of the insured's earnings in the month preceding sick leave. The benefit 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 between 15 and 30 years of contributions; 70 days with more than 30 years of contributions. A lower level of benefit 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 minimum monthly wage is paid for up to 5 to 10 days a year.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

Insured persons receive 75% of earnings for up to 20 days in a calendar year to provide care for a sick child younger than age 3; 15 days for a sick child aged 3 to 7.

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

**Maternity benefit:** The benefit is equal to 100% of the insured's last monthly earnings for prenatal care, child birth, or an abortion. The benefit is paid for three 1-day leave periods (or 2-day leave periods in special cases) for prenatal care, including for a pregnancy test. The benefit is also paid during statutory maternity leave for a maximum of 4 months (5 months if engaged in hazardous or arduous work; 6 months if disabled with a reduced working capacity of at least 21%). In the case of multiple births, an extra month of leave is paid for the second and subsequent children. 10 days of leave is paid for a miscarriage, abortion, or stillbirth. 3 months of leave is paid if the child dies up to 2 months after childbirth; 1 month if the child dies 2 months after childbirth or later. Up to 4 months of leave is paid to the father if the mother dies during childbirth.

For convalescence and rehabilitation after childbirth, 25% (at home) or 40% (in a nursing home) of the minimum monthly wage is paid for up to 5 to 10 days a year.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

Maternity benefits are also paid to insured women who adopt a newborn child.

Unpaid maternity leave may be provided, at the employer's discretion, to female employees after the end of statutory maternity leave.

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

**Birth grant:** A lump sum equal to the insured woman's last monthly earnings is paid.

### **Workers' Medical Benefits**

Medical services are provided by public or private providers under contract to Vietnam Social Security.

Medical benefits include outpatient and inpatient services; medical, diagnosis, treatment, and functional rehabilitation during the treatment period; approved medicines; blood transfusion; surgery; medical equipment and hospital beds; the cost of prenatal examination and childbirth; the cost of treatment for transportation-related accidents; and a transportation subsidy for certain groups of persons and indigenous people referred for medical treatment.

Treatment for various infectious diseases is covered by the national health program.

There is no limit to duration.

### **Dependents' Medical Benefits**

Coverage is provided on an individual basis under the national health program.

### **Administrative Organization**

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

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.

The Ministry of Health governs health insurance policy.

## **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 3 months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and officers of the armed forces.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease.

### **Temporary Disability Benefits**

100% of the insured's earnings is paid during treatment and until the determination of permanent disability. The benefit is paid by the employer from the first day.

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

### **Permanent Disability Benefits**

**Permanent disability benefit:** The monthly benefit is based on the assessed loss of working capacity and the number of years of contributions.

30% of the minimum monthly wage is paid for an assessed loss of working capacity of at least 31%; an additional 2% of the minimum monthly wage is paid for each additional 1% of working capacity decrease. 50% of earnings in the month preceding disability leave is paid for the first year of contributions; 30% of earnings is paid for each additional year of contributions.

For convalescence and rehabilitation after disability leave, 25% (at home) or 40% (in a nursing home) of the minimum monthly wage is paid for up to 5 to 10 days a year.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

**Disability grant:** A lump sum is paid for an assessed disability of 5% to 30% based on the assessed loss of working capacity and the number of years of contributions. 5 months of the minimum monthly wage is paid for an assessed loss of working capacity of at least 5%; 50% of the minimum monthly wage is paid for each additional 1% of working capacity decrease. 50% of earnings in the month preceding leave is paid for the first year of contributions; 30% of earnings is paid for each additional year of contributions.

For convalescence and rehabilitation after leave, 25% (at home) or 40% (in a nursing home) of the minimum monthly wage is paid for up to 5 to 10 days a year.

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

### **Workers' Medical Benefits**

Medical benefits include inpatient and outpatient treatment, surgery, medicines, and rehabilitation.

### **Survivor Benefits**

**Survivor benefit:** A monthly pension equal to 40% of the minimum monthly wage is paid for each of the first four eligible dependent survivors (70% of the minimum monthly wage if the survivor has no other means of support). A

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single lump sum is also paid equal to 24 times the minimum monthly wage.

Eligible survivors include the spouse, children younger than age 15 (age 18 if a student), and a father (aged 60 or older) or mother (aged 55 or older).

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

**Survivor grant:** In the absence of eligible dependent survivors, a lump sum is paid to other surviving family members equal to 50% of the deceased's last monthly earnings multiplied by the number of years of contributions. The maximum grant is equal to 12 times the deceased's last monthly wage.

In the case of the death of a permanent disability pensioner, a lump sum is paid equal to 12 times the deceased's monthly pension. The lump sum is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is three times the deceased's monthly pension.

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

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

### **Administrative Organization**

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

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.

## **Unemployment**

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### **Regulatory Framework**

**First and current law:** 2006 (social insurance), implemented in 2007.

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

### **Coverage**

Vietnamese citizens with employment contracts of 1 to 3 years or permanent contracts who are employed by private- and public-sector organizations with ten or more workers.

### **Source of Funds**

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

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

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

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

The minimum earnings for contribution calculation purposes are equal to the minimum wage.

The maximum earnings for contribution calculation purposes are 20 times the minimum wage.

The minimum monthly wage is 540,000 dong (rising to 650,000 dong as of May 2009).

**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**

The benefit is 60% of the average monthly earnings in the 6 months before unemployment. The benefit is paid for 3 months with 12 to 35 months of contributions, for 6 months with 36 to 71 months of contributions, for 9 months with 72 to 143 months of contributions, and 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 (see *Sickness and Maternity*, above), vocational training, and job placement support.

### **Administrative Organization**

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

Vietnam Social Security collects contributions and pays benefits.