

Attention: Vietnam Employers

Changes related to Compulsory Insurance for Occupational Accidents and Occupational Diseases starting 07/01/2016

Insurance premium rates made to the insurance fund for occupational accidents and occupational diseases prescribed in Clause 3 Article 44 of the Law on occupational safety and hygiene are regulated as follows:

- *Every month, an employer shall make the following contributions:*
 - *1% of their salary fund which is the basis for paying social insurance premiums for employees*
- *With regard to employers being enterprises, cooperatives, business households or cooperative groups that engage in agriculture, forestry, fishery or salt industry and pay product-based or piecework-based salaries, the contribution specified in this point may be made on the periodical basis of every month, every 03 months or every 06 months.*

Changes related to Unemployment Insurance (“UI”) starting 01/01/2015:

- *Employees who can participate in UI will now include employees under seasonal contracts or specific contracts with a contract length from 03 months to under 12 months. (Under current guidelines, only employees who are employed under a contract of 12 months or longer can participate in UI)*
- *In cases where an employee has signed labor contracts with many organizations, then the employee and the first employer to establish a labor contract with the employee shall be responsible for UI participation.*
- *Employers participating in UI include government, public, individual, foreign, international businesses operating on Vietnam land; enterprises, co-ops...who employ individuals under working contracts or labor contracts.*

- *Under new guidelines, the old condition that “employers must have over 10 employees in order to participate in UI” has been removed.*

The Monthly Unemployment Benefit:

- *Shall be 60% of the average of the most recent 06 months salary that the employee contributed to UI and...*
- *Cannot exceed 05 times the basic wages of employees who are under government salary guidelines and...*
- *Cannot exceed 05 times the regional minimum wages at the time of working contract or labor contract termination, for employees who contribute to UI at a salary level determined by employers.*

From Jan 2015, UI 2% will be deducted (1% contributed by employee, 1% contributed by employer) of monthly employees basic salary, but the cap salary for UI contribution is not to exceed 62,000,000 VND.