



BẢO HIỂM XÃ HỘI VIỆT NAM

Unemployment Insurance - Institutional set-up in Viet Nam

Le Hai Anh – Viet Nam Social Security

www.baohiemxahoi.gov.vn

CONTENTS



1. History of Unemployment Insurance (UI) in Viet Nam

2. Coverage and Contribution rate

3. Unemployment Insurance Implementation

4. Challenges and Reasons



HISTORY OF UI IN VIET NAM

1

Before 2006:

In 2002, UI was mentioned in the Labor Code for the first time

2

2006 - 2014:

In 2006, UI policy was established in Social Insurance Law and was put into effect on January 1, 2009

3

From 2015 to day

In 2013, UI policy was revision in Law on Employment, was executed January 1, 2015



2. COVERAGE AND CONTRIBUTION RATE

1. Coverage

Table 1. Extended Coverage of Unemployment Insurance in Viet Nam

Into effect	Employers	Employees
Jan.2009	Used number of regular employees: 10 or more	<ul style="list-style-type: none">- Labor contracts or employment contracts of an indefinite term;- Labor contracts or employment contracts of a definite term from full 12 months to 36 months;
Jan.2015	Used number of regular employees: 1 or more	Extended coverage of labor contacts on seasonal basis or a specific work with the period from full 03 months to 12 months

2. COVERAGE AND CONTRIBUTION RATE

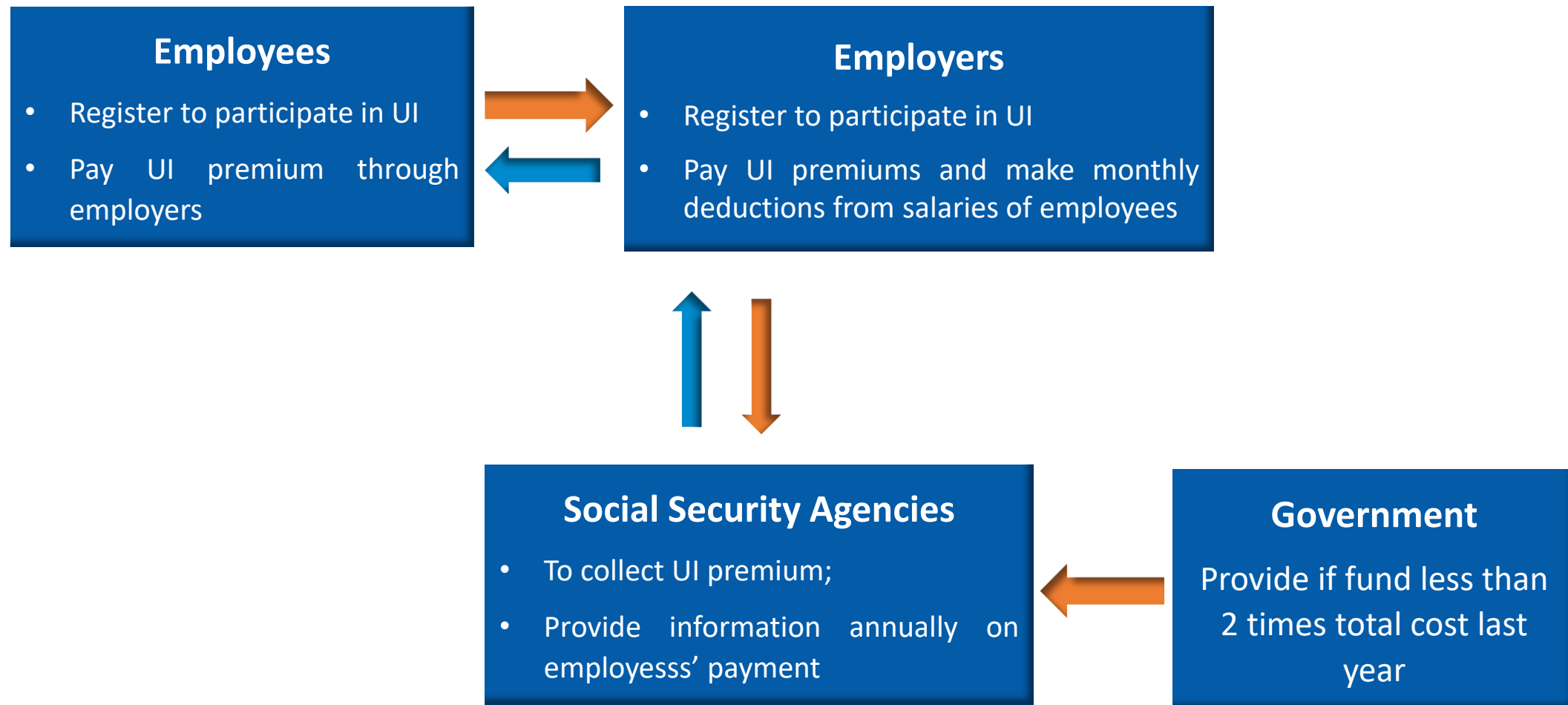
2.2. Contribution rate

Table 2. Extended Contribution rate of Unemployment Insurance in Viet Nam

Contributions	Jan.2009	Jan.2015
Employees	1% the monthly salary	1% the monthly salary
Employers	1% of the monthly payroll for all covered workers	1% of the monthly payroll for all covered workers
Government	1% of the monthly payroll for all covered workers	Maximum 1% of the monthly payroll for all covered workers

2. COVERAGE AND CONTRIBUTION RATE

2.3. Progression



2. COVERAGE AND CONTRIBUTION RATE



Table 3. Trends of the coverage rate of the Employment Insurance by sex and age

Sex/Age	2020	2021	2022	2023
Male	44,09%	44,54%	44,24%	44,65%
Female	55,91%	55,46%	55,76%	55,35%
Less than 20 years old	3,68%	3,04%	3,06%	2,78%
From 20-30 years old	30,93%	28,87%	28,15%	26,05%
From 30-40 years old	39,88%	40,66%	39,77%	39,60%
From 40-50 years old	19,55%	20,96%	21,97%	23,76%
From 50-60 years old	5,73%	6,20%	6,70%	7,37%
More than 60 years old	0,23%	0,27%	0,36%	0,44%

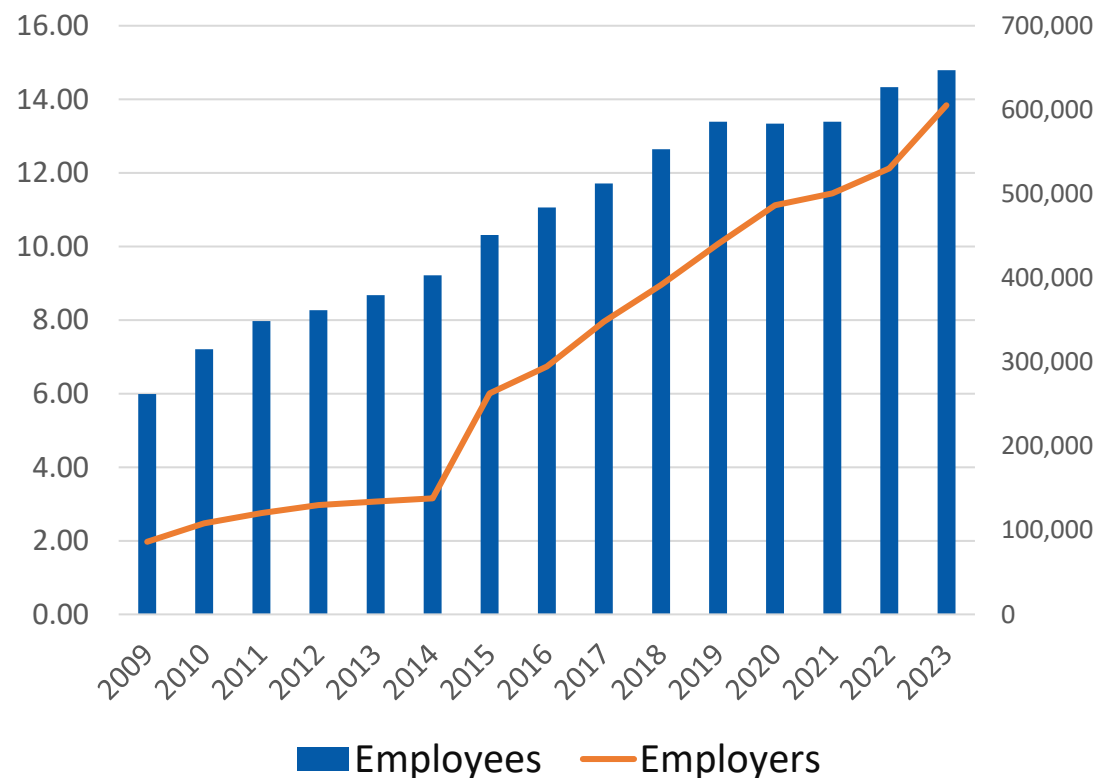
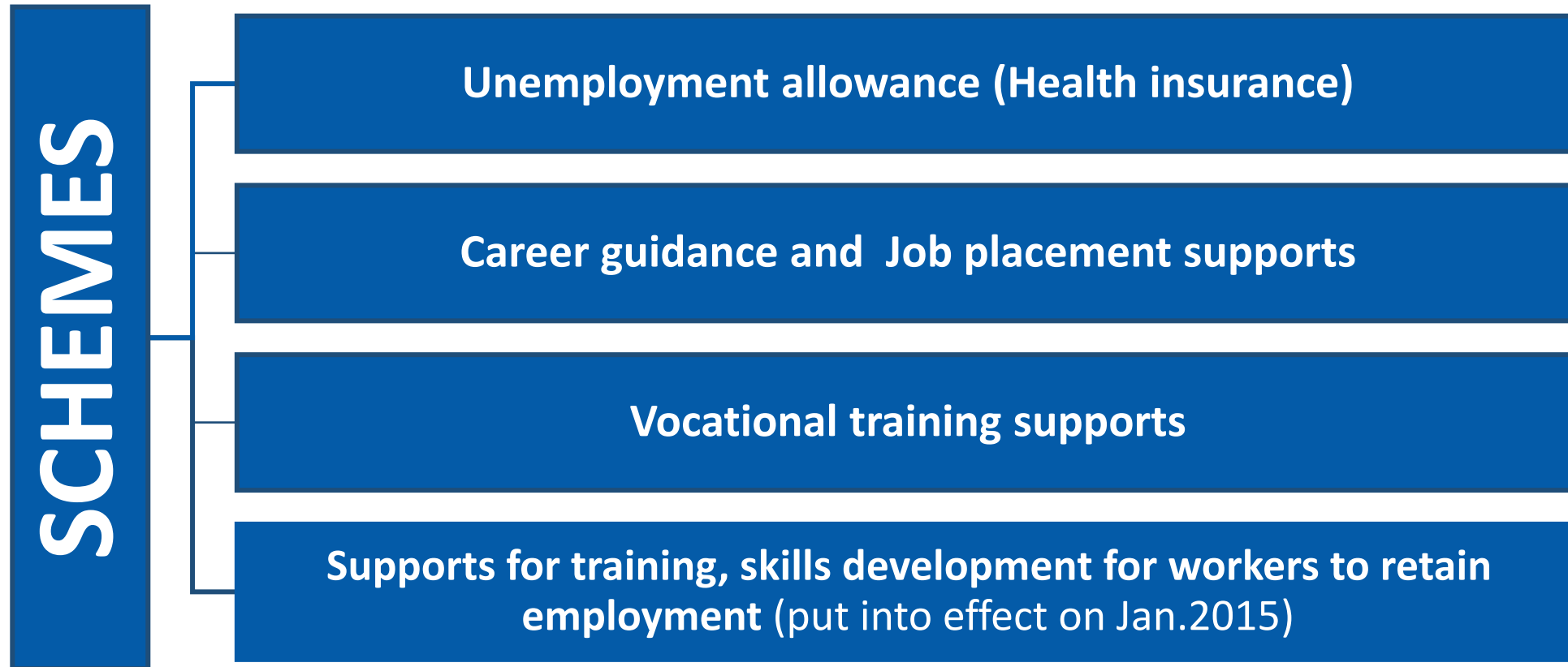


Figure 1. Trends of Insured Employees and Employers

3. UNEMPLOYMENT INSURANCE PLAN

❑ Structure of the UI System



3. UNEMPLOYMENT INSURANCE PLAN

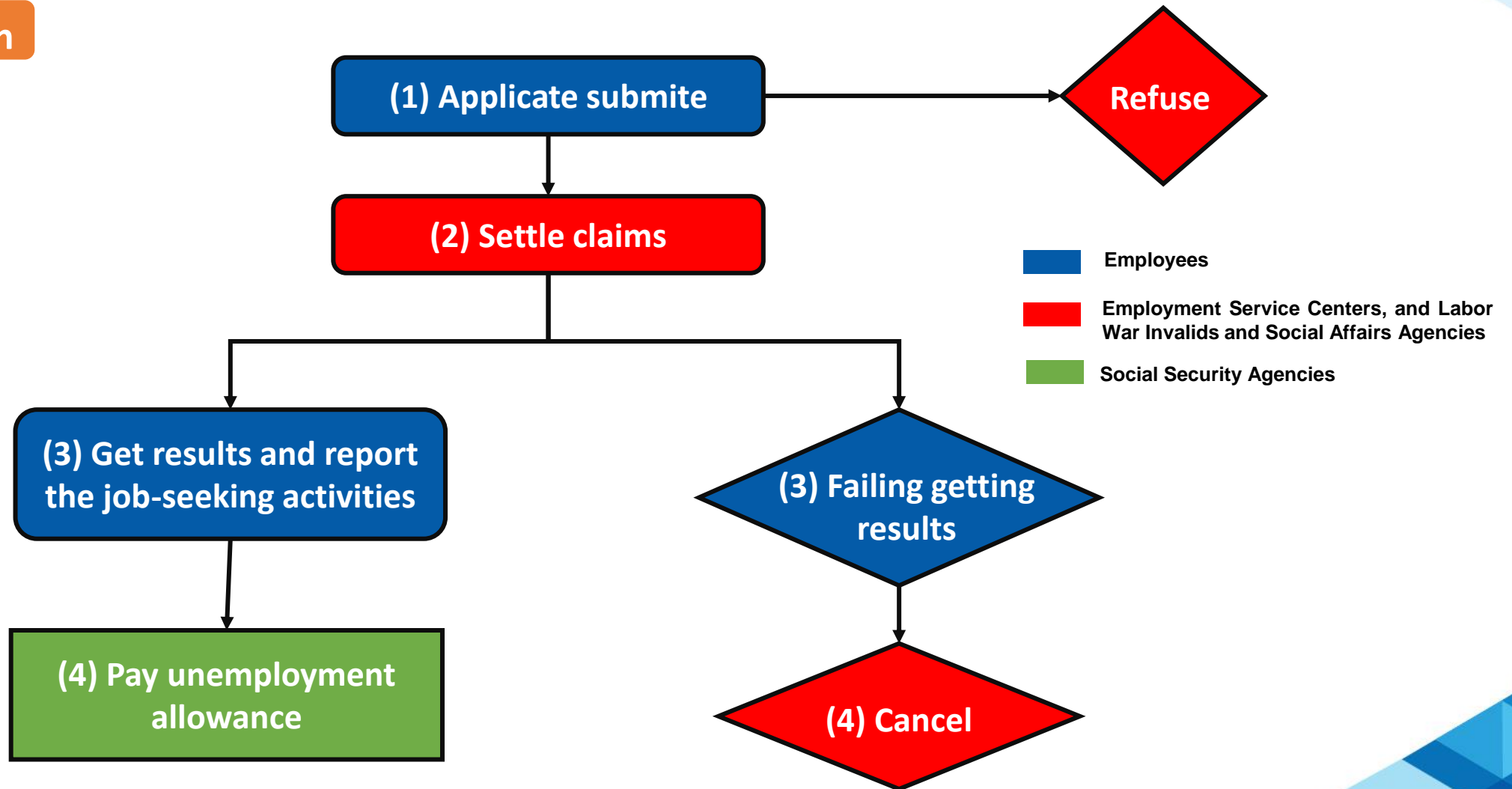
3.1. Unemployment allowance

- **Monthly unemployment benefits:** **60% of the average** of monthly salaries or wages of 6 months immediately prior
- **Duration for monthly unemployment benefits:**
 - + 3 months for qualifying period of from 12 – 36 months;
 - + Plus one month for each additional 12 qualifying month;
 - + Maximum: 12 months
- **Period of the entitlement:** From **the 16th day** from the date of submitting a complete application

3. UNEMPLOYMENT INSURANCE PLAN

3.1. Unemployment allowance

The first month



3. UNEMPLOYMENT INSURANCE PLAN



3.1. Unemployment allowance

Next months

Every months

- Employees
- Employment Service Centers, and Labor War Invalids and Social Affairs Agencies
- Social Security Agencies

(1) Report the job-seeking activities

Next month

(1) Failing report on the job-seeking activities

Career guidance, job placement support

Vocational training support

(2) Pay unemployment allowance

(2) Suspended from the entitlement to UB

3 consecutive months

(3) Terminated unemployment benefits

Progression

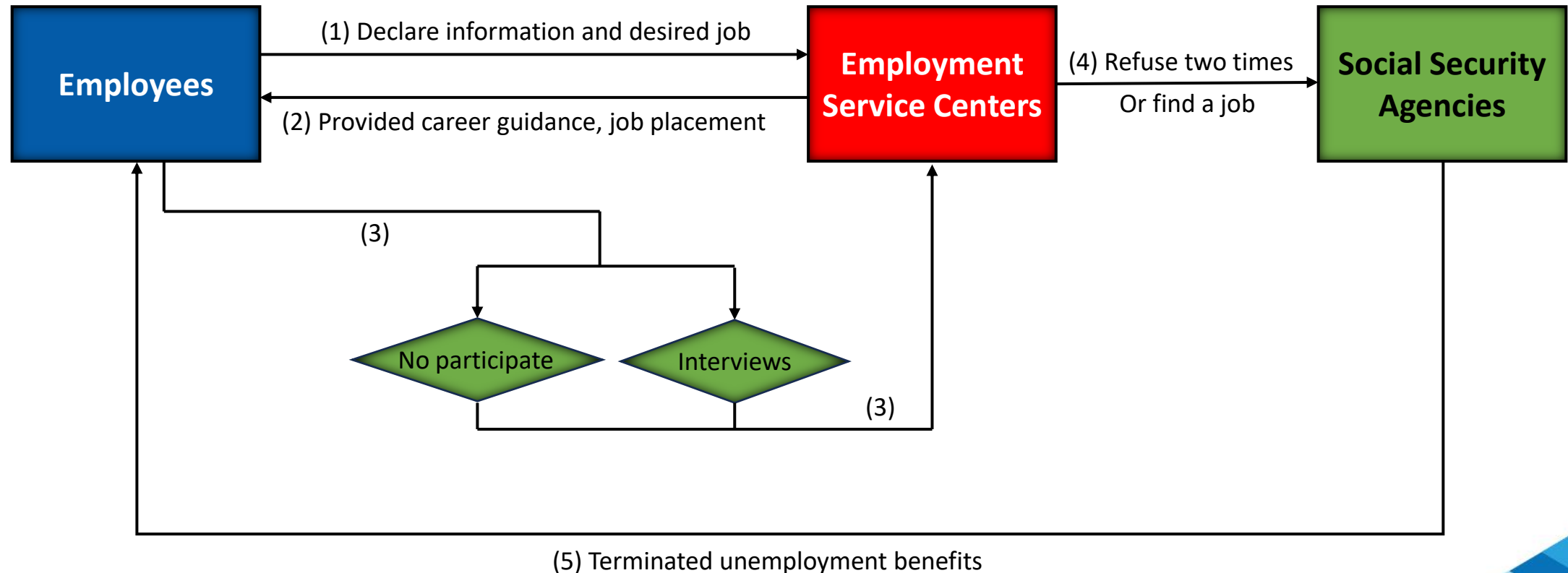
3. UNEMPLOYMENT INSURANCE PLAN



2. Career guidance, job placement supports

- Free-of-charge career guidance, job placement;
- Unlimited use

Progression

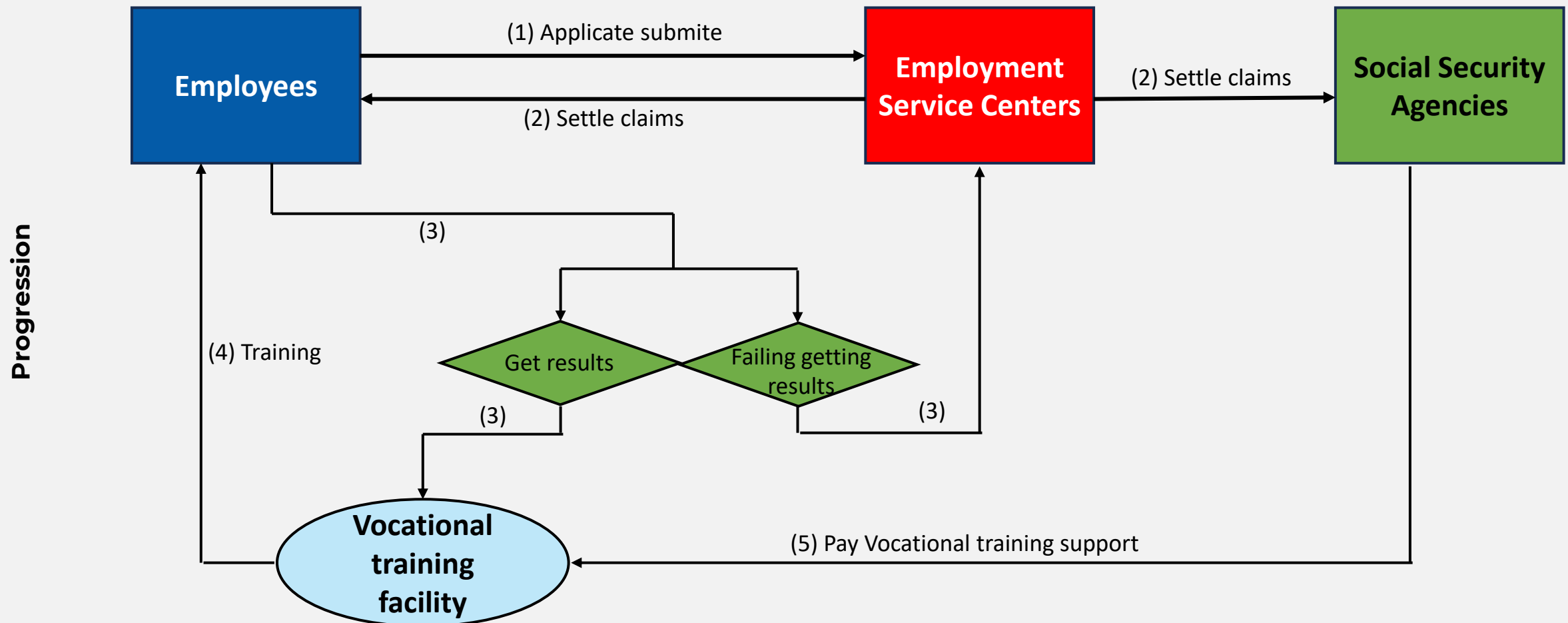


3. UNEMPLOYMENT INSURANCE PLAN



3.3. Vocational training supports (VTS)

- **Amounts of VTS:** maximum 1.500.000 VNĐ/month;
- **Period:** Exceed 6 months



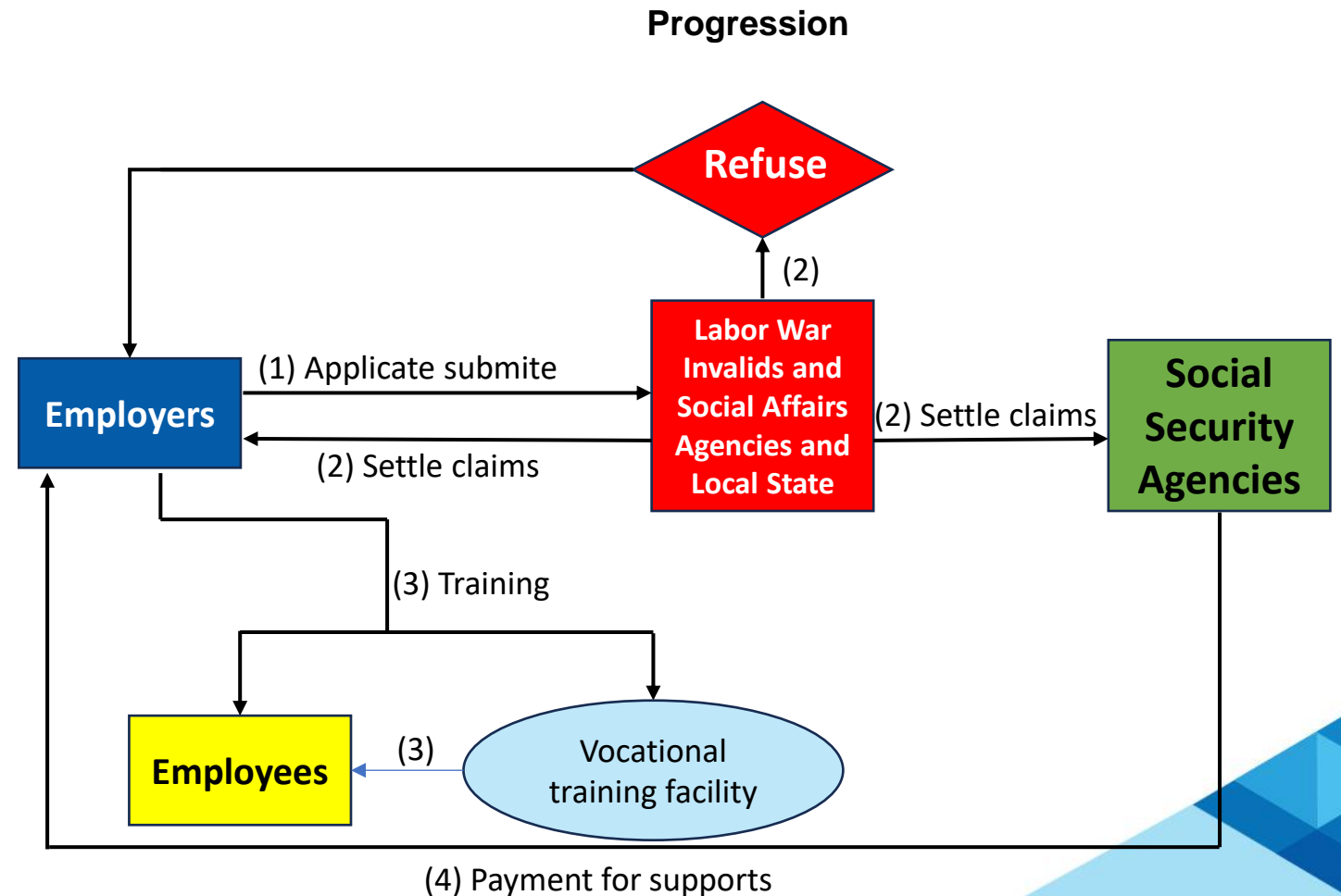
3. UNEMPLOYMENT INSURANCE PLAN



3.4. Supports for training, skills development for workers to retain employment

- **Beneficiary:** Employers
- **Mounts of VTS:** maximum 1.500.000 VNĐ/month/employee
- **Period:** Exceed 6 months

No employer has been paid since the policy came into effect.



4. CHALLENGES AND REASONS



The ratio of unemployment benefit recipients versus coverage is higher than the overall unemployment rate.

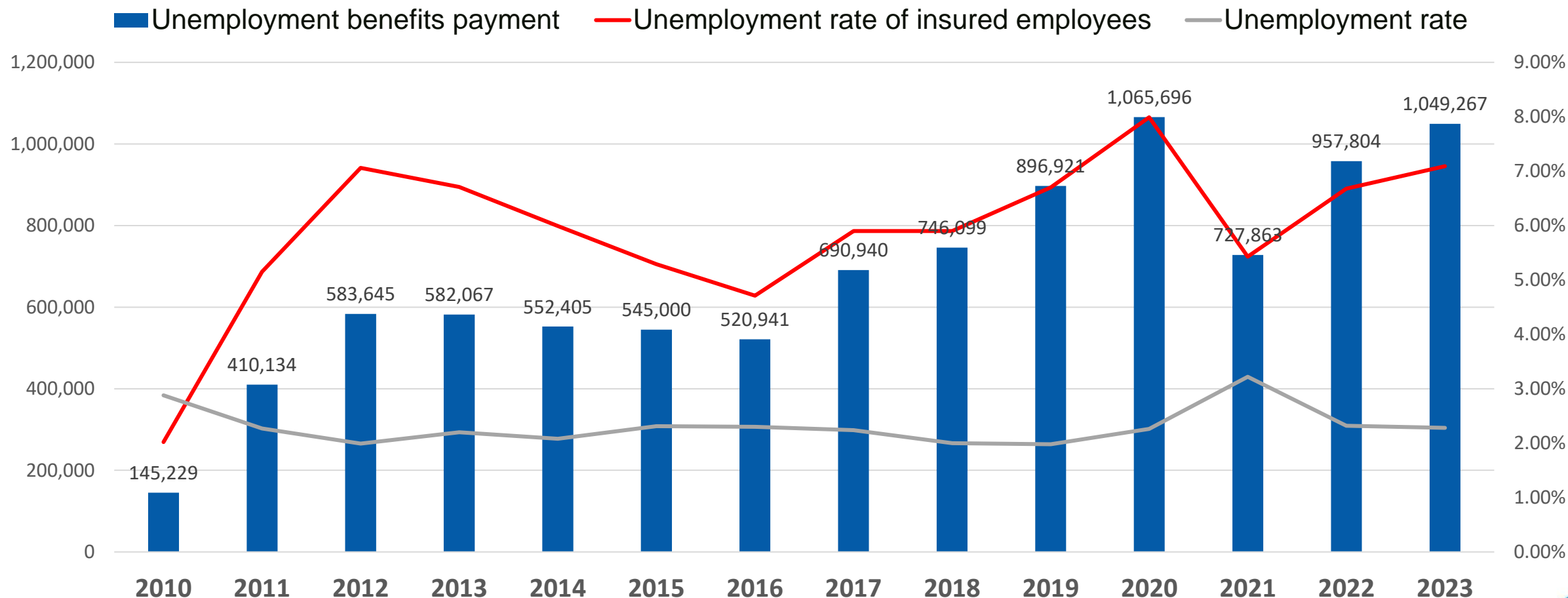


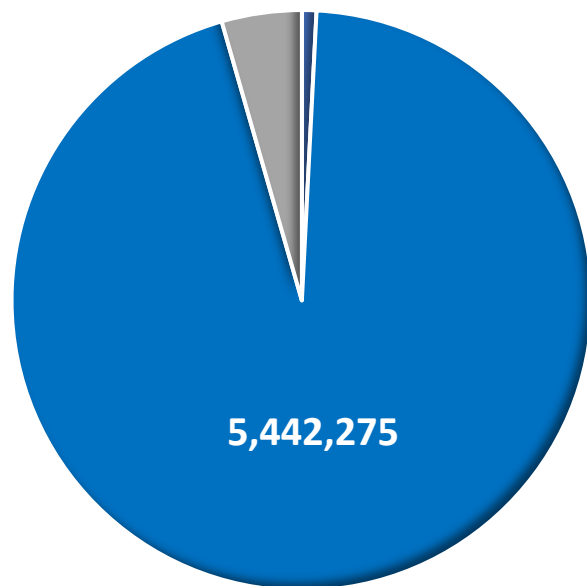
Figure 2. Trends of Unemployment benefits payment and Ratio of UB of UB receiving people to insured employees

4. CHALLENGES AND REASONS



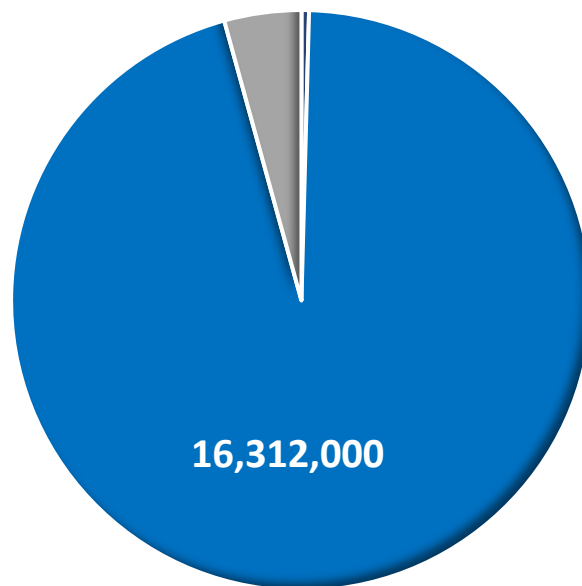
Unemployment allowance account for 95% of total benefits expenditure.

2015



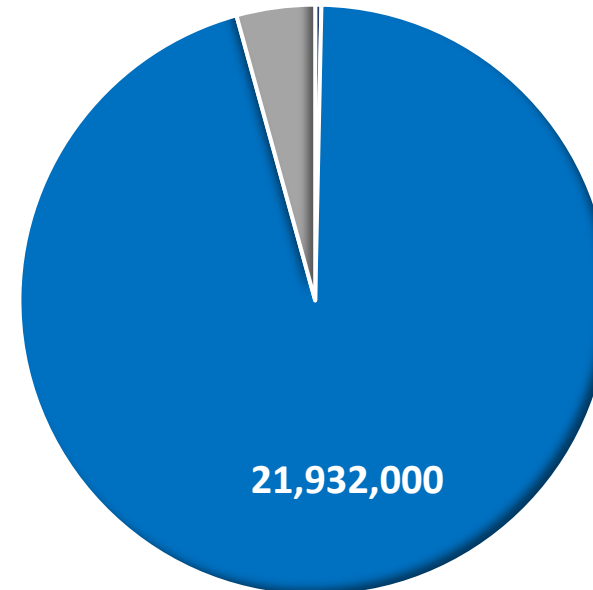
- Vocational training supports
- Unemployment allowance
- Health insurance

2020



- Vocational training supports
- Unemployment allowance
- Health insurance

2023



- Vocational training supports
- Unemployment allowance
- Health insurance

4. CHALLENGES AND REASONS



Few people receive vocational training support, and there are no accurate statistics on the number of people who successfully find jobs through job counseling and referrals from employment service centers.

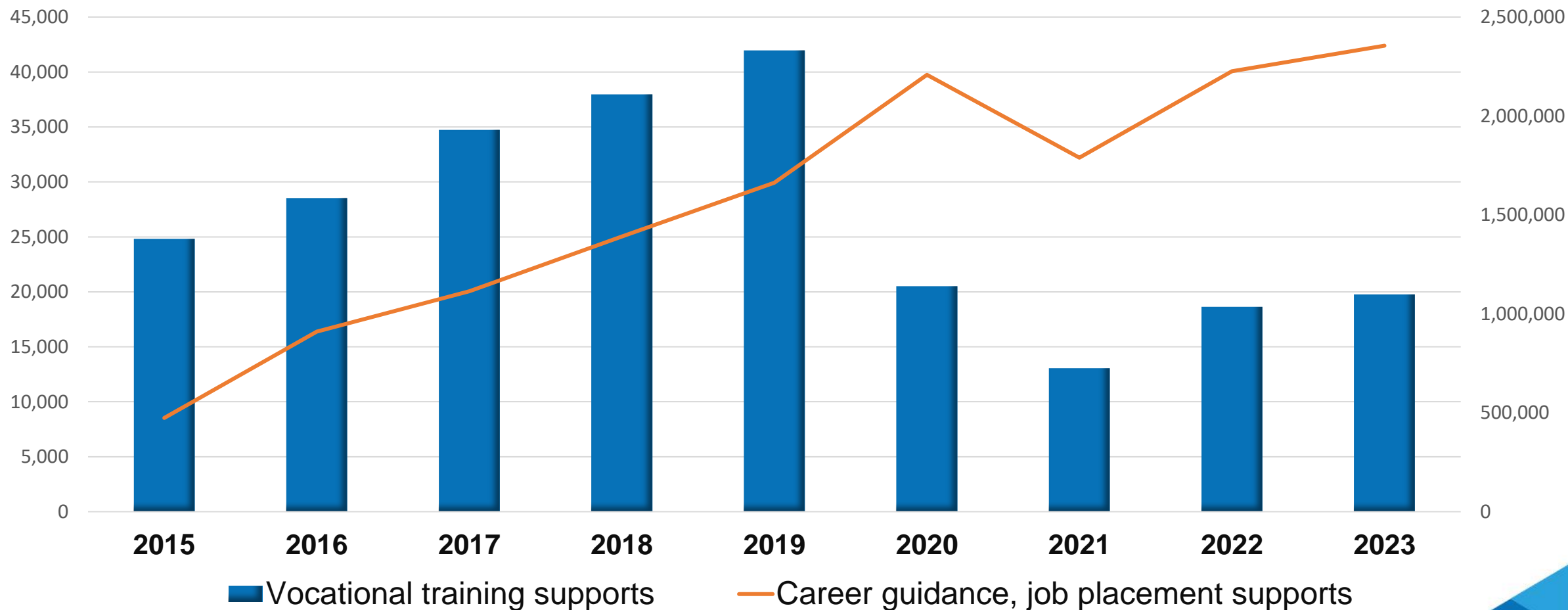


Figure 3. Trends os Career guidance, Job placement, and Vocational training Supports

4. CHALLENGES AND REASONS

Few people be terminated unemployment benefits because re-employment before end of entitlements



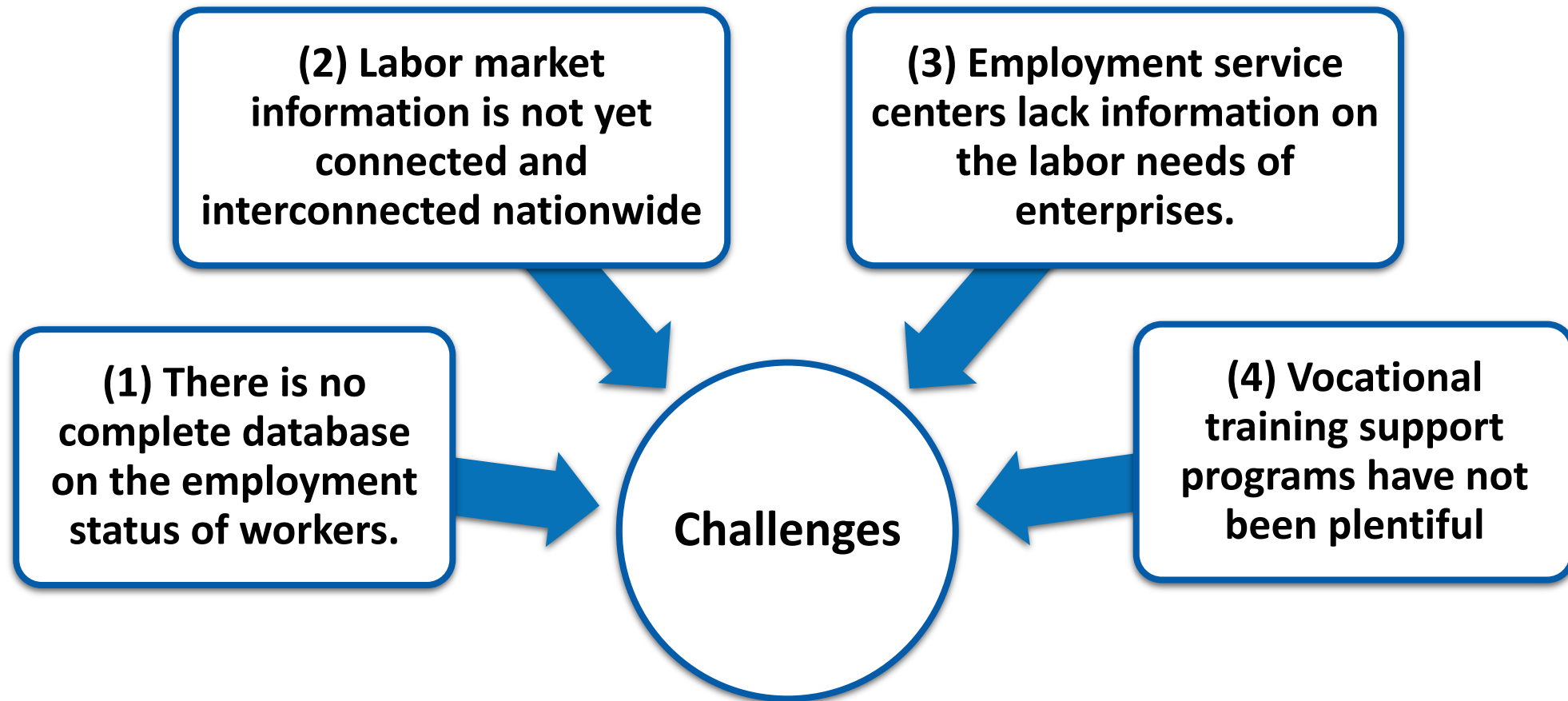
Table 4. Trends of the Suspension, Termination of unemployment benefits

Benefits terminated	2020	2021	2022	2023
• Unemployment benefits payment	1.065.696	727.863	957.804	1.049.267
• Refuse two times the job recommended by Employment Service Centers without a valid reasons	1	4	2	
• Find a job	42.983	26.109	29.292	27.923
• Fail to monthly report on job-seeking activities for 3 consecutive months	288	224	324	742
• Suspended from the entitlement to unemployment benefits when failing to monthly report on job-seeking activities	33.188	31.188	29.722	34.554

(Source: Viet Nam Social Security)

4. CHALLENGES AND REASONS

Main Reasons of Challenges



CONCLUSIONS

❑ Recommendations



Policy

Increasing the attractiveness of job retention support

Eliminate benefits for voluntary unemployment

Data base

Building and perfecting the database on employment status

Complete and connect labor market information

Implementation

Improve the quality of career guidance and job placement

Diversified training profession



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**THANK YOU FOR
LISTENING!**

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