



VIETNAM SOCIAL SECURITY





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DIRECTOR GENERAL'S MESSAGE



On the 16th February 1995, the Prime Minister of Vietnam signed a Decision for the establishment of Vietnam Social Security (VSS). This is an important landmark in the social security reform in Vietnam.

Over more than 20 years, Vietnam Social Security has constantly renovated and developed itself to ensure social protection for Vietnamese citizens and also create a driving force contributing to the “*Doi Moi*” process in the country.

Overcoming many obstacles and challenges, VSS is very proud to have obtained significant achievements in the last 20 years of development. Social insurance and Health insurance have become the key pillars of the social security system of Vietnam. These achievements once again reaffirming the State’s social security is on the right track.

In 1995, there were only 2.2 million people participating in social security schemes. By 2016, it was extended to over 73 million people accounting for approx. 80% of the population. With hundreds of trillion Vietnamese Dongs of contribution incomes and benefit payments, the social security fund under VSS management has become one of the largest public financial fund in the country. This is a prerequisite for successfully implementing universal health insurance and extending social insurance coverage to all workers.

VSS will surely face great challenges in realizing the objectives. However, with great confidence in the bright future of social security sector in Vietnam, every staff of VSS system will put utmost effort into overcoming challenges, developing a modern and financial sustainable system in order to deliver quality services to the people, ensure the national social protection and contribute to the country's industrialization and international integration.

This book is to provide for the international organizations and foreigners the general information about social security benefits delivered by Vietnam Social Security and its administration.

Sincerely,

Vice Minister, Director General

A handwritten signature in blue ink, appearing to read 'NTH', is positioned above the printed name.

NGUYEN THI MINH



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Social Security - “Happiness and wellbeing for people”

VIETNAM SOCIAL SECURITY

Vietnam Social Security (VSS) is a State Agency responsible for implementing social insurance and health insurance policies nation-wide; collecting and paying the unemployment insurance benefits; managing the Social Insurance (SI), Health Insurance (HI) and Unemployment Insurance (UI) funds; and inspecting the social insurance, health insurance and unemployment insurance contribution.

Social insurance and health insurance are two important policies of the Party and the Socialist Republic of Vietnam. They are the main pillars of the national social security system, contributing to the stability of the people’s lives and social equity. They are also the important factors in promoting a sustainable socio-economic development.



VISION

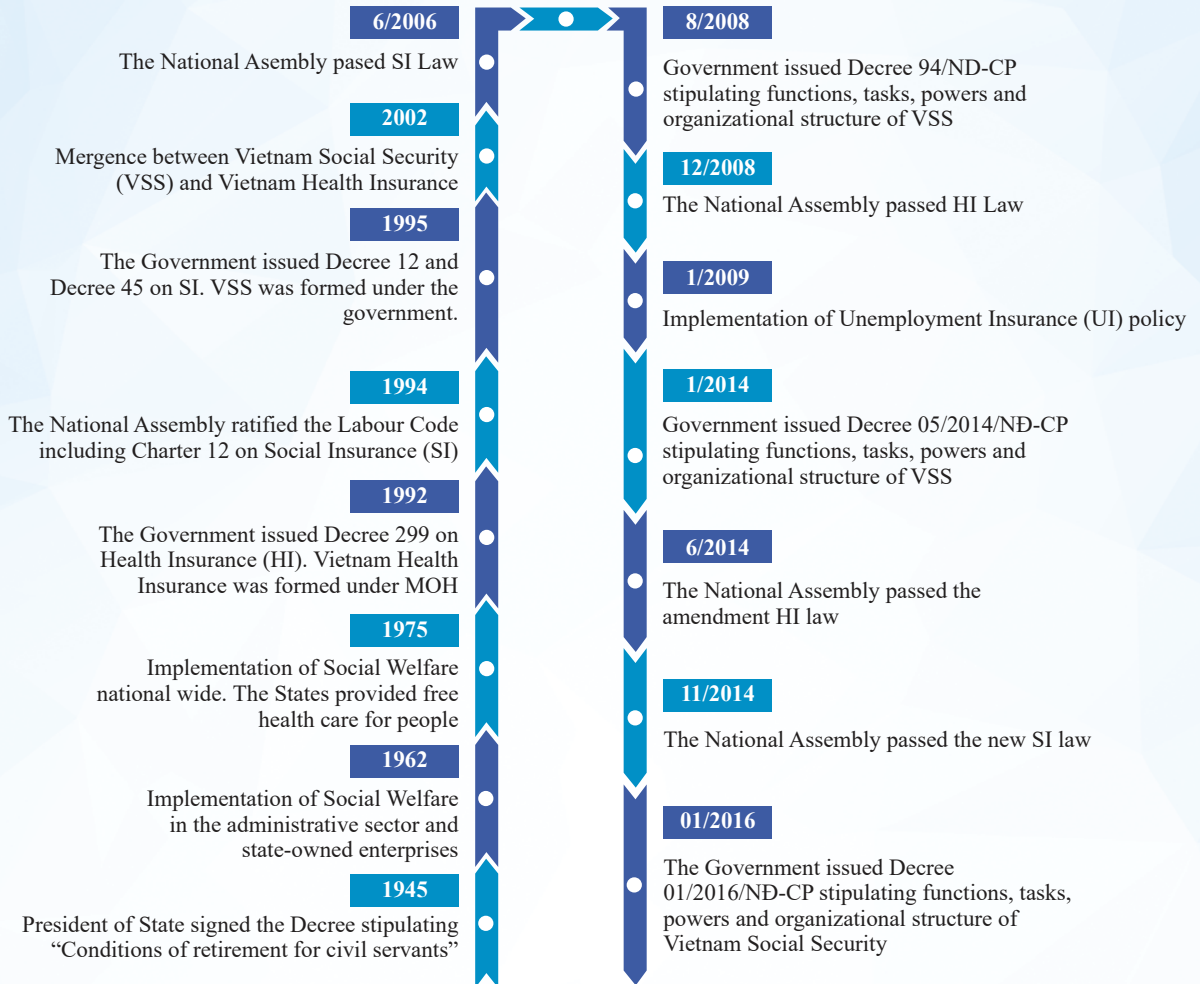
Extending SI coverage and implement HI universal coverage: By 2020, 50% and 35% of working population participating in social insurance schemes and unemployment insurance respectively, more than 90% of population having health insurance.

Managing the social insurance fund and health insurance fund safely, effectively and efficiently to ensure the stability of those funds.

Modernizing Vietnam Social Security's system to be a highly professional and people-oriented organization, meeting the nation's demand for industrialization, modernization and international-integration.



HISTORY DEVELOPMENT





THE GOVERNING BODY OF VIETNAM SOCIAL SECURITY

The Governing Body of Vietnam Social Security is to assist the Prime Minister in directing, supervising the management of the Director General of Vietnam Social Security. The Chairperson, The Permanent Vice Chairperson and Members of the Governing Body are appointed and dismissed by the Prime Minister with 5 years terms, including:

1.	<i>Chairperson</i>	Minister of Finance
2.	<i>Permanent ViceChairperson</i>	Vice Minister, Director of Vietnam Social Security
3.	<i>Member</i>	Deputy Minister of Labour, War Invalids and Social Affairs
4.	<i>Member</i>	Deputy Minister of Health
5.	<i>Member</i>	Deputy Minister of Home Affairs
6.	<i>Member</i>	Deputy Minister of Defence
7.	<i>Member</i>	Deputy Minister of Public Security
8.	<i>Member</i>	Vice Chairperson of General Confederation of Labour
9.	<i>Member</i>	Vice Chairperson of Vietnam Farmers' Association
10.	<i>Member</i>	Vice Chairperson of Chamber of Commerce and Industry
11.	<i>Member</i>	Vice Chairperson of Vietnam Cooperative Alliance

VIETNAM SOCIAL SECURITY LEADERS



H.E. Mrs. Nguyen Thi Minh
Vice Minister, Director General

Mr. Nguyen Dinh Khuong
Deputy Director General



Mr. Nguyen Minh Thao
Deputy Director General



Mr. Pham Luong Son
Deputy Director General



Mr. Tran Dinh Lieu
Deputy Director General



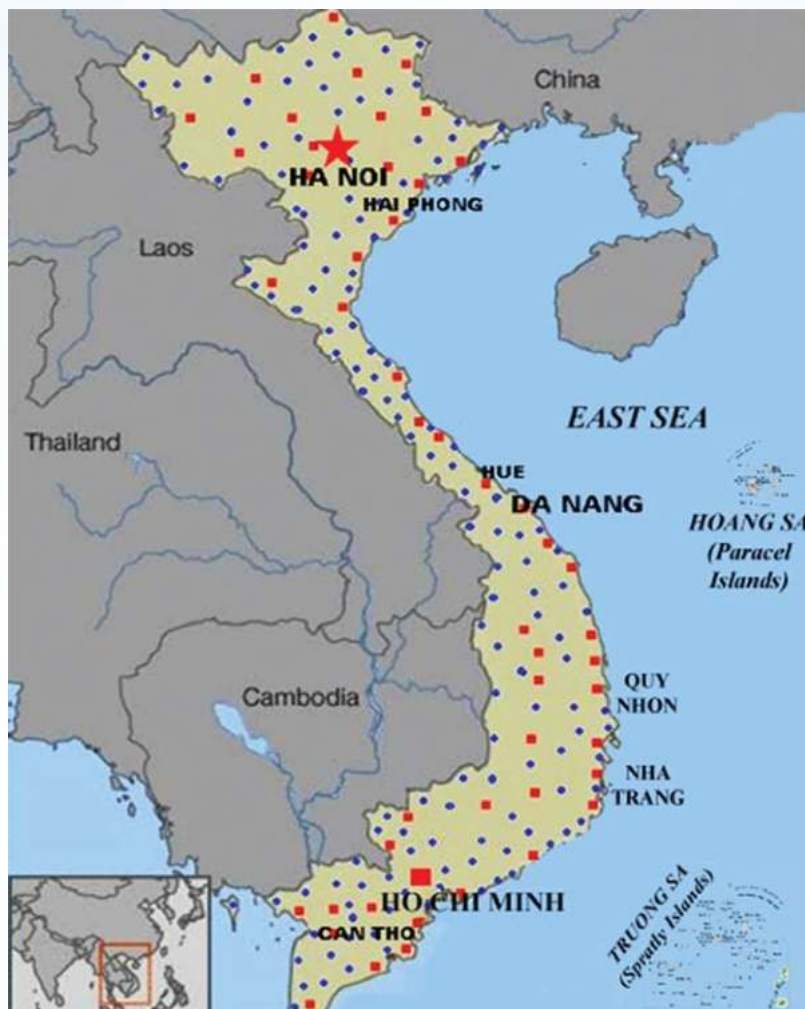
Mr. Dao Viet Anh
Deputy Director General

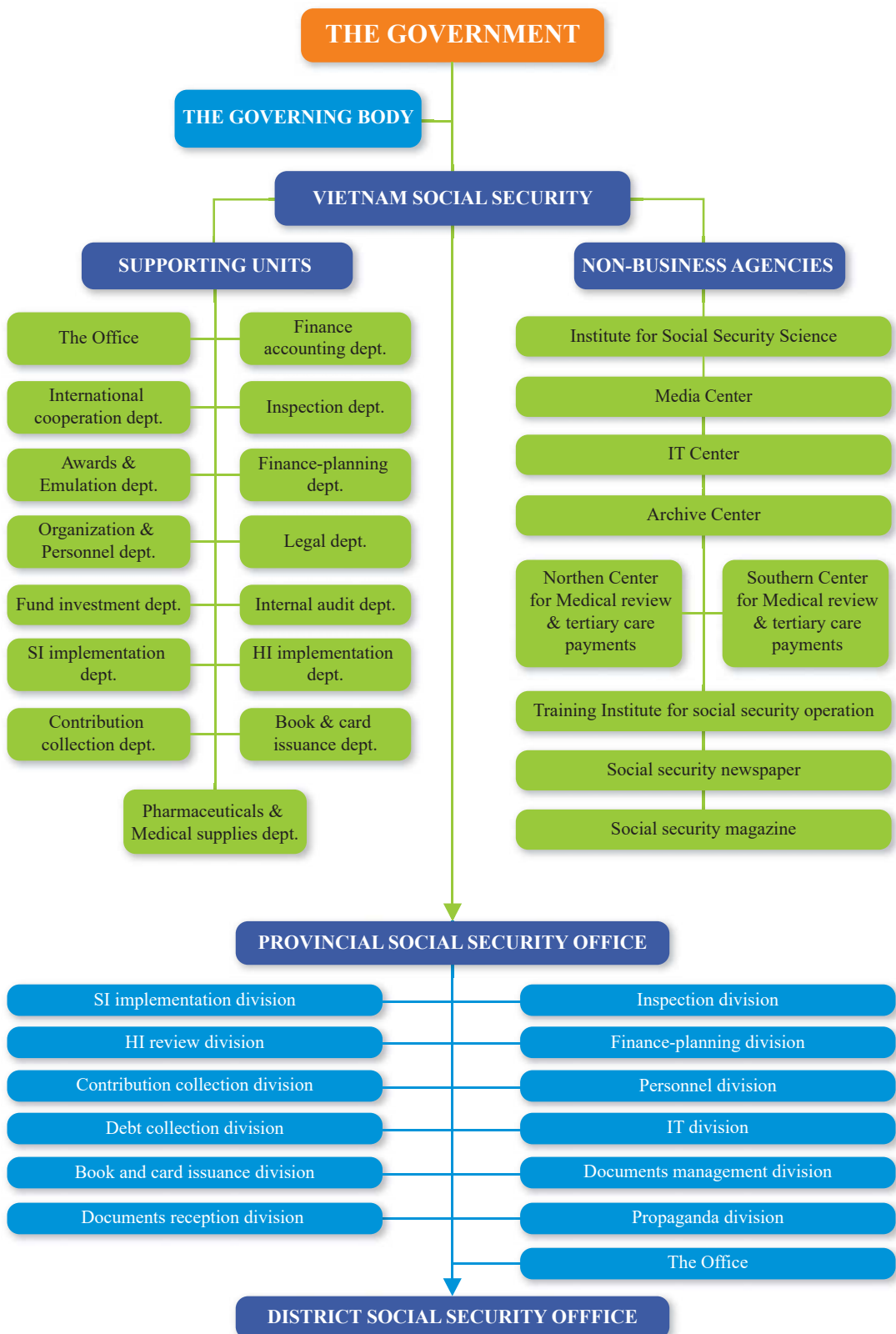
THE ORGANIZATIONAL STRUCTURE

Vietnam Social Security system is vertically organized in three administrative levels:

- *Central level (the VSS headquarters):* There are 24 units including 15 supporting departments and 9 non-business agencies.
- *Provincial level:* There are 63 Provincial/Centrally-run City Social Security Offices.
- *District level:* There are 710 District Social Security Offices.

As of June 2016, the workforce of Vietnam Social Security system is around 22,000 people.







THE MEMBERSHIP

Social Insurance Membership:

- **Compulsory membership:**

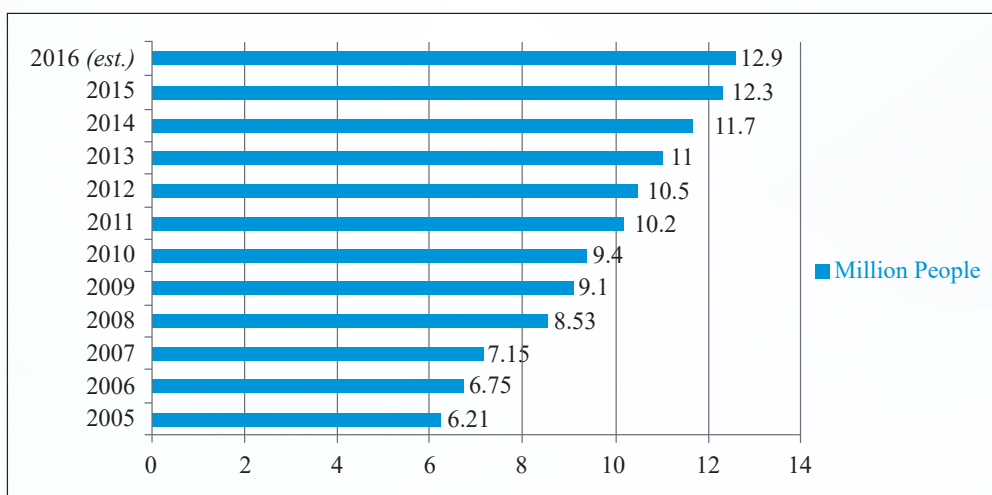
1. Employees who work under indefinite-term, definite-term and seasonal labour contracts in all enterprises and cooperatives.
2. Cadres, public employees and civil servants.
3. Commissioned and non-commissioned officers, the soldiers; the employees of the armed forces, public security and cipher agencies.
4. Overseas workers who are defined in the Law on Vietnamese guest workers.
5. Part-time staffs in communes, wards and townships.
6. Foreign workers with work permits issued by Vietnamese authorities (*applied from 1/1/2018*).

- **Voluntary membership:**

Vietnamese citizens of 15 years or older who are not covered by mandatory Social Insurance schemes.



Social Insurance Membership



THE MEMBERSHIP (cont.)

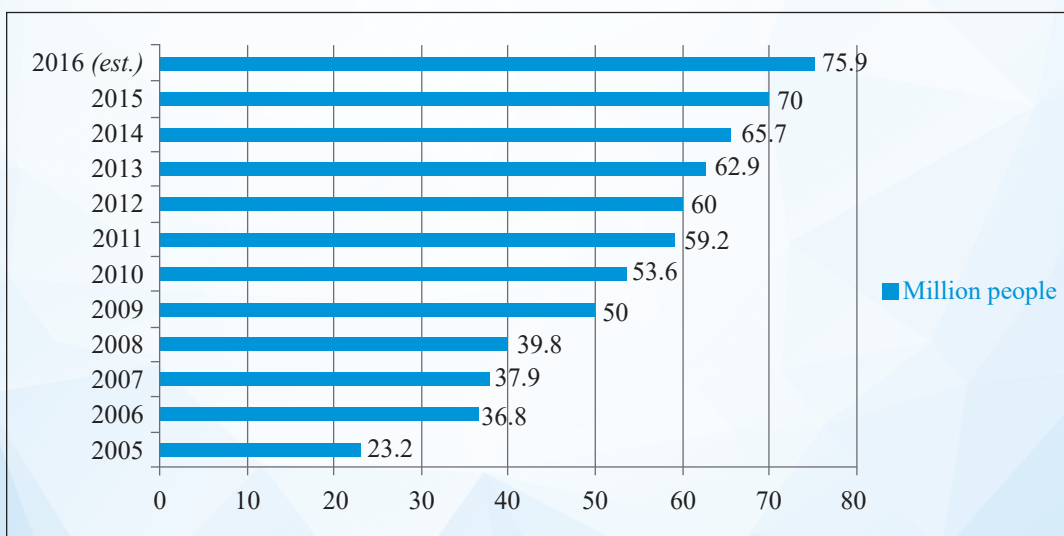
Health Insurance Membership:

Compulsory for all Vietnamese citizens and divided into 5 groups based on the contribution responsibilities:

1. Contribution paid by the employers and employees.
2. Contribution paid by social insurance funds.
3. Contribution covered by State budget.
4. Contribution partly subsidized by State budget.
5. Contribution paid by family based members (*excluding those belong to group 1,2,3 and 4*).



Health Insurance Membership



THE BENEFITS

- *Sickness cash benefit*
 - *Maternity benefit*
 - *Work injury and occupational disease benefits*
 - *Old-age benefit*
 - *Survivor's benefit*
 - *Unemployment benefit*
 - *Medical benefit (Health Insurance)*



SICKNESS BENEFIT

- The employee who suffered from sickness, accident and had to take leave shall be entitled to grants of 30 to 70 days depending on his/her social insurance contribution duration and working condition.
 - The employee who has to look after his/her child under 7 years of age shall be entitled to maximum of 15 to 20 days depend on his/her child's age.
- The employee who suffered from diseases in the list of long treatment diseases shall be entitled to maximum of 180 days of leave per year; in case he/she has to continue the treatment after these 180 days, he/she shall be entitled to sickness benefit at a lower rate.
- For the employees of People's Army and Public Security, the duration of the leave is base on the medical treatment period at the medical facilities.
- The maxium benefit rate is 75% of monthly salary on which the social insurance contribution is based prior to the month of taking leave. For the employees of People's Army and Public Security, the benefit rate is equivalent to 100% of monthly salary prior to the month of taking leave.
- The employee shall be entitled to 5 - 10 days for health rehabilitation if he/she hasnot recovered his/her health.



MATERNITY BENEFIT



- *Pregnant* female employees, giving birth or employees adopting a baby less than 6 months of age, surrogate mother and a social insurance contributor whose wife giving birth are entitled maternity benefits.
- *The* benefit rate is equivalent to 100% of the salary on which social insurance contribution are based on the last 6 months. Duration of maternity leave entitlement is calculated as the period of paying social insurance contribution and the employee does not have to pay social insurance contribution while enjoying the benefit.
- *Pregnant* female employees shall be entitled to prenatal leaves for 5 time check - ups, 1 - 2 days per each time.
- *After* giving birth or adopting a baby less than 6 months of age, the employee shall be entitled to 6 months maternity benefits. In case of twin or multiple births, the employee is entitled to an additional a month for each child from the second.
- *The* employee shall be entitled to 5 -10 days of leave to recover her health if she has not fully recovered after the maternity leave period. The per-diem allowance for convalescence and health rehabilitation after maternity leave period equal to 30% of the basic salary.
- *The* female employee who has suffered from miscarriage, abortion, vasectomy, death fetus or abortion due to disease shall be entitled to 10 - 50 days of leave depending on the age of the fetus.
- *The* employee is entitled to 7 days of leave absence when taking Intra-uterus device and 15 days of leave absence when taking sterilize.
- *Male* social insurance contributor whose wife giving birth shall be entitled to 5 -14 days full-paid leave in the first 30 days from the labour date.

WORK INJURY AND OCCUPATIONAL DISEASES BENEFITS

- *The* employee who has lost at least 5% earning capacity because of accidents while working or on assignment by the employer; has suffered from the disease in the list of occupational diseases while working in hazardous occupations or jobs.
- *The* employee who has lost from 5% to 30% earning capacity shall be entitled to a lump-sum payment depending on the level of earning capacity loss and number of years of paying SI contribution.
- *The* employee who has lost at least 31% of earning capacity shall be entitled to a monthly benefit depending on the level of earning capacity loss and number of years of paying SI contribution.
- *For* the employee who dies of employment injury or occupational disease, their relatives shall be entitled to a lump-sum benefit equivalent to 36 months of the basic wage and survivor's benefit as regulated.
- *The* employee who suffered from employment injury or occupational disease shall be assessed and re-assessed the incapacity for work; provided with functional aids or helpers' benefit based on the level of damage and capacity loss.
- *If* the employee still has not recovered his/her health after the medical treatment of employment injury or occupational disease, he/she shall be entitled to 5 - 10 days of leave for health rehabilitation.
- *The* employee shall be provided with health insurance card if he/she ceases working. If he/she continues to work and pay social insurance contribution, when he/she is qualified for retirement, he/she will be entitled to both old-age benefit and monthly grant of employment injury or occupational disease.





OLD AGE BENEFIT

- *Life-long pension*
- *The employee shall be entitled monthly old age pension if he/she has reached the age of 55 for a woman and 60 for a man, and having paid social insurance contribution for at least 20 years (in which the age of pension entitlement for those who have worked 15 years in hazardous and dangerous occupations shall be deducted 5 years).*
- *The monthly old-age pension (maximum pension: 75% of average monthly salary; minimum pension: the basic minimum wage): in which 45% for the first 15 years of contribution; each additional year of contribution, the additional reimbursement rate is 2% for men and 3% for women; each year of early retirement, the reimbursement rate is deducted 1%.*



- *According to the new SI Law, from 2018 to 2022, the period of contribution for pension entitlement has increased from 15 to 20 years, in which the pensioner can receive 45% average salary for the first 20 years and for each additional year of contribution, the additional reimbursement rate is 2% for both men and women.*



- *The employee who is not qualified for old age pension with the contribution period of less than 20 years shall be entitled to a lump-sum grant equivalent to 1.5 month of the average salary for each year contributing to SI fund.*

- *The employee who ceases working but not qualifying for monthly old-age pension or have not made a withdrawal of a lump-sum pension shall be entitled to reserve his/her SI contribution period.*

- *The retiree shall be entitled to a lump-sum grant if paid social insurance contribution for more than 30 years for a man and more than 25 years for a woman. The grant is equivalent to 0.5 of the average monthly salary for each year surplus the normal contribution period.*

- *The retiree shall be provided with health insurance card by SS Fund.*



SURVIVORR'S BENEFIT



- *The employee who is paying social insurance contribution or reserving his/her social insurance period; entitling monthly work injury and occupational disease benefit for those who cease working, shall be entitled to funeral grant of 10 months of the basic minimum wage when he/she dies.*
- *The relatives (as defined in Social Insurance Law) of the deceased insured who:*
 - + contributed to the social insurance fund for at least 15 years but has not made a withdrawal of a lump-sum;
 - + is receiving monthly old age pension;
 - + is receiving monthly work injury and occupational disease benefits of at least 61% incapacity;
 - + dies of work injury and occupational disease;
 - + shall be eligible for monthly or lump-sum survivor's benefit.
- *The monthly survivors' benefit for each dependant of the deceased employee is equivalent to 50% of the basic wage; 70% of that if the dependant of the late employee has no direct raiser (no more than 4 persons).*
- *The lump-sum survivor's benefit for relatives of deceased employee: shall be calculated based on the SI contribution years. For each year of contribution, relatives of the deceased are entitled to 1.5 times the insured's average monthly salary (minimum of 3 times the average monthly salary).*
- *The lump-sum survivor's benefit for relatives of deceased pensioner: shall be calculated based on the period of pension enjoyment. If pensioners die within the first 2 months of pension enjoyment, the allowance must equal 48 months' pension. If the pensioners die in subsequent months, the allowance shall be reduced by half a month's pension for each additional month of pension enjoyment (minimum of 3 months of pension).*

UNEMPLOYMENT BENEFIT



The employee having paid unemployment insurance (UI) for at least 12 months in 24 months preceding unemployment and unable to find a job 15 days after registered at labour agency shall be entitled unemployment benefits:

- Monthly unemployment benefit is equivalent to 60% of the average 6 months salary of preceding unemployment.
- Entitled to 3 to 12 months unemployment benefit depending on the duration of UI contribution payment.
- Entitled to cash subsidy for vocational training.
- Free job search and employment services.
- Entitled to health insurance benefit.

MEDICAL BENEFIT (HEALTH INSURANCE)

Qualifying conditions

Presenting health insurance (HI) card, identification paper with picture on medical consultation and treatment at medical facilities.



Benefits

The insured shall be entitled to health care services, blood transfusion, medical supplies based on medical diagnosis and treatment; freedom to register with health care providers for primary care; medical consultation and treatment at any medical facility in case of emergency.

Benefit rates

Upon medical consultation and treatment at the insured's registered primary care unit, or in case of emergency, the HI fund shall cover 80% or 95% or 100% of the medical costs based on category of the insured.

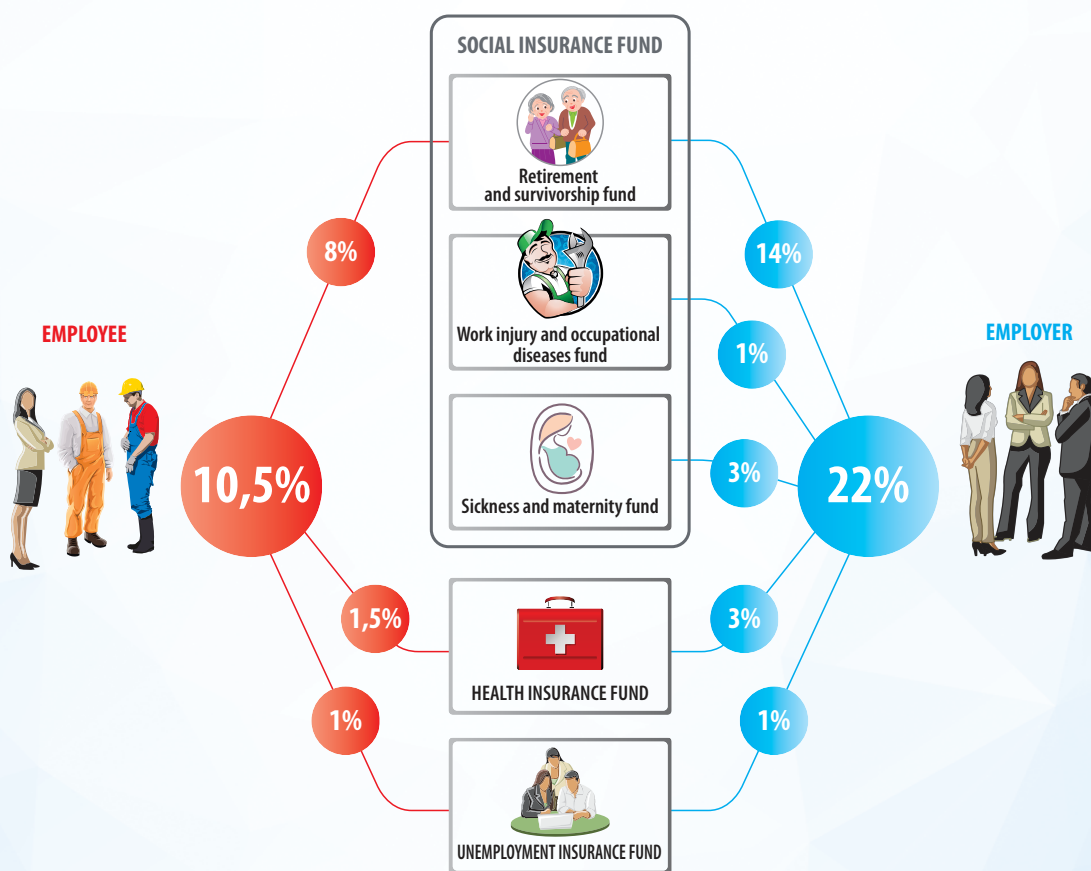
Upon medical consultation and treatment not at the primary care unit nor at the registered level of care (*except for emergency cases*), the HI fund shall cover:

- + 40% of the medical costs for inpatient treatment at center hospitals
- + 60% of the medical costs for inpatient treatment at provincial hospitals
- + 100% of the medical costs for outpatient and inpatient treatment at district hospitals.



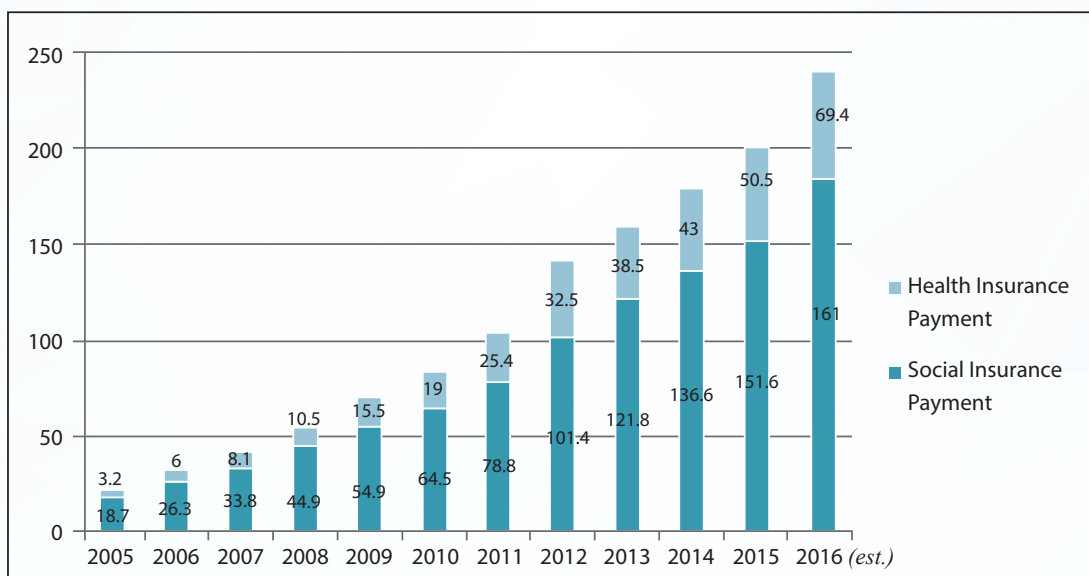
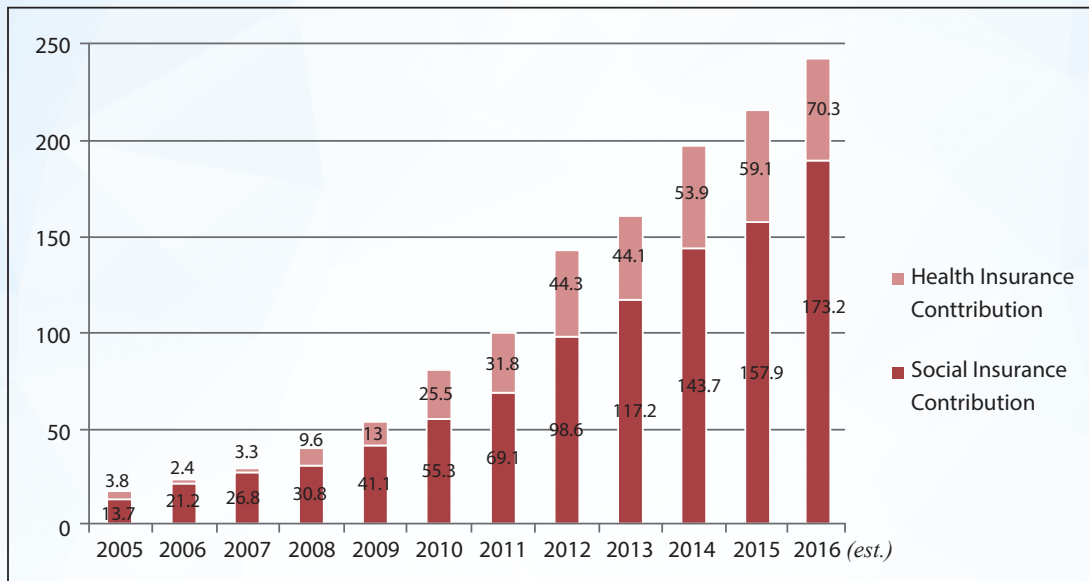
SOCIAL INSURANCE AND HEALTH INSURANCE CONTRIBUTION

The employers, on behalf of their employees, fulfill the duty of SI and HI contributions as follows:



Contribution rates are based on the percentage of the employees' income (including salary as stated in the labor contract, subsidies and other incomes).

SOCIAL INSURANCE AND HEALTH INSURANCE CONTRIBUTION & PAYMENT





FUND MANAGEMENT AND INVESTMENT

- Vietnam Social Security manages and use: Retirement and survivorship fund; Work injury and occupational diseases fund; Sickness and maternity fund; Unemployment insurance fund; Health insurance fund in accordance with the principles of centralizing, unification, transparency, and following the law.
- The Social insurance fund, Unemployment insurance fund, Health insurance fund is formed by the following sources:
 - ✓ Employees contribution.
 - ✓ Employers contribution.
 - ✓ The State Budget.
 - ✓ Profit of investments.
- Funds Investment is done through the following methods:
 - ✓ Purchase of Government bonds.
 - ✓ Lending to the State Budget.
 - ✓ Purchasing promissory notes, bonds, certificates of deposit at commercial banks with good operational quality.
 - ✓ Lending to Vietnam Development Bank and Vietnam Bank for Social Policies.
 - ✓ Investments in prioritized national projects.

INTERNATIONAL COOPERATION ACTIVITIES

Since 2000s, Vietnam Social Security had begun its overseas expansion of their operations. At first VSS was conducting international cooperation activities predominantly in Asia and then gradually expanding to other countries all over the world. In the process, the Agency has built relationships of trust with numerous governments and international agencies.

Vietnam Social Security conducts its international cooperation activities with the purpose of maximizing potentials of resources and favorable conditions brought by the international integration process. This will in turn enables Vietnam Social Security to establish stable, modern, effective and efficient social security system in Vietnam and develop suitable social security policies and implementations in accordance with international standards and agreements. Our main visions are:

- Building stronger, stable and proactive international relationship in social security field with existing international partners and donors.
- Promoting cooperation relationship with other regions in the world, the European Union, South America, Middle East and Africa
- Implementing practical and effective international cooperation activities
- Expanding relationship to other countries, territories, regional and international associations and social security associations.
- Ensuring all Vietnam citizens, including those who are living overseas to fully enjoy their social security benefits.

At the moment, Vietnam Social Security has actively participated in international and regional cooperation associations and forums such as International Social Security Association (*ISSA*), ASEAN Social Security Association (*ASSA*) and Asia Worker Compensation Forum (*AWCF*),...

Along with the active participation in multilateral cooperation activities, VSS has developed and maintained cooperative relations with more than 40 international social security organizations and donors including The German International Cooperation (*GIZ*), Expertise France (*EF*), The European Union (*EU*), The World Bank (*WB*), International Labour Organization (*ILO*), World Health Organization (*WHO*), International Monetary Fund (*IMF*), Asia Development Bank (*ADB*), Japan International Cooperation Agency (*JICA*), Korea International Cooperation Agency (*KOICA*)... International experiences and expertise learned from our partners are contributing to the development of social security sector in Vietnam.

