VIET NAM’S UNEMPLOYMENT INSURANCE POLICY

CURRENT STATUS AND
LESSONS LEARNED

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Part I:

Unemployment Insurance Policy
LEGAL FOUNDATION

1. UI COVERAGE

1. **Workers**: Vietnamese citizen with following types of labour contracts, work contracts:
   - a definite term of between full 12 months to 36 months;
   - an indefinite term;

2. **Employers**: employing 10 or more employees.

But not cover people who:
- receive monthly retirement pension;
- receive monthly injury allowance;
- have contracts out of the above types.
2. QUALIFYING CONDITIONS

- **Conditions**: The insured person meets the following three qualifying conditions:

  - Having paid unemployment insurance premium for full 12 months or more within 24 months prior losing his/her job or terminating his/her labour contract, working contract;
  - Having registered with the Employment Service Centers after losing jobs or being terminated labour contract or working contract;
  - Having not yet found a job after 15 days from the date of the registration.
2. QUALIFYING CONDITIONS (Continued)

- **Insurance period**
  - Starting from the first day of premium payment to the day he/she loses his/her job or terminates his/her labour contract or working contract.

- **The time of entitlement to unemployment insurance**
  - When fully meeting the above-mentioned conditions for entitlement to unemployment insurance, workers shall receive unemployment insurance benefits from the 16st day from the date of his/her registration with the Employment Service Center.
## 3. UNEMPLOYMENT INSURANCE BENEFITS

### 3.1 Unemployment allowance

- Not more than 06 months;
- A level of monthly unemployment allowance shall be equal to 60% of the average of monthly salaries or wages covered by unemployment insurance premiums (UIPs) of six months immediately prior losing his/her job or terminating his/her labour contract without receiving UI allowance.

<table>
<thead>
<tr>
<th>Duration for monthly unemployment allowance</th>
<th>Periods of paying unemployment insurance premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>Full 12 months to less than 36 months</td>
</tr>
<tr>
<td>6 months</td>
<td>Full 36 months to less than 72 months</td>
</tr>
<tr>
<td>9 months</td>
<td>Full 72 months to less than 144 months</td>
</tr>
<tr>
<td>12 months</td>
<td>Full 144 months or more</td>
</tr>
</tbody>
</table>
3.2 Vocational Training Support (VTS)
• Within the period of entitlement to UI allowance, workers could receive VTS, but must not exceed 6 months;
• UI Fund finances the expenses for VTS.

3.3 Job Seeking Support (JSS)
• A worker on unemployment allowance shall be entitled to the job consultation and services free-of-charge provided by Employment Service Centers;
• UI Find finances the expenses for JSS.

3.4 Health insurance
• People on unemployment allowance are entitled to the health insurance scheme;
4. SUSPENSION AND RESUMPTION OF UNEMPLOYMENT ALLOWANCE

4.1 UI Suspension

Workers on the unemployment allowance are suspended from receiving unemployment allowance in either of following cases:

• Failing to monthly report on their job seeking efforts to labour agencies;
• Being put in detention.

4.2 UI Resumption

Above – mentioned workers could resume their entitlement to the unemployment insurance in following cases:

• The period of receiving the unemployment allowance has not yet expired and workers resume his/her monthly report on job seeking efforts to the labour agencies;
• The period of receiving the unemployment allowance has not yet expired after the workers are released from detention.
5. TERMINATION OF UNEMPLOYMENT ALLOWANCE

Workers on the unemployment allowance are no longer entitled to UI allowance in one of following cases:

• The monthly unemployment allowance’s duration expires;
• Getting a new job;
• Being called up for military service;
• Being on the old-age pension;
• Settling overseas;
• Being dead;
• After two times of refusing a new job that is introduced by the Employment Service Center without plausible reasons;
• Not notifying monthly the Employment Service Center of his/her job searching within three months continuously;
• Serving a decision on application of administrative sanctioning measure at a reformatory, educational institution or healthcare establishment or being in imprisonment but not suspended sentence.
6. UNEMPLOYMENT ALLOWANCE CONTRIBUTIONS

- 1% of the monthly payroll covered by UIPs paid by employer
- 1% of the monthly salary or wage covered by UIPs paid by employee;
- Monthly, the State shall provide a budget that is equal to 1% of the monthly payroll covered by UIP and annually transferred.
Part II:
Implementation status
1. UI SCHEME PARTICIPATION

### Insured People

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2009</th>
<th>2010</th>
<th>Est. 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured People</td>
<td>5,993,300</td>
<td>7,206,163</td>
<td>7,674,716</td>
</tr>
</tbody>
</table>

### UI Premium (Million USD)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2009 (USD)</th>
<th>2010 (USD)</th>
<th>Est. 2011 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UI Premium</td>
<td>171.25</td>
<td>251.16</td>
<td>265.20</td>
</tr>
</tbody>
</table>
2. UI IMPLEMENTATION PERFORMANCE

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2010 (people)</th>
<th>Nov. 2011 (people)</th>
<th>% changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered unemployment</td>
<td>190,965</td>
<td>318,457</td>
<td>166.8</td>
</tr>
<tr>
<td>Entitlement to unemployment allowance</td>
<td>156,460</td>
<td>270,359</td>
<td>172.8</td>
</tr>
<tr>
<td>Transferring places of receiving unemployment benefits</td>
<td>27,885</td>
<td>53,912</td>
<td>193</td>
</tr>
<tr>
<td>Having job consultation, employment placement</td>
<td>125,562</td>
<td>203,338</td>
<td>162</td>
</tr>
<tr>
<td>Having the Vocational Training Support</td>
<td>270</td>
<td>702</td>
<td>267</td>
</tr>
</tbody>
</table>

- The payment and handling unemployment benefits are implemented by the labour sector and under the 3-right principles “right objects, right benefit and right time”.
Part III:
Lessons Learned
LESSONS LEARNED

1. To indentify clearly the objectives, significance and impacts of the unemploymen insurance on the social protection issues in each country; To promote the dissemination activities on legal regulations of unemployment insurance in various and suitable forms to improve the awareness of agencies, employers and employees regarding their rights and responsibilities;

2. The relevant legal documents should be issues suffiently and promptly to meet the practical requirements; particularly the indetification of the insured objects and UI benefits; To dealt with the obstacles arising in the implementation process. The preparatory activities for the conditions of the implementation are very important;
LESSONS LEARNED (Continued)

3. To regularly inspect, review and guide the implementation of unemployment insurance policies in enterprises and organizations. To promptly identify and deal with any violations.

4. To identify clearly the responsibilities of employees, employers and relevant ministries regarding the implementation process;

5. To consolidate the intersectoral coordination among MOLISA, Social Insurance and Ministry of Finance in implementing policies; making the coordinating regulations among sectors to create the close relation to facilitate the implementation process;
LESSONS LEARNED (Continued)

6. It is very essential to learn the good practices of other countries related to unemployment insurance policies. To promote the international cooperation to mobilise financial and technical supports;

7. To apply advanced technology to the implementation process.
Thank for your attention!