

## Vietnam

Exchange rate: U.S.\$1.00 equals 15,247 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961.

**Current law:** 1995.

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

Note: The program has not yet been fully implemented.

#### Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in special processing and industrial zones, and employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

#### Source of Funds

**Insured person:** 5% of wages.

**Employer:** 10% of payroll.

**Government:** Government partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women) with 20 years of covered employment; age 55 (men) or 50 (women) with 20 years of covered employment in which the employee had 15 years of employment in hazardous or arduous working conditions; or 15 years' regional allowance with a coefficient of over 0.7; or with 10 years of work in South Vietnam, Laos, or Kampuchea before April 30, 1975; or whose employment started after the war against the French colonial government.

Covered employment in the state sector includes employment up to the enactment of the current regulations.

**Old-age grant:** Age 60 (men) or 55 (women) with less than 20 years of contributions.

**Disability grant:** Permanent total or partial disability at any age with an assessed degree of incapacity of 61% or more and in covered employment.

**Survivor benefit:** The deceased had more than 15 years of covered employment or was a pensioner. The benefit is payable to a maximum of four dependent survivors (including the spouse, children under age 16, and aged parents).

**Survivor grant:** The deceased had less than 15 years of covered employment or no eligible dependent survivors.

#### Old-Age Benefits

**Old-age pension:** The pension depends on the length of the contribution period.

The minimum benefit is equal to the government-set minimum wage.

The maximum benefit is 75% of the average wage in the last 10 years before retirement.

**Old-age grant:** A lump-sum payment (not yet defined by legislation).

#### Permanent Disability Benefits

**Disability grant:** A lump-sum payment (not yet defined by legislation).

#### Survivor Benefits

**Survivor benefit:** Benefit is calculated according to a formula (not yet defined by legislation).

**Survivor grant:** A lump sum that is not to exceed 12 months of the recipient's wages.

**Funeral grant:** A lump sum equal to 8 months' minimum wage in the state sector.

#### Administrative Organization

Vietnam Social Security Organization administers the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1961.

**Current law:** 1995.

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

#### Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in processing and industrial zones, and employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

No voluntary coverage.

## Source of Funds

### Insured person

*Cash sickness and maternity benefits:* None.

*Medical benefits:* 1% of average wages.

### Employer

*Cash sickness and maternity benefits:* 5% of payroll. This contribution also finances work injury benefits.

*Medical benefits:* 2% of payroll.

### Government

*Cash sickness and maternity benefits:* Partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

*Medical benefits:* Administrative costs for staff salaries and accommodation.

## Qualifying Conditions

**Cash sickness benefits:** Incapacity not due to work-related causes. No minimum qualifying period is specified.

**Cash maternity benefits:** No minimum qualifying period is specified.

**Medical benefits:** Nonoccupational accident or illness. A minimum of 45 days of contributions.

## Sickness and Maternity Benefits

### Sickness benefit (nonoccupational accident or illness):

75% of wages. Benefit is payable for up to 30 days in a calendar year if the insured has less than 15 years in covered employment; 45 days if more than 15 years (40 days and 60 days, respectively, if in hazardous or arduous work). Benefit is payable for up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

Sickness benefit is payable to female employees caring for a sick child. The benefit is awarded for care given to the employee's first and second child only. The benefit is 75% of wages and is paid for up to 20 days for a child under age 3; 15 days for a child between ages 3 and 7. Benefit is also payable to the father under special circumstances.

**Maternity benefit:** 100% of wages for prenatal care and childbirth. The benefit is paid for three periods of 1-day leave (or 2-day leave in special cases) for prenatal care, including for a pregnancy test. Benefit is also paid for maternity leave totaling 120 days before and after childbirth (150 days if working in hazardous or arduous employment); in the case of multiple births, an extra 30-day leave period is awarded for second and subsequent children. A 20-day leave period is paid for a miscarriage in the first 3 months of pregnancy or a 30-day leave period if the miscarriage occurs beyond 3 months.

Maternity leave is also payable to female employees who have adopted a newborn child. The leave period ceases when the child reaches 120 days of age. Unpaid maternity leave may be

granted, at the employer's discretion, to female employees for up to 180 days.

**Birth grant:** Equal to the female employee's monthly wage.

## Workers' Medical Benefits

Outpatient and inpatient services. Services include medical consultation, diagnosis and treatment, X-rays and laboratory tests, functional tests, medicines and appliances listed by the Ministry of Health, transfusions, surgery, and hospital accommodation.

Treatment for various infectious diseases and for maternity care is excluded.

Cost-sharing: 20% copayment for the cost of medical treatment, up to an annual ceiling; old-age pensioners, people living in certain communes in mountainous and remote areas, and persons with low income are exempt from making copayments.

## Dependents' Medical Benefits

Individual coverage is available.

## Administrative Organization

Vietnam Social Security Organization is responsible for administering cash sickness and maternity benefits.

Vietnam Health Insurance Agency is responsible for administering medical benefits.

## Work Injury

### Regulatory Framework

**First laws:** 1929 and 1950.

**Current law:** 1995.

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

### Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in processing and industrial zones, employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

No voluntary coverage.

## Source of Funds

**Insured person:** None.

**Employer:** See Sickness and Maternity, above.

**Government:** Partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

### ***Qualifying Conditions***

**Work injury benefits:** There is no minimum qualifying period.

### ***Temporary Disability Benefits***

100% of earnings during treatment and until the determination of disability. Benefit is payable from the first day.

### ***Permanent Disability Benefits***

The monthly benefit depends on the assessed degree of disability. For an assessed incapacity of between 91% and 100% (Class I), 80% of wages; between 81% and 90% (Class II), 70% of wages; between 71% and 80% (Class III), 60% of wages; between 61% and 70% (Class IV), 50% of wages.

Disability grant: A lump sum of between 2 and 12 months' wages for an assessed incapacity of up to 60%.

Constant-attendance supplement: The supplement is available to Class I and II disabled persons who are unable to live independently.

### ***Workers' Medical Benefits***

Inpatient and outpatient treatment including surgery, medicines, and rehabilitation.

### ***Survivor Benefits***

The benefit is calculated in the same way as the survivor benefit under Old Age, Disability, and Survivors (above), plus a lump-sum grant equal to 12 months' average wage for state employees.

### ***Administrative Organization***

Vietnam Social Security Organization administers the program.