

## Vietnam

Exchange rate: US\$1.00 equals 15,955 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current law:** 2002 (pensions), with 2003 amendment.

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

#### Coverage

Private- and public-sector employees with employment contracts of at least 3 months, including domestic workers; employees in agriculture, fishing, and salt production; civil servants; and officers of the armed forces.

Exclusions: Self-employed persons.

#### Source of Funds

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

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 350,000 dong; the minimum monthly wage for private-sector employees varies according to profession.)

The maximum earnings for contribution and benefit calculation purposes are 9 million dong (January 2007).

**Self-employed person:** Not applicable.

**Employer:** 10% of monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 350,000 dong; the minimum monthly wage for private-sector employees varies according to profession.)

The maximum earnings for contribution and benefit calculation purposes are 9 million dong (January 2007).

**Government:** None; subsidies as necessary and the total cost of old-age pensions for workers who retired before 1995.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 20 years of contributions; age 55 (men) or age 50 (women) with 30 years of contributions; age 55 (men) or age 50 (women) with 20 years of contributions, including at least 15 years of employment in hazardous or arduous working conditions or in certain geographic regions or with 10 years

of work in South Vietnam or Laos before April 30, 1975, or Cambodia before August 31, 1989.

Age 50 (men) or age 45 (women) with 20 years of contributions and an assessed degree of disability of at least 61%; regardless of age with 20 years of contributions, including 15 years in extremely hazardous or arduous working conditions and an assessed degree of disability of at least 61%.

**Partial pension:** A reduced pension is paid at age 60 (men) or age 55 (women) with between 15 and 20 years of contributions.

**Early pension:** An early pension is possible.

Periods of employment in the public sector before 1995 are credited for the purpose of contributions.

A pensioner residing abroad may nominate a relative residing in Vietnam to receive the old-age pension on his or her behalf.

Retirement from employment is necessary.

**Old-age grant:** Age 60 (men) or age 55 (women) and not eligible for the old-age pension.

**Disability grant:** Paid for a permanent total or partial disability at any age with an assessed degree of disability of at least 61%. The insured must have been in covered employment before the disability began.

A Ministry of Health medical board assesses the degree of disability.

**Survivor pension:** The deceased had more than 15 years of contributions or was a pensioner. The benefit is paid to a maximum of four dependent survivors.

Eligible survivors include a husband (aged 60 or older) or a wife (aged 55 or older) with income less than the minimum wage, children younger than age 15 (age 18 if a student), and a father (aged 60 or older) or a mother (aged 55 or older).

**Survivor grant:** Paid if there are no eligible survivors. The deceased had less than 15 years of covered employment. In the absence of eligible dependent survivors, the grant is paid to the surviving family.

**Funeral grant:** Paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** With at least 15 years of coverage, the pension is equal to 45% of the insured's average earnings plus 2% (men) or 3% (women) of the insured's covered earnings for each year of coverage exceeding 15 years.

The maximum pension is equal to 75% of the insured's average earnings in the last 5 years before the pension is first paid.

Insured persons with more than 30 years of contributions also receive a lump sum equal to 50% of their average monthly earnings in the last 5 years before the pension is

first paid for each year of contributions exceeding 30 years, up to a maximum of five times the minimum monthly wage.

**Early pension:** The pension is reduced by 1% of the insured's average earnings in the last 5 years before the pension is first paid for each year the pension is taken before the insured's normal pensionable age.

The minimum benefit is equal to the minimum wage. (The minimum monthly wage for public-sector employees is 350,000 dong; the minimum monthly wage for private-sector employees varies according to profession.)

**Benefit adjustment:** Benefits are adjusted according to changes in the minimum wage.

**Old-age grant:** A lump sum is paid equal to 50% of the insured's average monthly earnings in the last 5 years before applying for the pension times the number of years of contributions.

### **Permanent Disability Benefits**

**Disability grant:** A lump sum is paid (not yet defined by legislation). The old-age pension is paid to certain groups of insured persons with an assessed disability of at least 61% (see qualifying conditions, above).

### **Survivor Benefits**

**Survivor pension:** 40% of the minimum wage is paid for each eligible dependent survivor; 70% of the minimum wage if the survivor has no other means of support.

**Survivor grant:** A lump sum is paid equal to 50% of the deceased's last wage times the number of years of contributions, up to a maximum of 12 times the deceased's last wage.

For the death of a pensioner, a lump sum is paid equal to 12 times the deceased's monthly pension. The lump sum is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is equal to three times the deceased's monthly pension.

**Funeral grant:** A lump sum is paid equal to 8 months' minimum wage in the public sector (the minimum monthly wage for public-sector employees is 350,000 dong).

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security collects contributions and pays benefits.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1961 (public-sector employees).

**Current laws:** 1995 (sickness and maternity benefits), with 2003 amendment; and 2005 (medical benefits).

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

#### **Coverage**

**Cash sickness and maternity benefits:** Private- and public-sector employees with employment contracts of at least 3 months, including domestic workers; employees in agriculture, fishing, and salt production; and civil servants and officers of the armed forces.

Voluntary coverage for cash sickness and maternity benefits for self-employed persons, school children, and students.

**Medical benefits:** Private- and public-sector employees with employment contracts of at least 3 months, including domestic workers; employees in agriculture, fishing, forestry, and salt production; members of cooperatives; pensioners; war veterans affected by agent orange and receiving a pension; dependents of army officers; persons who have received the old-age grant; civil servants; and officers of the armed forces.

Voluntary coverage for medical benefits is possible, including for insured persons with compulsory coverage who wish to have supplementary coverage.

**Medical benefits only:** Pensioners and veterans of the revolution.

#### **Source of Funds**

##### **Insured person**

**Cash sickness and maternity benefits:** None.

**Medical benefits:** 1% of gross monthly earnings. (Voluntary contributors pay between 30,000 dong and 160,000 dong a month, according to geographic region and profession.) Pensioners contribute 3% of the monthly benefit.

##### **Self-employed person**

**Cash sickness and maternity benefits:** Voluntary contributions only.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 350,000 dong; the minimum monthly wage for private-sector employees varies according to profession.)

The maximum earnings for contribution and benefit calculation purposes are 9 million dong (January 2007).

**Medical benefits:** Voluntary contributions of between 30,000 dong and 160,000 dong, according to geographic region and the type of self-employment.

##### **Employer**

**Cash sickness and maternity benefits:** 5% of monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 350,000 dong; the minimum monthly wage for private-sector employees varies according to profession.)

The maximum earnings for contribution and benefit calculation purposes are 9 million dong (January 2007).

The employer contributions also finance work injury benefits.

*Medical benefits:* 2% of monthly payroll.

### Government

*Cash sickness and maternity benefits:* None.

*Medical benefits:* Administrative costs; the cost of benefits for low-income persons.

### Qualifying Conditions

**Cash sickness benefits:** There is no minimum qualifying period. The incapacity must not be work-related.

The sickness benefit is also payable to an insured woman caring for a sick child. The benefit is paid for care given to the insured's first two children younger than age 7; paid to the father only in special circumstances.

**Cash maternity benefits:** There is no minimum qualifying period. The benefit is paid for the first two childbirths only. If one of the first two children dies, the insured is entitled to benefits for a third child.

**Medical benefits:** Provided for a nonoccupational injury or illness. The insured must have a minimum of 45 days of contributions.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 75% of the insured's wage and is paid for up to 30 days in a calendar year if the insured has less than 15 years of covered employment; 40 days if more than 15 years; 50 days if more than 30 years. If the insured is engaged in hazardous or arduous work or working in certain regions, the benefit is paid for up to 40 days in a calendar year if the insured has less than 15 years in covered employment; 50 days with between 15 and 30 years; 60 days with more than 30 years. The benefit may be extended to up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

Female employees receive 75% of wages for up to 20 days in a calendar year to provide care for a sick child younger than age 3; 15 days for a sick child between ages 3 and 7.

Benefit adjustment: Benefits are reviewed annually and adjusted if the cost of living increases by 10%.

**Maternity benefit:** The benefit is equal to 100% of the insured's wage for prenatal care, an abortion, or childbirth. The benefit is paid for three 1-day leave periods (or 2-day

leave periods in special cases) for prenatal care, including for a pregnancy test. The benefit is also paid during statutory maternity leave for a maximum of 120 days (150 days if the insured is engaged in hazardous or arduous work; 180 days if working in certain regions or occupations). In the case of multiple births, an extra 30-day leave period is awarded for the second and subsequent children. A 20-day leave period is paid for a miscarriage in the first 3 months of pregnancy; a 30-day leave period for a miscarriage after the 3rd month.

Maternity benefits are also paid to insured women who adopt a newborn child.

Unpaid maternity leave may be provided, at the employer's discretion, to female employees after the end of statutory maternity leave.

Benefit adjustment: Benefits are reviewed annually and adjusted if the cost of living increases by 10%.

**Birth grant:** Equal to the insured woman's monthly wage.

### Workers' Medical Benefits

Medical services are provided by public or private providers under contract to Vietnam Social Security.

Medical benefits include outpatient and inpatient services; medical, diagnosis, treatment, and functional rehabilitation during the treatment period; approved medicines; blood transfusion; surgery; medical materials, equipment, and hospital beds; the cost of prenatal examination and childbirth; the cost of treatment for transportation-related accidents; and a transportation subsidy for privileged groups and indigent people referred for medical treatment.

Treatment for various infectious diseases is covered by the national health program.

The medical fund covers the total cost of medical treatment for insured patients, according to the hospital fee schedule set by government.

Cost sharing: When advanced medical services are required, the fund reimburses 100% of the cost up to 7 million dong; if the cost is higher, the fund reimburses 100% of the cost for certain groups (including Vietnamese heroic mothers, war invalids, and persons older than age 90); or 100% of the cost less than 20 million dong for covered people whose contributions are paid by the government and the Social Insurance Fund (including individuals affected by agent orange, elderly disabled persons, old-age and other pensioners, and the poor); or 60% of the cost but not exceeding 20 million dong. Insured members pay the remaining amount not covered by the fund.

There is no limit to duration.

### Dependents' Medical Benefits

Coverage is provided on an individual basis under the national health program.

## Administrative Organization

Ministry of Labor, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.

## Work Injury

### Regulatory Framework

**First laws:** 1947 and 1950.

**Current law:** 1995 (work injury), with 2003 amendment.

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

### Coverage

Private- and public-sector employees with employment contracts of at least 3 months, including domestic workers; employees in agriculture, fishing, and salt production; civil servants; and officers of the armed forces.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease.

### Temporary Disability Benefits

100% of the insured's wage is paid during treatment and until the determination of permanent disability. The benefit is paid by the employer from the first day.

A Ministry of Health medical board assesses the degree of disability.

### Permanent Disability Benefits

**Permanent disability benefit:** The monthly benefit depends on the assessed degree of disability (Groups I–VII). For an assessed disability of between 91% and 100% (Group I), 160% of the government-set minimum monthly wage is paid; between 81% and 90% (Group II), 140%; between 71% and 80% (Group III), 120%; between 61% and 70% (Group IV), 100%; between 51% and 60% (Group V), 80%;

between 41% and 50% (Group VI), 60%; or between 31% and 40% (Group VII), 40%.

**Constant-attendance allowance:** A monthly benefit equal to 80% of the minimum monthly wage is paid to disabled persons (Groups I and II) who are unable to live independently.

**Disability grant:** For an assessed disability of between 5% and 10%, 4 months' minimum wage is paid; between 11% and 20%, 8 months' minimum wage; or between 21% and 30%, 12 months' minimum wage.

A Ministry of Health medical board assesses the degree of disability.

### Workers' Medical Benefits

Medical benefits include inpatient and outpatient treatment, surgery, medicines, and rehabilitation.

### Survivor Benefits

**Survivor benefit:** A monthly pension equal to 40% of the minimum monthly wage is paid for each of the first four eligible dependent survivors (70% of the minimum monthly wage if the survivor has no other means of support). A single lump sum is also paid equal to 24 times the minimum monthly wage.

Eligible survivors include the spouse, children younger than age 15 (age 18 if a student), and a father (aged 60 or older) or mother (aged 55 or older).

**Survivor grant:** In the absence of eligible dependent survivors, a lump sum is paid to other surviving family members equal to 50% of the deceased's last monthly wage times the number of years of contributions. The maximum grant is equal to 12 times the deceased's last monthly wage.

In the case of the death of a permanent disability pensioner, a lump sum is paid equal to 12 times the deceased's monthly pension. The lump sum is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is three times the deceased's monthly pension.

**Funeral grant:** A lump sum equal to 8 months' minimum wage in the public sector (the minimum monthly wage for public-sector employees is 350,000 dong) is paid to the person who paid for the funeral.

### Administrative Organization

Ministry of Labor, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.