

## Vietnam

Exchange rate: US\$1.00 equals 15,739 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; and civil servants and officers of the armed forces.

#### 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 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

**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 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

**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 15 years in certain 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 payable at age 60 (men) or age 55 (women) with between 15 and 20 years of contributions.

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

Employment in the public sector before 1995 is 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 not necessary.

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

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

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 payable 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:** Payable 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:** Payable to the person who organizes the funeral.

#### Old-Age Benefits

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

The maximum pension is 75% of the insured's average earnings in the last 5 years before taking the pension.

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 taking the pension for each year of contributions above 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 taking the pension 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 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

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

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

### **Permanent Disability Benefits**

**Disability grant:** A lump-sum payment (not yet defined by legislation). The old-age pension is payable 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 for each eligible dependent survivor; 70% of the minimum wage if the survivor has no other means of support.

**Survivor grant:** A lump sum 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 equal to 12 times the deceased's monthly pension. The lump-sum benefit 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 equal to 8 months' minimum wage in the public sector (the minimum monthly wage for public-sector employees is 290,000 dong) is payable to the person who organizes the funeral.

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs provides general supervision.

Vietnam Social Security collects contributions and pays benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

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

**Current laws:** 1995 (cash sickness and maternity benefits), with 2003 amendment; and 1998 (medical benefits).

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

#### **Coverage**

**Cash and medical 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 the self-employed.

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

Voluntary coverage for medical benefits for all persons residing permanently or temporarily in Vietnam.

#### **Source of Funds**

##### **Insured person**

*Cash sickness and maternity benefits:* None.

*Medical benefits:* 1% of gross monthly wages. (For voluntary contributors, between 15,000 dong and 140,000 dong a month according to geographic region and profession.)

##### **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 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

*Medical benefits:* Voluntary contributions of between 15,000 dong and 140,000 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 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

The employer contribution for cash sickness and maternity benefits also finances 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:** The incapacity must not be work-related. There is no minimum qualifying period.

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

**Cash maternity benefits:** There is no minimum qualifying period. The benefit is payable 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:** For a nonoccupational injury or illness. The insured must have a minimum of 45 days of contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the insured's wage. The benefit is payable 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 in hazardous or arduous work or working in certain regions, the benefit is payable 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 if 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 a year to provide care for a sick child younger than age 3; 15 days a year 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:** 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 working in hazardous or arduous employment; 180 days if working in certain regions or occupations). 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; a 30-day leave period if the miscarriage occurs beyond 3 months.

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

Unpaid maternity leave may be granted, 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**

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

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

Cost sharing: 20% of the cost of medical treatment, up to an annual ceiling; pensioners, veterans of the revolution, people living in certain communities in mountainous and remote areas, and persons with low income are exempt from copayments.

There is no maximum period of 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 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; and 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 insured's wage during treatment and until the determination of permanent disability. The benefit is payable by the employer from the first day.

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

### **Permanent Disability Benefits**

The monthly benefit depends on the assessed degree of disability. For an assessed disability of between 91% and 100% (Class I), 160% of the government-set monthly minimum wage; between 81% and 90% (Class II), 140% of the minimum wage; between 71% and 80% (Class III), 120% of the minimum wage; between 61% and 70% (Class IV), 100% of the minimum wage; between 51% and 60% (Class V), 80% of the minimum wage; between 41% and 50% (Class VI), 60% of the minimum wage; or between 31% and 40% (Class VII), 40% of the minimum wage.

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

**Disability grant:** For an assessed disability of between 5% and 10%, 4 months' minimum wage; 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 are inpatient and outpatient treatment including surgery, medicines, and rehabilitation.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 24 times the monthly minimum wage, plus a monthly benefit of 40% of the minimum wage for each of the first four eligible dependent survivors, including 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); 70% of the minimum wage if the survivor has no other means of support.

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

In the case of the death of a permanent disability pensioner, a lump sum 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 290,000 dong) is payable to the person who organizes the funeral.

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs provides general supervision.

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