

UNEMPLOYMENT INSURANCE IN VIETNAM: REFORM AND IMPLEMENTATION

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1. History of UI in Vietnam

- Before 1986: under the model of planned economy, there had no concept unemployment in Vietnam
- 1986-2009: the Government issued regulations to support the unemployed, mainly focus on the redundant workers from SOE restructuring (5 decisions, 3 decrees, 1 ordinance had been issued)
- 2009-2014: UI schemes was identified and implemented via the Social Insurance Law (compulsory SI, Voluntary SI and UI)
- Since 1 Jan. 2015: UI schemes has been implemented via the Employment Law (Employment creation, LM information, National occupational skills, Employment Services, UI).

2. UI Reforms

	<i>UI policy 2009</i>	<i>UI policy 2015</i>
Coverage	<ul style="list-style-type: none"> - Vietnamese citizens working under labor contracts of at least 12 months for employers who employ 10+ employees, those employers are also covered by the UI law 	<ul style="list-style-type: none"> - Vietnamese citizens working under labor contracts of at least 3 months for employers, those employers are also covered by the UI law
Contributors to the UI fund	<ul style="list-style-type: none"> - Employees: 1% of their monthly wage - Employers: 1% of the monthly wage fund - Government: 1% of the monthly wage fund 	<ul style="list-style-type: none"> - Employees: 1% - Employers: 1% - Gov: at most 1%

2. UI Reforms

	<i>UI policy 2009</i>	<i>UI policy 2015</i>
UI regimes	<ol style="list-style-type: none"> 1. Unemployment allowance (UA) 2. Aid for job searches 3. Aid for vocational training 4. Social health insurance 	<p>Same as UI policy 2009 plus</p> <p>5. Aid for employers in training/re-training to improve qualifications of occupational skills for job maintenance for workers</p>
1. level of monthly UA	= 60% of the average six consecutive month contribution before unemployment	<p>Same as UI policy 2009 but</p> <p>not exceed 5 times the MW</p>

2. UI Reforms

	<i>UI policy 2009</i>	<i>UI policy 2015</i>
1. Period of UA	<ul style="list-style-type: none"> - 3 months, if contributed UI for 12-<36 months - 6 months, if contributed UI for 36-< 72 months - 9 months, if contributed UI for 72-<144 months - 12 months, if contributed UI for 144+ months 	<ul style="list-style-type: none"> - 3 months, if contributed UI for 12-<36 months - added with 1 month for each additional period of payment of full 12 months, but not exceed 12 months.
2. Aid for job searches	Free job counseling and recommendation	Same as UI policy 2009

2. UI Reforms

	<i>UI policy 2009</i>	<i>UI policy 2015</i>
3. Duration of vocational training support for unemployed	≤ 6 months VT support for unemployed if they contributed UI for ≤ 12 months within a 24-month period	≤ 6 months VT support for unemployed if they contributed UI for ≥ 9 months within a 24-month period
4. Health insurance	paid by Vietnam Social Security (VSS)	Same as UI policy 2009
5. Duration of support for employers in training/re-training for workers		Employers may receive financial support for ≤ 6 months if contributed UI for ≥ 12 months



2. UI Reforms

<i>UI policy 2009</i>	<i>UI policy 2015</i>
Contributed UI for : 12 months within a month period before coming unemployed Registered with VSS Not yet found a job hin 15 days after the e of registration with S.	-Same as # 1 . In case workers with labour contracts of 3-12 months, must contributed UI for >= 12 months within a 36- month period - #2+3 ➔ change to: within 30 days, submitted to employment service centre