

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

## 2. UI Reforms

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

## 2. UI Reforms

	<i>UI policy 2009</i>	<i>UI policy 2015</i>
1. Period of UA	<ul style="list-style-type: none"> <li>- 3 months, if contributed UI for 12-&lt;36 months</li> <li>- 6 months, if contributed UI for 36-&lt; 72 months</li> <li>- 9 months, if contributed UI for 72-&lt;144 months</li> <li>- 12 months, if contributed UI for 144+ months</li> </ul>	<ul style="list-style-type: none"> <li>- 3 months, if contributed UI for 12-&lt;36 months</li> <li><b>- added with 1 month for each additional period of payment of full 12 months, but not exceed 12 months.</b></li> </ul>
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 <b>&lt;=12 months</b> within a 24-month period	<= 6 months VT support for unemployed if they contributed UI for <b>&gt;=9 months</b> 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 <b>month period</b> before coming unemployed Registered with VSS Not yet found a job hin 15 days after the e of registration with S.	-Same as <b># 1</b> . In case workers with labour contracts of 3-12 months, must contributed UI for >= 12 months within a <b>36-</b> <b>month period</b> - <b>#2+3</b> → change to: within 30 days, submitted to employment service centre

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