

## Indicators to monitor the performance of the Vietnamese UI Scheme

- **THREE GROUPS OF KEY PERFORMANCE INDICATORS (KPIs) :**

Group 1: Status of UI Fund

- Current and historical data on revenues (contributions, interest, penalties on late payments, investment revenues, etc.), spending (benefits by type, administration costs, etc.) and annual and cumulative surpluses or deficits

Group 2: Contributors and Contributions

- Current and historical data on number of workers and employers covered, their characteristics, etc.

Group 3: Governance and administrative performance

- Measures of timeliness, accuracy, satisfaction, compliance, etc.

- **Operational indicators (job placement, vocational training allowance, HI coverage)**

**Group 1: Status of UI Fund**

#	Is it a target for the scheme?	KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
1.	yes/no	<b>Status of UI Fund</b>	Periodic report on the UI Fund, with full details on revenues and spending and the annual and cumulative balance.	<p><u>Target to be determined</u>: <b>public report</b> at least once a year, or more often as judged appropriate; should include specific target dates for publication, for example, January 30.</p> <ul style="list-style-type: none"> <li>– Management needs to constantly be aware of revenue and spending trends under the UI scheme, not only for financial purposes but also to determine whether the scheme is viable, whether any changes should be proposed to contributions or to benefits or to the scheme’s administration.</li> <li>– Government and political authorities also need this information to support their decision making.</li> <li>– The general public should also be regularly informed.</li> </ul>			

**Group 2: Contributors and Contributions (coverage)**

#	Is it a target for the scheme?	KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
2.		<b>Percentage of Workers with UI Coverage out of those legally covered or out of the labor force?</b>	Percentage of workers for whom contributions are being paid, compared - to those who should be covered by law Or - to those registered (but for some reasons, contributions have not been remitted)	<u>Target to be defined:</u> target for covered workers could be set with relation to SI coverage, or to some other objective indicator - To know whether the UI scheme covers everyone that it should, and what progress is being made - Depends on employer compliance with coverage rules - Depends on the ability of UI systems to correctly capture, store and report the information that is provided			

#	Is it a target for the scheme?	KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
3.		<b>Percentage of Contributions Collected</b>	Percentage of expected contributions that has been collected for the reference period	<p><u>Target to be defined:</u> expected contributions could be based on SI contributions (adjusted to account for the specific contribution rates of UI vs SI) or on some other objective indicator</p> <ul style="list-style-type: none"> <li>- A measure of the progress made in expanding collection</li> <li>- Depends on employer compliance with coverage rules</li> <li>- Depends also on the ability of UI systems to correctly capture, store and report the information that is provided</li> </ul>			
4.		<b>Percentage of Employers Registered for UI Contributions out of all employers, or qualifying employers (&lt;10 employees)?</b>	Percentage of employers registered for UI contributions, compared to those who should be registered	<p><u>Target to be defined:</u> could be based on employers registered for SI contributions or on some other objective indicator</p> <ul style="list-style-type: none"> <li>- To know whether the UI scheme is covering all of the employers that it should, and what progress is being made</li> <li>- Depends on employer compliance</li> <li>- Depends also on the ability of UI systems to correctly capture, store and report the information that is provided, by maintaining complete records for employers</li> </ul>			

#	Is it a target for the scheme?	KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
5.		<b>Percentage of those receiving UI allowance out of those unemployed</b>	Number of persons receiving UI allowance compared to the national unemployment rate				
6.		<b>Number of claims denied for not meeting eligibility criteria</b>					
7.		<b>Proportion of Employers who are Fully Compliant</b>	Number and proportion of registered employers remitting all of their contributions on time	<u>Target to be defined:</u> for example, 80% <ul style="list-style-type: none"> <li>- Important to measure compliance of employers</li> <li>- Need to provide an exact definition</li> </ul>			
8.		<b>Proportion (or number) of Employers in Arrears for an Excessive Period</b>	Number and proportion of registered employers whose contribution remittances are excessively late	<u>Target to be defined:</u> for example, no more than 10% or 1,000 employers; “excessive period” also needs to be defined, for example, over 3 months <ul style="list-style-type: none"> <li>- Important to measure compliance of employers</li> <li>- Need to provide an exact definition</li> </ul>			

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9.		<b>Proportion (or number) of Employers in Arrears for Large Amounts</b>	Number and proportion of registered employers whose late contribution remittances are large	<p><u>Target to be defined:</u> for example, no more than 5% or 100 employers; “large amounts” also needs to be defined, for example 100 million VND</p> <ul style="list-style-type: none"> <li>- Important to measure compliance of employers</li> <li>- Need to provide an exact definition</li> </ul>			

### Group 3: Governance and administrative performance

#		KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
10.		<b>Speed of Service – processing UI Allowance claims for benefit in a timely manner</b>	<b>The percentage of dossiers with full information completed and finalized for payment or non-payment notifications issued within 20 days of</b>	<p>Suggested Target: 90 or 95%</p> <p>Timeliness of processing claims for UI benefit is the single most important driver towards client satisfaction both in terms of processing claims and payment of benefits. Other countries also provide clear objectives of timeliness in these two areas. This KPI will assist the ministry to monitor the delivery of UI benefits to those that are entitled to the benefits. It will provide tangible results to senior Vietnamese officials in government on the effectiveness of the UI</p>			

#		KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to produce the KPI
			<p><b>filing a Unemployment Insurance (UI) application.</b></p>	<p>system.</p> <p>Key partners will play a vital role in the development of the KPI on speed of decision including VSS, Department of Labour, Invalids and Social Services (DoLISA) and the systems group.</p> <p>The UI system would need to capture the following data elements: date filed UI claim, total claims received for month with identified cut-off date, date claims finalized and total number of UI claims finalized for payment (details sent to VSS) within month and within 20 day target, date of non-payment notification sent to unemployed worker and total number of notifications sent within specified time.</p>			
11.		<p><b>Speed of Service – payment of UI Allowance benefit paid in a timely manner</b></p>	<p>The percentage of UI payments made either by direct deposit or cash payment within 34 <i>(for discussion)</i> days of filing an Unemployment</p>	<p><u>Suggested target: 90 to 95%</u></p> <p>Key performance indicators are used for accountability and transparency purposes with a focus on measuring progress toward the attainment of Viet Nam’s government objectives. It provides assurances to the Vietnamese public that the UI program is run effectively and efficiently. The timely payment of UI benefits is very important to ensure</p>			

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			Insurance (UI) application.	<p>those who are entitled receive their benefits at an appropriate time.</p> <p>The payment of UI benefits is a joint responsibility between MoLISA and VSS as defined in the legislation. MoLISA is responsible to finalize the UI claim for benefit and submit the list of eligible unemployed workers along with the decision to approve benefits to VSS. VSS is responsible to issue the payment either by direct deposit or cash payment at a VSS office or commune level.</p> <p>Collaboration will be required to determine the appropriate period of time to issue payment in a timely manner. Currently, payment is made on a specified date during the month for those who pick up cash payments at VSS offices or commune level which, if continued, would require additional time to pay UI benefits. Discussions needed between MoLISA/ VSS to work towards a suitable deadline for payment to unemployed workers and could amend the current provisions of providing UI benefits at a specified time in the month.</p>			

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12.		<b>Accuracy of claims processing and payment of UI Allowance benefit</b>	The percentage of UI claims that are processed without payment error (no potential overpayment/under payment).	<p><u>Target: To Be Determined (TBD)</u></p> <p>The government needs to be ready to respond to challenges to answer to program results. KPIs help the organization to determine if the UI program is administered effectively and efficiently and also to help in planning for the future to improve the performance of the UI scheme.</p> <p>An effective quality control/assurance program is required for this KPI to meet the objective of ensuring that, “the right person receives the correct payment at the appropriate time”. This will have implications on BoE and ESC operations and impact on staffing as well as procedures and processes. These impacts are overridden by the positive results of the quality control/assurance program in providing transparency and objectiveness to the delivery of UI benefits.</p> <p>There are two options to consider for the implementation of an effective quality control/assurance program: 1) a monitoring program conducted at the national level of randomly selected claims throughout Viet Nam and 2) a monitoring</p>			

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				<p>program conducted at the local ESC by expert staff members (excluding manager). Further details of the two scenarios will be developed if this KPI is selected for further consideration.</p> <p>The monitoring will also include the quality of assessing the facts, decision making and the time and amount of payment.</p>			
		<p><b>Effectiveness of UI program – payment of lump sum benefits</b></p>	<p>Percentage of unemployed workers applying for and receiving UI lump sum benefits.</p>	<p><u>Target: TBD</u>  An unemployed worker, who is receiving UI benefits, is entitled to receive a lump sum of the remaining outstanding benefits under one of the following conditions: 1) finds suitable employment or 2) performs a military service.</p> <p>As highlighted in two previous evaluations in the 6 month (2010) and 18 month (2011) evaluations, concern has been expressed on the credibility of the UI fund in paying lump sum payments in these situations (especially a return to work with previous employer). A large percentage of unemployed workers applying for and receiving UI lump sum payments could negatively impact on the</p>			

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				<p>sustainability of the UI fund as well as its credibility.</p> <p>Discussions will be required to determine an appropriate level of acceptance of lump sum payments.</p>			
13.		<p><b>Effectiveness of UI program – suspensions imposed as a result of failing to report to ESC for monthly job seeking activity meeting</b></p>	<p>Percentage of unemployed workers suspended from UI payment due to failing to report to monthly job seeking activity interview or refused suitable employment</p>	<p><u>Target: TBD</u></p> <p>An effective UI system requires unemployed workers to be available for and actively look for suitable employment while they are in receipt of UI benefits. In order for unemployed workers to continue receiving UI benefits, they are required to report monthly to discuss their job seeking activities as well as to determine the feasibility of attending formalized training.</p> <p>This KPI will track the number of suspensions imposed as a result of failing to report for their entitlement interview and also impose suspensions in the cases where the unemployed worker refuses suitable employment. The imposition of a suspension will prevent abuse of the UI system and act to deter others who might defraud the UI fund.</p>			

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14.		<b>Client Satisfaction Survey</b>	Percentage of unemployed workers who collected UI benefits and were satisfied with the service provided by ESC and VSS.	<u>Target: 85 or 90%</u> All stakeholders have raised issues about whether the government is “measuring the right thing”. Certainly no one could object to the measurement of satisfaction of unemployed workers in receipt of UI benefits. The survey will provide UI management with the unemployed worker’s view in providing effective services by BoE and VSS.			
14		<b>Effectiveness of UI system – submission of SI book</b>	Percentage of SI books received within two days of unemployment worker applying for UI benefits.	<u>Target: 95 to 98%</u> The employer is responsible to submit the SI book to VSS for certification and ultimate submission to ESC for processing the application for benefits. Past evaluations have highlighted problems in submitting the Si book in a timely manner. While steps have been taken to resolve this issue, it is important to track this issue on a continuous basis to ensure timely processing of applications for benefit.			
15		<b>Effectiveness of UI system- number of appeals received</b>	Percentage of appeals received from unemployed workers concerning non-entitlement to	<u>Target: TBD</u> The appeals process is intended to provide a recourse for persons dissatisfied with the decisions by ESC/DoLISA on their entitlement to UI benefits. Workers, who do not qualify to receive UI benefits,			

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			UI benefits.	<p>receive a notice of Non-Qualification along with appeal rights.</p> <p>The right of an unemployed worker to appeal decisions made by ESC/DoLISA staff is the cornerstone of an objective and unbiased decision making process also recognized in the ILO Conventions related to UI and Social Security. Also, the appeal system should be effective and easy to use by workers and that they are perceived to be transparent and fair to ensure their rights are protected.</p> <p>An appropriate number of appeals is expected in most countries as a reflection of an efficient UI system and that a number of appeals will be overruled in the unemployed workers favour.</p>			
16		<b>Payment of UI Benefits</b>	Percentage of unemployed workers exhausting full benefits (3 or 6 months) compared to the total number of unemployed workers entitled to	<p><u>Target: TBD</u></p> <p>While the duration of UI benefits in Viet Nam is relatively short (3 or 6 months), a large number of beneficiaries receiving full UI benefits could be viewed as a negative impact on the UI fund (not including those who have found work and receive lump sum for remaining UI benefits).</p>			

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			UI benefits.				

**Operational indicators (job placement, vocational training allowance, HI coverage)**

#	Is it a target for the scheme?	KPI Title	Definition	Details	Statistics available/ manually (if yes, source)	Statistics available/ electronically (if yes, source)	Accountable to report on the indicator
15.		Number of insured unemployed who have received job placement counselling, attended job fairs			<u>Presently it might not be possible to measure such rate, but BOE should be encouraged to monitor the performance of the ESCS to facilitate re-employment</u>		
16.		Number of unemployed who have attended vocational training funded by the UI scheme?					

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17.		<b>Number of Health Card issued for insured unemployed by PSI or ESCs (depending on the provinces)</b>					