

**The implementation of Unemployment Insurance
&The contents of Employment Insurance in DRAFT
Employment LAW**



Employment Bureau
MOLISA

Content

I. Legal documents on UI scheme (policies) and employment services

II. The implementation of UI scheme and employment services

III. Contents of Employment Insurance in DRAFT Employment Law



I. Legal documents on UI and Employment Services

1. Legal documents on Unemployment Insurance

- Social Insurance Law about Unemployment Insurance (UI) in 2006;
- Decree No 127/2008/NĐ-CP dated 12/12/2008 of the Government guiding the implementation of some articles of Social Insurance law about Unemployment Insurance;
- Circular No 32/2010/TT-BLĐTBXH dated 25/10/2010 of MOLISA
- Relevant Ministries and branches issue guiding documents on UI

I. Legal documents on UI and Employment Services

I. Legal documents on UI

a. Coverage of UI program:

- Employees: who have signed indefinite labour/working contracts or definite labour contracts from 12- 36 months.
- Employers: who have 10 or more employees

b. Contribution of UI premium

- Employee: pay 1% of their wage or monthly salary;
- Employers: pay 1% of wage or salary for employees' UI;
- The Government contribute 1% from state budget for monthly salary / wage for UI benefit for employees



I. Legal documents on UI and Employment Services

c. Conditions for enjoying UI benefits

- The monthly unemployment allowance is equivalent to 60% of the average six consecutive months contribution before unemployment. Having paid UI contribution for full 12 months in consecutive 24 months before losing jobs or terminating the labour/working contracts;
- Having applied for UI with Employment Service Centers (ESC);
- Haven't been able to find a job after 15 days of lodging applications for UI at ESC.

I. Legal documents on UI and Employment Services

d. UI benefits:

- *UI Allowance:* 60% of the average six consecutive months contribution before unemployment or terminating labour/working contracts;

Period of enjoying UI benefits	Period of UI contribution
3 months	From full 12 - 36 months
6 months	From full 36 - 72 months
9 months	From full 72 -144 months
12 months	From full 144 months upwards

I. Legal documents on UI and Employment Services

d. UI benefits (continued)

- *Aid for apprenticeship*: allowance for short term vocational training but not for more than 6 months;
- *Support for job seeking*: consultancy, job recommendation free of charge;
- Health Insurance: HI benefit, paid by VSS for unemployed workers

d. Suspension of enjoying UI benefits

- Fail to report monthly to ESCs
- Be in prison



I. Legal documents on UI and Employment Services

e. Continue to enjoy UI allowance

- Report directly to ESCs on monthly basis about job seeking
- After being released from prison.

f. Termination of enjoying UI allowance

- Having the expiry of enjoying unemployment allowance;
- Having a job;
- On military service obligation;
- Become old age pensioner;
- Having twice refused to take up jobs recommended by the social insurance organization without plausible reasons;



I. Legal documents on UI and Employment Services

f. Termination of enjoying UI allowance (continued)

- 03 months of not reporting monthly on job seeking to ESCs;
- Going to abroad for residence;
- Serving a decision on application of administrative handling measures at reformatory, education camp, medical establishment or serve an imprisonment sentence which is not suspended;
- Death.

g. a lump-sum allowance:

- having a job
 - On military service.
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I. Legal documents on UI and Employment Services

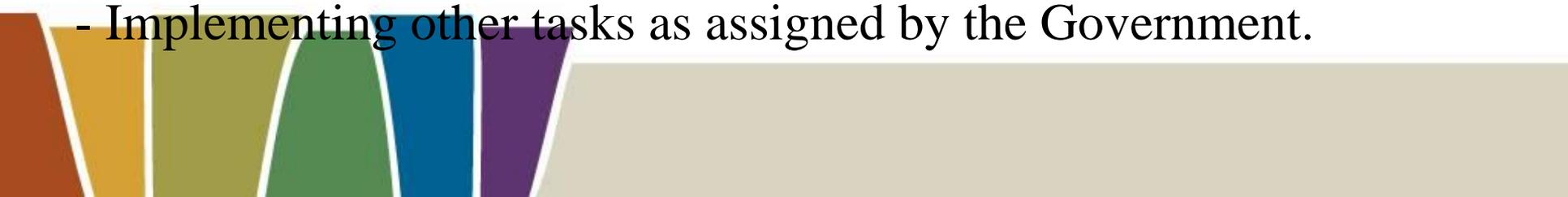
2. *Legal regulations on Employment Service*

- Labour Code (Article 18);
- Decree No 19/2005/NĐ-CP on 28/2/2005 of the Government
- Decree No 71/2008/NĐ-CP on 05/06/2008 of the Government
- Circular No 20/2005/TT-BLĐTBXH on 22/6/2005 guiding the implementation of Decree No 19/2005/NĐ-CP.
- Announcement Order No 08/2012/L-CTN on 2/7/2012 of the President



I. Legal documents on UI and Employment Services

Functions and responsibilities of ESCs:

- Providing consultancy on job seeking & vocational training, advice on policies on labour relations as stipulated by Labor Code;
 - Job recommendation to laborers, providing and recruiting laborers as required by employers;
 - Collect information, analyse and providing information on labour market including: job vacancies, requirements of job seekers, labour criteria, salary & wage level at regional or national level;
 - providing vocational training as stipulated by the Government;
 - Implementing other tasks as assigned by the Government.
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I. Legal documents on UI and Employment Services

- + Receive UI applications, UI dossiers, assess and process the UI claims
 - + Organise information sessions on UI policies, disseminating legal documents on policies, and legislations on UI;
 - + Provide consultancy , job recommendation, for people who are receiving UI; providing suitable vocational training for UI recipients ;
 - + Archiving and filing UI dossiers of laborers as stipulated
- 

II. Implementation of UI and Employment Services

1. Implementation of UI

a. Implementation agencies of UI

- Ministries, branches, socio-political organisations and local governments
- Provincial and Municipal DOLISAs
- ESCs



II. Implementation of UI and Employment Services

b. Results of UI

- UI Coverage scope

Year	UI coverage (million people)	UI Revenue (billion VND)
2009	5,9	3.510,6
2010	7,206	5.400,3
2011	7,931	5.730,3
First 7 months of 2012	8,964	3.558 (not including the payment contribution from state budget)

II. Implementation of UI and Employment Services

- Receiving and processing applications for UI Benefits

No	Content	Year 2010 (people)	Year 2011 (people)	First 9 months of 2012
1	No of UI applications	189.611	335.901	387.344
2	No of people receiving approval decision on UI entitlement	156.765	291.302	318.039
3	No of people receiving a Lump Sum allowance	2.910	1.533	14.602
4	No of people receiving job consultancy and job recommendations	125.562	217.721	224.192
5	No of people receiving Aid apprentice (vocational training allowance)	270	1.037	2.663

II. Implementation of UI and Employment Services

- UI payment and balance of UI FUND

Year 2010: paid approx **460 billion VND** for UI benefits;

Year 2011: paid **1.227 billion VND**, an increase of 166% compared to 2011, of which monthly UI allowance accounts for **1,024 billion VND**.

First 7 months of 2012: paid 1.059 billion VND

- Fund Balance and UI Fund projection: estimated balance by 5/2012 is **16.537 billion VND**.



II. Implementation of UI and Employment Services

2. Implementation of employment services:

a. Consultancy

- Regarding fields of consultancy: Of 5,137,480 laborers receiving consultancy service in period 2006-2010, 2,909,238 laborers receiving job consultancy

-Regarding forms of consultancy: face to face consultancy, consultancy via WEB PAGE, consultancy via telephone, 1900 directory..., SMS via telephones,...

II. Implementation of UI and Employment Services

b. Job recommendation and labour provision

For period of 2006-2010, yearly, ESCs provides job recommendations for about more than 400 thousand laborers. The number of workers who come to ESCs for job seeking increases from 5-7%/ year

c. Collect, analyze and provide information on labor market

- Collect information:
- Provide information on labour market:

II. Implementation of UI and Employment Services

3. Role of employment services in implementing UI:

a. Role of employment services

- Provide job seeking services and job recommendations;
- Provide information on labor market;
- Manage the implementation of UI claims ;
- Manage labor market programs ;
- Implement coordination services -“dịch vụ điều tiết”.



II. Implementation of UI and Employment Services

b. measures to promote roles of employment services in implementing UI

- Accomplish legal documents;
- Reorganise and streamlining the administrative management activities of UI of ESC
- Organise propoganding and disseminating UI program and policies
- Capacity building for staff in processing UI claims
- Step by step improve organisation structure and network to receive UI applications and processing UI claims
- Invest further for physical facilites and equipments for ESCs
- Strengthen the role of ESCs as contact point among relations and cooperations with employees, employers, unemployed workers and relevant offices and organisations.

III. Contents of Employment Insurance (EI) in DRAFT Employment Law

Employment Law is prepared for submission to National Assembly Session XIII by the end of 2012 and is scheduled to be passed by NA in its Session in early 2013. The building of Employment Insurance policy in Employment Law is based on regulations of existing UI scheme, with amendment and supplementing articles in order to solve difficulties in organizing, implementing and further accomplishing UI policies, to make favorable conditions for employees and employers to participate in UI program and enjoy UI benefits.

III. Contents of Employment Insurance (EI) in DRAFT Employment Law

1. Employment Insurance

a. Participants of EI

- Employees: having indefinite labour/working contracts from full 03 months with employers.
- Employers: have from 01 employee or more.

b. EI contribution

Employees: Employer : State 1:1:1



III. Contents of Employment Insurance (EI) in DRAFT Employment Law

c. EI scheme

- Support for maintaining employment
- Policy to support Unemployed laborers

a. Support to maintain employment

- Support for vocational training
- Support in interest rate in loan to pay for benefits for Employees



III. Contents of Employment Insurance (EI) in DRAFT Employment Law

- *Support in maintaining employment*

Eligible criteria for EI benefits:

Employers facing with difficulties due to economic downturn are supported to maintain employment if they meet following conditions:

- having participated and contributed EI for every laborers who are covered by EI at their units continuously from full 12 months or more up to the time they request for the support ;
- Having used up all financial resources to pay for salaries, compulsory SI, EI, HI, and vocational skills building for laborers;
- having plans for mainatining employments for employees accordingto guidelines of MOLISA.



III. Contents of Employment Insurance (EI) in DRAFT Employment Law

- *Regime to support the unemployed laborers*
 - UI allowance (drop Lump Sum policy)
 - Support (allowance?) for job seeking
 - Support (allowance ?) for vocational and technical skills training: level of allowance as stipulated by the Priminister .
 - Health Insurance
- *Eligibke Criteria for EI benefits:*
 - Terminating labour/working contracts
 - Having paid EI for full 12 months in the previous consecutive 24 months before terminating the labor/working contract;
 - Having lodged UI applications to public Employment Services
 - Having not been able to find a job after 15 days from the date of lodging UI applications.

III. Contents of Employment Insurance (EI) in DRAFT Employment Law

- Period of enjoying EI Benefits

Period of enjoying EI benefits	Period of contribution of EI
3 months	From full 12 - 36 months
6 months	From full 36 - 72 months
9 months	From full 72 -144 months
12 months	From full 144 months & more

- Implementation of EI

- Public Employment Services (organisation) has a function of implementing EI regime, policies, laws on EI.



III. Contents of Employment Insurance (EI) in DRAFT Employment Law

2. Employment Services

a. Purpose of Employment Services

- Set up links between labor supply and labor demand; facilitate favorable conditions for moving labor structure, supporting labor moving.
- Collect, analyze, disseminate information on labor market, and employment to employees and employers and offices, organizations and individuals as required.
- Facilitate the easy access to policies of the Government, guaranteeing the efficient implementation of EI for laborers.
- Adjusting the imbalance between labor demand and supply among regions, provinces, economic sectors, branches, in labour market.

III. Contents of Employment Insurance (EI) in DRAFT Employment Law

b. Principles of Employment services:

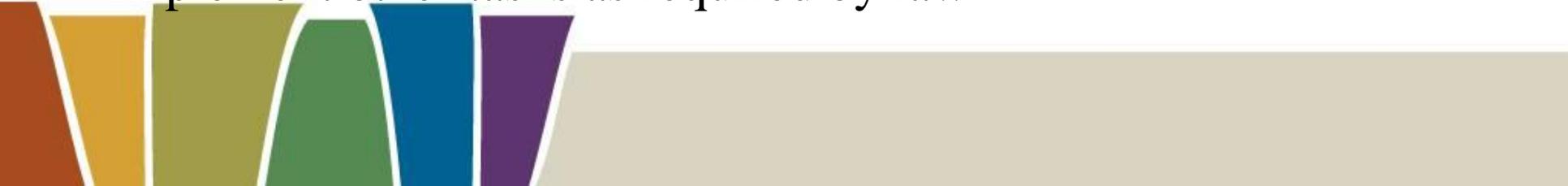
- legal, impartial, and public (và công khai).
- honest, full, timely.
- Unified, cooperating in Employment services
- Employees are provided with employment services free of charge.
- Employers are provided with Employment services free of charge by Public Employment Services Office.

c. Organizing the activities of Employment services

- Public Employment Services (Organization)
- Enterprises providing employment services

III. Contents of Employment Insurance (EI) in DRAFT Employment Law

d. Employment services:

- Implement employment services
 - Support moving of laborers
 - Spread and disseminate information on legal documents and policies on employment.
 - Collect, analyse and forecast and provide information on labor market.
 - Provide vocational training.
 - Implement employment programs and projects .
 - Implement EI as stipulated .
 - Implement other tasks as required by law
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THANK YOU !

