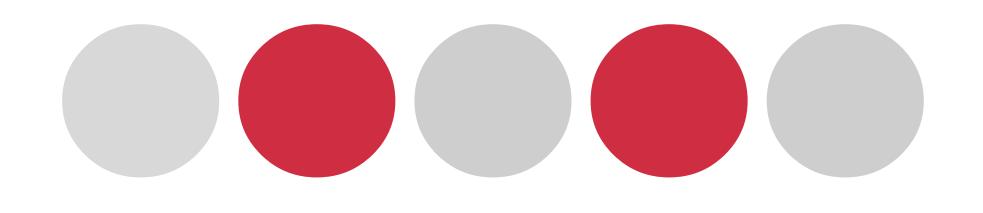
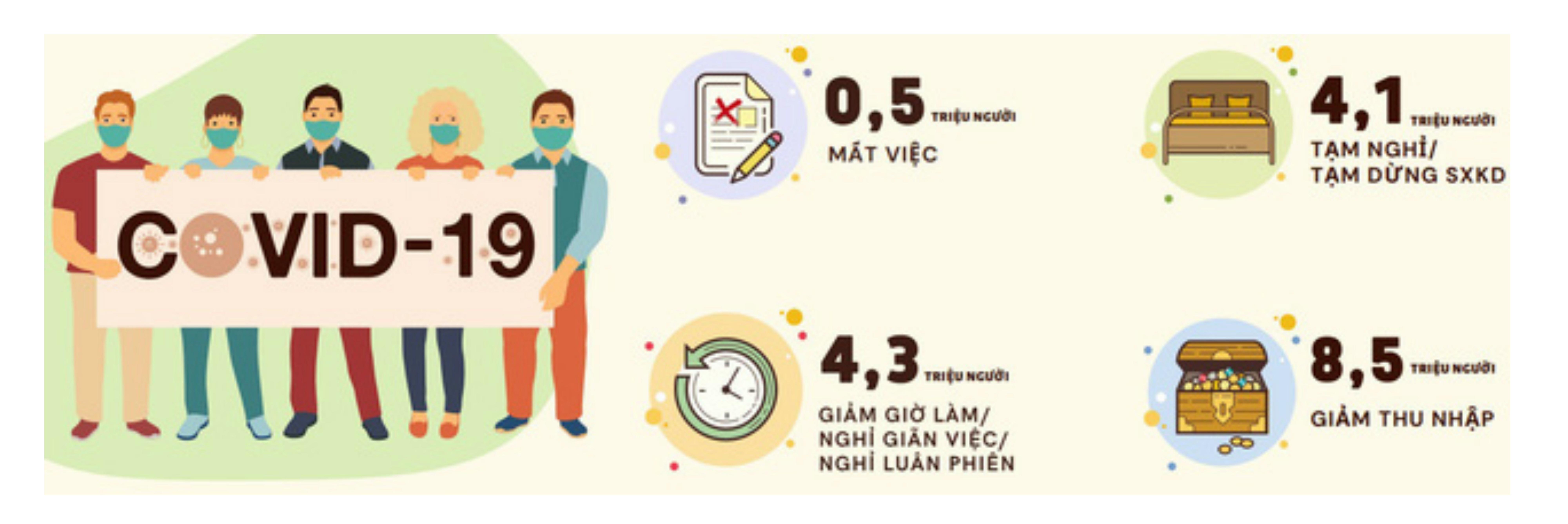


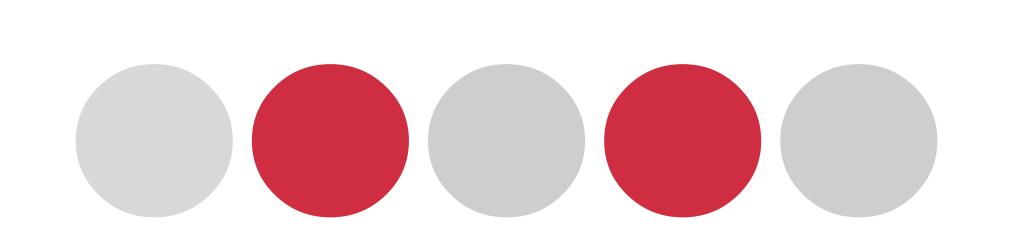
# Policy solutions to support Covid-19 affected employees and employers by the unemployment insurance fund (UIF)



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Policy solutions to support Covid-19 affected employees and employers by the UIF





Background

2 Policy content

Implementation results



#### Background

1) Viet Nam experienced 4 outbreaks, of which the most serious one started on April 27, 2021

(2) Viet Nam has issued many policies to prevent and control epidemic. However, the covid-19 pandemic remains complicatedly and seriously affected employment and income of employees.

(3) There is a surplus of UIF accumulated over the years, especially during the first few years of implementation.

#### Social and economical impacts by Covid-19

Covid – 19 impacts	Unit	1H-2019	1H-2020	1H-2021
GDP growth	9/0	6.76%	1.81%	5.64%
New business	Each	67,000	62,000	67,100
Business suspended	Unit	21,100	29,200	70,200
Employees aged >15y.o having job	Million ppl	54.3	53.0	49,9
Aggregated unemployment	9/0	2.16%	2.26%	2.3%
Job gap – working age	9/0	1.29%	2.58%	2.58%







#### 12.8M people aged >15 affected

8.5M workers - Salary reduced

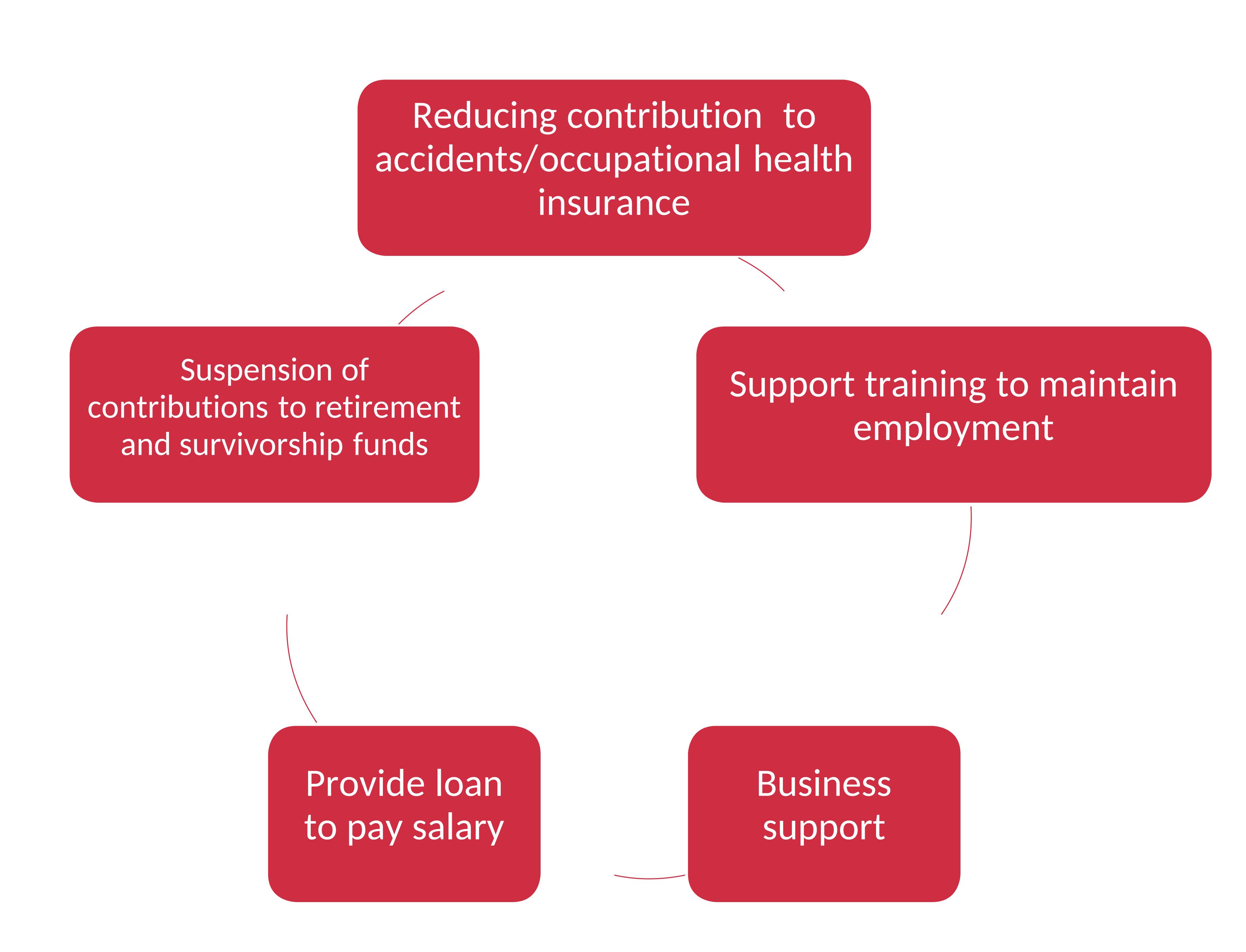
Massive labour migration from urban to rural areas

#### Some of the policies have been implemented

#### 1. To support employees



#### 2. To support employers



necessary to maintain supporting policies for employees and employers in the context of the complicated development of the Covid-19 pandemic in order to reduce their difficulties, stabilize lives and maintain jobs; reduce costs for employers to maintain the supply chain.

#### •••• Cash support for employees from UIF

#### Jarget group:

- Members of VSS as of Sept.30th 2021.
- Those who stop contributing to UIF due to labor/working contract termination



#### Support policy from UIF

#### ✓ Supporting scheme: One-off cash support (in VND):

Length of UI contribution	Cash support (million VND)
<12 months	1.8 Million VND
12 months to <60 months	2.1 Million VND
60 months to <84 months	2.4 Million VND
84 months to <108 months	2.65 Million VND
108 months to <132 months	2.9 Million VND
132 months or higher	3.3 Million VND



#### Support policy from UIF

#### ✓ Procedures for current UI contributing

#### employees

Step 1: VSS prepare eligible list and send to businesses

- Deadline: 20/10/2021

Step 2: businesses shall review/amend if needed/ and send confirmed list to VSS

- Imp. time: 05 working days

Step 3: VSS making the payment.

- Imp. time: 10-20 working days

#### J Procedures for on-hold employees

#### Step 1:

- Employees make self-declaration and send to VSS
- Deadline: 20/12/2021

#### Step 2:

- VSS making the payment
- Imp. time: 10 working days
- Completion: 31/12/2021

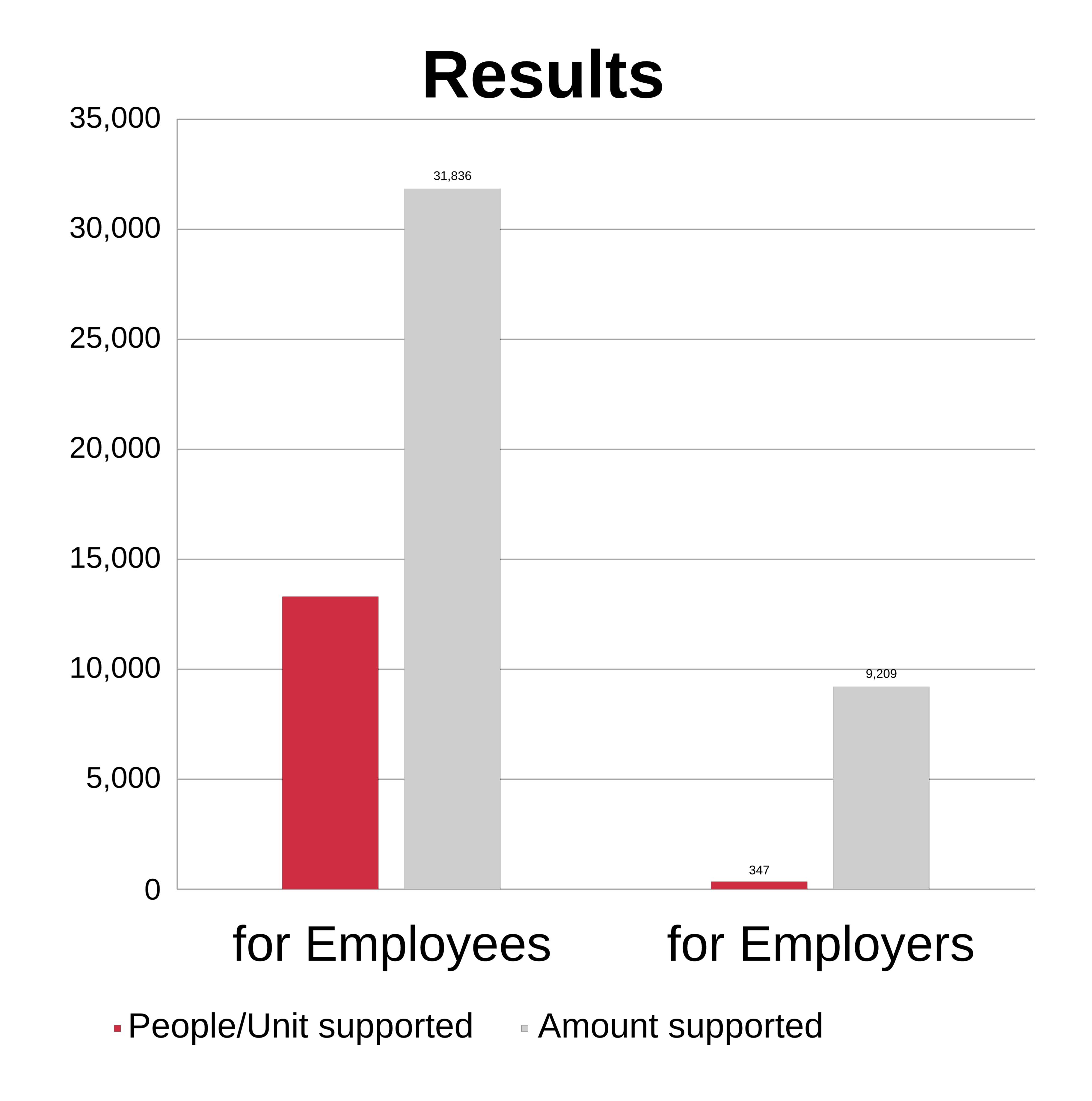
#### Support policy from UIF

Reducing employers' contribution to UIF

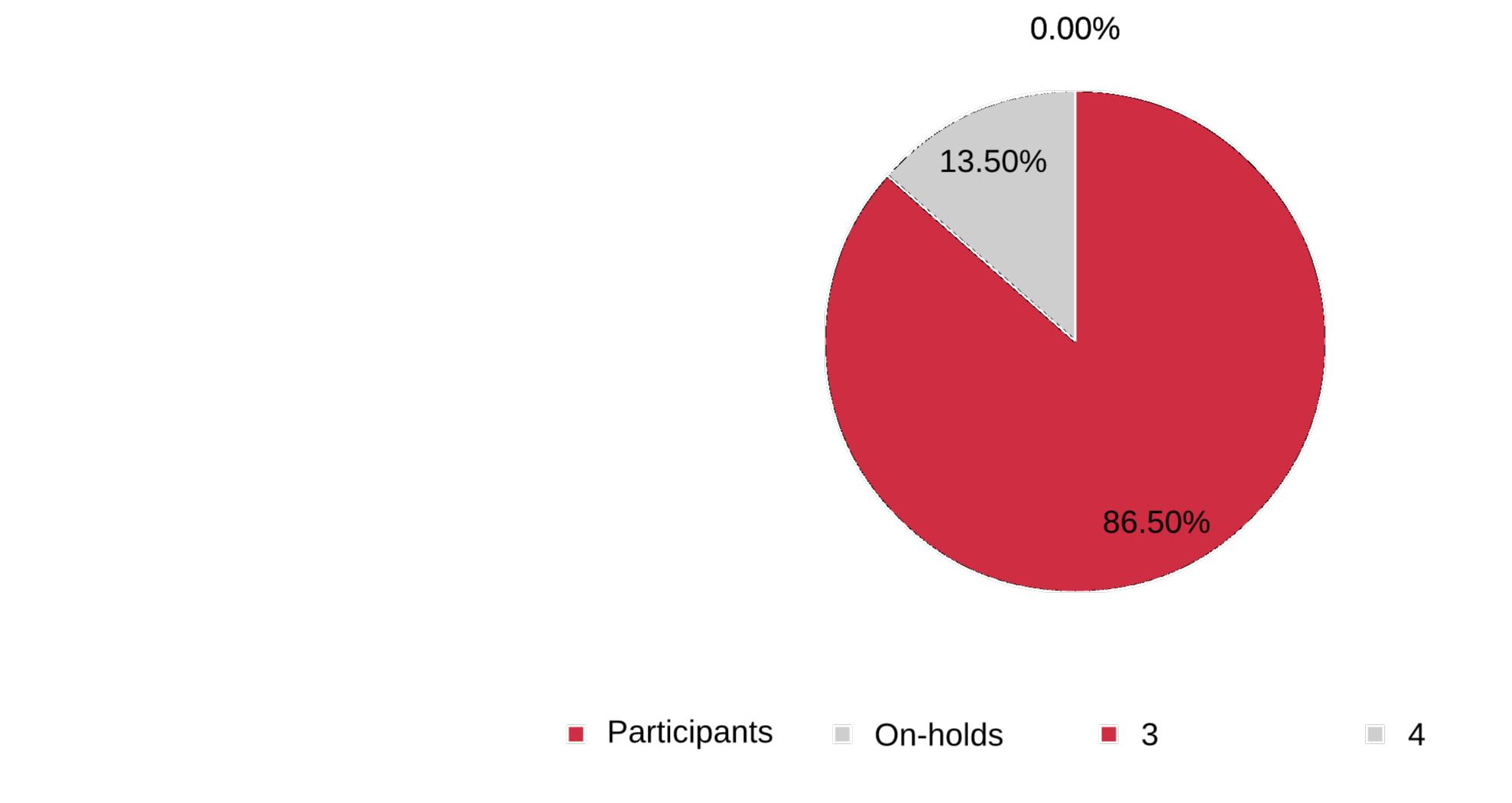
- ✓ Eligibility: Employers participating in UI as of 01/10/2021, excluding those in businesses with recurrent spendings financed by state budget.
- Meduction: from 1% to 0%
- J Reduction period: 12 months
- ✓ <u>Procedures</u>: No administrative procedures incurred to employers



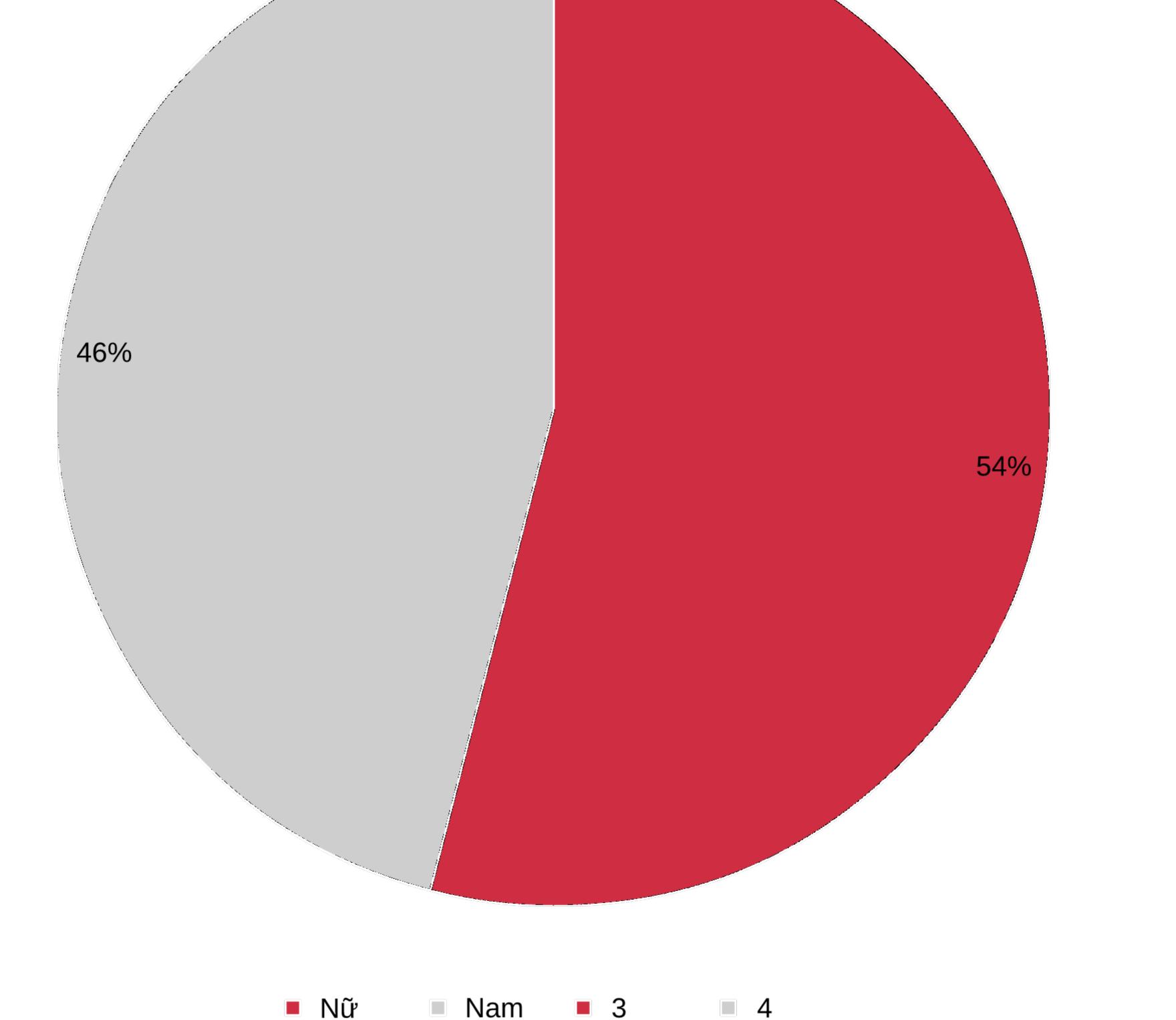
#### UIF support to employees and employeers – some results



### Supporting employees based on their participation in UI



#### By gender (red: M; grey: F)



#### Assessments



#### Jachievements

- 1) Showing strong commitment by the Party, parliament and Government toward the employees and employers
- 2) The policies were executed in prompt, transparent manner, reaching right targets and groups (99% of the supports were paid via employees' personal bank account)
- 3) Facilitate the use of IT system based on available data
- 4) Simple procedures
- 5) Timely support to overcome the difficulties
- 6) Additional financial support for employers to maintain or recover

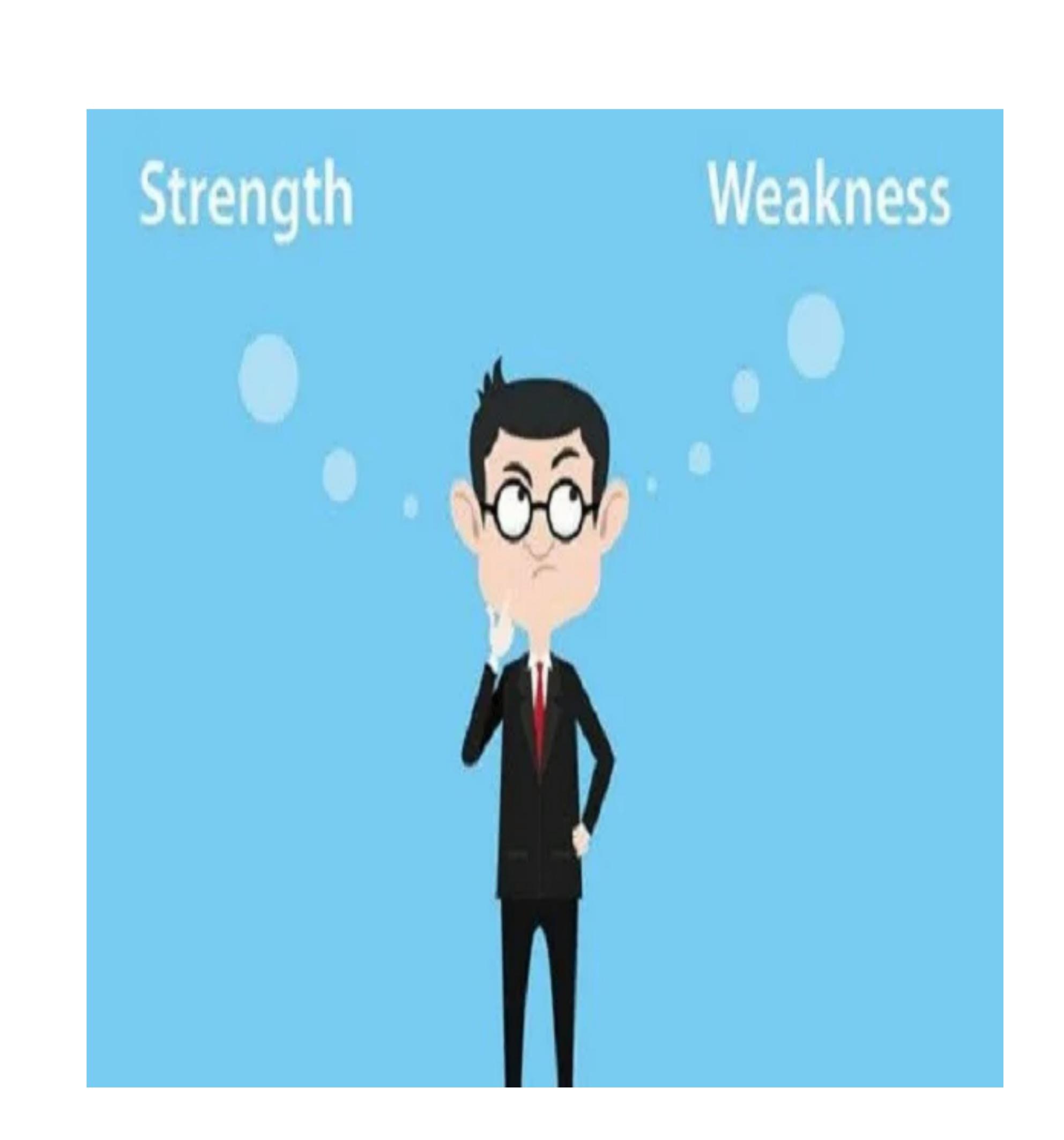
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#### Assessments

#### Shortcomings

1) Additional target groups were supplemented at later stage <a href="Reason">Reason</a>: because the complexity and variety of the eligible targets and urgency in developing/implementing policies

(2) Small number of employees received the support late *Reason*: It was hard to define the eligibility among the employees, and the pandemic prevent them from receiving support on time.



#### Lessons learnt

(1) Requiring a strong political commitment and efficient coordination in developing and implementing the policies

Synchronized implement under a consistent and highly committed VSS system with coordination and support from other authorities.



(3) It is crucial to promote digital transformation, apply modern IT system and build database on SI, UI



## Thanks for Listening!

I hope you guys enjoyed it!

