



Efficient measures to collect late premium contribution in Hochiminh Social Security Years 2008-2010

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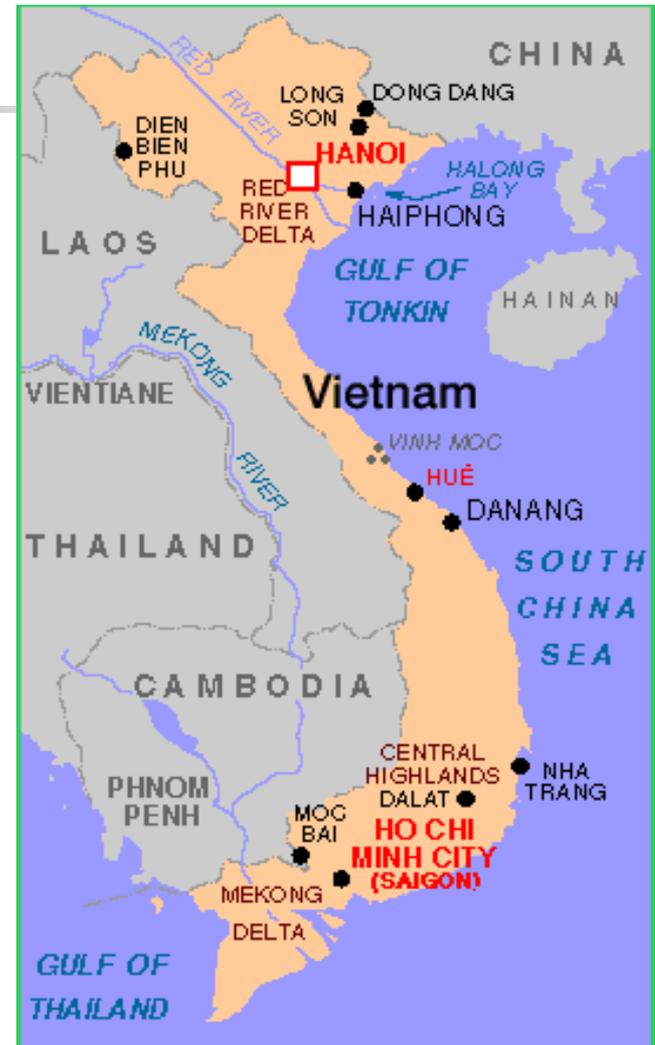
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Introduction of Ho Chi Minh city

- Ho Chi Minh city is the main centre of economics in the Southern part of Vietnam
- Area: 2095 km².
- Population: 7,123,340 .
- Labour force : 4.7 million.
- Employed people: about 3.3 million.
- Companies, units: 40,000
- 340,000 self - employed units
(*The National census in April 2009*)





Introduction of Hochiminh Social security

- It has over 840 employees, estimated of 5,3% of the whole VSS system staff.
- Revenue from premium is about 18% of VSS system. In 2009 the revenue was more than 9,100 million VND. The plan for year 2010 is over 13,600 million.
- IT is applied in data management.
- Portal is used in connecting with companies in business.





Violation in collecting social security contribution

- Mechanism of sanctions for violation is late amended. Low level of penalisation can't prevent violation.
- Social security organisations don't have the function of penalisation.
- The stakeholders with right of penalisation aren't active.
- Omission and defraudation of premium is worse.
- Neglectful to declare employees
- To declare smaller amount of labors and wage fund.
- Omission or late contribution to social security fund .5



Consequence of late contribution or defraudation of social security fund

- Serious influence on employees' right.
- Creation of difficulty in implementing social policy
- Creation of bad habits to defraud social security fund in companies.
- Reasons of strikes, complaints.
- Creation of insecurity in socio - economics and politics.



Measures of collecting late premium contribution

I. Good co-operation with stakeholders:

- With Labour-Invalids & Social Office for inspection and sanction.
- With the People's Court for quick judgement.
- With Judicial support and law enforcement Department to ensure judicial decision carried out well.



Measures of collecting late premium contribution (Cont.)

II. Good co-operation with the Press to prevent violation in social security contribution:

- Hochiminh citizens' habit of reading newspapers and their active reaction to negative behaviors damaging society.
- Publish information of companies with intention of violation in mass media.
- Special articles criticize bad behaviors to defraud social security fund.
- Company's consequence of violation under the Press and Public criticism.
- Positive effect on employers' awareness and action.



Measures of collecting late premium contribution (Cont.)

III. Taking violating employers to court:

- A breakthrough in collecting late contribution.
- 150 violating companies taken to civil courts in 2009 with total late contribution of 71,1 billion VND, of which 41,5 billion VND was collected to social security fund(equal to 58,65% of total one).
- Making changes in employers' thinking, habits of omission of premium contribution.
- Improving social security staff's knowledge and experience.
- Formation of guidelines to deal with violation.



Proposals for further consideration

- Increasing levels of sanction in accordance with rate of violation of social security.
- Penal sanction in case of employers' defrauding premium contribution



Thanks for your attention!

Cảm ơn!

