

LEGAL UPDATE NEW LABOUR CODE IN VIETNAM - THE FIRST YEAR

The new Labour Code (*the New Labour Code*) was passed by the National Assembly on 18 June 2012, and came into effect as from 1 May 2013, and subsequently there have been more than 15 new implementing decrees and circulars issued. In this Legal Update, we report on some of the most notable changes found in the New Labour Code, and provide an update on certain guidelines outlined in the implementing legislation, during the first twelve months since the New Labour Code came into effect. As a result of the New Labour Code and its implementing legislation passed over the past twelve months, we have paid particular attention to legislative amendments relating to the following areas:

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1 LABOUR CONTRACTS

1.1 Prohibited activities on the execution and implementation of labour contracts

In a move to provide greater protection to employees, Article 20 of the New Labour Code provides the following two additional prohibited activities applicable to employers when they execute and implement labour contracts:

- keeping originals of identification documents, professional degrees or certificates of employees; and
- requiring employees to implement guarantees (in money or in property) for the implementation of their labour contracts.

1.2 Technology or business secrets

In recognition of the growing need for (and significance of) the protection of business secrets, Article 23 of the New Labour Code specifically provides that where the employment directly relates to technology or business secrets of the employer, an employer can negotiate in writing with an employee to guard technology and business secrets including compensation in case of any violation by the employee.

In practice, this will allow an employer to draw up specific contractual restrictions to protect its intellectual property, where this amounts to a technology or business secret.

1.3 Probationary periods

The previous Labour Code provided that a probationary period may not exceed 60 days with respect to employment which requires 'specialised or highly technical skills', or 30 days in respect of other employment. This regulation, however, could lead, in practice, to arbitrary and inconsistent application attributable to the unclear meaning of the term 'specialised or highly technical skills'.

According to Article 27 of the New Labour Code, the duration of the trial period is determined by the level of professional qualifications required to carry out the work. Therefore, for work requiring a college level qualification or above, the probationary period may not exceed 60 days; for work requiring intermediate vocational and intermediate professional level qualifications, and for technical and professional workers, the probationary period may not exceed 30 days; and for other cases, the probationary period may not exceed 6 days.

With respect to wages during the probationary period, probationary employees will find good news in Article 28 of the New Labour Code, as the minimum wage applicable to the probationary period has been increased from a minimum of 70 per cent to a minimum of 85 per cent of the wage for the relevant job.

1.4 Invalid labour contracts

To ensure legal compliance of labour contracts, Section 4 of Chapter III of the New Labour Code inserts particular cases where a labour contract shall be deemed to be entirely invalid, which are as follows:

- the entire contents of the labour contract are contrary to the law;
- the person signing the labour contract is not fully authorised;
- the works included in the labour contract are prohibited by law; or
- the labour contract obstructs or prevents an employee from participation in a trade union.

A labour contract shall be partially invalid where some of its contents are in breach of the law, but such contents do not affect other parts of the contract.

Please note that for employers being an organisation, its legal representative is the person fully authorised to enter into the labour contracts. Therefore, any other person could unintentionally cause otherwise valid labour contracts to be deemed to be invalid and care should be taken to ensure that only fully authorised persons (other than the legal representative) are entitled to sign employment contracts on behalf of an employer.

As provided in Article 50.3 of the New Labour Code, if a part or the entire contents of a labour contract specify interests of the employee as being "less than those prescribed in the law on labour", in labour rules, or in any collective labour agreement currently applicable, or if the contents of the labour contract restricts other rights of the employee, then such part or the entire contents are invalid. In addition, Article 10.1 of the New Labour Code provides that an employee has the

right to be employed by any employer and in any location not prohibited by law. Therefore, if a labour contract includes a non-compete clause which prohibits an employee from working for another entity being a competitor or potential competitor of the employer, such clause may be considered as an obstruction of the rights of the employee to work, as provided in Article 10.1 of the New Labour Code; and as a result, may be deemed to be invalid.

We note that not only the court, which is always entitled to declare a contract invalid, but also the labour inspectors are afforded the rights to declare a labour contract invalid by the New Labour Code. Where a contract is held to be entirely invalid, the rights, obligations and interests of the employee shall be settled in accordance with the law. However, for a partially invalid labour contract, the invalid parts of the contract must be amended in order that the contract conforms to the relevant collective labour agreement or the labour law.

2 TERMINATION OF LABOUR CONTRACTS

2.1 Unilateral termination

Article 38 of the New Labour Code provides considerable changes to the circumstances in which an employer can unilaterally terminate a labour contract. Whilst it removes the possibility of unilateral termination whereby an employee is disciplined in the form of dismissal, the New Labour Code provides a new case for unilateral termination whereby an employee does not present him/herself in the workplace within 15 days after a labour contract suspension period has expired, except as otherwise agreed between the parties.

However, the New Labour Code is unclear as to whether or not the parties may agree upon a period shorter than 15 days for the employees to present themselves.

2.2 Loss of work due to restructuring or “economic reasons”

Under Article 44 of the New Labour Code, where there exists organisational restructuring, technological changes or, a new case, “economic reasons” that affects the employment of numerous employees, an employer must establish and implement a labour usage plan as prescribed in the New Labour Code. If the employer cannot continue to employ the employees under this labour usage plan, the employer is permitted to terminate their employment unilaterally, but the employer must pay to the employees who have been employed for at least 12 months an allowance for loss of work equivalent to the aggregate amount of one month’s wages for each year of employment, excluding any period during which the employee participated in unemployment insurance and any period for which the employers paid severance allowance (if any), but should not be less than two months’ wages in total.

In comparison with the previous Labour Code, the wording of the New Labour Code seems confusing as it is unclear whether or not the right to terminate the employment of an employee due to a restructuring event will only apply if such event affects “many” employees or if it also applies if the situation affects only one employee. Another area of confusion is whether or not a restructuring plan is required to be drafted only if the termination due to a restructuring event involves “many” employees, or if this is also required if the restructuring involves one employee.

Furthermore, the prescribed labour usage plan provided for in the New Labour Code sets out a stricter compliance regime for an employer when applying this regulation. However, on the other hand, with the addition of the ambiguous ground of “economic reasons”, employers may be able to use the provisions of this regulation to broaden the previously limited circumstances in which they could terminate employees’ employment when its businesses is not performing well financially or in times of economic difficulty.

2.3 Allowance payable to the employee in retrenchment

A significant change in relation to the required allowance payable to the employee in the case of retrenchment can be found in Articles 48 and 49 of the New Labour Code. Accordingly, where the employer retrenches the employee (who has regularly worked for the employer for 12 months or more) as a result of restructuring, change of technology, for economic reasons or due to a merger, consolidation or separation of the enterprise, the employer is required to pay a severance allowance (one half month’s salary for each year of employment) and a retrenchment allowance (one month’s salary for each working year but at least two (2) months’ salary) to such employee, for a total of 1.5 months’ salary for each year of employment.

Although there are no further guidelines on the implementation of this provision, this “double” payment has been verbally confirmed by the Ministry of Labour, Invalids and Social Affairs in a meeting with Frasers.

We note that the period of work to be used to calculate the above allowances corresponds with the total working time the employee worked for the employer minus the period during which the employee participated in the unemployment insurance scheme, in which participation has been compulsory as from 1 January 2009. It is, therefore, likely that the above change does not affect an employer where the retrenched employees have been employed subsequent to 1 January 2009.

3 OVERTIME WAGES

3.1 Overtime worked at night

According to the previous Labour Code and its implementing regulations, an employee working overtime at night, is entitled to a supplemented wage rate based upon the calculation of the day-time overtime wage rate (at least 150%, 200% or 300% of the wage applied during ordinary working time) multiplied by the night-time wage rate (at least 30% of the wage applied to daytime).

However, pursuant to Article 97 of the New Labour Code, an employee working overtime at night shall be entitled to the day-time overtime wage rate (at least 150%, 200% or 300% of the wage applied to ordinary working time), the night-time wage rate (at least 30% of the wage applied to ordinary working time) and a further rate of at least 20% of the day-time wage. Given the complexity of this new calculation, we await further clarification from implementing documents and we will keep you abreast of material developments with respect to this issue.

4 WORK AND REST TIME

4.1 Additional working hours

Under Article 106 of the New Labour Code, a new regulation states that additional working hours may not exceed 30 hours per month, and the maximum additional working hours in special cases (as prescribed by the Government) may not exceed 300 hours per annum.

Notably, Article 107 of the New Labour Code provides that in the following cases, an employer has the right to demand employees to work overtime and the employees may not refuse. These are:

- when the nation is in a state of war or in a state of emergency; or
- in order to prevent damage to or to repair assets or deal with a fatal loss, or incoming danger in an emergency situation that occurred or will definitely occur such as serious accidents, fire, flood, storm, earthquake, epidemic or other natural disasters.

According to Decree No. 45/2013/ND-CP of the Government, dated 10 May 2013, providing guidance on implementing the New Labour Code on working and rest time, labour safety and hygiene overtime (**Decree 45**): apart from the circumstances of manufacturing or processing for certain export products, the arrangements for total overtime for an individual employee may be more than 200 hours (but not exceeding 300 hours) per year in the case of manufacturing and supplying electricity, telecommunications, oil refineries; water supply and water discharge; or other urgent cases. All overtime arrangements should be reported to the competent local labour authorities.

Moreover, Decree 45 requires that an employer who is unable to arrange compensatory leave for each overtime working period of seven (7) successive days in a month must pay to the employee a wage for working overtime.

4.2 Public holidays

Good news for all employees is found in Article 115 of the New Labour Code, where it is stated that the annual Tet public holidays will increase from four (4) days to five (5) days, bringing the total number of public holidays to ten (10) days per annum.

Moreover, foreign employees are entitled to enjoy two additional days off on their traditional New Year holiday and National Day. Employers with international employees should consider establishing policies requiring notification of such international holidays in order to track and manage their obligations in this regard. However, if their traditional New Year holiday and/or National Day coincides with a normal weekly day off, unlike Vietnamese employees, foreign employees shall not be entitled to take the subsequent business day in lieu. Employers may wish to take these provisions into account when determining annual leave entitlements for foreign employees.

4.3 Maternity leave

Under Article 157 of the New Labour Code, the maternity leave period applied in normal circumstances shall be extended from four (4) months to six (6) months. As the extended maternity leave represents an increase of 50% on the former regulatory requirements, employers' temporary staff replacement plans should be given further consideration to prevent employment shortages.

5 LABOUR DISCIPLINE

5.1 Labour discipline violations

Article 125 of the New Labour Code no longer contains the penalty for transfer to another position with a lower wage for a maximum period of six (6) months. Therefore, the applicable penalties for labour discipline violations under the New Labour Code are:

- reprimand;
- deferral of a wage increase for a maximum period of six (6) months or removal from office; and
- dismissal.

5.2 Supplementing the activities resulting in a dismissal penalty

The New Labour Code supplements the activities for which a dismissal penalty shall apply. Under Article 126 of the New Labour Code, dismissal may be applied as a means of penalty in the following circumstances:

- where an employee commits an act of theft, embezzlement, gambling, assault and inflicting injury, use of drugs in the workplace, disclosure of business, technology or intellectual property secrets, or other behaviour which causes serious damage or which threatens to cause serious damage to the assets or well-being of the enterprise;
- where an employee who is disciplined by means of a deferral of a wage increase re-commits an offence during the probationary period, or re-commits an offence after he has been disciplined in the form of removal from office; and
- where an employee takes an aggregate of five (5) days off in one month or an aggregate of 20 days off in one year without proper authorisation.

6 LABOUR SAFETY

6.1 Periodic medical examinations for employees

In order to ensure employers' compliance with prescribed periodic medical examinations for employees, Article 152 of the New Labour Code provides that employers must organise an annual medical examination for employees, including vocational trainees and trainee practitioners, and bi-annual medical examinations for persons doing difficult, hazardous, dangerous jobs, including for junior employees¹ and senior employees².

7 LABOUR SUBLEASING

7.1 Labour subleasing - a new legal term

A labour sublease contract is a new legal concept in Vietnam which was introduced by the New Labour Code, but which will be familiar to employers in other jurisdictions. For businesses, making use of subleased labour enables them to: (i) respond to short-term labour requirements; and (ii) take on staff with particular skillsets to assist with specific tasks. Where such an arrangement is used, the benefit to the end-user company is that no employment relationship (with the ensuing duties and obligations owed by an employer to an employee) is created between the end-user company and the subleased employee, and labour recruitment costs are reduced.

A labour sublease means assigning an employee recruited by the labour sublessor to work for, and be subject to the management of, the labour sublessee, however, the labour relationship between the employee and the labour sublessor remains intact and no employment relationship is

1. Employees under the age of eighteen (18) years.

2. Employees from the age of sixty (60) years in the case of males, and fifty-five (55) years in the case of females.

created between the employee and the labour sublessee (i.e. end user entity). This means that the sublessor has to implement the rights and obligations of an employer towards the employee and vice versa.

Pursuant to the New Labour Code, the business of labour subleasing is a conditional business activity and may only apply to certain types of employment. For businesses, this can be a highly useful means of responding to short term labour requirements, but without having to undertake the responsibilities associated with taking on employees directly. It also permits businesses to take on staff with particular skillsets, again without the associated labour recruitment costs and responsibilities.

Decree 55/2013/ND-CP of the Government took effect on 15 July 2013, and provides guidelines for the implementation of the labour subleasing provisions (**Decree 55**). Decree 55 also sets out prohibited acts in labour subleasing, as well as cases in which labour subleasing is not permitted. Accordingly, a subleasing contract may not be entered into between a sublessor and a sublessee if they are a holding company and a subsidiary, or between subsidiaries members of a group of companies. Furthermore, usage of labour outsourcing to replace employees taking part in a strike or in the process of a labour dispute is not allowed.

The official list of jobs permitted for labour subleasing includes the following 17 jobs:

- (1) Interpreter/Translator/Stenographer;
- (2) Secretary/Administration assistant;
- (3) Receptionist;
- (4) Tour guide;
- (5) Sales assistant;
- (6) Project assistant;
- (7) Manufacturing machinery programmer;
- (8) Employees working on production lines and on the instalment of television and telecommunication equipment;
- (9) Employees working in the operation, maintenance, and repair of construction machinery and electrical systems for manufacturing;
- (10) Building/Factory cleaner;
- (11) Editor;
- (12) Security guard;
- (13) Tele-marketing staff/Customer service via telephone;
- (14) Finance/Tax specialist;
- (15) Employees working in the repair and maintenance of automobiles;
- (16) Employees working in scanning, industrial technical drawing/interior decoration; and
- (17) Driver.

7.2 Rights and responsibilities under a labour sublease

Article 56 of the New Labour Code provides the rights and responsibilities of an enterprise engaging in labour sublease activities. Notable rights and responsibilities are as follows:

- executing labour contracts with employees in accordance with the provisions of the New Labour Code;
- informing employees as to the contents of the labour sublease contract;
- responsibility for paying wages, wages for public holidays, annual leave, termination payments, severance allowances, social insurance, health insurance and unemployment insurance for employees according to the provisions of the law;
- paying the wages of a subleased employee at a level not lower than the wage of an employee of the enterprise who is at the same level and carries out identical or similar work as the subleased employee; and

- dealing with breaches of labour rules for a subleased employee violating labour discipline, where the enterprise receiving the subleased employee returns such employee because of a violation of labour discipline.

With respect to the rights and responsibilities of a labour sublessee, Article 57 of the New Labour Code provides the following rights and responsibilities:

- reaching an agreement with subleased employees if such enterprise mobilises subleased employees to work at night or work overtime, and which is out of the scope of the labour sublease agreement;
- reaching an agreement with a subleased employee and the labour sublessor if the sublessee officially recruits the employee, and the labour contract between the subleased employee and a labour sublessor has not expired; and
- returning to the labour sublessor any subleased employees who do not satisfy the agreed requirements.

Pursuant to Article 58 of the New Labour Code, the rights and responsibilities of a subleased employee, among others, shall be as follows:

- abiding by the instructions, internal regulations, labour discipline and the collective labour agreement of the labour sublessee; and
- entitled to reach an agreement to enter into a labour contract directly with the labour sublessee after the expiration of the labour contract with the labour sublessor, or after legally performing the right to unilaterally terminate the labour contract with the labour sublessor.

7.3 Implementation of labour subleasing regulations

The implementation of the labour subleasing provisions of the New Labour Code is a significant step in developing the business of labour outsourcing services in Vietnam. The recognition and regulation of labour subleasing will provide a flexible staffing option for enterprises doing business in Vietnam.

In practice, to comply with the provisions of the New Labour Code, the labour sublessor and the labour sublessee will have to cooperate closely with one another, and share certain information. In order to ensure that the labour sublessee pays the employee the correct wage, the labour sublessee will have to provide information about the wages of its employees with the same professional qualifications, the same job titles, or who are carrying out identical or similar work. In some cases, it may not be clear whether or not an employee of the labour sublessee is carrying out similar work. Until further guidance is provided on the matter, it is unclear which of the labour sublessor or the labour sublessee will determine whether “similar work” is being undertaken.

8 FOREIGN EMPLOYEES

8.1 New condition for recruiting foreign employees

All foreign enterprises employing foreigners should note that compared with the previous Labour Code, Article 170 of the New Labour Code adds one more condition which a foreign enterprise must satisfy in order to recruit foreign employees. Prior to recruitment, foreign enterprises should explain their need to hire a foreign worker and they must receive written approval from the relevant authority prior to engagement.

At present, no procedures are set out in relation to the issuance of this approval, therefore the conditions and requirements for approval are not clear. In addition, the definition of ‘foreign enterprise’ will have to be clarified by further implementing legislation as to whether or not it will also include ‘foreign invested enterprises’.

8.2 Work permits

It is also noted that pursuant to Article 173 of the New Labour Code, the duration of a work permit for a foreign worker has been reduced from a maximum of 36 months to a maximum of 24 months.

According to Decree 102/2013/ND-CP of the Government, providing guidelines on the issuance of work permits for foreign workers in Vietnam:

- (a) there is no longer any mention of “extension of the term of a work permit”. When a work permit expires, a new application dossier for a new work permit needs to be submitted to the licensing authorities;
- (b) one of the conditions for a foreigner to work in Vietnam is that he/she must have at least five (5) years of experience (for an expert) or at least three (3) years of experience (for a skilled employee) in a relevant area of business;
- (c) only those foreigners working in Vietnam for a period of less than three (3) months and offering a specialised service or handling a specific problem, technical incident or complex technological issue, are exempt from the work permit requirement. This regulation differs from the previous regulations which allowed a foreigner working in Vietnam for a period of less than three (3) months to be exempt from a work permit regardless of the work they undertake in Vietnam.

In agreement with Vietnam’s WTO Accession Commitments, Decree 102 provides another circumstance in which a foreigner working in Vietnam is not required to have a work permit: an internal transfer within an enterprise operating under the scope of 11 specified service industries.

9 DEMOCRATIC REGULATIONS

9.1 Forms of implementation of democratic regulations

In an effort to enhance communication between employers and employees to build labour relations in the workplace, Article 63 of the New Labour Code states that all employers and employees are obliged to implement democratic regulations at a grassroots level in the workplace, in accordance with the regulations of the Government.

This is a new regulation of the Labour Code, and one which should be heeded by all employers. We present below an outline of the regulations introduced in Decree 60/2013/ND-CP of the Government of Vietnam, dated 19 June 2013 (**Decree 60**).

There are two statutory forms of implementation of democratic regulations in enterprise, including:

- (a) dialogues at the work place, comprising:
 - (i) periodic dialogues: to be organised at least once every 90 days, exempted if the timing of a Periodic Dialogue overlaps with the timing of an Employee Conference; and
 - (ii) dialogues on request: as requested by each party, and to take place within 10 working days of receipt of the request by the employer, and
- (b) employee conferences: to be organised at least once every 12 months.

Employers are responsible for arranging the location, time, facility and promotion of democratic regulations by way of dialogues and employee conferences. In addition, Decree 60 also provides other forms of implementation of democracy in the workplace, such as organising other meetings, posting public notices, and feedback boxes, etc.

9.2 Reporting and administrative sanctions

It is compulsory for all enterprises to comply with the provisions on dialogues and democratic regulations, and employers are required to submit a report annually to the relevant authorities on the implementation of democratic regulations at their enterprise. However, the details of the reporting forms and procedures have not been provided.

In addition, according to the draft regulations on administrative sanctions in the labour sector, a fine of between VND20 million and VND30 million shall be imposed for the following breaches: (i) failure to establish a regime for the implementation of democratic regulations or dialogues at an enterprise; or (ii) failure to conduct periodic dialogues or other dialogues at the request of the organisation representing employees; or failure to arrange a suitable location and facility for dialogues at the work place.

10 TRADE UNIONS

10.1 Employer obligations

In principle, an employer is not obliged to establish a trade union at his/her enterprise. However, where a trade union at an enterprise has been set up (by the trade union of the relevant district or industrial zone), the employer is required to support this trade union by arranging a workspace and the necessary amenities required for the activities of the trade union.

In addition to Chapter XIII of the New Labour Code in relation to trade unions, a new Law on Trade Unions was passed by the National Assembly on 20 June 2012, and came into effect as from 1 January 2013 (**Trade Union Law**). Both new laws reinforce the role of trade unions by setting out additional obligations for employers in respect of the operation of trade unions and the role of its officers.

(a) Part-time trade union officers:

A part-time trade union officer is an employee working for an enterprise and who joins a trade union as an officer, elected to the position of deputy head of a trade union group at a Trade Union General Meeting or appointed by the Executive Committee of a Trade Union.

According to Article 193.2 of the New Labour Code, part-time trade union officers are entitled to use working hours to conduct trade union activities in accordance with the Trade Union Law.

Under the Trade Union Law, part-time trade union officers are entitled to spend from 12 to 24 working hours per month on trade union business, subject to his/her title in the trade union, and still receive a regular salary. The Executive Committee of the trade union at the enterprise can negotiate and agree with the employer on additional time if necessary. Furthermore, when part-time trade union officers are required to participate in trade union meetings or training sessions convened by the superior level trade union, the employer is required to approve the officer's leave and pay wages during that time.

(b) Full-time trade union officers:

Full-time trade union officers are recruited and paid a salary by a trade union and appointed to undertake regular work in a trade union organisation (including trade unions at enterprises).

Article 193.3 of the New Labour Code provides that where a full-time trade union officer is appointed to conduct trade union activities at an enterprise, he/she is entitled to the same collective benefits as employees working in such enterprise.

10.2 Termination of employment for part-time trade union officers

The New Labour Code provides new provisions that protect employees who are also part-time trade union officers.

(a) If the labour contract of an employee expires during his/her tenure as a part-time trade union officer, it must be extended in accordance with his/her term in the trade union.

This provision is a sole exemption in which the labour contract is forced to be extended on expiry regardless of the employer's decision. We understand that this provision was drafted to encourage employees to join trade unions. According to the Charter of the Trade Union of Vietnam dated 5 November 2008, the tenure of a trade union officer will correspond with the timing of the General Meeting of the trade union at an enterprise, which convenes twice every five (5) years.

(b) If an employer decides to legally terminate the labour contract of or dismiss an employee who is a part-time trade union officer, the employer is required to obtain written approval from the Executive Committee of the trade union at the enterprise or above. If an employer and the trade union are unable to reach an agreement, the two parties must report the termination or dismissal to the competent authorities, and the employer can then terminate/dismiss the employee 30 days later.

10.3 Funding trade unions

Funding trade unions is not a provision of the New Labour Code. This obligation of the employer is stipulated in the Trade Union Law.

Previously, the following enterprises were required to contribute the equivalent of 1% of salaries payable for Vietnamese employees to the operation of its trade union: foreign-invested enterprises established by foreign investors; Vietnamese enterprises with more than 49% equity held by foreign investors; and operating offices of foreign parties who have entered into a business cooperation contract in Vietnam. All other types of enterprises (which had a trade union at their enterprise) were required to contribute 2% of salaries funds payable for employees.

Since 1 January 2013, when the Trade Union Law came into effect, all employers, including enterprises without any trade union at their enterprises, have been required to pay 2% of their payroll which is used to calculate the base payment for social insurance premiums, to support the trade union's budget. This is a new obligation imposed upon employers who had not previously been required to fund the trade union's budget.

11 OTHER ISSUES

11.1 Domestic servants

Given the specific characteristics of the labour relationship of domestic servants, Section 5 of Chapter XI of the New Labour Code includes a separate section dealing with employees who are domestic servants. According to the New Labour Code, an employer must execute a written labour contract with a domestic servant containing the prescribed information set out in the Labour Code. Under the new legislation, either party may unilaterally terminate this labour contract provided that 15 days prior notice must be given.

11.2 Cessation of operations during strikes

Under Article 214.3 of the New Labour Code, the new definition of "temporary cessation of enterprise" refers to an employer who is entitled to cease operations during an employee strike in order to protect its property, to prevent extremists or agitators from taking advantage of the strike in order to sabotage the enterprise or because of the lack of employees to operate business activities.

11.3 Social insurance

As provided in Article 91 and Article 92 of the Law on Social Insurance No. 71/2006/QH1, 1 dated 29 June 2006, as from 1 January 2014, the amount paid to the Social Insurance Fund shall be increased by 2% of the salary of employees, which is used for the calculation of social insurance premiums, of which 1% shall be paid by the employee (for a total employee contribution of 8%) and 1% shall be paid by the employer (for a total employer contribution of 18%).

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