

# Social Insurance Update

July 2025

## **Decree No. 158/2025/ND-CP dated June 25, 2025, issued by the Government, provides detailed regulations and guidance on the implementation of certain provisions of the Law on Social Insurance ("SI")**

The Decree takes effect from July 1, 2025. Some notable highlights of the Decree include:

### **1. More detailed regulations on certain groups subject to social insurance participation**

- Household business owners who pay tax based on the declaration method are required to participate in compulsory SI. Other household business owners will be subject to compulsory SI starting from July 1, 2029.
- Household business owners and non-salaried enterprise managers who fall under multiple categories for compulsory SI participation shall be enrolled under the category with higher priority.
- Compulsory SI participation is not required for: (i) employees working part-time with a salary below the minimum wage used as the basis for SI contributions, and (ii) employees during probation periods.

### **2. Basic salary for Compulsory SHUI contributions**

- The salary used as the basis for compulsory SI contributions for employees whose salaries are decided by employers, shall be the monthly salary and include:
  - ✓ Salary according to the job/position, calculated monthly, based on the wage scale and stated in the labor contract;
  - ✓ Salary allowances compensating for specific factors (e.g., working conditions, nature of the job, living conditions, workforce attraction), excluding performance-based or productivity-based allowances;
  - ✓ Other fixed and regularly paid supplements as specified in the labor contract; excluding variable payments based on productivity or work performance.
- For employees working part-time: the salary used as the basis for SI contributions is the agreed monthly salary in the labor contract. If the agreement is based on hourly/daily/weekly wages, it must be converted to a monthly salary by multiplying the number of hours/days/weeks worked in the month as specified in the contract.

### **3. Additional regulations on retroactive SI contributions and collection**

- In cases of retroactive SI payments due to salary adjustments, the retroactive contributions shall apply to the previous period and must be completed no later than the end of the month following the month in which the salary adjustment decision is made.
- If household business owners or non-salaried enterprise managers fail to make contributions by the stipulated deadline, the retroactive contribution amount = the amount of unpaid compulsory SI contributions + an interest of 0.03% per day calculated on the outstanding amount and the number of overdue days.

- Employers are responsible for fully contributing compulsory SI for employees who qualify for SI benefits or upon contract termination to ensure timely processing of benefits. If contributions are incomplete, the social insurance agency shall resolve entitlements based on the paid contribution period and adjust after the retroactive payment.

#### 4. Detailed regulations on certain SI benefits for foreigners participating in SI in Vietnam

- Foreigners receiving pensions or monthly SI benefits in Vietnam may request a one-time lump-sum payment.
- Foreign employees are entitled to survivorship benefits in accordance with the applicable regulations.

## Contact us

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