

GMS Alert

Updates on Trade Union contribution rate and Social Insurance code

August 2025

1. Reduction in Trade Union (“TU”) contribution rate for members at Trade Union Grassroots Level (“TUGL”) from 1 July 2025

On 29 July 2025, the Vietnam General Confederation of Labor issued Decision No. 61/QĐ-TLĐ about reducing the monthly TU contribution rate for members at TUGL to 0.5% from 1 July 2025 (instead of 1% as previously).

Accordingly, for members of TUGL at non-state enterprises, foreign organizations, international organizations operating in Vietnam, and foreign executive offices under business cooperation contracts in Vietnam, the monthly contribution rate is 0.5% of the salary used as the basis for compulsory social insurance (“SI”) contributions, capped at 10% of the base salary set by the Government.

If approved by the Expanded Executive Board of the TUGL in a written Resolution and specified in the Internal Expense Policies, the TUGL may stipulate a contribution rate higher than 0.5% of the SI contribution salary or at 0.5% of net salary (salary after deduction of SI, health insurance (“HI”), unemployment insurance (“UI”), and personal income tax). Additional collected TU amount shall be retained 100% by the TUGL to serve activities in compliance with regulations.

TU members receiving SI benefits for one month or more, or having no work, no income, or being on unpaid leave for one month or more, are exempt from contributing TU fees during this period. TU members who are not subject to compulsory SI contribution shall pay TU fees at a fixed rate but not less than 0.5% of the base salary set by the Government.

2. Use of the Personal Identification Number (“PIN”)/Citizen Identification Number (“CIN”) to replace the SI code and unit management code

On 4 August 2025, Vietnam Social Security issued Guidance No. 1804/BHXH-QLT detailing on using PIN/CIN to replace the SI code and unit management code for entities participating in SI and HI with the aim to synchronize with the national population database, which includes the following key points:

SI code of individuals: The PIN/CIN will replace the current SI code of individuals participating in SI, HI, and UI from 1 August 2025.

Unit management code: Entities collectively participating in social security will be issued a unit identification code. A unit management code includes unit identification code, participant category code and business type code.

While waiting for software updates, the existing SI codes (10 digits) and previous unit management codes will continue to be used for management, classification, and retrieval of professional and operational information related to participating units and individuals.

Contact KPMG for support:

Please contact KPMG for detailed advice and support regarding the above regulations. We are ready to accompany your business in understanding the regulations, optimizing implementation processes, and ensuring accurate and effective compliance.


Contact us

 info@kpmg.com.vn

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