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### **New guidance on Labour Code**

On 15 July 2015, the Ministry of Labour, Invalids and Social Affairs issued Official Letter No. 2756/BLDTBXH-LDTL guiding the implementation of certain provisions of the Labour Code. Key points to note in the official letter include:

- Employers cannot unilaterally terminate labour contracts of employees who reach retirement age, but have not yet made the minimum number of years' social insurance contributions required in order to receive pension entitlements (i.e., 20 years). In such cases, and unless both parties agree to termination, the employees will continue working, under either new or their existing labour contracts.
- Employers who fail to notify employees of their performance at least 3 days prior to completion of the employees' probationary periods shall be considered to be in breach of the law and potentially subject to administrative penalties.



*This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information, please contact: Phan Thi Thuy Duong or Veera Mäenpää (PwC Legal, HCMC), Futoshi Funamoto (Japanese Business), Man Jong Hong (Korean Business), Bee Han Theng (Asian Chinese Business Services) at phone (84-8) 38230796, fax (84-8) 38251947 or contact Le Anh Tuan (PwC Legal Hanoi) at phone (84-4) 39462246, fax (84-4) 39460705.*