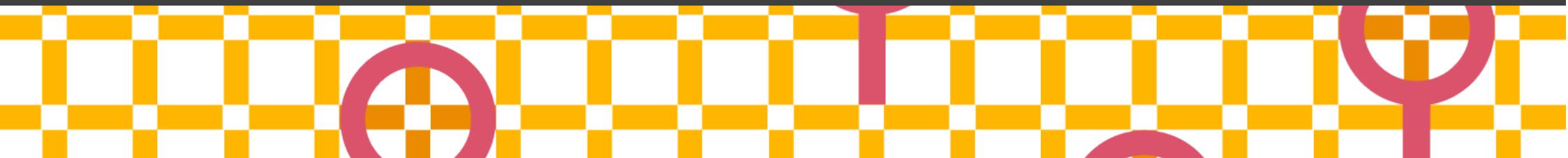


Increased Social Insurance Contributions for Foreign Employees in 2022

13 January 2022



At a glance...

Since 1 December 2018, foreign individuals working in Vietnam have been required to participate in the state social insurance (SI) scheme. However, the introduction of this requirement was on a stepped basis.

Up until 31 December 2021, only a part of the scheme had come into effect.

Effective from 1 January, foreign employees must fully participate in the SI scheme. Both employers and their foreign employees must now contribute to all the three of the SI funds. Therefore, the total SI contribution for foreign employees is now significantly increased.

In detail...

Decree 143/2018 and Notice No. 4447/TB-BHXH

- Please refer to our previous NewsBriefs dated [18 September 2018](#) and [22 November 2018](#) for further details on Decree 143/2018.
- Beginning from 1 January 2022, SI contributions for foreign employees will be increased as follows:

SI Funds		Contribution from Employers		Contribution from Employees	
		Dec '18 - Dec '21	Jan '22 onward	Dec '18 - Dec '21	Jan '22 onward
SI	Occupational accidents/ diseases	0.5% **	0.5% **	n/a *	n/a *
	Sickness & maternity	3.0%	3.0%	n/a *	n/a *
	Retirement & death	0	14.0%	0	8.0%
Total		3.5%	17.5%	0	8.0%

(*) n/a: not applicable, i.e. employees are not required by law to contribute to these two SI funds

So the rate increases by a hefty 22%!

- On 22 December, the HCMC SI Agency issued Notice No. 4447/TB-BHXH reminding about the new SI contribution rates for foreign employees which are applicable from 1 January 2022.

Of note:

- Only foreign individuals working under a work permit/practicing certificate/practicing license and having a labour contract with a term of one year or more with a company in Vietnam are subject to the mandatory SI scheme regulated in Decree 143.
- The salary used to calculate SI contributions is capped at 20 times the minimum salary, which is currently VND29,800,000. Therefore, SI contributions of a foreign employee (8%) and his/her employer (17.5%) will now amount to approx. \$103/month (\$1,240/year) and approx. \$226/month (\$2,720/year) respectively. So a total increase (22%) is of approx. \$285/month (\$3,420/year) per foreign employee.
- (**) According to Resolution 68/NQ-CP and Decision 23/2021/QĐ-TTg, employers' contributions to SI fund for occupational accidents and diseases are reduced from 0.5% to 0% from 1 July 2021 to 30 June 2022 as support from the Government during Covid-19 (please refer to our previous [Legal NewsBrief](#) for further details on Resolution 68 and Decision 23).

Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information or if you require our official advice or assistance, please reach out to us.



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