

# NEWLETTER

## TAX & LEGAL UPDATES

Alert on  
the Law of Social  
Insurance  
**No. 41/2024/QH15**



# The Law of Social Insurance No. 41/2024/QH15

The National Assembly has approved the Law on Social Insurance 2024, including 11 Chapters and 141 Articles, which will take effect from 01 st July 2025, with many major changes and many additional benefits for participants.



# Some of the main changes includes

1. Expanding the category of participants who eligible for contributing to compulsory social insurance
2. Specific regulations on the reference level in place of the minimum basic salary
3. Supplementation of social benefits for Social Insurance participants
4. Social Insurance payment deadlines
5. Supplementing regulations on overdue payment and evasion of social insurance payment
6. Notable changes on social insurance regimes



# Expanding the category of participants who eligible for contributing to compulsory social insurance (1/1) < >



- Employees working for the employer under a contract with a different name, but the content shows that this is a paid job with specific articles about salary, management, supervision, and administration of a party.
- The category of employees working under a labour contract or a type of contract that is essentially a labour contract but works part-time and has a monthly salary that is greater than or equal to the minimum basic salary for the lowest compulsory social insurance.
- Enterprise managers, controllers, representatives of state capital, and representatives of enterprise capital according to the provisions of law; Members of the Board of Directors, General Director, Director, members of the Supervisory Board or controllers and other elected management positions of cooperatives and unions of cooperatives according to the provisions of the Law on Cooperatives no salary.
- The owner of business households with business registration.
- Foreign workers who have a labour contract of 12 months or more must take part in Social Insurance except for the following cases: internal transfer, of retirement age at the time of entering the labour contract and cases that is exempt due to International Agreement application, remove the requirements of having work-permit or professional certificate.



## **Specific regulations on the reference level in place of the minimum basic salary**

Reference level is the amount decided by the Government to calculate the level of payment and benefits of several social insurance regimes. In fact, this regulation is issued to replace the minimum basic salary, which is currently applied but will be removed in the future under the salary reforming program.

## **Supplementation of social benefits for Social Insurance participants**

- Supplementing the allowance regime for the elderly aged 75 and over (elderly aged from 70 to under 75, belong to the poor or near- poor households) without pensions.
- Supplementing regulations on regimes for employees who are not eligible for pensions and are not old enough to benefit from social pension.

## **Social Insurance payment deadlines**

Deadline for paying compulsory social insurance has been adjusted. Specifically: the last day of the following month for the monthly payment method or the last day of the month immediately follows the payment cycle for the payment period of every 03 months or every 06 months.



## Supplementing regulations on overdue payment and evasion of social insurance payment

The definition of overdue payment and evasion of social insurance is detailed, providing the authorities with a clearer basis to ascertain the appropriate penalty for each case. Furthermore, the penalty interest rate for late payments of Social Insurance and Unemployment Insurance will be updated to a fixed rate of 0.03% per day, replacing the prior year's Social Insurance fund investment return rate.



## Notable changes on social insurance regimes

- **Sickness benefits:** Employees who take half a day of sick leave will be entitled to sickness benefits. The half-day sickness allowance is calculated as half of the one-day sickness allowance.
- **Reduction of the minimum year's qualification for pension entitlement:** Employees who have contributed to social insurance premiums for a full 15 years and above are entitled to a monthly pension once they reach the retirement age. This does not apply to employees entitled to pension due to their work capability impairment, the social insurance contribution period for these cases is 20 years and above.







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