Introduction of Vietnam Social Security

International Cooperation Department, VSS

10-2012
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Development History

1992
The Government issued Decree 299 on Health Insurance. Vietnam Health Insurance was formed under the Ministry of Health.

1994
National Assembly ratified the Labour Code including Charter 12 on Social Insurance.

1995
The Government issued Decree 12 and Decree 45 on Social Insurance. Formation of Vietnam Social Security system is a government agency to implement policy and manage Funds.
Mergence between Vietnam Social Security and Vietnam Health Insurance

The Government promulgated Social Insurance Law

Implementation of Voluntary Social Insurance

The Government promulgated Health Insurance Law
Vietnam Social Security (VSS) is a government agency organized into three levels:

- **VSS Headquarters**
- **Provincial SS Offices**
- **District SS Offices**

Total workforce of VSS system is around 18,000 people.
Pay-agents/ collection agents for health insurance
The Governing Body of VSS

The Governing Body is formed by the Government to monitor and supervise the management of Director General of Vietnam Social Security. The Governing Body comprises of:

- **Chairman**: Minister of Finance

- **Permanent Deputy Chairman**: Director General of Vietnam Social Security

- **Members**: representatives from Ministry of Labour, Invalids and Social Affairs, Ministry of Health, Ministry of the Interior, the Trade Union, Chamber for Commerce and Industry of Viet Nam, Viet Nam Cooperatives Alliance, Vietnam Farmers Association;
Functions and Tasks

The functions

- Implement Social Security Schemes in Vietnam
- Manage the Social Insurance and Health Insurance Funds.

The tasks

- Manage the participants and collect HI, SI contributions;
- Consider and grant retirement pension and social security benefits;
- Pay retirement pension, social insurance and unemployment benefits, and compensate medical costs for insured patients;
- Undertake investment activities in order to preserve and appreciate values of social security funds;
- Inspect the contribution collection and benefits payment, settle complaints on implementation of social security policies;
- Undertake international cooperation, training, scientific researches and propaganda activities on social security.
The Benefits

1. Retirement benefit
2. Maternity benefit
3. Cash sickness benefit
4. Work injury and occupational diseases benefit
5. Survivor’s benefit
6. Unemployment benefit
7. Health insurance benefit
Social Insurance Coverage

❖ Compulsory coverage

- Public servants.
- Contract employees who work in all enterprises employing one worker or more.
- Commissioned and non-commissioned officers in the armed forces.

❖ Voluntary coverage

- The people who are uncovered by compulsory schemes
Social Insurance Membership

Million people

Social insurance

Year: 2004 - 2011

- 2004: 5.7
- 2005: 6.21
- 2006: 6.75
- 2007: 7.15
- 2008: 8.53
- 2009: 9.10
- 2010: 9.4
- 2011: 10.1
Compulsory coverage

- Public servants;
- Contract employees who work in all enterprises employing one worker or more;
- Commissioned and non-commissioned officers in the armed forces;
- Social Security beneficiaries;
- Priority people, relatives of Armed force personnel, Veterans
- Students and school children;
- Children under 6;
- The poor.

Voluntary coverage

- The people uncovered by compulsory schemes
Health Insurance Membership

(Thousands)

Percent (%)

2004 2005 2006 2007 2008 2009 2010 2011

Total Compulsory members Voluntary members Proportion of Pop.

2004 18366 22.4%
2005 23208 28.0%
2006 36778 42.0%
2007 37850 45.0%
2008 39747 46.0%
2009 50069 58.0%
2010 53592 60.0%
2011 57130 66.0%

2004 2005 2006 2007 2008 2009 2010 2011

0 10000 20000 30000 40000 50000 60000

0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%
VSS directly contracts with 2303 health care providers over the country for delivering health care services to the insured persons.

<table>
<thead>
<tr>
<th>Health Care Providers</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public hospitals and health centers</td>
<td>1922</td>
</tr>
<tr>
<td>Non-public hospitals</td>
<td>381</td>
</tr>
</tbody>
</table>

*Source: VSS 06/2011*
The contribution rates

Compulsory social insurance:

1. Employers: 18%
2. Employees: 8%
3. State Budget: 1%

Health insurance:

- For Employees, Civil servants, Armed forces personnel, the contribution rate is 4.5% of income in which:
  1. Employers: 3%
  2. Employees: 1.5%

- The social security beneficiaries: 4.5% of monthly benefits.
- Students and school children: 3% of the Minimum wage.
- Other groups: 4.5% of the Minimum wage.
The social security funds is funded by the followings sources:

- Contribution of employees
- Contribution of employers
- State budget
- Return on Investment

The social security funds is invested as follows:

- Loan to the State budget
- Purchases of Government Bonds and Treasury Bills
- Loan to the State commercial banks
- Investing in key national projects
The accumulative fund

Billion Dong

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund (Billion Dong)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>42,568</td>
</tr>
<tr>
<td>2005</td>
<td>51,588</td>
</tr>
<tr>
<td>2006</td>
<td>60,739</td>
</tr>
<tr>
<td>2007</td>
<td>68,739</td>
</tr>
<tr>
<td>2008</td>
<td>68,808</td>
</tr>
<tr>
<td>2009</td>
<td>98,563</td>
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<tr>
<td>2010</td>
<td>137,983</td>
</tr>
<tr>
<td>2011</td>
<td>180,961</td>
</tr>
</tbody>
</table>
- **Extend:** Social insurance coverage to entire working population,
  - Universal health insurance.

- **Take measures** to ensure the sustainability of the social security fund;

- **Develop** modern infrastructure, apply information technologies to the system’s operation;
Thank you for your attention!