

Tax & Legal Alert

Decree No. 158/2025/ND-CP and Circular No. 12/2025/TT-BNV providing detailed guidance on the implementation of certain provisions of the 2024 Law on Social Insurance

July 2025



Detailed regulations and guidelines on certain provisions of the Social Insurance Law regarding mandatory insurance

On 25 June 2025, the Government issued Decree No. 158/2025/ND-CP ("Decree 158"), providing detailed guidance on the implementation of certain provisions of the 2024 Law on Social Insurance. Following that, on 30 June 2025, the Ministry of Home Affairs issued Circular No. 12/2025/TT-BNV ("Circular 12") detailing certain provisions of the Law on Social Insurance. These Decree 158 and Circular 12 take effect from 01 July 2025, marking a significant change in expanding the coverage of compulsory social insurance, with several new provisions directly affecting businesses, household businesses, and employees.

1 Exempted subjects from compulsory social insurance participation

- ✓ Employees working under probationary contracts as prescribed by labor laws, and part-time workers whose wages are lower than the minimum salary level for social insurance contributions.

2 Expansion of compulsory social insurance coverage – household business owners

- ✓ Household business owners of registered household businesses that pay taxes under the declaration method (if they do not fall under this tax category, they will be required to participate starting from 01 July 2029);
- ✓ In cases where a household business owner (or business manager) falls under multiple categories subject to compulsory social insurance, participation will follow the prioritized order of participation specified for each case in this Decree.

3 Expansion of compulsory social insurance coverage – other subjects

- ✓ Individuals working under fixed-term labor contracts of one month or more;
- ✓ Business managers, controllers, capital representatives, members of the Board of Directors, CEOs, and other managerial positions, whether or not they receive salaries;
- ✓ Part-time employees working under labor contracts;
- ✓ Full-time militia members, and spouses receiving living allowances when appointed to overseas assignments for a term.



Detailed regulations and guidelines on certain provisions of the Social Insurance Law regarding mandatory insurance (cont.)

4 Reference level – basis for calculating social insurance contributions and benefits

- ✓ The reference level is a monetary amount determined by the Government and adjusted based on the consumer price index, economic growth, state budget capacity, and the social insurance fund;
- ✓ While the base salary remains in effect, the reference level specified in the Social Insurance Law is equal to the base salary. When the base salary is abolished, the reference level must not be lower than the last applied base salary.

5 New guidelines on salary as the basis for social insurance contributions

1. Employees subject to the salary regime decided by the employer:

The salary used as the basis for compulsory social insurance contributions is the monthly salary, including the job or position salary, salary allowances, and other additional amounts agreed to be paid regularly and stably in each pay period (excluding other additional amounts dependent on or fluctuating according to labor productivity, work process, and quality of work performed by the employee).

2. Part-time employees

The social insurance contribution is based on the monthly salary agreed upon in the labor contract. If the labor contract stipulates an hourly/daily/weekly wage, the monthly salary is calculated by multiplying the hourly/daily/weekly wage by the corresponding number of hours/days/weeks worked in the month as agreed in the labor contract.

3. Salaried enterprise managers

The salary used as the basis for compulsory social insurance contributions is the salary that this subject is entitled to according to the law.



Detailed regulations and guidelines on certain provisions of the Social Insurance Law regarding mandatory insurance (cont.)

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Adjustment of regulations on the collection and payment of compulsory social insurance arrears

- 1. Amendments and supplements to cases of arrears collection and payment of compulsory social insurance**
 - ✓ In cases where salary adjustments increase the salary used as the basis for compulsory social insurance contributions, an additional condition is the retroactive implementation period;
 - ✓ Supplementing cases where business household owners, enterprise managers, and Vietnamese workers working abroad who are extended/renewed their labor contracts in the signing country without paying social insurance after the latest stipulated deadline.
- 2. Shortened the time for compulsory social insurance arrears payment to avoid late payment interest**
 - ✓ The deadline for arrears payment according to the new regulations is until the end of the last day of the month following the month in which the salary increase adjustment decision is made;
 - ✓ For business household owners and enterprise managers who pay social insurance after the latest stipulated deadline, the arrears amount is the compulsory social insurance amount to be paid plus an amount equal to 0.03% per day calculated on the compulsory social insurance amount to be paid and the number of days paid after the latest social insurance payment cycle.

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Guidelines for retirement benefits – voluntary social insurance + compulsory social insurance

- ✓ Employees with at least 15 years of compulsory social insurance contributions, if they fall under the categories specified in Article 64 of the Social Insurance Law, or with at least 20 years of compulsory social insurance contributions, if they fall under the categories specified in Article 65 of the Social Insurance Law, will have their retirement conditions and pension levels determined according to the compulsory social insurance policy.;
- ✓ Those who have both voluntary and compulsory social insurance contributions, if they participated in voluntary social insurance before 01 January 2021, and have at least 20 years of voluntary social insurance contributions, the retirement age requirement is 60 years for men and 55 years for women.



Detailed regulations and guidelines on certain provisions of the Social Insurance Law regarding mandatory insurance (cont.)

8 Guidance on social insurance regimes from 01 July 2025

- ✓ **Sickness regime:** The scope of beneficiaries is expanded to include female employees returning to work after maternity leave, female employees who have a child through surrogacy, the husband of the female employee in a surrogacy case, or the person directly raising the child without taking leave from work. The maximum entitlement period to the sickness regime in 2025 does not include the period of leave already taken before 01 July 2025 for treatment of illnesses on the list of diseases requiring long-term treatment;
- ✓ **Maternity regime:** Provides detailed regulations on the entitlement conditions applicable to specific cases (childbirth, adoption, surrogacy, etc.), based on the period of compulsory social insurance contribution in the 12 or 24 consecutive months prior to the month of childbirth or adoption;
- ✓ **Retirement regime:** For employees who are eligible for pension but continue paying social insurance contributions, the one-time retirement allowance for the contribution period exceeding 35 years for men and 30 years for women is calculated at 0.5 to 2 times the average monthly salary used as the basis for social insurance contributions (depending on whether the additional contribution period occurs before or after the statutory retirement age);
- ✓ **Survivor regime:** Provides detailed guidance on the entitlement conditions, identification of eligible dependents, and in cases where the dependent has no direct caregiver, a monthly survivor allowance equal to 70% of the reference level is granted in accordance with regulations.



Deloitte Vietnam's recommendations for enterprises and business households



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From 01 July 2025, there are currently no clear regulations on specific reference salary levels as the basis for social insurance contributions, so many businesses are temporarily applying the basic salary to ensure compliance.

According to the old regulations, the monthly salary used as the basis for social insurance contributions did not include certain regimes and other benefits such as bonuses, meal allowances, allowances related to work transportation, etc.

However, Decree 158 and Circular 12 do not specifically list the excluded items as the old regulations did, but only stipulates that the items not included in social insurance contributions are salary allowances or other additional amounts dependent on or fluctuating according to labor productivity, work process, and quality of work performed by the employee. This raises the possibility that some benefits previously excluded from social insurance contributions under the old regulations may now be included if they do not meet the exclusion conditions under Decree 158.

In the current context, Deloitte recommends that businesses and business households take the following measures to ensure compliance with compulsory social insurance regulations and manage potential risks:

Preparation

Monitor and await official guidelines to replace the social insurance regulations, ensuring correct and consistent implementation of compulsory social insurance regulations.

Adaptation

Swiftly arrange processes and conduct internal reviews to meet the new adjustments to compulsory social insurance from 01 July 2025.

Consultation

Enhance awareness of the risk levels associated with the collection and payment of social insurance arrears and contact experts on a timely basis to respond to new developments in compulsory social insurance.





**Vietnam Tax Firm
of the Year
(2021 – 2024)**



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