

Summary of new points of Law on Employment 2025

On 16 June 2025, the National Assembly passed the Law on Employment No. 74/2025/QH15 (“Employment Law 2025”). The Employment Law 2025 shall take effect from 1 January 2026 and will replace the Law on Employment No. 38/2013/QH3 which was passed by the National Assembly on 16 November 2013 (“Employment Law 2013”).

Below is a summary of several notable new provisions introduced under the Employment Law 2025 as compared to the Employment Law 2013:

1. Labour registration information and database on labourers

For the first time, the Employment Law 2025 stipulates that both employers and employees must register and update labour registration information when registering or adjusting information on employee’s social insurance (“SI”) participation.

The labour registration information of employees includes: (a) Basic information: last name, middle name and birth name; personal identification number; date of birth; gender; ethnicity; current residential address; (b) Information on general education, vocational education, higher education, vocational skills certificates and other certificates; (c) Information on employment status and job seeking needs; (d) Information on SI, unemployment insurance (“UI”); (e) Other information regarding characteristics and particularities of the registrant.

This information shall be connected to, updated from, synchronized with, and shared via the National consolidated database, national database, specialized database, and other databases as prescribed under the Law on Employment, laws on

data, and other relevant laws; and the Database on labourers is established and managed centrally and uniformly nationwide in accordance with laws on data.

The Government will provide detailed regulations on records, procedures, places for labour registration as well as the reception, management, exploitation, connection, sharing, and use of the Database on labourers.

2. Employment services

The Employment Law 2025 amends:

(a) The scopes of employment services, accordingly “Employment services” include job counselling and placement; labour supply and referral to employers; collection, analysis, storage, and provision of information on the labour market; and

(b) Employment service organizations, which will include Public Employment Service Organizations (replacing the former Employment Service Centers) and Enterprises providing employment services;

in which, enterprises providing employment services continue to be defined as enterprises established and operating in accordance with laws on enterprises and licensed by a competent State agency to operate in the field of employment services when having physical facilities and personnel that meet the requirements for operating in employment services, having made the security deposit and maintaining these conditions throughout their operations; these enterprises are also allowed to establish branches. However, the Employment Law 2025 provides more specifically that an enterprise providing employment service may only establish a branch if the branch has physical facilities that meet the requirements for operating in employment services and must notify the agency in charge of employment of the provincial-level People’s Committee of the locality where the enterprise’s head office is located before commencing any employment service

operation.

3. Subjects participating in unemployment insurance

The Employment Law 2025

(a) expands the categories of subjects participating in UI. Accordingly,

(i) UI participants include:

- Persons working under indefinite-term employment contracts (“ECs”), definite term ECs with a term of 1 month or more (instead of full 3 months or more according to the Employment Law 2013), including cases where employees and employers agree on a different name of the contract but it contains terms that involve paid employment, wages and management, administration and supervision by one party;
- Employees working under the above-mentioned ECs on a part-time basis, with monthly salaries equal to or above the lowest salary level used as the basis for payment of compulsory SI contributions as stipulated by the Law on SI (it is noted that Decree No. 158/2025/ND-CP dated 25 June 2025, detailing and providing guidelines for implementation of a number of articles of the Law on SI with respect to compulsory SI provides that when the basic salary has not yet been cancelled, the reference level prescribed in the Law on SI is equal to the basic salary);
- Persons working under working contracts();
- Enterprise managers, controllers, representatives of capital contribution portions of enterprises as prescribed by law; members of the Board of Directors, General Directors, Directors, members of the Supervisory Board or controllers and other elected management positions of cooperatives and cooperative unions as stipulated by Law on Cooperatives who receive salaries (this is a newly added category).

(ii) In addition, the Standing Committee of the National Assembly shall decide on UI participation for other subjects

who have stable and regular employment and income based on the Government's proposal in accordance with the socio-economic development conditions of each period.

(b) clearly stipulates that

(i) In the case where an employee simultaneously falls within multiple UI participation categories as stated in Point (i), Item (a) above, the employee and the employer (not just the employer under the first signed EC as stipulated in the Employment Law 2013) are each responsible for participating in UI alongside compulsory SI; and

(ii) Employees in the categories set out under Point (i), Item (a) above who are receiving a pension, SI allowance, monthly allowance according to the Government's regulations or who are eligible for a pension; Employees working under probationary contracts according to the provisions of Labour Law; and, Employees who are domestic workers, are not eligible to participate in UI.

4. Unemployment insurance contributions payment

The Employment Law 2025

(a) Clearly stipulates that employers are responsible for fully paying UI contributions (but removes the regulation that employers must participate in UI for an employee at the SI organization within 30 days from the effective date of the EC or the working contract according to the Employment Law 2013); and that dealing with delay and evasion of SI contributions payment shall be carried out in accordance with the Law on SI 2024.

(b) At the same time, supplements the provisions that in case of failure to fully pay SI contributions for an employee upon termination of the EC/ working contract or termination of employment that, the employer is responsible for paying an amount corresponding to the UI benefits to which the employee

is entitled according to the provisions of law.

(c) Flexibly sets out the maximum UI contribution rate of 1% instead of fixing at 1% as under the Employment Law 2013; and allows the Government to regulate the reduction of UI contribution rate in cases of crisis, economic recession, natural disasters, fires, hostilities or dangerous epidemics, based on actual situation and the balance of the UI Fund to ensure policy flexibility and enhance the Government's proactive management.

(d) Supplements regulations

(i) Providing guidelines

- For the case where an employee ceases work but continues to receive monthly salary equal to or above the lowest salary level used as the basis for compulsory SI contributions payment, in such case, the UI contributions payment shall be based on the salary actually received during cessation period;
- For employees working under ECs remunerated on a piece-rate basis or a lump-sum basis at enterprises, cooperatives, cooperative unions, and business households operating in the fields of agriculture, forestry, fisheries, and salt production; employers must register with the SI agency and pay UI contributions monthly, quarterly or semi-annually. The deadline for payment is the last day of the month immediately following the payment cycle.

(ii) Allowing that

- The UI contributions payable by employers for employees with disabilities may be reduced for a period of no more than 12 months to encourage the hiring and retention of employees with disabilities.
- Employees and employers may temporarily suspend UI contributions payment if the employee participating in UI is detained or temporarily suspended from work; in case where the employee is entitled to receive full salary back, the employee

and employer shall make back payments for the period of detention or temporary suspension from work equal to the amount payable for the months of temporary suspension and shall do so concurrently with their back payments of compulsory SI contributions. The collection and payment of UI contributions in arrears shall be implemented together with the collection and payment of compulsory SI contributions in arrears in accordance with the provisions of the laws on SI.

5. Unemployment insurance regimes

The Employment Law 2025 continues to stipulate the 4 UI regimes similar to those under the Employment Law 2013; however, the regimes are more clearly defined and expand the benefits for both employees and employers as follows:

(a) “Vocational training support” regime: is expanded to “Support for employees in training and vocational skills improvement” regime; accordingly, employees will be supported not only in vocational and skill trainings but also with food expenses during participation in training and vocational skills improvement, thus helping reduce difficulties for unemployed people when participating in vocational training.

(b) “Unemployment allowance” regime: the case where employees who resign upon meeting pension eligibility will not be entitled to receive unemployment benefits is added; and the waiting period for unemployment benefit eligibility is reduced from 15 days to 10 working days.

(c) “Support for training, fostering, and improving vocational skills to maintain employment for employees” regime: is refocused as “Support employers to train, foster, and improve vocational skills to maintain employment for employees” regime, which specifies employers as subjects to be supported in cases that affect the employment or are at risk of affecting the employment of many employees participating in UI; and the conditions for applying this support regime are

revised, in which:

- Force majeure is defined to include: (i) Natural disasters, fires, enemy sabotage or dangerous epidemics; or (ii) Implementation of a competent State agency's decision on relocating or downsizing the production and business premises;
- The conditions for paying UI contributions are revised, accordingly, UI contributions must have been paid for at least 12 months within 24 months preceding the support request (instead of having paid for full 9 months within 24 months before the termination of the EC or working contract as prescribed by law under the Employment Law 2013);
- The requirement that "A plan to train, foster, and improve vocational skills to maintain employment must be in place" is added; and
- The prior requirement that "There is insufficient fund to organize training, foster, and improve vocational skills for employees" is removed.

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