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## LEGAL UPDATE

### No. 2 – Feb 2024

(15 Feb 2024 – 29 Feb 2024)



### News in focus

*Regulations on salary increase  
for compulsory social  
insurance contributions*

*(From July 1, 2024)*



### New legal documents

Remarkable among documents:

Decree 21/2024/ND-CP amending Decree 51/2016/ND-CP regulating labor, wages and bonuses management for employees working in one-member limited liability companies in which the State holds 100% of charter capital and Decree 52/2016/ND-CP regulating wages, remuneration and bonuses for managers of one-member limited liability companies in which the State holds 100% of charter capital



### **Regulations on salary increase for compulsory social insurance contributions**

***(From July 1, 2024)***

From July 1, 2024, many important wage policies will be implemented, including wage reform and an increase in the regional minimum wage.

In this legal update, WIKI LEGAL will highlight the main points of the salary policy for compulsory social insurance contributions from July 1, 2024.

## 1. Salary for compulsory social insurance contributions for cadres, civil servants and public employees

(1) Employees who are subject to the salary regime prescribed by the State, the monthly salary for compulsory social insurance contributions is the salary according to ranks, military ranks and allowances for positions, seniority allowances beyond the frame, professional seniority allowances (if any).

Currently, this salary is calculated on the base salary (The base salary from Jan 1 to June 30, 2024 is VND 1,800,000/month).

The monthly salary for compulsory social insurance contributions specified in this section (1) includes the difference coefficient reserved in accordance with the law on wages.

(2) For non-specialized workers in communes, wards and townships, the monthly salary for social insurance contributions is the base salary (The base salary from Jan 1 to June 30, 2024 is VND 1,800,000/month).

However, from July 1, 2024, when wage reform is implemented, the base salary will be abolished.

According to the latest information, from July 1, 2024, it is expected that the average salary of cadres, civil servants and public employees will be increased by about 30% (including basic salary and allowances).

From 2025, this salary will continue to be adjusted to increase by an average annual increase of about 7%/year.

=> In conclusion, by July 1, 2024, when the salary of civil servants and public employees increases, it will also increase the salary of compulsory social insurance contributions for cadres, civil servants and public employees.

## 2. The salary for social insurance contribution is decided by the enterprise

(1) Wages as the basis for employees' social insurance contributions, including:

- The salary stated in the labor contract;
- Salary allowance: allowance for position and title; liability allowances; heavy, hazardous, dangerous allowances; seniority allowances; regional allowances; itinerant allowances; attraction allowances and allowances of similar natures;
- Additional amounts determined by specific fees together with the salary agreed upon in the labor contract and paid regularly in each salary payment period implemented from 01/01/2018.

(2) Monthly salary for compulsory social insurance contributions does not include:

- Initiative Bonuses;
- Mid-shift meal money;
- Assistance with gas, telephone, transportation, housing, child care, child support;
- Support money for employees whose relatives die, employees whose relatives are married, employees' birthdays, allowances for employees facing difficult circumstances when suffering from labor accidents, occupational diseases and other supports and allowances recorded in separate items in the labor contract.

(3) The monthly salary as the basis for contribution for the enterprise manager enjoying the salary is the salary decided by the enterprise; For managers and operators of cooperatives entitled to a salary, the salary decided by the Members' Congress, except for full-time management officers in a one-member limited liability company owned by the State.

(4) The monthly salary for compulsory social insurance, health insurance and unemployment insurance contributions is not lower than the regional minimum wage at the time of payment for employees doing the simplest job or title under normal working conditions.

(5) The monthly salary paid for social insurance, health insurance, insurance for labor accident - occupational disease is **higher than 20 months of base salary**, the monthly salary paid for social insurance, health insurance, insurance for labor accident - occupational disease is **equal to 20 months of base salary**. (Currently, there is no written guidance on how the monthly salary for social insurance contributions will be calculated).

In case the employee's monthly wage is higher than 20 months of the regional minimum wage, the monthly salary for unemployment insurance contribution is equal to 20 months of the regional minimum wage.

## B - New legal documents

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### Remarkable new legal documents

*(Enacted from 15 Feb 2024 to 29 Feb 2024)*

No.	Legal documents
<b>INVESTMENT - COMMERICAL</b>	
1	Decree 15/2024/ND-CP amending Decree 30/2013/ND-CP on air transport business and general aviation activities and Decree 92/2016/ND-CP regulating conditional business lines in the field of civil aviation
	Enactment Date: 16 Feb 2024
2	The Minister of Planning and Investment's Circular 01/2024/TT-BKHDT guiding the provision and posting of information on contractor selection and bidding dossier forms on the National Procurement Network
	Enactment Date: 15 Feb 2024
<b>CULTURE – SOCIETY</b>	
3	Decree 19/2024/ND-CP amending Decree 48/2019/ND-CP on management of water recreation and recreation vehicles
	Enactment Date: 23 Feb 2024

No.	Legal documents	
<b>TRAFFIC - CONSTRUCTION</b>		
<b>4</b>	Decree 20/2024/ND-CP amending Decree 05/2021/ND-CP on management and operation of airports and Decree 64/2022/ND-CP amending Decree related to business activities in the field of civil aviation	
	Enactment Date: 23 Feb 2024	Effective Date: 10 April 2024
<b>5</b>	The Minister of Transport's Circular 03/2024/TT-BGTVT amending Circular 27/2011/TT-BGTVT stipulating the application of amendments and supplements in 2002 to the International Convention for the Safety of Life at Sea 1974 together with the International Ships and Port Facility Security Code	
	Enactment Date: 21 Feb 2024	Effective Date: 15 April 2024
<b>6</b>	The Ministry of Transport's Consolidated document 02/VBHN-BGTVT in 2024 consolidating the Circular stipulating the price frame for passenger transportation services on domestic routes	
	Enactment Date: 23 Feb 2024	Effective Date: 23 Feb 2024
<b>LABOR</b>		
<b>7</b>	Decree 21/2024/ND-CP amending Decree 51/2016/ND-CP regulating labor, wages and bonuses management for employees working in one-member limited liability companies in which the State holds 100% of charter capital and Decree 52/2016/ND-CP regulating wages, remuneration and bonuses for managers of one-member limited liability companies in which the State holds 100% of charter capital	
	Enactment Date: 23 Feb 2024	Effective Date: 15 May 2024
<b>8</b>	The Minister of Labor, Invalids and Social Affairs' Circular 02/2024/TT-BLDTBXH amending Circular 21/2021/TT-BLDTBXH guiding the Law on Vietnamese workers working abroad under contracts	
	Enactment Date: 23 Feb 2024	Effective Date: 15 May 2024