



# How to Hire and Fire: A Global Guide

2015 Edition





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## Using this e-book Guide

This e-book is divided into chapters by country, listed in alphabetical order. In the case of a federal country (eg USA), there are separate chapters covering the individual state jurisdictions as well as a chapter covering federal law itself.

We hope that this e-book is easy to navigate. If you get stuck, please refer to the notes below. Clicking on a country/jurisdiction in the list of contents will take you straight to the corresponding chapter. Alternatively, you can navigate around the book by electronically "flicking" through the pages.

If you would like to contact the author of a chapter directly, click the individual's name at the top of the relevant chapter to open a blank email addressed to the person, ready for you to complete and send with your enquiry.

To find out more about the member firm in any particular jurisdiction, please click on the firm name (which is both at the top of each chapter - underneath the author's name - and again at the end of each chapter) and you will be directed to the firms' website.

Clicking on the "home" logo at the top of each page will take you straight back to the contents page."

# Vietnam



## Vietnam



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## 01. General Principles

### Forums For Adjudicating Employment Disputes

Depending on its nature, a labour dispute in Vietnam may be settled by a labour conciliator, the chairman of the district people's committee, arbitration, and/or the court.

In particular, for individual labour disputes (i.e., disputes between an individual employee and his/her employer), the competent authorities for dispute settlement include labour conciliators and the court. Except for cases involving dismissal or unilateral termination, payment of compensation or severance to an employee, etc., individual labour disputes must be first settled by a labour conciliator appointed by the local labour authority. If either of the parties does not agree to the solution proposed by the conciliator or either party fails to comply with the conciliation agreement, then it may submit the dispute to the court.

For collective labour disputes (i.e., disputes between the employees as a group and the employer), if a dispute is considered to be regarding existing rights (i.e., a dispute as to the performance of rights and obligations of the parties under the collective labour agreement or labour laws), then the competent authorities for dispute settlement include labour conciliators, the chairman of the district people's committee, and the court. The dispute must be first settled by a labour conciliator. If a mutual agreement as suggested by the conciliator cannot be achieved, then either party may submit the dispute to the chairman of the district people's committee for settlement. If either of the parties cannot agree to the settlement rendered by the chairman, then the dispute may be submitted to the court.

If a collective labour dispute involves new benefits (i.e., a dispute arising from a new demand of either of the parties that is not yet stipulated under the labour laws or the collective labour agreement, such as a dispute as to the demand of the employees for a salary raise or reduction of working hours, etc.) the competent authorities for dispute settlement include labour conciliators and labour arbitration councils. The dispute shall initially be settled by way of conciliation through a labour conciliator. If conciliation fails, then a party may submit the dispute to the arbitration council for settlement. The arbitration council acts similarly to a conciliator. In fact, it does not render any award. Rather, it tries to convince the parties to come to a mutual agreement. If a party (usually the employees) does not agree to the settlement proposed by the arbitration council then it may go on strike.



### The Main Sources Of Employment Law

The main sources of employment law in Vietnam are the Labour Code (initially introduced in 1994 and amended several times before being entirely replaced by the new Labour Code, adopted by the National Assembly of Vietnam on 18 June 2012, and in force since 1 May 2013), the Law on Work, the Law on Vietnamese Labourers Working Overseas Under Contract (adopted by the National Assembly of Vietnam on 29 November 2006), government decrees, ministerial circulars and decisions, provincial decisions and guidelines, collective labour agreements, company rules, individual contracts, and the Supreme Court's annual judgment practice summaries and guidelines.

### National Law And Employees Working For Foreign Companies

Except for those foreign individuals working in Vietnam under an intra-company transfer regime (i.e., a foreign parent company assigns its employee to work at its Vietnam-based subsidiary under an offshore contract), Vietnamese labour laws apply to all individuals physically present in Vietnam working for Vietnam-based organizations (including foreign-invested enterprises).

### National Law And Employees Of National Companies Working In Another Jurisdiction

Normally, Vietnamese labour law is applied when Vietnamese companies send their employees to work overseas. Technically, the employment contract does not need to specifically address this issue.

## 02. Hiring The Employee

### Legal Requirements As To The Form Of Agreement

A labour contract must be in writing and executed before the employee starts to work. Contracts for temporary jobs which last for a term of less than three months do not need to be in writing and can be oral. There are statutory requirements as to the form and the essential terms of a labour contract. A labour contract must be written in Vietnamese or in both Vietnamese and another foreign language which is applicable to the employee and employer. Normally, the use of a template contract issued by the labour authority is mandatory.

### Mandatory Requirements

#### Trial Period

There is no compulsory obligation to provide trial periods, otherwise known as 'probationary periods', when engaging new employees, but it is common in practice to do so. A probationary period must not exceed sixty (60) calendar days for jobs requiring a college degree or more; thirty (30) calendar days for jobs requiring vocational qualifications or technical workers and professional staff; and six (6) business days for other types of work. Employees must be paid at least 85% of their normal salary during the trial period.

#### Hours of Work

The maximum working hours is eight (8) hours per day and forty-eight (48) hours per week for normal working conditions. Working hours may be on an hourly, daily or weekly basis, depending on the employer's needs. If on a weekly basis, the regular working hours must not exceed ten (10) hours a day and forty eight (48) hours a week. For jobs on the list of extremely heavy, toxic or dangerous working conditions as specified by the competent authorities, the regular working hours shall not exceed six (6) hours a day. Night-shift work hours are from 10:00 p.m. to 6:00 a.m. of the subsequent day.

#### Earnings

Vietnamese labour laws require that the salary payable to the employees must at least be equal to the minimum salary declared by the Government from time to time. The current regional minimum salary applicable to non-State-owned enterprises ranges from VND 2,150,000 to VND 3,100,000 (approximately USD 100 to USD 145), depending on the geographical area. This salary level may change from time to time.

#### Holidays/Rest Periods

There is a requirement that employees must take a rest period of a minimum of twenty four (24) consecutive hours per week. There are also various compulsory daily and weekly rest periods and/or breaks which have to be observed. For instance, an employee who works for eight (8) hours (or six (6) hours for extremely heavy, toxic or dangerous work) consecutively shall be entitled to a break of at least thirty (30) minutes which shall be included in a set number of working hours.



If the employee works at night, the minimum time of break increases to forty-five (45) minutes. Employees working on shifts are entitled to a break of at least twelve (12) hours before moving to another shift.

Employees are entitled to 12 to 16 annual leave days with pay, depending on the type of work in which they are engaged. In addition, there are 10 public holidays per annum in Vietnam.

#### Minimum/Maximum Age

The normal age for lawful employment is eighteen (18). In special cases, employers may employ employees who are below this age, but at least fifteen (15), subject to the satisfaction of certain conditions such as the nature of work and the prior acceptance of the guardian of the employee.

There is no mandatory retirement age. However, senior workers (over sixty (60) for men or over fifty-five (55) for women) are entitled to reduced daily working hours.

#### Illness/Disability

Employees who suffer from illness and/or disability and take leave in accordance with doctor's orders shall receive a monthly allowance paid by the social insurance fund of Vietnam which ranges from 45% to 100% of the premium payable to the social insurance fund for the month immediately before the month of leave. Depending on the type of work and nature of the illness or disability, the length of time for the allowance varies.

#### Location of Work/Mobility

An employee's place of work must be set out in the labour contract in order to comply with statutory requirements. Mobility clauses can be included in the employee's labour contract, if necessary. Where a job requires travel to another temporary location, it is customary for the employer to reimburse all reasonable travel expenses.

#### Pension Plans

Both employers and employees are required to contribute to the compulsory social insurance fund that shall pay a pension to employees when they retire.

#### Parental Rights (Pregnancy/ Maternity/ Paternity/ Adoption)

Employers must allow pregnant employees to have their health checked regularly. Female employees are entitled to take six (6) months of maternity leave.



### Compulsory Terms

The Labour Code requires a labour contract to include the following material provisions: (i) Name and address of the employer or the employer's legal representative; (ii) full name, date of birth, gender, residential address, number of ID Card or other legal document of the employee; (iii) work to be performed and work location; (iv) term of the labour contract; (v) salary/wage rate, method and time of salary payment, allowance and other additional payment; (vi) regime for salary increase; (vii) working hours and rest hours; (viii) personal protective equipment for the employee; (ix) social insurance and medical insurance; and (x) training.

### Types Of Agreement

Under Vietnamese labour laws there are three types of labour contracts: (i) An indefinite-term labour contract; (ii) a fixed-term labour contract with duration of twelve (12) to thirty-six (36) months; and (iii) a labour contract for a specific or seasonal job of less than twelve (12) months.

### Secrecy/Confidentiality

The Labour Code allows for covenants on confidentiality of business and technology secrets via provisions in the labour contract or a separate agreement. Such covenants may include payment of compensation if the employee breaches the confidentiality agreement.

### Ownership of Inventions/Other Intellectual Property (IP) Rights

The ownership of inventions and other IP rights shall belong to the employer except if there is an agreement which states otherwise between the employee and the employer.

### Hiring Non-Nationals

All foreign nationals working in Vietnam must have a work permit, regardless of the length of time they intend to work in Vietnam, unless exempted. Vietnamese employers are required to provide support and submit application documents for the work permit. Foreign workers exempted from the work permit requirement include, among others, capital-contributing members or owners of limited liability companies, members of the board of management of shareholding companies, and Heads of Representative Offices of non-governmental organizations.

### Hiring Specified Categories Of Individuals

Employers are prohibited from employing female employees, pregnant employees, child employees, disabled workers, and senior employees for hazardous and hard work that may cause health problems.

### Non-Compulsory Terms

Employers and employees are free to agree any other terms in addition to the compulsory provisions, provided that these additional provisions are no less favourable than what is statutorily required and must not be contrary to the law or social morals.

### Outsourcing And/Or Sub-Contracting

Labour outsourcing is considered a conditional business in Vietnam. As such, labour outsourcing is permitted only for certain types of work and the labour lessor must be licensed to conduct labour outsourcing. In addition, a deposit is required for carrying out the business. The Labour Code provides general principles for this service. For example, the labour lessor is required to pay salary to a contractor at least equal to the salary the lessee would pay for its own employee who has the same level and same job, and the maximum term for outsourcing is twelve (12) months.

## 03.

# Maintaining The Employment Relationship

### Changes To The Contract

In general, a labour contract must be made in writing and signed by both the employee and employer prior to the employee's start of work. Therefore, any change to the content of a labour contract must be also made in writing and signed by both parties (except for cases where the change brings more benefits to the employee such as salary increase, etc.). The change can be in the form of an addendum appended to the original labour contract and will form an integral part of the labour contract.

Nevertheless, the law also allows the employer to temporarily change the terms and conditions of a labour contract for a limited period of time under certain circumstances. In particular, in cases of force majeure or due to the employer's business demand, the employer may temporarily assign an employee to do work other than that specified in the labour contract, subject to the satisfaction of the requirements as to the time of the assignment not exceeding sixty (60) calendar days in one year and the new salary being at least 85% of the current salary.

### Change In Ownership Of The Business

Where there is a merger, consolidation, division, separation, or transfer of ownership, or change in the right to manage, or change in the right to use assets, succeeding employers shall be responsible for the continuous performance of all employees' labour contracts.

If all available employees are unable to be employed, there must be a plan for labour usage. This plan must be communicated with the Trade Union organization, who will provide input where necessary. If a labour contract is terminated under these circumstances, an employee who is let go, but who has worked for the former employer for twelve (12) months or longer, shall be entitled to receive a job-loss allowance equalling one (1) month salary for each working year (for which the employee has not already received unemployment benefits in accordance with the Law on Social Insurance) but no less than two (2) months' salary.





### Social Security Contributions

Employers and employees are required to make social insurance, medical and unemployment contributions to the social insurance fund. The social insurance fund shall pay allowances for severance or job loss (from 2009), sick leave, maternity leave, work-related accidents, occupational disease, and pensions to employees.

### Accidents At Work

The laws require employers to provide employees with sufficient protective equipment, to ensure occupational safety and hygiene and to improve working conditions in the workplace. Employees are also required to comply with occupational safety and hygiene regulations and internal labour rules of employers.

Work-related accidents are defined as accidents which injure any bodily parts or functions of an employee, or cause the employee's death during work, and closely relate to work performance or labour activity. An employee who is injured in a work-related accident must be immediately treated and be fully attended to. The employer must take full responsibility for the occurrence of the work-related accident in accordance with the provisions of the law.

During the period in which an employee is absent from work for medical treatment in respect of a work-related accident or occupational disease, the employer must pay the employee his/her full salary and expenses for the treatment (which are not covered by the medical insurance).

### Discipline And Grievance

Depending on the seriousness of the breach of labour rules committed by an employee, he/she may be subject to one of the three types of labour disciplinary measures which are (i) reprimand; (ii) extension of the period for wage increase by no more than six (6) months or demotion; or (iii) dismissal. The laws set out the procedures and statutory forms that are required for disciplining violating employees. An internal hearing must be organized and the employer is required to prove the employee's fault.

If an employee who is disciplined is dissatisfied with the disciplinary decision, he/she is entitled to complain to the employer and the local.

### Harassment/Discrimination/Equal pay

Vietnamese labour laws prohibit employers from any act of discrimination on the basis of the employee's gender, nationality, social class, beliefs or religion. Moreover, employers are strictly prohibited from conducting discriminatory behaviour towards female employees or conduct that degrades female employees' dignity and honour. Employers are required to implement the principle of gender equality in respect of recruitment, utilization, wage and wage increase.



### Compulsory Training Obligations

In general, there are no compulsory obligations regarding employees' training imposed on employers. However, in certain cases, such as reorganization and/or change of technology, employers are required to re-train employees.

### Offsetting Earnings

An employer may make a deduction from an employee's salary/wage as compensation for a loss incurred by the employer resulting from an act in which the employee was at fault. However, the employee must be notified of the reasons for the deduction before the deduction is made. The aggregate amount deducted must not exceed 30% of the employee's monthly salary/wage.

### Payments For Maternity And Disability Leave

A female employee when giving birth shall be entitled to take six (6) months maternity leave. Where an employee gives birth to more than one (1) child at one time, she shall be entitled to take an additional one month leave for every additional child calculated from the second child onwards.

The employee will receive maternity allowance which is paid by the social insurance fund during maternity leave.

With regard to sick leave, an employee will be entitled to receive sick leave allowance paid by the social insurance fund. The maximum entitlement is thirty (30) days per year (if the employee has contributed to the social insurance fund for less than fifteen (15) years) or forty (40) days per year (if the employee has contributed to the social insurance fund for between fifteen (15) and thirty (30) years) or sixty (60) days per year (if the employee has contributed to the social insurance fund for more than 30 years).

During the period in which an employee is absent from work for medical treatment in respect of a work-related accident or occupational disease, the employer must pay full salary and certain expenses for the treatment. After the treatment, the employee shall, depending on the reduction of his/her ability to work due to a work-related accident or disease, be examined and diagnosed in order to be entitled to a social insurance benefit paid as a lump sum or in monthly instalments by the social insurance fund.

The amount of allowances payable by the social insurance fund is determined based on the paid premium amount and the length of payment by the employee to the fund.

### Compulsory Insurance

Compulsory insurance shall apply to enterprises, entities and organizations which employ employees under indefinite term labour contracts or under term labour contracts with a duration of three months or more. Compulsory insurance includes social insurance, medical insurance and unemployment insurance. Both employees and employers are required to contribute to the social insurance fund at statutory rates which currently are 10.5% for employees and 22% for employers.





### Absence For Military Or Public Service Duties

Employees are entitled to suspend performing their duties under labour contracts if they are required to carry out military service or other public civic obligations. Employers are required to re-employ the employees at the end of the suspension period.

### Works Councils or Trade Unions

A trade union is defined under Vietnamese law as the body that represents and protects the employees. Generally, the trade union is delegated to participate in, negotiate, sign, and supervise the implementation of collective labour agreements, wage scales, payrolls, internal labour rules, etc.; to assist in resolution of labour disputes, and to discuss and cooperate with the employer to formulate a harmonious, stable and progressive labour relationship within enterprises.

The trade union system consists of the Vietnam General Confederation of Labour and the trade unions at the provincial, district and grassroots levels. Grassroots trade unions are formed upon request of the employees at enterprises with the assistance of, normally, the district-level trade union, provided that there are at least five employees registered as trade union members. A Vietnamese employee working in an enterprise has the right (but not obligation) to establish and join a grassroots trade union and to participate in its activities in accordance with the Law on Trade Unions and Vietnam's Trade Unions Charter.

Employers are required to facilitate and assist the establishment and operation of the grassroots trade union and, once the grassroots trade union is established, the employer must recognise it and create favourable conditions for its operation. In addition, employers are required to contribute 2% of the payroll amount used as the base salary for social insurance contribution purposes (not the actual payroll amount) in order to support trade union operations, while the amount contributed by the employee shall be 1% of his/her salary.

### Employees' Right To Strike

Employees may voluntarily go on strike. However, strikes must be organized and led by the executive committee of the company's trade union or the local trade union if there is no company trade union. Striking is allowed only in respect of a collective labour dispute regarding new benefits and after such dispute has been heard by a labour arbitration council (but in which the parties have disagreed with the proposed agreement by the arbitration council). Statutory procedures and steps for organization of strikes must be followed, such as obtaining opinions from the employees or the trade union, issuing a decision to strike, notifying the decision to strike to the employer and the labour authority, etc.

Strikes are prohibited at enterprises which supply certain types of products and services that are essential for the national economy for the reason that such strikes may cause threats to the national defence and security of Vietnam.

### Employees On Strike

Employers are not required to pay salary to employees who participate in a strike. However, employers are prohibited from terminating labour contracts or applying labour disciplinary penalties to employees or to organizers of strikes or transferring employees or strike organizers to do other jobs or to work at another location because of their participation in or preparation for a strike.

### Employers' Responsibility For Actions Of Their Employees

Employers are responsible for the acts of their employees, except where employees act outside the scope of their employment.

## 04. Firing The Employee

### Procedures For Terminating The Agreement

There must be proper legal grounds for an employer to terminate a labour contract with an employee, such as performance issues, prolonged illness, a force majeure event or winding up of the company. Employers are required to follow a number of statutory steps such as sending a warning letter to employees and/or sending advance written notice regarding the termination of employment to employees within a statutory time limit.

If an employer does not have legal grounds for the termination or fails to follow the proper statutory procedure, a termination may be declared wrongful and, if so, employers may be required to reinstate the employee, pay their salary for the period that they were not allowed to work, and pay two months or more of the employee's salary as a penalty for the wrongful termination.

### Instant Dismissal

Under Vietnamese Labour Law, dismissal is the severest labour disciplinary measure. Employees may be dismissed when they commit an act of gross misconduct such as theft, embezzlement, disclosure of business or technology secrets, or repeatedly commit acts in violation of the employers' work rules or policies. Generally, a disciplinary hearing meeting must be held and a number of statutory procedures must be followed.





### Termination on Notice

Termination by the employer on notice or at will is not allowable under Vietnamese law. As a result, if the parties agree that either party may terminate the labour contract by giving an advance notice to the other, such an agreement will be deemed unenforceable.

However, an employee who is under an indefinite-term labour contract may resign from his/her job without a specified reason. Before doing so, such an employee is required to give the employer an advance notice of at least forty five (45) working days. For an employee who is under a definite term labour contract, there must be statutorily recognized grounds for his/her resignation, such as the employee not being assigned the correct work or workplace as agreed in the labour contract, or the employee was mistreated, sexually harassed or subject to labour coercion, etc. In this case, an advance notice of at least thirty (30) working days must be given to the employer.

### Termination By Reason Of The Employee's Age

Unilateral termination by reason of the employee's age is not a legal ground under Vietnamese labour laws, unless the employee reaches legal retirement age. Legal retirement age is sixty (60) for men and fifty five (55) for women.

A retired person will receive his/her pension from the social insurance fund. When an employee reaches legal retirement age, the employer is entitled to opt to terminate the labour contract with the employee or to extend the labour contract with such employee. If the labour contract is extended, the senior employee is entitled to reduced working hours in accordance with the provisions of law.

### Automatic Termination In Cases Of Force Majeure

Where, as a result of a natural disaster, fire or for any other cause of force majeure as prescribed by law, an employer, despite having taken all necessary measures to remedy the problem, still needs to downsize the business, the employer is entitled to early termination of labour contracts with employees. However, the employer is still required to send an advance notice to employees and follow the statutory procedures for termination. The employee shall be entitled to a severance allowance which is currently equivalent to half of the employee's salary for each year of employment for any period of employment through the end of 2008. Starting from 2009, the severance allowance shall be paid by the social insurance fund, if the employee participates in unemployment insurance.

### Termination By Parties' Agreement

The parties are entirely free to agree to termination on any grounds they desire.

Where both parties agree to terminate employment, they are not required to give advance notice. The parties may also waive any procedures. However, all the related issues such as employment termination, severance payments, personal income tax, social insurance, etc., should be finalized and addressed in a document, which should be signed by both parties.



### Directors Or Other Senior Officers

In addition to labour law, certain high-ranking employees, such as general directors and members of the board, are subject to Vietnam's Investment Law of 2005 and Enterprise Law of 2005, as well as the company's charter (i.e., Articles of Association). The term for the above positions shall not exceed five (5) years, but it is renewable.

A director or senior officer may have his/her job description set out in the labour contract. However, the functions, duties, obligations, rights, and authority of such employees may also be provided by the relevant law and the company's charter and/or decisions assigned by general shareholders' meetings, members' council, boards, etc.

### Special Rules For Categories Of Employee

The Vietnamese labour laws provide special rules for certain categories of employees, including underage, female, disabled and senior employees.

For example, for underage employees (i.e., employees under the age of 18), employers are prohibited from using them in extremely heavy, toxic or dangerous work or in jobs which adversely affect the personality and health of underage employees, such as in the production and business of alcohol, tobacco or other addictive substances; or in casinos, bars, dance halls, etc.

Senior employees include people who continue to work after having reached the retirement age. These employees are entitled to reduce the number of working hours in a day or work on a part-time regime. Employers are prohibited from assigning senior employees to heavy, toxic or dangerous work which might have adverse effects on their health.

Employers are required to ensure suitable working conditions, tools and equipment appropriate for disabled employees and must take regular care of their health. It is also prohibited to allow a disabled person whose ability to work has been reduced by 51% or more to work overtime or at night. Employers are prohibited from assigning disabled workers to heavy, toxic or dangerous work.

Female employees are entitled to the most protective rules. Among other rules, employers are required to ensure the implementation of gender equality during the employment relationship with female employees and ensure that female employees have adequate changing rooms, shower facilities and toilets in the workplace. An employer is not permitted to assign a pregnant female employee to do night work, overtime work or to go on a business trip to remote areas from the employee's 7th month of pregnancy or if the employee is nursing a child under one year old. During the pregnancy, nursing period or maternity leave, the female employee is not subject to labour discipline. After the maternity leave, the female employee is guaranteed her old job upon returning to work. The employer is also prohibited from assigning a female employee to work which has an adverse effect on her ability to bear and raise a child, work involving regular underwater immersion, or regular underground work (mining).





### Specific Rules For Companies in Financial Difficulties

There are special rules which apply if a company is in financial difficulty. If a company goes into liquidation then an employer has legal grounds to unilaterally terminate all employees' labour contracts. However, the employers are required to send an advance notice and pay severance allowance to employees, etc.

If the employer is in bankruptcy, the employees shall become unsecured creditors. However, the employees' interests (salary, allowance, insurance, and other contractual benefits) will be given priority over other unsecured creditors.

### Restricting Future Activities

Vietnamese labour laws set forth a basic principle under which employees have the right to work, to freely choose their type of work and only competent courts have the right to prohibit employees from doing certain jobs. Therefore, while there is no direct legal prohibition, clauses that attempt to restrict the future activities of an employee are likely unenforceable in Vietnam.

In practice, employers often include "unfair competition" or "non-compete" clauses in labour contracts to prevent their former employees from working for their competitors or directly competing with them for a certain period of time after termination. In reality, the enforceability of such agreements will most likely depend on the voluntary compliance of employees.

### Severance Pay

Vietnamese labour laws require employers or the social insurance fund to pay severance to employees who have been continually working for the employer for twelve (12) months or more. In particular, employers are required to pay severance allowance for the term of service until the end of 2008. From 2009, the social insurance fund will take over this duty. However, there are certain cases in which employees are not entitled to severance allowance such as in the case of dismissal.

### Special Tax Provisions And Severance Payments

In Vietnam, any income earned by an employee under the form of salary, wage, allowance, and bonus shall be subject to personal income tax ("PIT"). Employers, as income-paying organizations, are required to withhold and pay PIT to taxation authorities.

Generally speaking, statutorily allowed severance payment is not subject to PIT. However, any extra payments beyond that shall be subject to PIT.



### Allowances Payable To Employees After Termination

Employers are not required to contribute to any allowance that is payable to employees after termination, unless otherwise agreed by the parties in the labour contract, provided that all required severance payments up to the date of termination (where applicable) were fully paid.

### Time Limits For Claims Following Termination

In terms of a claim arising from the disciplinary measures resulting in dismissal, or a dispute arising from a unilateral termination of the labour contract or disputes relating to payment of compensation for loss and damage or payment of allowances, the statute of limitation period for an individual labour dispute is one (1) year from the date of occurrence of conduct which any disputing party claims breached its rights or benefits.

## 05.

## General

### Specific Matters Which Are Important Or Unique To This Jurisdiction

Labour laws of Vietnam are heavily employee protective. Without carefully worded and registered internal labour rules, termination of an employment relationship with an employee in Vietnam is practically impossible. In addition, at-will termination is not allowed in Vietnam. An employer may only terminate a labour contract prior to its term under certain specific conditions as set out by the laws (and detailed in the internal labour rules). Depending on the grounds for termination, the conditions for severance or job-loss allowance, notice periods and procedures may vary.

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