



VIETNAM APPROVES LABOR CODE CHANGES

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Changes to Vietnam's [labor code](#) (Vietnamese) have passed parliament and include a phased-in increase to the normal retirement age, fewer types of employment contracts, an expanded probationary period and revised overtime arrangements. The revised code, first proposed in 2018, will take effect on 1 Jan 2021.

HIGHLIGHTS

Increased normal retirement age will be phased in. The retirement age will increase from 60 to 62 for men by 2028 and from 55 to 60 for women by 2035. The phased-in increases will begin in 2021 and annually raise the retirement age by three months for men and four months for women. Permitted exceptions include:

- Workers employed in heavy, hazardous or dangerous jobs will still be allowed to retire up to five years earlier than their retirement age.
- Highly skilled workers will be allowed to work for up to five years beyond their retirement age.

Employment contracts. Permitted contract types will be fixed-term contracts of up to 36 months' duration or indefinite-term contracts. Contracts for specific tasks and seasonal work will be unlawful, and employers can't require that employees work to pay back a debt. Employers will be allowed to issue contracts electronically.

Probationary period. "Enterprise managers" according to the Law on Enterprises could be subject to a probationary period of up to 180 days — up from the current maximum 60-day period.

Salary slips. Information about gross and net salary payments must be included on monthly salary slips.

Permitted overtime. The maximum period of overtime will increase from 30 to 40 hours per month, and employees would have to agree to work overtime. The normal workweek remains unchanged at 48 hours.

New public holiday. An additional public holiday will be given either on the day before or after Independence Day on 2 September.

Expatriate workers. Expatriate employees working in Vietnam could have their contracts extended once for up to two years. Current law places no limit on contract renewals for expatriate workers.

Termination of employment contract. Employers could unilaterally terminate an employee who has reached the normal retirement age, is absent for five consecutive workdays without providing proper reason, or provided false information when recruited. Employers will have to provide termination payments to eligible employees within 14 workdays after the termination date.

Worker representation. For the first time, employees will have the right to establish an independent representative organization. Under current law, the Vietnamese General Confederation of Labor is the only recognized representative body for workers.

RELATED RESOURCES

- [Labor Code](#) (Vietnamese) (Official Journal, 11 Dec 2019)
- [Infographic on Labor Code](#) (International Labour Organization, 21 Nov 2019)

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