

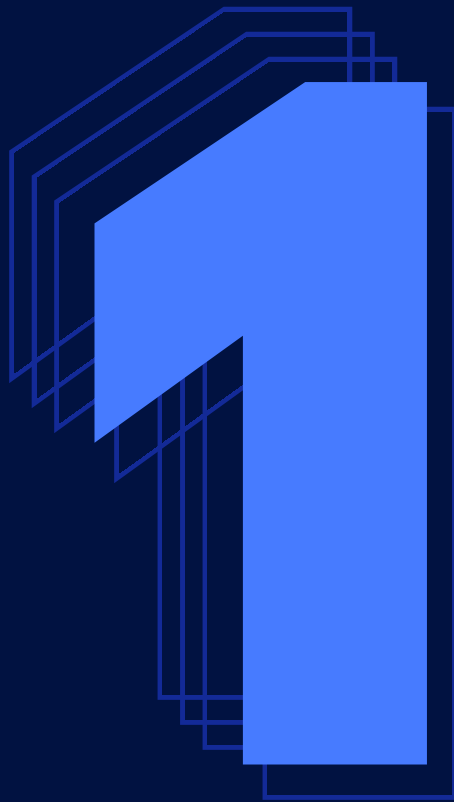
Multiplier

Hiring Toolkit Vietnam



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Chapter 1

Hiring In Vietnam

Vietnam is classified as a Developing/Emerging Lower-middle income economy. The largest contributor to its GDP is the services sector, which accounts for 41.63% of the economy and employs 37.48% of the population. In terms of economic development, Vietnam ranks 18th among 39 countries in the Asia-Pacific region.

Key economic indicators

Below are some of the most important economic indicators to better understand where Vietnam’s economy is headed and whether it is a fit for your global expansion plans:

GDP Per capita	GNI per capita	Inflation Rate %	Economic growth %	Economic Freedom Score	Ease of Doing Business
USD 4621.64	USD 3590	3.8%	8.02%	60.6 Rank 84	Rank 70

Employment insights

According to Statista, the major sectors employing the Vietnamese population are:

- Agriculture, forestry and fishing - 14.3 million
- Manufacturing industry - 11.2 million

Top business hubs and universities

The table below lists down Vietnam’s business hubs along with the country’s top universities:

Top Cities	Top Universities
<ul style="list-style-type: none">• Hanoi• Ho Chi Minh City• Hoi An• Ha Long	<ul style="list-style-type: none">• Vietnam National University, Hanoi• Hanoi National University of Science and Technology• Ho Chi Minh City University of Technology• University of Da Nang• National Economics University



Chapter 2

Salary Insights

As per the latest available data, Vietnam has a low unemployment rate of 2.32%.

Popular jobs and average salaries

The job market in Vietnam has been growing over the last few years. Below is a list of popular job titles in Vietnam along with its average salary:

Job title	Average monthly salary in VND	Average monthly salary in USD
Customer Service Representative	6,770,000	286.36
Customer Service Manager	23,500,000	993.81
Project Manager	19,200,000	811.96
Business Development Manager	27,700,000	1,172.33
Business Analyst	20,800,000	880.79
Architect	21,700,000	918.10
Graphic Designer	10,800,000	457.77
Receptionist	8,270,000	350.04
Financial Analyst	22,500,000	952.34

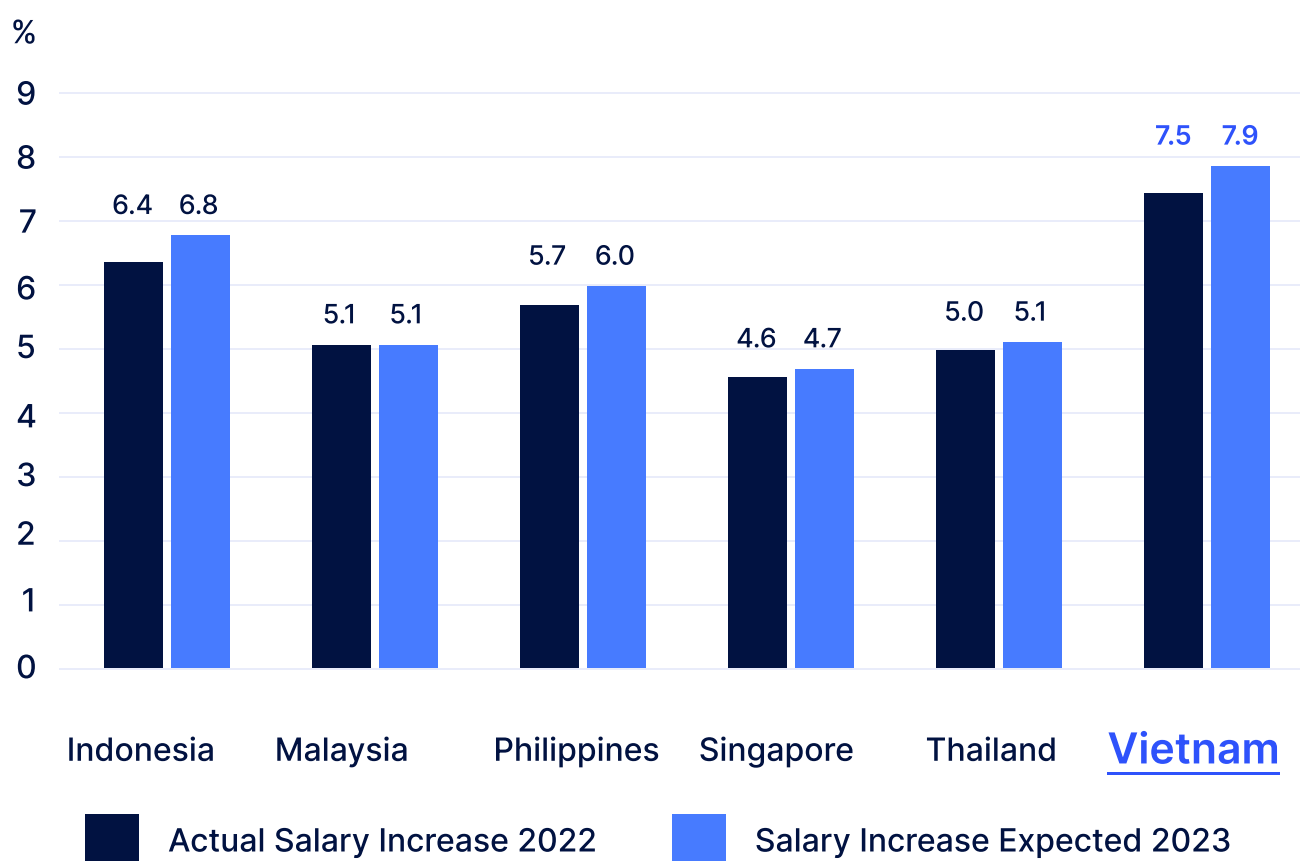
Note: 1 VND = 0.000042 USD, as of Feb 7, 2023

Salary benchmark

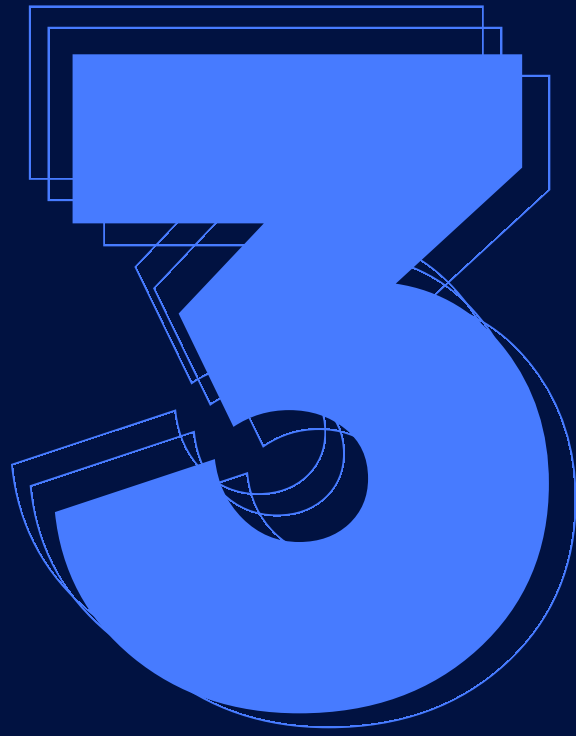
As per the latest available data, Vietnam is poised to lead Southeast Asia in salary hikes as businesses seek to keep workers amid forecasts of inflation.

The table below depicts that Vietnam's median increase would be 7.9%. Followed by Indonesia with a rise of 6.8%, the Philippines at 6% and Thailand and Malaysia at 5.1%.

Median salary increase budgets



Source: Aon's 2022 Salary Increase and Turnover Study, Southeast Asia



Chapter 3

Presenting An Offer

Presenting an offer

In this segment, we will be discussing the key considerations that employers need to be aware of when hiring their preferred candidates in Vietnam.

Onboarding compliance

Employment contract and clauses

Employment contracts are mandatory in Vietnam and must be written in Vietnamese or dual language (Vietnamese and preferably English). The labor code specifies that the contract must contain all the details associated with the employer, along with terms and conditions, benefits, leaves, and allowances.

The table below mentions the sections that are to be included in the contract:

Annexure	Clauses
Salary	<ul style="list-style-type: none">• Perks, Benefits & other plans• Additional pay display• Reimbursement guidelines• Salary & deductions applicability
Terms of employment	<ul style="list-style-type: none">• Employee services and obligations<ul style="list-style-type: none">a. Company engagement services with employee & background checksb. Responsibilities and daily dutiesc. Prohibition of additional/part-time rolesd. Code of conducte. Reporting hierarchyf. Job description input from platformg. Involvement in other business activities

Annexure	Clauses
Terms of employment	<ul style="list-style-type: none"> • Employment term and renewal process • Place of Work • Work Schedule • Probationary Period - No probation, as per the employment labor code • Salary • Leave policies • Confidentiality (non-disclosure agreement) • Non-compete • Non-solicit • Intellectual Property • Termination clauses: Additional Clauses • Notice • Representations and Warranties • Other clauses <ul style="list-style-type: none"> a. Data privacy b. Indemnity c. Assignment d. Modification • Rights & Remedies Waiver <ul style="list-style-type: none"> a. Governing Law b. Severability c. Counterparts

Documentation required

The candidates must present the following documents to the employer:

1. Employee onboarding form
2. Form 20DK

Payroll, minimum wage, and overtime pay

The following table presents an overview of the statutory wage and payroll requirements for employment in Vietnam. Understanding the minimum wage rates and compliance regulations are critical for both employers and employees to ensure a fair and legal work arrangement.

Payroll Cycle	Minimum Wage	Overtime Pay
The payroll cycle in Vietnam is generally Monthly.	The minimum wage varies per region. It ranges from 3,250,000 VND to 4,680,000 VND per month.	<p>The overtime pay in Vietnam:</p> <ul style="list-style-type: none">• Period of Overtime Additional Hourly Rates• Normal weekdays 150%• Weekend 200%• Public holidays 300%• Weekdays, during night-time 30% on top of the above-mentioned rates

Probation period

Probation period as provided at Article 25 of Labor Code 2019 are:

- Not exceeding 180 days for the person holding managing positions;
- Not exceeding 60 days for the positions requiring college level or above; or
- Not exceeding 30 days for the positions requiring intermediate level.

Employee benefits

The Labor Code 2019, implemented on 1 January 2021, is the primary law that governs the benefits and compensation applicable to the employees in the country. There are both mandatory as well as supplementary benefits prescribed by the code.

Guaranteed benefits

a) Leave policy

The data below can help you get an overview of the leave benefits available for the Vietnamese employees.

Annual leaves

12

- Paid leaves, excluding public holidays

Public holidays

12

Sick leave

Max. 180 days

- Paid through social security fund

Maternity benefits

6 months

- Paid maternity leave.
- In case of multiple births, an employee is entitled to one month for each child.

Unpaid Leave

1 day

- Without pay.
- Can be availed in case of:
 - The death of a grandparent or sibling
 - To attend a wedding of the employee's sibling or parent.
- However, any additional unpaid time off is subject to an agreement between the employer and the employee.

Lunar New Year or Tet

1 week

b) Insurance in Vietnam

Three types of insurance benefits available in the Vietnam, these are:

- Social insurance: Covers employees' benefits such as sick leave, maternity leave, benefits for work-related accidents and occupational diseases, pension allowance, and mortality allowance.
- Health Insurance: This allows employees to undergo medical examinations and inpatient and outpatient treatments at authorized medical facilities.
- Unemployment Insurance: Paid to workers at an amount that depends on the amount of time they and their previous employers contribute.

The table below summarizes each party's contribution to each type of insurance:

	Social Insurance	Health Insurance	Unemployment Insurance	Trade Union Fee
Resident Employee	8%	1.5%	1%	1%
Employer	17.5%	3%	1%	2%

c) Workers compensation

It is administered from the social insurance fund, according to the above mentioned employer-employee rates.

Supplementary benefits

Employers in Vietnam may also provide additional benefits based on company policies and regulations in order to improve employee retention.

The table below lists down some of the fringe and exempt benefits that an employer may provide to its employee:

Fringe Benefits	Exempt Benefits
<ul style="list-style-type: none">• 13th month bonus (tet bonus)• Meal vouchers• Medical insurance (private insurance plans or group insurance plans)• Accident & dental insurance• Training programs• Office set up• Transport vouchers for regular employees• Company vehicles for senior executives	<ul style="list-style-type: none">• Occupational accident benefits & occupational illness benefits in compliance with Labor Law and Social Insurance Law of Vietnam• Lump-sum allowances for childbirth/adoption, maternity, and post-maternity recovery benefits• Lump-sum moving allowances for foreigners moving to Vietnam or Vietnamese employees moving abroad for work• Insurance benefits• Meal allowances• Employers paying for tuition fees

Offboarding procedures

A significant part of the labour compliance in Vietnam, which is often missed or overlooked by employers is the offboarding process. In Vietnam, it is the responsibility of the employer to ensure a smooth transition for departing candidates.

The following are the essential components of a compliant offboarding process:

Termination	Notice Period	Severance Pay
The termination process would include a reasonable notice period to be given by either of the terminating party. Some instances, such as enterprise operation cessation, do not need a filing.	<ul style="list-style-type: none">• During probationary period - 30 days• After probationary period - 45 days	The severance allowance of 1/2 month worth of salary for each year of employment.



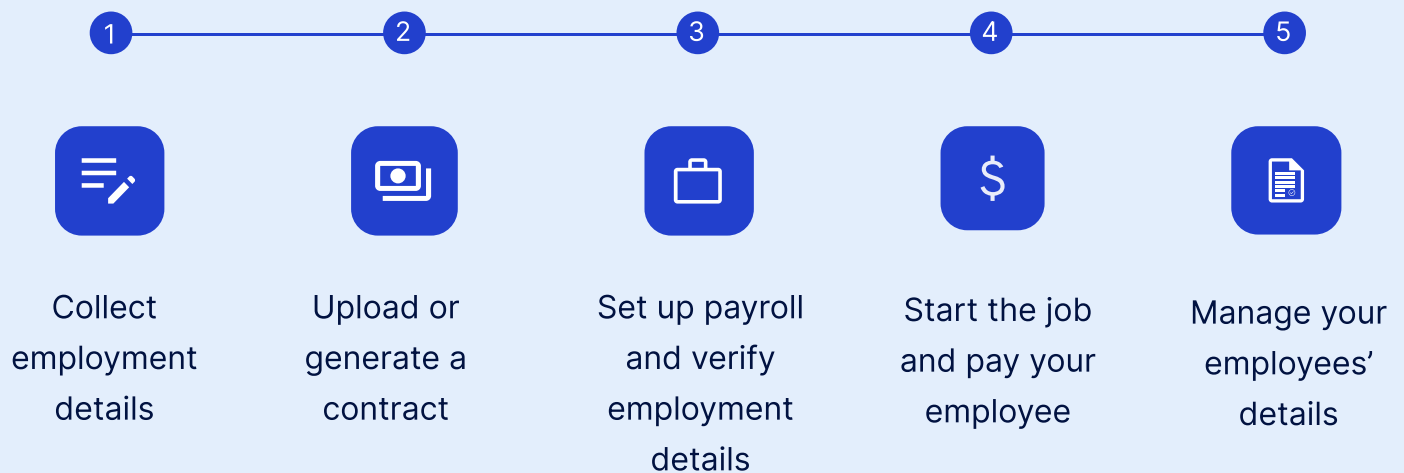
Chapter 4

The Multiplier Difference

Why use Multiplier's EOR solutions

Multiplier's EOR platform streamlines your onboarding process while ensuring compliance with global and domestic labor laws. With Multiplier, you can employ full-time or part-time skilled professionals in Vietnam in just 7 days.

Multiplier's simplified onboarding process



Additionally, the platform allows you to effortlessly generate employment agreements and invoicing reports for your full-time and part-time employees in a matter of minutes.

What more can Multiplier offer? Have a look at these:

- #1 Global Employment Solution
- Local HR experts for global teams
- Localized benefits administration
- Zero employment risks
- 24/7 HR & payroll support
- One-click payroll
- Build a global brand
- Market entry in minutes
- Increase employee satisfaction
- Save with no local entities
- Automated employee contracts
- Pay employees in local currency

Multiplier

We Want You To Hire And
Expand Fast At Fair Prices

Get The Multiplier Advantage.

Speak with us

