



LABOUR CODE 2019

EMPLOYMENT CONTRACTS



Employment contracts



An employment contract is an agreement between a worker and employer about remunerated work, wages, working conditions and the rights and obligations of each party to the labour relations.



An agreement between two parties with a different title but with contents reflecting remunerated work, wages, and management, direction and supervision by one party will be considered to be an employment contract.

Forms of employment contracts



- An employment contract must be concluded in writing and made in two copies, each party keeps 01 copy (an employment contract can be concluded through electronic means in the form of a data message in accordance with the law on electronic transaction).



- For contracts with a duration of less than 01 month, the two parties may enter into a verbal employment contract, except employment contract with a person who is less than 15 years of age and their legal representative, domestic workers, representative of workers who are 18 years of age or older must be in written form.

Types of employment contracts

1. Indefinite term employment contract, in which the two parties do not specify the term of the contract or the time at which it terminates.



2. Definite term employment contract, in which the two parties specify the term of the contract and the time at which it terminates, which cannot be longer than 36 months later.



A definite term employment contract can be renewed only once. After that, if the worker continues to work, an indefinite term employment contract must be applied with a small number of exceptions including:

- individuals employed as directors of State-Owned Enterprises;
- senior workers;
- foreign workers in Vietnam;
- workers who are member of the board of leaders of workers' representative organization.

Prohibited acts by employers when signing and implementing employment contracts



Keeping the worker's original identification documents, degrees and certificates.



Requiring the worker to place a deposit in cash or other assets to guarantee their implementation of the employment contract.



Coercing the worker to perform an employment contract in order to pay a debt to the employer.

Primary contents of employment contracts

- The work to be undertaken and the place of work
- The duration of the employment contract
- The work-based or position-based wage
- The working time and rest periods
- Personal protective equipment for the worker
- Social insurance, health insurance and unemployment insurance
- Other information that is consistent with the law.



Probationary periods of employment



The employer and the worker may negotiate a probationary period as part of the employment contract or conclude a probation contract. The probation period can be **30, 60 or 180** days at the maximum, depending upon the characteristics and complexity of the work.



Workers only have to take one time probation. The wage for the probation must be at least **85%** of the wage.



During the probationary period, either party may terminate the contract without notice or compensation to the other party, beyond payment of wages accrued.



Can employers temporarily assign workers to perform work that is not specified in the employment contract?

- Yes. An employer can temporarily assign a worker to perform work not specified in the employment contract for a maximum of 60 cumulative working days within a year. If the employer wants to require more than 60 days work not provided by the contract, it must give the worker 3 days notice and obtain the workers' written agreement.
- If a worker does not agree to employers' request that they work more than 60 days on work not specified by the contract, the employer must continue to pay the workers' wages while work is suspended.

Unilateral termination of an employment contract



A worker may terminate an employment contract without a reason with prior notice. The required notice period depends upon the contract forms and duration: it can be 45 days, 30 days, or 3 days. There are also exceptions to the notice requirement.



An employer may unilaterally terminate the employment contract by providing a reason and notice. The notice period depends upon the contract forms and duration: it can be 45 days, 30 days, or 3 days. There are also exceptions to the notice requirement.

Obligations and duties when unilaterally terminating an employment contract

In normal circumstances, both parties must clean up all financial liabilities within 14 working days.



Employers must complete the process to certify the duration within which social insurance and unemployment insurance contributions were made and returning this together with the other original documents of the worker that they are keeping.



Upon request of the worker, employers must provide copies of all documents relating to the worker's working period. The employers must cover the cost of copy and courier of such documents.



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