



DECREE NO. 157/2018/ND-CP: PROVIDING FOR REGION-BASED MINIMUM WAGE LEVELS FOR LABORERS WORKING UNDER LABOR CONTRACTS - VIETNAM

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ASIA BRIEFING



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Pursuant to the Law on Government organization dated June 19th, 2015; Pursuant to the Labor Code dated June 18th, 2012;

Pursuant to the Enterprise Law dated November 26th, 2014;

At the request of the Minister of Labor - Invalids and Social Affairs. The Government promulgates the Decree providing for region-based minimum wage levels for laborers working under labor contracts.

Article 1 Scope of adjustment

This Decree provides for the region-based minimum wage levels for laborers working under labor contracts in accordance with the provisions of the Labor Code.

Article 2 Subjects of application

1. Employees working under labor contracts as prescribed by the Labor Code.
2. Enterprises established, organized the management, and operated under the Enterprise Law.
3. Cooperatives, cooperative unions, cooperative groups, farms, households, individuals and other Vietnamese organizations employing laborers under labor contracts.
4. Foreign agencies and organizations, international organizations and foreigners in Vietnam employing laborers under labor contracts (unless the international agreements, to which the Socialist Republic of Vietnam is a member, have provisions different from this Decree).

Enterprises, cooperatives, cooperative unions, cooperative groups, farms, households, agencies, organizations, and individuals defined in Clauses 2, 3 and 4 of this Article hereinafter are collectively referred to as enterprises.

Article 3 Region-based minimum wage levels

1. The regulations on the region-based minimum wage levels applicable to laborers working for enterprises as follows:
 - a) The level of 4,180,000 VND/month is applied to enterprises operating in the areas of region I.
 - b) The level of 3,710,000 VND/month is applied to enterprises operating in the areas of region II.
 - c) The level of 3,250,000 VND/month is applied to enterprises operating in the areas of region III.
 - d) The level of 2,920,000 VND/month is applied to enterprises operating in the areas of region IV.
2. Areas to which the region - based minimum wage levels are applied are regulated according to administrative units of district level, town level and provincial city level. The list of areas to which the region - based minimum wage levels are applied of regions I, II, III and IV are specified in the Annex issued together with this Decree.

Article 4 Principles of applying the region - based minimum wage levels to areas

1. Enterprises operating in a certain area shall apply the region - based minimum wage level provided for such area. If an enterprise has

units, branches operating in areas with various region based minimum wage levels, the units, branches operating in a certain area, shall apply the region - based minimum wage level of such area.

2. Enterprises operating in industrial zones, export processing zones located in areas with various regional minimum wage levels shall apply the regional minimum wage level upon the area with the highest regional minimum wage level.
3. Enterprises operating in an area, which is changed its name or separated, divided, shall temporarily apply the region - based minimum wage level applicable to the area before the change of name or separation, division till the Government promulgates new provisions.
4. Enterprises operating in an area newly established from one or multiple areas with various region - based minimum wage levels shall apply the region - based minimum wage level according to the area with the highest region - based minimum wage level. In case enterprises operate in an area which is a province - affiliated city newly established from one or more areas of region IV, it they shall apply the region - based minimum wage level provided for the remaining province - affiliated cities specified in Section 3 of the Annex issued together with this Decree.

Article 5

Application of the region-based minimum wage levels

1. The region - based minimum wage levels specified in the Article 3 of this Decree are the lowest wage

levels to be used as the basis for enterprises and laborers making agreements and wage payment, in which the wage levels which are paid to laborers working in the normal working conditions, ensuring the adequacy of standard working hours in a month and completing the labor norms or the work agreed upon must:

- a) not be lower than the region - based minimum wage levels with regard to laborers who work the simplest jobs;
 - b) be at least 7% higher than the region - based minimum wage levels with regard to laborers who perform jobs that require the laborers having undergone vocational training as prescribed in Clause 2 of this Article.
2. The laborers who have undergone vocational training include:
 - a) Those who have been granted vocational certificates, vocational diploma, professional secondary diploma, vocational secondary diploma, college diploma, associate degree, university degree, bachelor degree or postgraduate degree or master, doctoral degrees in accordance with the provisions of the Government's Decree No. 90/CP dated November 24, 1993 defining the framework structure of the national education system, the system of education and training diplomas and certificates;
 - b) Those who have been granted professional secondary graduate degree, vocational training graduate degree, college graduate degree, university graduate degree, master or doctoral degrees; vocational certificates or diplomas; university diploma and regular training

certificates or diplomas in accordance with the provisions of Law on Education 1998 and Law on Education 2005;

- c) Those who have been granted certificates under regular vocational training programs, certificates of vocational primary, vocational secondary diplomas, vocational college diplomas or have completed vocational training programs under vocational training contracts specified in the Law on Vocational Training;
 - d) Those who have been granted the national vocational skill certificates under the Law on Employment;
 - dd) Those who have been granted vocational diplomas and certificates under primary, secondary or college training degree; regular training and other vocational training programs under the Law on Vocational Training;
 - e) Those who have been granted diploma in higher education under the Law on Higher education;
 - f) Those who have been granted diplomas and certificates by foreign training institutions;
 - g) Those who have been vocationally trained by enterprises or vocationally self- study and are examined and arranged to do the jobs which require the training by the enterprises.
3. Upon the application of the region-based minimum wage levels specified in this Decree, enterprises are not allowed to cut or abolish wage - related regimes when their employees work overtime, work at night or work in hard and harmful working conditions, the regime of allowances in kind for hard and harmful jobs and other regimes under the provisions of labor laws.

Allowances, other additional amounts, subsidies, and bonuses decided by enterprises must be implemented in accordance with the agreements in labor contracts, collective labor agreements or regulations of the enterprises.

Article 6

Effect and implementation responsibilities

1. This Decree takes effect from January 1st, 2019. The Government's Decree No. 141/2017/ND- CP dated December 7th, 2017 providing for region-based minimum wage levels for laborers working under labor contracts shall cease to be effective from the date on which this Decree takes effect.
2. The Ministers, Heads of Ministerial-level agencies, Heads of Governmental agencies, Chairmen of the People's Committees of centrally affiliated cities and provinces, and agencies, enterprises are responsible for the implementation of this Decree.

Annex

List of Areas to Which the Region - Based Minimum Wage Levels Shall Be Applied from January 1st, 2019

1. Region I, covering the following localities:

- The urban districts and Gia Lam, Dong Anh, Soc Son, Thanh Tri, Tu Liem, Thuong Tin, Hoai Duc, Thach That, Quoc Oai, Me Linh and Chuong My rural districts and Son Tay town of Hanoi city;
- The urban districts and Thuy Nguyen, An Duong, An Lao, Vinh Bao, Tien Lang, Cat Hai, Kien Thuy rural districts of Hai Phong city;
- The urban districts and Cu Chi, Hoc Mon, Binh Chanh, Nha Be rural districts of Ho Chi Minh City;
- Bien Hoa City, Long Khanh town and Nhon Trach, Long Thanh, Vinh Cuu, Trang Bom rural districts of Dong Nai province;
- Thu Dau Mot city; Thuan An, Di An, Ben Cat, Tan Uyen towns; and Bau Bang, Bac Tan Uyen, Dau Tieng, Phu Giao rural districts of Binh Duong province;
- Vung Tau city and Phu My town of Ba Ria - Vung Tau province.

2. Region II, covering the following localities:

- The remaining rural districts of Hanoi city;
- The remaining rural districts of Hai Phong city;
- Hai Duong city of Hai Duong province;
- Hung Yen city and My Hao, Van Lam, Van Giang and Yen My rural districts of Hung Yen province;

- Vinh Yen, Phuc Yen cities and Binh Xuyen, Yen Lac rural districts of Vinh Phuc province;
- Bac Ninh city, Tu Son town and Que Vo, Tien Du, Yen Phong, Thuan Thanh, Gia Binh, Luong Tai rural districts of Bac Ninh province;
- Ha Long, Cam Pha, Uong Bi, and Mong Cai cities of Quang Ninh province;
- Thai Nguyen and Song Cong cities and Pho Yen town of Thai Nguyen province;
- Viet Tri city of Phu Tho province;
- Lao Cai city of Lao Cai province;
- Nam Dinh city and My Loc rural district of Nam Dinh province;
- Ninh Binh city of Ninh Binh province;
- Hue city of Thua Thien Hue province;
- Hoi An and Tam Ky cities of Quang Ninh province;
- Urban and rural districts of Da Nang city;
- Nha Trang and Cam Ranh cities of Khanh Hoa province;
- Da Lat and Bao Loc cities of Lam Dong province;
- Phan Thiet city of Binh Thuan province;
- Can Gio rural district of Ho Chi Minh city;
- Tay Ninh city and Trang Bang, Go Dau rural districts of Tay Ninh province;
- Dinh Quan, Xuan Loc, Thong Nhat rural districts of Dong Nai province;
- Dong Xoai town and Chon Thanh rural district of Binh Phuoc province;
- Ba Ria city of Ba Ria - Vung Tau province;
- Tan An city and Duc Hoa, Ben Luc, Thu Thua, Can Duoc, Can Giuoc rural districts of Long An province;
- My Tho city and Chau Thanh rural district of Tien Giang Province;

- The urban districts of Can Tho city;
- Rach Gia city, Ha Tien town and Phu Quoc rural district of Kien Giang province;
- Long Xuyen and Chau Doc cities of An Giang province;
- Tra Vinh city of Tra Vinh province.
- Ca Mau city of Ca Mau province.

3. Region III, covering the following localities:

- The remaining province - affiliated cities (except for the province - affiliated cities mentioned in Region I, Region II);
- Chi Linh town and Cam Giang, Nam Sach, Kim Thanh, Kinh Mon, Gia Loc, Binh Giang, Tu Ky rural districts of Hai Duong province;
- Vinh Tuong, Tam Dao, Tam Duong, Lap Thach, Song Lo rural districts of Vinh Phuc province;
- Phu Tho town and Phu Ninh, Lam Thao, Thanh Ba, Tam Nong rural districts of Phu Tho province;
- Viet Yen, Yen Dung, Hiep Hoa, Tan Yen, Lang Giang rural districts of Bac Giang province;
- Quang Yen and Dong Trieu towns and Hoanh Bo rural district of Quang Ninh province;
- Bao Thang, Sa Pa rural districts of Lao Cai Province;
- The remaining rural districts of Hung Yen province;
- Phu Binh, Phu Luong, Dong Hy, Dai Tu rural districts of Thai Nguyen province;
- Luong Son rural district of Hoa Binh province;
- The remaining rural districts of Nam Dinh province;
- Duy Tien, Kim Bang rural districts of Ha Nam province;
- Gia Vien, Yen Khanh, Hoa Lu rural districts of Ninh Binh province;

- Bim Son Town and Tinh Gia rural district of Thanh Hoa province;
- Ky Anh town of Ha Tinh province;
- Huong Thuy and Huong Tra towns, Phu Loc, Phong Dien, Quang Dien, Phu Vang rural districts of Thua Thien - Hue province;
- Dien Ban town and Dai Loc, Duy Xuyen, Nui Thanh, Que Son, Thang Binh, Phu Ninh rural districts of Quang Nam province;
- Binh Son, Son Tinh rural districts of Quang Ngai province;
- Song Cau town and Dong Hoa rural district of Phu Yen province;
- Ninh Hai, Thuan Bac rural districts of Ninh Thuan province;
- Ninh Hoa town and Cam Lam, Dien Khanh, Van Ninh rural districts of Khanh Hoa province;
- Dak Ha rural district of Kon Tum province;
- Duc Trong, Di Linh rural districts of Lam Dong Province;
- La Gi town and Ham Thuan Bac, Ham Thuan Nam rural districts of Binh Thuan province;
- Phuoc Long and Binh Long towns and Dong Phu, Hon Quan, Loc Ninh, Phu Rieng rural districts of Binh Phuoc province;
- The remaining rural districts of Tay Ninh province;
- The remaining rural districts of Dong Nai province;
- Long Dien, Dat Do, Xuyen Moc, Chau Duc, Con Dao rural districts of Ba Ria - Vung Tau province;
- Kien Tuong town and Duc Hue, Chau Thanh, Tan Tru, Thanh Hoa rural districts of Long An province;
- Go Cong and Cai Lay towns and Chau Thanh, Cho Gao, Tan Phuoc rural districts of Tien Giang province;
- Chau Thanh rural district of Ben Tre province;

- Binh Minh town and Long Ho rural district of Vinh Long province;
- Rural districts of Can Tho city;
- Kien Luong, K ien Hai, Giang Thanh, Chau Thanh rural districts of Kien Giang province;
- Tan Chau town and Chau Phu, Chau Thanh, Thoai Son rural districts of An Giang province;
- Nga Bay Town and Chau Thanh, Chau Thanh A rural districts of Hau Giang province;
- Duyen Hai town of Tra Vinh province;
- Gia Rai town of Bac Lieu province;
- Vinh Chau and Nga Nam towns of Soc Trang province;
- Nam Can, Cai Nuoc, U Minh, Tran Van Thoi rural districts of Ca Mau province.

4. Region IV, covering the remaining localities.