

When your business grows, you'll confront new laws and employment processes in different countries. Benefits planning is one of many undertakings. With the right approach, your employee benefits planning in Vietnam can make your company competitive.

Guaranteed Benefits in Vietnam

Before you consider fringe benefits, you need to ensure you meet the requirements outlined in the labor laws. In Vietnam, employers are required to provide:

- Annual leave
- Time off for public holidays
- Social insurance contributions
- Health insurance contributions

Vietnam Benefits Management

Your benefits plan should support your company's growth. With the proper planning, your benefits can encourage job seekers to apply for your vacancies over those of competitors. Benefits can also improve morale within the workplace and increase retention rates, limiting the need for you to onboard and train new hires.

Fringe benefits, or provisions not required by law, might include:

- Holiday bonuses
- Housing allowances
- Transportation stipends
- Gym or club memberships
- Allowances for living costs
- Supplementary health and life insurance

Designing Vietnam Employee Benefits Plans

When it's time to start planning, you might feel challenged by the design process. You need to find a balance between your resources and your employees' needs. With the right

research and preparation, a competitive plan is within reach.

1. Review Your Financial Resources

Without a clear understanding of your financial resources, it's easy to overextend your business. It's helpful to build your budget spending into your expected revenue to manage your income. If you're starting with relatively low revenue, you'll need to be modest with your fringe benefits.

You can also use this initial step to assess your goals and determine how benefits may fit into them. For example, if you want to compete with another company in the area, you can create a benefits package similar to its plan.

2. Research the Market

You need to understand the labor market to become competitive within it. Research the companies in your area to find out what types of benefits they offer their employees. The regular occurrences in the market will inform employees' expectations.

Speaking directly to employees can also help you create competitive benefits plans. Distribute surveys or conduct interviews to learn more about what workers want from their employers.

3. Design a Plan

With your market information and company budget, you can start building a benefits plan. First, allocate funding to any required benefits. You can use your remaining budget to provide fringe benefits, prioritizing the most valuable ones based on your research.

Average Cost of Benefits

Many characteristics can affect the price a company pays for benefits, including location,

size, and industry. With the wide variety of potential costs, an average cost isn't a useful tool in terms of creating a plan. You should create a benefits budget unique to your revenue and expenses. You might set it as a percentage of your revenue so your spending can grow with your business.

This arrangement simplifies future budget management and makes costs evident earlier in the process. You'll remain compliant at all times, and you can build a company that competes with other enterprises in the labor market.

How to Calculate Benefits

Benefits calculations are often straightforward. For example, you might choose to provide a 13th-month bonus for your employees. Determine the amount you'd like to spend and divide it among your workforce.

For some other benefits, like social insurance contributions, calculations are outlined in the country's labor laws. Vietnamese law requires employers to contribute 17.5 percent of employees' earnings on their behalves. Employees must contribute 8 percent.

How Are Employee Benefits Taxed in Vietnam?

All benefits, whether in cash or in-kind, are subject to personal income tax. Employers must determine the cash value for benefits in kind and factor the cost into employee paychecks. Companies must include these benefits in income calculations for payroll tax deductions.

Employee Health Benefits

Vietnam's public healthcare system receives funding from the national health insurance scheme. This setup is still in the developmental stage, but it does support free care for people in the country. Employers are required to contribute to the national insurance scheme.

Private hospitals in urban centers offer more advanced care, but they come with costs. Employers are not required to provide supplemental insurance for these facilities. That said, they may choose to do so as a part of their fringe benefits.

Vietnam Competitive Benefits Planning

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Legal Obligations for Employers

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Choose Globalization Partners for Employee Benefits Planning in Vietnam

Globalization Partners offers the resources necessary for growth in a new country. [Contact us](#) today to learn more.