



NEW POLICY UNDER DECREE 274/2025/ND-CP: NOTABLE POINTS IN THE LEGAL FRAMEWORK REGARDING LATE PAYMENT, EVASION OF COMPULSORY SOCIAL INSURANCE

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With an aim to ensure consistency and coherence within the system of documents guiding the Law on Social Insurance 41/2024/QH15 (**Law on Social Insurance 2024**), on October 16, 2025, Vietnamese Government promulgated Decree 274/2025/ND-CP providing detailed regulations on late payment and evasion of compulsory social insurance, unemployment insurance contribution, as well as complaints and denunciations about social insurance (**Decree 274**). This Decree took effect on November 30, 2025, specifying and guiding the implementation of the Law on Social Insurance 2024 with some notable points analyzed in detail herein:

Firstly, Decree 274 clarifies the method for determining the evasion duration of compulsory social insurance, unemployment insurance contribution

The Law on Social Insurance 2024 clearly outlines the circumstances determined as evasion of compulsory social insurance, unemployment insurance contribution. On this basis, Decree 274 provides detailed guidelines for calculating the number of such evasion days. Accordingly, the evasion days are counted starting from the day following the final deadline for paying compulsory social insurance and unemployment insurance under the law. Some specific situations are listed below:

(i) Scenario 1: The employer registers the salary as the basis for compulsory social insurance, unemployment insurance lower than the level stipulated by the Law

- **For the method of monthly contribution:** The number of evasion days of compulsory social insurance, unemployment insurance is determined

from the day next to the last day of the month immediately following the month in which incurs the salary registered as the basis for paying compulsory social insurance and unemployment insurance that is lower than the salary used as the basis for compulsory social insurance contributions.

- **For the method of quarterly (every 3 months) or semi-annual (every 6 months) contribution:** The number of evasion days of compulsory social insurance, unemployment insurance is determined from the day next to the last day of the month immediately following the period which incurs the salary registered as the basis for paying compulsory social insurance lower than the salary used as the basis for compulsory social insurance contributions.

(ii) Scenario 2: The employer fails to pay, or fails to fully pay, the amount of compulsory social insurance/unemployment insurance contributions as registered, despite being reminded by the social insurance agency

- If the social insurance agency has issued a written reminder to the employer **within 45 days** from the final deadline regulated for paying compulsory social insurance, unemployment insurance: the days of evasion shall be determined starting after 60 days from the final deadline for paying compulsory social insurance contributions or for paying unemployment insurance contributions, as applicable.
- If the written reminder is issued **after the 45-day period** mentioned above, the days of evasion will be determined from the 15th day following the issuance date of the written reminder by the social insurance agency.

Secondly, Decree 274 determines the responsibility for collecting the 0.03% daily charge from employers who are late in or evade compulsory social insurance and unemployment insurance contributions

Following the Law on Social Insurance 2024, measures taken against late payments and evasion of compulsory social insurance, unemployment insurance include: (i) mandatory payment of the full amount in violation; (ii) payment of an amount equal to 0.03% per day, calculated on the outstanding compulsory social insurance, unemployment insurance contributions and the corresponding number of days of late payment or evasion; (iii) other applicable sanctions. However, the mechanism for monitoring the implementation thereof remains unclear under the current enforcement framework. According to the Ministry of Home Affairs' report, the current sanctions have not effectively addressed the ongoing problem of late payments, evasion of insurance contributions by employers, which

directly affects the settlement of social insurance, unemployment insurance benefits for employees.

Pursuant to Decree 274, the Government assigns the social insurance agency to calculate monthly the amount of insurance premiums that employers fail to pay, as well as the corresponding number of days in violation. Based on this, the agency will calculate the amount equal to 0.03% per day on the late or evaded contributions, issue corresponding notices, and organize the collection of the required payments from the violating employers. The strengthened oversight exercised by the social insurance agency under Decree 274 requires employers to promptly comply with obligations related to social insurance, unemployment insurance contribution to avoid any cost arising or sanction measures resulting from non-compliance.

Thirdly, Decree 274 provides detailed guidelines for cases in which enterprises are not considered as evading compulsory social insurance, unemployment insurance contribution

To safeguard employers' rights in circumstances beyond their control, which may result in their evasion of social insurance or unemployment insurance contribution under the Law on Social Insurance 2024, Decree 274 clarifies 04 circumstances as exceptions in which employers shall not be deemed to have evaded social insurance, unemployment insurance contribution, as follows:

- Storms, floods, inundations, earthquakes, major fires, prolonged droughts, and other natural disasters that directly and seriously affect the production and business activities of employers;
- Dangerous epidemics officially declared by a competent state authority, causing serious impacts on the production and business activities, as well as the financial capacity of employers;
- State of emergency, as prescribed by law, that unexpectedly, abruptly affects the operations of employers;
- Other force majeure events as prescribed by civil law.

It is noted that employers incurring any circumstances outlined above shall not be considered evading insurance contribution, but they will still be considered to have made undue payment of compulsory social insurance, unemployment insurance contribution in accordance with the Law on Social Insurance 2024. Therefore, whenever facing circumstances beyond their control as abovementioned, employers are required to submit a report explaining the reason for the delay of payment and provide all relevant supporting documents to the social insurance agency. This must be completed no later than the 25th day of the month in which the

social insurance agency issues its written reminder.

In conclusion, Decree 274/2025/ND-CP aims to establish a comprehensive, consistent legal framework for handling late payments, evasion of compulsory social insurance, and unemployment insurance contributions under the Law on Social Insurance 2024. The Decree also emphasizes employers' responsibility to actively review and ensure full compliance with insurance policies so as to mitigate legal risks of infringing upon employees' insurance benefits if such obligations are violated. Should our Valued Clients and readers wish to learn more about or request any advice regarding the new regulations of Decree 274 as well as other social insurance, unemployment insurance issues in general, we are willing to provide further clarifications and relevant legal opinions.