



# DID YOU KNOW?

Issue 161024

Date 21/10/2024

## When To Start Paying Your Employee's Contribution.

1. According to the VNPF Act Cap 189, if an individual is employed and receives a salary exceeding 3,000 VT, it is mandatory for their employer to contribute to their VNPF member account for each month of employment. This contribution is paid at the rate of 8 percent of the employee's salary, where 4 percent is deducted from the employee's pay and the remaining 4 percent is covered by the employer. *If the Employer fails to deduct 4 percent from the employee's salary then the employer shall pay the full 8 percent.*
2. It is essential to understand that *an employee is entitled to have their VNPF contributions start from the date of their initial employment* when they first receive a salary exceeding VT3,000 per month regardless the status of the employment. e.g fulltime, part time, seasonal or even casual employment.
3. Employers are expected to comply with this requirement, and our compliance officer will verify contribution amounts against employee salaries and starting dates to ensure all employees receive the contributions they are entitled to.
4. If an employer fails to make the required contributions from the employee's starting date, *they will be liable for back payments starting from that date, along with additional surcharge fees for late contributions.*
5. Surcharge fees are calculated at a rate of *5 percent* on each late monthly contribution payment.