

THE COLLECTION MANAGEMENT OF COMPULSORY SOCIAL INSURANCE COLLECTION IN VINH TUONG DISTRICT SOCIAL INSURANCE, VINH PHUC PROVINCE

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ABSTRACT: The social insurance fund is an indispensable core part playing the most important role in social insurance activities. The collection of social insurance fund directly affects the payment of benefits to employees and ensures the stability of the social insurance policy in the future. Therefore, management of social insurance collection is an important task of the social insurance industry. In order for the collection of social insurance to be highly effective, the management of social insurance collection must be organized closely, uniformly and scientifically throughout the system, from the stages of planning, implementing, decentralizing of collection, and managing the fund collected in social insurance, and managing of social insurance expenditures.

Keywords: *Compulsory, social insurance, collection, management, Vinh Tuong*

I. Introduction

Social insurance is a major policy of the government for employees in order to ensure stable life for employees and their families in case of illness, maternity, working ability loss due to occupational accidents (occupational accidents - occupational diseases), unemployment, retirement or death based on their contributions to the compulsory social insurance fund. In fact, the implementation of social insurance policies is still limited both nationally and locally, especially the management of social insurance collection. Many agencies and enterprises employing employees incorrectly declare the number of employees and those who have not yet participated in social insurance is still large.

In Vinh Tuong district, Vinh Phuc province, the management of social insurance collection still has many problems and difficulties. Some employers have not fully understood about social insurance regimes, regulations and policies, so they have found many ways to avoid paying social insurance for employees or paying social insurance premiums at the lowest level; The legal punishment is not strong enough to them, too. In addition to this, some employees are not aware of or interested in the social insurance benefits which they are entitled to.

As a result, the collection of social insurance is an important and difficult task of the social insurance industry. To make it highly effective, it is necessary to have a strict, reasonable and scientific management procedure. In order to meet the requirements of the social insurance collection set out in Vinh Tuong district, Vinh Phuc province, the research "The collection management of compulsory social insurance at Vinh Tuong Social Insurance, Vinh Phuc province" was conducted. Its aims were to analyze the current situation of social insurance collection management, and to describe the advantages and limitations of social insurance collection management in Vinh Tuong, Vinh Phuc province. After that it offers some solutions to improve the social insurance collection management in this district.

II. Local characteristics and research methods

2.1. Characteristics of the study area

Vinh Tuong is a district located at the top of the triangle of the Northern Delta, which is on the left bank of the Red River in the southwest of Vinh Phuc province. It borders Lap Thach and Tam Duong districts northward, Viet Tri city, Phu Tho province northwestward, Ba Vi district, Son Tay town (Hanoi city) westward; and Yen Lac district eastward. After many changes of administrative boundaries, Vinh Tuong district

now has 26 communes and 3 townships. Its geographical location is generally very favorable for economic development.

Established on 13/07/2009, Vinh Tuong District Social Insurance is an agency directly under Vinh Phuc Provincial Social Insurance. It has full legal status with its own seal, account, and its headquarter located on Doi Can Street, Vinh Tuong Town, Vinh Tuong District, Vinh Phuc Province.

Right after its establishment, Vinh Tuong District Social Insurance agency has received the attention and help of departments, agencies and mass organizations such as: Department of Labor, War Invalids and Social Affairs, Provincial Labor Confederation, People's Council, People's Committee. Along with the stability and constant growth of Vietnam Social Insurance, Vinh Tuong District Social Insurance has quickly stabilized its organization and is growing.

Due to the early establishment, there was a large amount of work with only some staffs. In addition to this, the number of employees in the social insurance system is large, so the work encountered many difficulties. However, with strong determination and persistence, Vinh Tuong District Social Insurance has been improving together with the time. It has gained great achievements in both range and quality of insurance.

2.2. Researching Methods and theoretical basis

Information collecting methods

- Secondary information: Collected through statistical reports, state legal documents, publications, documents, reports, research works, articles on websites managing the social insurance collection of the district.
- Primary information: Primary data in the thesis is collected through questionnaires and surveys at Vinh Tuong District Social Insurance, Vinh Phuc province (Appendix 01 and Appendix 02), then the author synthesizes the results for analysis, evaluation and assessment of the social insurance collection management in Vinh Tuong District.

Information summarizing and processing data methods.

For secondary information, the disaggregation methods were applied

For primary information, the questionnaires and collected data will be synthesized on the Excel according to the criteria set out by the thesis. Tabulation for evaluation and analysis were also used if any.

Information analysis method.

This method was used through reports of the Social Insurance Department of Vinh Tuong district, Vinh Phuc province in the period of 2017 - 2019. Specifically, to successfully implement the topic, the author has used a unified method, statistics, data collection and data analysis.

Theoretical and practical problems to be solved:

- (1) What is the situation of social insurance collection management in Vinh Tuong district, Vinh Phuc province like?
- (2) Which factors affect the management of social insurance collection in Vinh Tuong district, Vinh Phuc province?
- (3) What solutions can improve the efficiency in management of social insurance collection in Vinh Tuong district, Vinh Phuc province?

III. Research results and discussion

The management of social insurance revenue in Vinh Tuong District

The management of the salary fund:

The management of the salary fund as a basis for paying social insurance contributions is shown in the table below

Table 3.1: Total salary fund for compulsory social insurance payment (2017-2019)

Unit: VND

N ^o	Categories/Year	2017	2018	2019	Percentage Comparison		Development rate 2017-2019 (%)
					2018/2017	2019/2018	
1	State enterprises	2.466.487.500	1.195.972.560	2.083.543.650	48,49	174,21	84,47
2	Non-state enterprises	76.110.873.202	100.269.244.947	117.344.165.968	131,74	117,03	154,18

3	Students, Party, Union	186.416.697.620	203.949.471.644	226.511.873.390	109,41	111,06	121,51
4	Cooperation	8.160.437.900	8.781.606.800	10.293.327.100	107,61	117,21	126,14
5	Communes, districts, town	23.951.172.370	25.528.065.050	26.754.025.050	106,58	104,80	111,70
6	Individual businesses, cooperative groups	68.118.000	100.552.000	132.550.000	147,61	131,82	194,59
7	Communal staff	2.190.370.000	3.040.710.000	2.792.440.000	138,82	91,84	127,49
	TOTAL	299.364.156.592	342.865.623.001	385.911.925.158	114,53	112,55	128,91

(Source: Vinh Tuong district social insurance, Vinh Phuc province)

Basically, the increase in the total salary fund of the above two categories /types is resulted from the impact of some key factors such as: the increasing number of participants, the annually adjusted state general minimum wage, the periodically promoted salary of workers...The state enterprise fund decreases because of implementation of equitization and restructuring policies.

▪ **Social insurance collecting methods.**

At Vinh Tuong District Social Insurance, the Collection Department is the key department in urging and implementing the collection of the district social insurance. It has actively been contributing to the completion of assigned tasks and revenue targets set by the district. The total revenue of the following year is always higher than the previous year. The quality of staff has been improved. The Collection Department laborers, who are enthusiastic and responsible for their assigned work, have taken the best advantages of the application of information technology in revenue management.

▪ **The implementation situation of collecting compulsory social insurance plan**

Vinh Tuong district social insurance agency is always one of the first to complete the compulsory social insurance collection targets and the results are often completed and exceeded the assigned plan.

The implementation of social insurance collection compared to the plan for the period 2017-2019 is shown in the chart below: (Unit: VND)

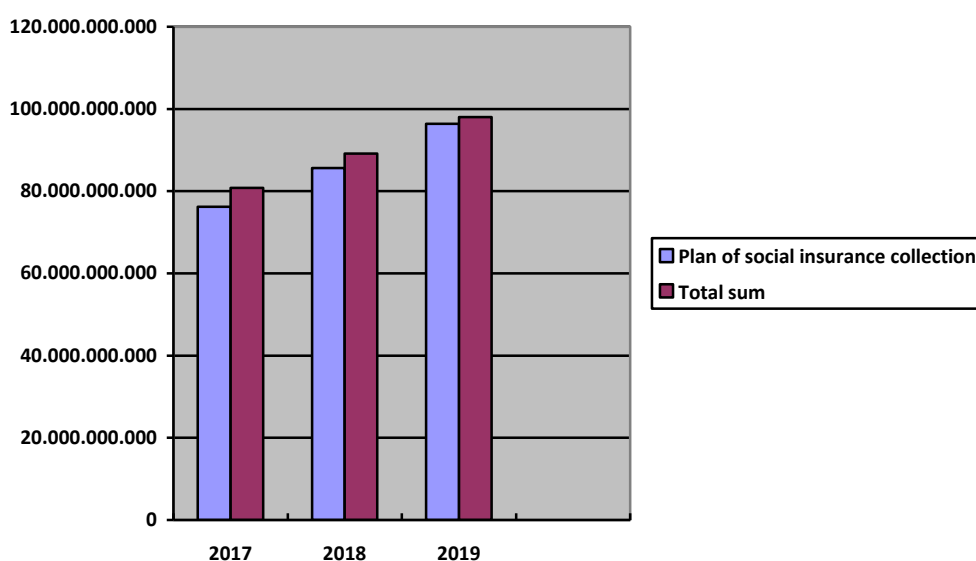


Figure 3.1: The situation of collecting social insurance contributions in Vinh Tuong district, Vinh Phuc province

The revenue of the years has positive changes, the following year is always higher than the previous year. It is resulted from the continuous increase in the number of employers and employees participating in compulsory social insurance. In addition to this, the salary deduction for compulsory social insurance payment also increased due to the rise in the minimum salary from the government decisions.

▪ **Management of arrears of Social Insurance in Vinh Tuong District**

The district social insurance agency has offered many measures to solve the arrears of insurance to the district People's Committee. Some of those are establishment of inspection unions, inter-sectoral inspection, propagation and encouragement which help enterprises and employees understand the benefits of joining social insurance, health insurance and unemployment insurance. It regularly publicizes the debt status of social insurance, health insurance and unemployment insurance of enterprises on the mass media; notifies the enterprises with the debts of those insurances. If they continue to fail to comply, the account will be enforced... However, these measures are not really strong enough for businesses to pay insurance fee for employees on time.

Inspection and supervision of the social insurance collection management in Vinh Tuong District.

Currently, the social insurance agency of Vinh Phuc province always conducts both the inspection and implementation of social insurance collection to achieve the highest efficiency. It also promptly adjusts to remove difficulties for collection managers to contact with businesses which intentionally hold and occupy social insurance contributions.

Table 3. 2 : Inspection status of units paying social insurance premiums (2017-2019)

Targets	Unit	2017	2018	2019
Periodical inspection	Times	12	15	18
Inter-sectoral inspection	Times	10	14	15
Violated enterprises administratively sanctioned (through inter-sectoral inspection conclusions)	Unit	3	5	6

(Source: Vinh Tuong Social Insurance)

Vinh Tuong district social insurance agency also cooperated with relevant agencies to conduct inter-sectoral inspections to detect the number of employers who ignore or delay the insurance payment duty. Through the inspection and examination, it timely warned, issued official handling documents; helped to drawing lessons and hasten to solve violations in accordance with regulations.

IV. Discussion on each outcome achieved.

4.1. Factors affecting the management of social insurance collection in Vinh Tuong District

4.1.1. Subjective factors

Technical facilities for social insurance collection management

Currently, the technical facilities for the social insurance collection management in Vinh Tuong District, Vinh Phuc province can be said to be enough to work. However, the quality of the machinery is not good. The management software system often encounters errors and takes time for technicians to fix. Therefore, in order to facilitate the process of managing social insurance collection, the facilities need to be in good conditions so that the staff at Vinh Tuong District Social insurance, Vinh Phuc province can complete their work well.

Organization, management and administration capacity of human resource managing social insurance collection

By directly interviewing the staff working at Vinh Tuong district social insurance, the author has clearly seen that the management organization there is relatively compact and the human resources are well organized. approved by Vinh Tuong District People's Committee. The departments at the district social insurance agency have their own functions and all work closely together to complete the common tasks from the district social insurance agency.

4.1.2. Objective factors

The national mechanism and policy system affecting the social insurance and its collection management.

According to the interview results from the social insurance officials of Vinh Tuong District, the system of documents and policies issued is quite complete, but there are still documents that do not have timely instructions for the district social insurance to implement. Therefore, this is also a factor affecting the management of social insurance revenues in Vinh Tuong District.

The level of socio-economic development of Vinh Tuong District

If Vinh Tuong District's economy develops with many investors, it will promote social life and create jobs for the workforce in general. Therefore, this is a factor having a strong and direct influence on the results of the district social insurance collection and management.

The coordination between related agencies in the social insurance collection management

The management agencies in Vinh Tuong District have also coordinated with the District Social Insurance to develop plans and policies to strengthen the inspection and supervision of social insurance payment activities of the enterprises in the area.

Awareness and responsibility of employees in Vinh Tuong District

According to the results of the survey on the employees in Vinh Tuong District, 45.27% of the workers have not paid social insurance. The reason for this can be explained by the fact that many of them are seasonal workers (according to the employers' explanations). However, it can be seen as only a reason for the denial of social insurance contributions of the enterprises. Moreover, the employees are not aware and knowledgeable about social insurance. According to the survey results, so many employees (68.84%) do not know the regulations on the amount of social insurance contributions.

4.2. Discussions on the result correlation.

4.2.1. The things completed

Firstly, the policy of social insurance for employees receives particular interest from the Party and State. It is affirmed to be the key factor of the stable social settlement policy.

Secondly, in recent years, Social Insurance of Vinh Tuong district has timely advised the local District Party Committee, People's Council and People's Committee to effectively implement the collection of the district social insurance, health insurance, unemployment insurance.

Third, the management of the salary fund as the basis for payment of compulsory social insurance is carried out accurately, regularly and basically closely associated with the management of the subjects.

Fourth, social insurance revenues are strictly managed according to state regulations, without loss.

4.2.2. The existence

Although Vinh Tuong District Social Insurance always completes the annual collection plan assigned by Vinh Phuc Provincial Social Insurance, arrears still occur.

The number of non-state enterprises and the employees working there without participating in social insurance is still high.

The number of collecting officers is small while the management area is large. Therefore, the inspection of the implementation of social insurance can only be done in a number of agencies and units. The inspection work has not been done much, the sanctions for violations are not strict enough. The propaganda has been regularly implemented by the social insurance agency, but the effectiveness is still not high. Some employers are still unaware of their responsibilities in implementing the social insurance and health insurance policies. The application of information technology in the social insurance is still slow and not very satisfactory.

The issuing of social insurance books for employees still face many difficulties, especially for those having a long working time and many working place with little evidence and records. As a result, the participation process does not have enough evidence to issue social insurance books.

V. Conclusions and recommendations

5.1. Conclusions

One of the most important social settlement policies of The Party and State now is the social insurance regime. This policy helps employees to stabilize their lives, ensure social justice. It is considered to be deeply humane and humanitarian, which contributes to ensure an equal society, stabilize the political economy, and making a significant contribution to the construction of Socialism in Vietnam. Therefore, since the independence of Vietnam, social insurance policies for employees have received special interest. The research: "*The collection management of compulsory social insurance at Vinh Tuong Social Insurance, Vinh Phuc province*" presented the most general theories about social insurance, pre-existing policies of current social insurance, experiences in implementing social insurance policies in some localities including the social insurance agency of Vinh Tuong district.

5.2. Request

By studying the organization and implementation of social insurance policies at the social insurance agency of Vinh Tuong district, it could be found that there are still many enterprises having registered for production and business activities but not having participated, or having participated with the incorrect number of employees. This can be said to be a big disadvantage for employees because they can not get the legal benefits from the participation in social insurance and health insurance that they should be entitled to. Solutions to strengthen the management of social insurance collection in Vinh Tuong District, Vinh Phuc Province are:

5.2.1. Strengthening the communication between relevant departments in the social insurance collection management

For the social insurance collection management to achieve high efficiency, it is necessary to make good coordination between departments in the social insurance agency, the collection department and the social insurance authorities of the districts. The relationship between the social insurance agencies and enterprises must be suitable with the requirements of the social insurance system. Strengthening communication between relevant departments in

the management of social insurance collection can help to minimize the evasion of social insurance participation and arrears in each enterprise that owes social insurance in Vinh Tuong District.

5.2.2. Improving the quality of human resources of the district social insurance

There is a shortage of human resources for the social insurance industry, the number of staff in the industry is small, while the workload to deal with is huge. This affects the quality of work. Human resource is still inadequate from the recruitment, appointment, rotation. It is still more political oriented than professional skilled. The training to improve professional qualifications is carried occasionally and sometimes. Formally. This leads to the uneven quality of human resources on the basis of qualifications, age, and specialization.

Contents of the solutions: Strictly implement regulations on management of state human resources in which the input recruitment must be in the form of entrance exams; Continue to renew the appointment work, training, compensation, planning and rotation of cadres in order to improve the staff quality, professional skills so that they can be dedicated to the profession, devoted to serve people.

5.2.3. Promoting social insurance propaganda

Propaganda has been regularly implemented by the Social Insurance Agency, but the effectiveness is still not high. The enterprises are still not aware of their responsibilities in implementing social insurance and health insurance policies. In addition to this, many employees are not fully informed about the social insurance policy regime, so they don't know how to protect themselves and claim their legal rights to social insurance policies misappropriated by the employers.

Contents of proposed solutions: The local social insurance needs to promote propaganda and dissemination of the Party and State policies on social insurance and health insurance, especially Resolution No. 21-NQ/TW of the Ministry of Politics on "Strengthening the leadership of the Party in the work of social insurance and health insurance in the period 2012 – 2020", other policies on social insurance and health insurance to the authorities in each locality to strengthen political commitment and responsibility on the roadmap of universal health insurance and social insurance for all employees. This must be considered as one of the strategic tasks in the socio-economic development of the country and the locality.

By studying the theoretical basis of social insurance and management and collection, analyzing and evaluating the current situation of collection management at Vinh Tuong district social insurance and suggesting specific measures in this research, the author hopes to contribute to the completion of the organization and implementation of social insurance policies in Vinh Tuong district, Vinh Phuc province in the near future.

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