

# **LEGAL & TAX UPDATES**

**RESOLUTION NO. 68/NQ-CP ON CERTAIN  
POLICIES TO SUPPORT EMPLOYEES AND  
EMPLOYERS IN DIFFICULTY DUE TO THE COVID-  
19 PANDEMIC**

# OVERVIEW

On July 1, 2021, the Government issued Resolution No. 68/NQ-CP on certain policies to support employees and employers in difficulty due to the Covid-19 pandemic.

We hereby update some noticeable contents for application purposes.

# SOME NOTEWORTHY ISSUES

## Reduction in insurance premiums for occupational accidents and diseases

Employers are entitled to a premium rate of 0% of the salary fund as the basis for paying social insurance premiums to the Insurance Fund for Occupational Accidents and Diseases for 12 months (from July 1, 2021 to June 30, 2022).

The employer will provide the monetary support obtained from the reduction in premiums to the Insurance fund for occupational accidents and diseases for the employees in order to combat the COVID-19 pandemic.

*The current premium rate of 0.5% of the salary fund is considered as the basis for paying social insurance premiums*

## Suspension of contributions to the retirement and survivorship fund

Regarding employers who have fully paid social insurance premiums or are temporarily suspending contributions to the retirement and survivorship fund until the end of April 2021, satisfying the conditions (\*), the employees and the employers are entitled to a 6-month suspension of payment to the retirement and survivorship fund from the date of application submission.

*The current rate of employees and employers is 8% and 14%, respectively of the salary fund as the basis for paying social insurance premiums*

### (\*) **Application conditions:**

- Employers downsizing of at least 15% employees who have contributed to social insurance compared to April 2021 (including the employees on furlough, suspension of employment contracts, and unpaid leave)
- As for a case on the payment suspension under the Resolution No. 42/NQ-CP and Resolution No. 154/NQ-C, the application will be approved as long as the suspension period does not exceed 12 months.

# SOME NOTEWORTHY ISSUES

A financial support from the unemployment insurance fund for training, retraining and skill enhancement

**The maximum monthly assistance is 1,500,000 VND per employee, with a maximum support term of six months.**

Applications for support are submitted from July 1, 2021 to the end of June 30, 2022.

***Application conditions:***

- *Have fully paid unemployment insurance premiums for employees for full 12 months or more at the time of requesting support; change the technological structure as prescribed in Clause 1, Article 42 of the Labor Code;*
- *Revenue in the preceding quarter has decreased by 10% or more compared to the same period in 2019 or 2020 at the time of requesting support.*
- *Have a plan, or cooperate with a vocational education institution in developing a plan, for training, retraining and skill enhancement in order to secure the jobs for employees as prescribed.*

# SOME NOTEWORTHY ISSUES

Assistance to employees on suspension of employment contracts, unpaid leave

The rate is VND 1,855,000 per person for 15 consecutive days or more but less than 1 month, and VND 3,710,000 per person for 1 month or more.

***Application conditions:***

- Temporarily cease operations at the request of competent authorities for the prevention and control of the COVID-19 pandemic and their period of suspension of employment contracts or unpaid leave is from 15 consecutive days or more from May 1, 2021 to the end of December 31, 2021, with a start date between May 1, 2021 and December 31, 2021;
- Have contributed to compulsory social insurance up to the time of suspension of employment contracts or unpaid leave

Assistance to furloughed employees

A lump-sum support of VND 1,000,000 per person

***Application conditions:***

- If employees have worked under an employment contract and has been put on furlough under Clause 3, Article 99 of the Labor Code and have been quarantined or in a locked down area as required by the competent authority for 14 days or more during the period from May 1, 2021 to the end of December 31, 2021
- Employees have contributed to compulsory social insurance up to the time of furlough.

Assistance to employees with terminated employment contracts

A lump-sum support of VND 3,710,000 per person

***Application conditions:***

- Cease operations at the request of competent authorities for the prevention and control of the COVID-19 pandemic and their employment contracts have been terminated from May 1, 2021 to the end of December 31, 2021
- Contribute to compulsory social insurance but are not eligible for unemployment benefits.

# SOME NOTEWORTHY ISSUES

## Supplemental policy and policy for children

In addition to general policies, pregnant employees are supported with an extra amount of VND 1,000,000 per person and person who are raising children or taking care of children under 6 years old are supported with an extra amount VND 1,000,000 per child under 6 years old, with either mother or father is supported.

Children receiving treatment due to COVID-19 infection or subject to medical isolation may have the treatment and food costs covered by the state budget and receive an extra amount of VND 1,000,000 per child from the state budget during the treatment and isolation period from April 27, 2021 to the end of December 31, 2021.

## Food allowance of VND 80,000 /person/day

Applicable to people who need to be treated with COVID-19 infection (F0), from April 27, 2021 to December 31, 2021, with the support term varying depending on the actual treatment time but up to 45 days.

Applicable to people who have to undergo medical isolation (F1), from April 27, 2021 to December 31, 2021, with the support term of up to 21 days.

# SOME NOTEWORTHY ISSUES

A lump-sum  
support of  
VND  
3,710,000 per  
person

Art directors, actors, painters holding class IV professional titles in public sector entities engaged in performing arts (excluding art units of the armed forces) who have to stop performing arts for 15 days or more to prevent and control the COVID-19 pandemic from May 1, 2021 to the end of December 31, 2021.

Tour guides holding tourist guide cards affected by the COVID-19 pandemic during the period from May 1, 2021 to the end of December 31, 2021.

# SOME NOTEWORTHY ISSUES

Assistance of  
VND  
3,000,000/hou  
sehold  
business)

A lump-sum support of VND 3,000,000 per household business will be given to household businesses which have registered business and taxes and have to cease operations for 15 consecutive days or more during the period from May 1, 2021 to December 31, 2021 at the request of the competent authority to prevent and control the COVID-19 pandemic.

Assistance  
for  
employees wh  
o are self-  
employed

The provinces and cities shall, based on the specific circumstances and budget capacity, develop criteria, determine the beneficiaries and the support amounts, but the support rate is not less than VND 1,500,000 per person per time or VND 50,000 per person per day based on the actual number of days of suspension at the request of the provinces and cities.



# SOME NOTEWORTHY ISSUES

## Loan policy to pay furlough wages

The employer is entitled to borrow a loan from the Bank for Social Policies at the interest rate of 0% and is not required to furnish a loan security to pay furlough wages to the employees

The maximum loan amount is equal to the regional minimum wage for the number of employees according to the actual payment period of furlough wages but not exceeding 03 months. The loan term is less than 12 months.

### **Application conditions:**

- Having employees who have contributed to compulsory social insurance and have been put on furlough for 15 consecutive days or more as prescribed in Clause 3, Article 99 of the Labor Code, from May 1, 2021 to the end of March 31, 2022;
- Having no bad debt at any credit institution and foreign bank branch at the time of applying for a loan. .

## Wages for production recovery

The employer is entitled to borrow a loan from the Bank for Social Policies at the interest rate of 0% and is not required to furnish a loan security to pay wages to the employees who have worked under employment contracts and have contributed to compulsory social insurance.

The maximum loan amount is equal to the regional minimum wage for the number of employees under employment contracts according to the actual payment period of wages but not exceeding 03 months. The loan term is less than 12 months.

### **Application conditions:**

- Resuming the business after suspending operations at the request of the competent authority to prevent and control the COVID-19 pandemic, from May 1, 2021 to the end of March 31, 2022 or operating in the field of transportation, aviation, tourism, accommodation services, sending Vietnamese workers to work abroad under a contract from May 1, 2021 to the end of March 31, 2022.*
- Having no bad debt at any credit institution and foreign bank branch at the time of applying for a loan.

## CONTACT INFORMATION

Tài liệu này nhằm đưa đến cho quý vị những thông tin tổng quát về một số vấn đề đang được quan tâm, không được xem như ý kiến tư vấn pháp luật cụ thể. Để biết thêm thông tin, xin quý vị vui lòng liên hệ với:



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