



Resolution 68/NQ-CP and documents guiding the implementation of new policies to support businesses and employees directly affected by the COVID-19 pandemic

July 2021



Due to the increasingly complicated situation of Covid-19 pandemic which leads to production and business stagnation, many businesses had to suspend their operations, some even had to close down, the lives of employees across the country were significantly affected and falling into a precarious situation. In order to promptly adapt to new situation, and at the same time, ensure social security, Resolution 68/NQ-CP dated July 1, 2021, Decision No. 23/2021/QD-TTg dated July 7, 2021 and Official Letter 1988/BHXH-TST detailing and guiding the procedures for applying supporting policies for businesses and employees facing difficulties due to the impact of the pandemic have been issued. Accordingly, Grant Thornton Vietnam would like to update some key points of such policies as follows:



SUPPORTING POLICIES FOR ENTERPRISES



BENEFICIARIES	TYPE OF SUPPORT	CONTENTS	APPLICATION PERIOD	DETAILS
1. Policy for reduction in insurance premiums for occupational accidents and diseases				
Employers	Reduction in premiums to the Insurance fund	Reduced premium rate from 0.5% to 0% for contributions to the Insurance Fund of Occupational Accident and Disease	From July 1, 2021 to June 30, 2022	All amounts obtained from the reduction in premiums to the fund of occupational accidents and diseases is used to support employees in preventing and controlling the COVID-19 pandemic
2. Policy for suspension of contributions to the retirement and survivorship fund				
Both employers and employees (In cases employers have to reduce at least 15% of employee number)	Suspension of fund contributions	Suspension of contributions to the retirement and survivorship fund	Within 6 months from the date of application submission	At the end of the suspension period, the employees and the employers shall continue to make contributions to the retirement and survivorship fund and compensate for the suspension period (the compensation amount is not subject to late payment interest as prescribed in Clause 3, Article 122 of the Law on Social Insurance)

SUPPORTING POLICIES FOR ENTERPRISES (CONTINUED)

BENEFICIARIES	TYPE OF SUPPORT	CONTENTS	APPLICATION PERIOD	DETAILS
3. Loan policy to pay furlough wages and wages for production recovery				
<p>Employers:</p> <p>Must temporarily suspend business operations to prevent and control COVID-19 pandemic; or</p> <p>Have to furlough employees for at least 15 consecutive days</p> <p><i>(Must satisfy some conditions, such as: contributes compulsory social insurance for employees, no bad debt, have furloughed employees; employers suspended, having plan for production and business recovery, no bad debt)</i></p>	Loan	Loan term less than 12 months	For a period from May 1, 2021 to March 31, 2022	The capital which Vietnam Bank for Social Policies lends to employers prescribed in this Decision is the refinanced loan of the State Bank of Vietnam with the value up to VND 7,500 billion, no collateral and the interest rate of 0% per year. The deadline for refinancing disbursement of the State Bank of Vietnam is March 31, 2022 or the date of refinancing capital fully disbursed, whichever comes first.

ASSISTANCE POLICIES FOR EMPLOYEES

BENEFICIARIES	TYPE OF SUPPORT	CONTENTS	APPLICATION PERIOD	DETAILS
1. Assistance policy for employees on suspension of employment contracts or unpaid leave				
<p>Employees are working for entities which are suspended operations to prevent and control COVID-19, and satisfy the following conditions:</p> <p>Suspension period of employment contracts or unpaid leave: at least 15 consecutive days</p> <p>Have been contributing compulsory social insurance until the preceding month of employment contract suspension or unpaid leave taken</p>	Allowances in cash	Entitled to a lump-sum allowance which is determined by the period of suspension of employment contracts or unpaid leave	From May 1, 2021 to December 31, 2021	<p>VND 1,855,000 / person – Suspension of employment contracts/Unpaid leave from 15 consecutive days to less than 1 month (30 days)</p> <p>VND 3,710,000 per person – Suspension of employment contracts/Unpaid leave from 1 month (30 days) and more</p> <p>Additional allowance:</p> <p>VND 1,000,000 per person for pregnant employees; or</p> <p>VND 1,000,000 per child for employees who are raising children under 6 years old</p>

ASSISTANCE POLICIES FOR EMPLOYEES (CONTINUED)

BENEFICIARIES	TYPE OF SUPPORT	CONTENTS	APPLICATION PERIOD	DETAILS
2. Supporting policy for furloughed employees				
<p>Employees who are participating in compulsory social insurance and:</p> <ul style="list-style-type: none"> - Have been put on furlough; and - Have been quarantined or in a locked down area for 14 days or more 	Allowance in cash	A one-time allowance of VND 1,000,000 per person	From May 1, 2021 to December 31, 2021	<p>Additional allowance:</p> <p>VND 1,000,000 per person for pregnant employees; or</p> <p>VND 1,000,000 per child for employees who are raising children under 6 years old</p>
3. Supporting policy for employees terminated their employment contracts but not eligible for unemployment allowance				
<p>Employees:</p> <ul style="list-style-type: none"> - Contributing compulsory social insurance - Terminated their employment contracts since the employers suspend business to prevent and control COVID-19 pandemic - Not eligible for unemployment allowance 	Allowance in cash	A one-time allowance of VND 3,710,000 per person	From May 1, 2021 to December 31, 2021	<p>Additional allowance:</p> <p>VND 1,000,000 per person for pregnant employees; or</p> <p>VND 1,000,000 per child for employees who are raising children under 6 years old</p>

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Please contact our professional advisors at Grant Thornton Vietnam for assistance with taxation, accounting, transfer pricing, labour, investment and customs as well as other legal issues you may have during your business operation.

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