



NEWSLETTER ON RESOLUTION NO. 68/NQ-CP

On July 1, 2021 the Government issued Resolution No. 68/NQ-CP ("Resolution 68") on policies to support employees and employers facing difficulties due to the COVID-19 pandemic. Soon after the issuance of Resolution 68, Decision No. 23/2021/QD-TTg was also released to provide detailed guidance on necessary steps to implement the policies in Resolution 68.

Among 12 support policies under Resolution 68, 4 contents are applicable to Enterprises as highlighted below:

1. Policy on reduction of Employer's contribution rate for Labour Accidents and Occupational Diseases Fund:

Instead of applying 0.5% compulsory Social insurance contribution rate to the Labour Accidents and Occupational Diseases Fund as prescribed by Decree No. 58/2020/ND-CP, Resolution 68 allows Employers to apply 0% for 12 consecutive months from July 1, 2021 to June 30, 2022. Employers shall use all amounts obtained from the allowed reduction of compulsory Social insurance contributions to support their employees in the fight against COVID-19 pandemic.

2. Policy on suspension of Employer's and Employee's payment to the Retirement and Death Insurance Benefit Fund

According to the 2014 Law on Social Insurance, the compulsory Social insurance contribution rates to the Retirement and Death Insurance Benefit Fund applied to employees and employers are 8% of the monthly salary and 14% of the salary fund for Social insurance contributions, respectively. Under this policy, those Employers who have fully paid social insurance or suspended payments of Retirement and Death Insurance Benefit Fund until the end of April 2021 and have the number of employees reduced by 15% or more compared to April 2021 can apply to delay the payments to the Retirement and Death Insurance Benefit Fund for six consecutive months from the time of submitting the application dossiers.

3. Policy on financial support for vocational training for employees

Under this policy, those Employers who have paid unemployment insurance for a full 12 months or more, undergoing technology change, having the revenue of the preceding quarter decreased by 10% compared to the same period of 2019 or 2020 and having a training plan in place to retain employees can apply for financial support from Unemployment Insurance Fund for their training, fostering and improvement of employees' vocational skills, with a maximum support level of 1.500.000 VND per employee per month and maximum support period of 06 months.



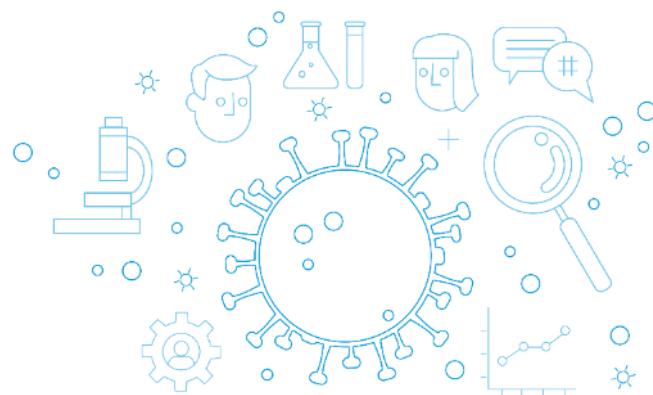
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4. Policy on loan to Employers for paying salaries during the cessation of employment and production restoration

Employers who qualify the required conditions as prescribed in Resolution 68 can access unsecured loans at the interest rate of 0% from the Vietnam Bank for Social Policies in order to pay employees during employment cessation and production recovery. The maximum loan amount in either case is equal to the regional minimum salary multiplied by the number of employees according to the actual payment for up to 3 months. The loan term is less than 12 months.

Notable contents related to direct cash support to employees are summarized as below:

- Employees having their employment suspended or taking unpaid leave due to COVID-19 for 15 consecutive days or more during the period from May 1, 2021 to December 31, 2021 are entitled to one-time cash support of 1.855.000 – 3.710.000 VND per person provided that they have been contributing to social insurance.
- Employees with terminated employment during the period from May 1, 2021 to December 31, 2021 who are unqualified for unemployment allowance can access to one-time support of 3.710.000 VND per person provided that they have been contributing to social insurance.
- Employees who are out of work due to medical quarantine or lockdown for 14 consecutive days or more during the period from May 1, 2021 to December 31, 2021 are entitled to one-time cash support of 1.000.000 VND per person provided that they have been contributing to social insurance.





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