

Decree 58/2020 ND-CP (“Decree 58”)

On 27 May 2020, the Government issued Decree 58/2020 ND-CP (“Decree 58”), providing guidance on employer’s contribution to the SI fund for occupational diseases and accident. Decree 58 comes into effect on 15 July 2020.

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At current, SI contribution rates are as follows:

SI contribution	Employer's contribution rate	Employee's contribution rate
Sickness, maternity fund	3%	-
Occupational diseases and accident fund	0,5%	-
Retirement and death fund	14%	8%
Total	17,5%	8%

Pursuant to Decree 58, companies operating in industries with high risk of occupational diseases and accident, meeting the conditions stipulated under Article 5 of Decree 58 can apply for a lower contribution rate of 0.3% instead of the current regulated rate of 0.5%.

Companies operating in industries with high risk of occupational diseases and accident

Under Circular 7/2016/TT-BLDTBXH of the Ministry of Labour Invalids and Social Affairs dated 16 May 2016, companies regarded as engaging in high risk of occupational diseases and accident business include:

1. Petroleum
2. Plastic/rubber based chemical production
3. Metal production
4. Mining
5. Construction
6. Ship building
7. Power generation and transmission
8. Fishery and aquatic processing
9. Garment/apparels/shoes manufacturing
10. Scrap recycling
11. Environment cleaning

Conditions to apply for the lower contribution rate of 0.3% under Article 5 of Decree 58

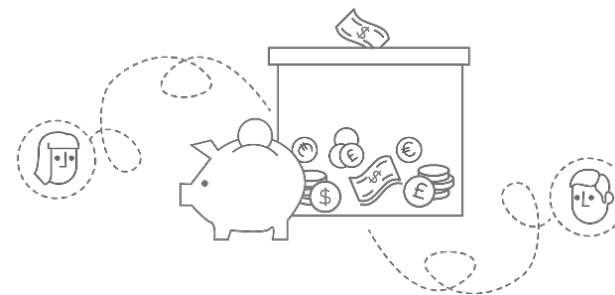
Companies meeting the following conditions are eligible to apply:

- Have not been subjected to an administrative or penal liability on violation on occupational safety, sanitation and social insurance in the last 3 years
- Have reported occupational accidents and occupational safety and sanitation accurately and on time in the last 3 years; and
- The number of occupational accidents of the last year have been reduced by at least 15% in comparison with the average of the last 3 years or having no occupational accidents in the last 3 years

Companies meeting the above conditions are eligible to submit an application form together with supporting documents to the Ministry of Labour - Invalids and Social Affairs.

The approval shall be valid for a period of 3 years and is renewable.

Further guidance on procedure and timeline of the implementation will be provided in guiding circular of the relevant ministries.



CONTACT US

Ho Chi Minh City

5th Floor, Sai Gon 3 Building
140 Nguyen Van Thu Street
Da Kao Ward, District 1
Ho Chi Minh City, Vietnam

Le Khanh Lam

Partner

Head of Tax & Consulting Services

T: +84 28 3827 5026

E: lam.le@rsm.com.vn

Le Xuan Mao

Director

Tax & Consulting Services

T: +84 28 3827 5026

E: mao.le@rsm.com.vn

Hanoi

25th Floor, Tower A, Discovery Complex
302 Cau Giay Street
Dich Vong Ward, Cau Giay District
Hanoi, Vietnam

Nguyen Thanh Lam

Partner

Head of Hanoi Office

T: +84 24 3795 5353

E: lam.nguyen@rsm.com.vn

www.rsm.global/vietnam

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