**Resolution 68/NQ-CP**

To support businesses and individuals in Vietnam which have been impacted by COVID-19, especially in recent periods, the Vietnamese Government issued Resolution 68/NQ-CP on 1 July 2021. This Resolution implements policies to decrease and defer contribution payments into a number of Social Insurance funds, provides funding support for businesses, and facilitates allowances for employees, individuals and business households impacted by COVID-19.

Key elements of the Resolution are as follows:

**1. Reduction in social insurance contributions for the occupational accidents and diseases fund**

Employers are entitled to a 0% payment rate of their salary fund to the Insurance fund for Occupational Accidents and Diseases (one of the three funds that together comprise the compulsory Social Insurance contributions, and which ordinarily requires a contribution of 0.5% from the employer) for 12 months (from 1 July 2021 to 30 June 2022).

Employers are to use the reduction in contributions to the Occupational Accidents and Diseases Fund to support the employees against the COVID-19 pandemic.

**Comment:** we are waiting for more guidance from the Government on the mechanisms to apply this reduction in Social Insurance contributions, as well as specifics on the use of these funds.

**2. Deferral of contributions to the retirement and death fund**

**Applicable enterprises**

Employers who have paid full Social Insurance contributions or have temporarily suspended contributions to the Retirement and Death Fund (one of the three funds that together comprise the compulsory Social Insurance contributions, and which ordinarily requires a contribution of 14% from the employer and 8% from the employee) after April 2021 but are affected by the COVID-19 pandemic, resulting in a downsizing by 15% of their employees participating in Social Insurance (as compared to April 2021), including employees who cease working/suspend labour contracts/agree to unpaid leave.

**Payment deferral period**

Employees and employers are entitled to deferral of payment to the Retirement and Death Fund for 6 months from application submission.

For the cases entitled to the deferral according to Resolution 42/NQ-CP dated 9 April 2020 and Resolution 154/NQ-CP dated 19 October 2020 by the Government, if being eligible, they are still entitled for deferral per this Resolution, provided that the total deferral period does not exceed 12 months.

**3. Training funding support**

**Applicable enterprises**

Employers are entitled to financial support for training, re-training and improvement of vocational skills from the Unemployment Insurance Fund once:

* Fully paying Unemployment Insurance contributions for employees for 12 months or more up to the date of requesting support;
* Changing the structure or technology according to the provisions of Clause 1, Article 42 of the Labour Code: changes in the organisational structure, personnel rearrangement, processes, technology, equipment associated with the employer’s business lines, products or product structure;
* Having revenue of the preceding quarter before requesting support decreasing by 10% or more compared to the same period in 2019 or 2020; and
* Having a plan or cooperating with a vocational education institution in developing a plan for training, retraining and improving vocational skills and qualifications in order to maintain jobs for employees.

**Entitlements and applicable period**

The entitlement is maximum 1,500,000 VND per employee/month. Entitlement period is for a maximum support term of 6 months.

Applications for this support are to be submitted from 1 July 2021 to 30 June 2022.

**4. Allowances for employees temporarily ceasing working without salary**

Employees who temporarily cease working without salary for 15 consecutive days or more, in the period from 1 May 2021 to the end of 31 December 2021, by the reason of business operation cessation of the organisations they are working for, following the requirement of competent authority in response to COVID-19, and who participate in compulsory Social Insurances (up to the date right before their cessation date) are entitled to a lump- sum allowance of:

* 1,855,000 VND per person if the cessation period is 15 consecutive days or more
* 3,710,000 VND per person if the cessation period is 1 month or more

**5. Allowances for employees suspended from work to implement COVID-19 quarantine**

Employees working under labour contracts are entitled to a one-time support of 1,000,000 VND per person if they meet the following conditions:

* Suspended from work and subject to quarantine or in blocked areas at the request of a competent authority for 14 days or more during the period from 1 May 2021 to the end of 31 December 2021, and
* Participating in compulsory Social Insurance (up to the date right before the working cessation date)

**Comments:** note that according to the Clause 3, Article 99 of the 2019 Labour Code, the above applicable employees also are to receive negotiated salaries from employers for the cessation period, following the stipulated process. Further details are provided in the guidance from the Ho Chi Minh City Labour Union through Official Letter 420/LDLD-CSPL.

**6. Allowances for employees subject to loss of employment**

Employees of enterprises, cooperatives, public non-business units, and educational institutions are entitled to one-time allowance of 3,710,000 VND per person if they meet the following conditions:

* Working for organisations (covering enterprises, cooperatives, public non-business units that cover their own recurrent expenditures or investment, and people-founded and private educational institutions) operating in preschool education, kindergarten, elementary school, middle school, high school, and vocational education;
* Have their labour contract terminated by the reason of business operation cessation of the organisations they are working for, during the period from 1 May 2021 to the end of 31 December 2021, following the requirements of a competent authority in response to COVID-19; and
* Participate in compulsory Social Insurance but ineligible for unemployment benefits.

**7. Additional allowances for both pregnant employees and children**

Applicable employees mentioned in item 4,5 and 6 who are:

* Pregnant, or
* Parents or substitute caregiver taking care of children less than 6 years old

Are entitled to 1,000,000 VND per child (under 6 years old), and the entitlement is only applicable to either mother or father of the child.

Children subject to treatment for COVID-19 or in isolation or quarantine under a decision of a competent authority are guaranteed by the state budget for treatment expenses and meals, and are entitled to an additional support of 1,000,000 VND per child during the treatment and isolation/quarantine period from 27 April 2021 to 31 December 2021.

**8. Food allowances for F0 and F1**

A food allowance of 80,000 VND per person per day for those who need to be treated for COVID-19 infection (F0), and for those who have to undergo medical isolation (F1) under a decision of a competent authority from 27 April 2021 to 31 December 2021.

The entitlement period is no more than 45 days for F0 and 21 days for F1.

**9. Support for tour guides and artists**

Lump-sum support of 3,710,000 VND per person for:

* Art directors, actors, and painters holding professional titles at level 4 in public non-business units engaged in performing arts (excluding art units of the armed forces) which must stop working for 15 days or more due to the impact of COVID-19 from 1 May 2021 to 31 December 2021.
* Tour guides holding tourist guide practice cards affected by COVID-19 during the period from 1 May 2021 to the end of 31 December 2021.

**10. Support for business households**

Business households with business registration and tax registration that cease operating for 15 consecutive days or more from 1 May 2021 to 31 December 2021 at the request of s competent authority in response to COVID-19, a one-time support of 3,000,000 VND per business household is applicable.

**11. Loan support to pay salaries for employees ceasing working and salaries during business recovery**

**Loan support to pay salaries for employees ceasing working**

Employers are permitted to receive loans from the Vietnam Bank of Social Policies at a 0% interest rate without security to pay salaries for employees participating in compulsory Social Insurances that cease working for 15 consecutive days or more (as prescribed in Clause 3, Article 99 of the Labour Code) from 1 May 2021 to 31 March 2022, provided that the employers have no bad debts at credit institutions or foreign bank branches.

The maximum loan amount is equal to the regional minimum wage for the number of employees according to the actual period for employees ceasing working, but no more than 3 months. The loan term is for less than 12 months.

**Loan Support to Pay Salaries during Business Recovery**

* Employers suspending operations from 1 May 2021 to 31 March 2022 under the request of a competent authority in response to COVID-19 returning operations; and
* Employers operating in transportation, aviation, tourism, accommodation services and sending Vietnamese workers to work abroad under contracts during 1 May 2021 to 31 March 2022

These parties are permitted to receive a loan from the Vietnam Bank of Social Policies at a 0% interest rate without security, to pay salaries for employees working under labour contracts and participating in Social Insurances, provided that they have no bad debts at credit institutions and foreign bank branches.

The maximum loan amount is equal to the regional minimum wage for the number of employees who are working under a labour contract, according to the actual salary payment period of up to 3 months. The loan term is for less than 12 months.

**12. Support for other individuals without labour contracts**

Individuals working without labour contracts that cease working due to operational cessation under the request of a competent authority in response to COVID-19, depending on specific conditions and budgetary capabilities of the provinces/cities, are entitled to allowance of no less than 1,500,000 VND per person per time or 50,000 VND per person per day based on the actual number of cessation days.