



LE MAI PHUONG

## NEW REGULATIONS ON THE MANAGEMENT, USE, AND PAYMENT OF TRADE UNION FEES IN ENTERPRISES



On March 31, 2026, the Government issued Decree 105/2026/ND-CP providing details and guidelines for the implementation of a number of provisions of the Law on Trade Unions regarding trade union finance (**Decree 105**), which is expected to take effect from May 16, 2026, and will replace Decree 191/2013/ND-CP providing details for trade union finance. Decree 105 is developed to create a consistent and unified legal basis with existing legal normative documents, with some notable contents as follows:

*Firstly*, Decree 105 supplements regulations on the **deadline for payment** and circumstances of **late payment or non-payment** of trade union fees for enterprises as follows:

- **The deadline for paying trade union fees** is no later than the last day of the following month. This regulation is supplemented by the Vietnam General Confederation of Labour's proposal to establish a mechanism to monitor, urge, and encourage the timely payment of the fee.
- Businesses shall be deemed to have made **late payment of trade union fees** when they have not paid or have not paid the full amount according to the prescribed contribution rate (i.e., 2% of the wage fund used as the basis for mandatory social insurance contributions for employees) following the expiry of the aforementioned payment deadline.
- Businesses shall be deemed to have **failed to pay trade union fees** if they fall into one of the following circumstances:
  - Failure to deduct or pay trade union fees.
  - Failure to pay or failure to fully pay the amount due as stipulated within 60 days following the expiry of the payment deadline.
  - Failure to pay or failure to fully pay the contributions for all individuals subject to the payment obligation within 60 days following the expiry of the payment deadline.

It should be noted that cases of suspension or reduction of the trade union fee payment do not fall under the circumstances of late payment or non-payment of trade union fees mentioned above.

Circumstances of late payment or non-payment of trade union fees are added to comply with the provisions of clause 2, Article 29 of the Law on Trade Unions 2024.

*Secondly*, Decree 105 supplements regulations on **suspending the payment of trade union fees for no more than 12 months** for businesses, specifically:

- Circumstances considered for suspension of trade union fee payment include: (i) Difficulties due to structural or technological changes, economic recession, or implementation of State policies during economic restructuring, or (ii) difficulties due to natural disasters, fires, epidemics, or crop failures.
- Requirements for consideration of suspension of trade union fee payment include: (i) The enterprise must suspend its production and business for 30 days or more and no work can be provided for employees, in which the number of employees subject to compulsory social insurance who are temporarily laid off and request a suspension of compulsory social insurance contributions to the retirement and survivorship fund is 50% or more of the total number of employees present before the suspension of production and business, or (ii) more than 50% of the total value of assets of the enterprise is damaged due to natural disasters, fires, epidemics, or crop failures (excluding the value of land assets).

*Thirdly*, Decree 105 supplements regulations **on reduction in trade union fee contribution rates and exemptions from unpaid trade union fees**, specifically:

- Allowing **a maximum reduction of 20%** in trade union fee contribution rate, for **a maximum period of 6 months**, for businesses that have completed their suspension period of trade union fee payment and must continue to reduce their workforce by 30% or more, or by 30 or more employees for businesses employing fewer than 200 employees; 50 or more employees for businesses employing between 200 and 1000 employees; or 100 or more employees for businesses employing more than 1000 employees (the above cases do not include the case of recruiting 20% new employees compared to the number of employees laid off within 3 months from the date of workforce reduction).
- **Exemption from unpaid trade union fees** for enterprises in the following cases: (i) an enterprise is *dissolved* according to legal regulations when the trade union participates in the debt settlement plan (including outstanding trade union fee obligations), or (ii) the enterprise conducts *bankruptcy procedures* according to legal regulations when the trade union files an application for bankruptcy proceedings.

Regulations on suspending, reducing, and exempting trade union fees have been supplemented to guide Article 30 of the Law on Trade Unions 2024 and, at the proposal of the Vietnam General Confederation of Labour, to support businesses in difficulties that have to reduce their existing workforce, or face force majeure events, resulting in their inability to pay trade union fees.

In addition to the above regulations, Decree 105 also specifies in certain detail the procedures and documents required to benefit from the measures of suspension and reduction of trade union fee amounts, thereby providing timely support to businesses facing difficulties in production and business. Businesses need to update and study the regulations of this document to ensure that trade union fees are paid in accordance with the law and to request support measures if eligible. In the case that our valued Clients and readers wish to learn more and seek consultation related to the new provisions of Decree 105, as well as other issues in the field of labour and mandatory contributions in general, NHQuang&Associates is ready to provide further explanations and relevant legal opinions.

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