

SEVERAL POLICIES TO SUPPORT EMPLOYEES AND EMPLOYERS FACING DIFFICULTIES DUE TO THE COVID-19 PANDEMIC

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With the complicated development of the COVID-19 pandemic, the Government issued the Resolution 68/NQ-CP on July 1, 2021 on Policies to support employees and employers facing difficulties due to the COVID-19 pandemic (**Resolution 68**) and the Decision 23/2021/QĐ-TTg on July 7, 2021 stipulating the implementation of a number of policies to support employees and employers facing difficulties due to the COVID-19 pandemic (**Decision 23**) to minimize the negative impacts of the pandemic on production, business and people's lives. Some outstanding policies of Resolution 68 and Decision 23 are as follows:

Firstly, amendment to the contributions of some social insurance regimes for employers and employees, including: (i) reduction of insurance premiums for occupational accidents and diseases, and (ii) suspension of contributions to the Fund for retirement and survivorship, specifically:

(i) In the *policy of reducing insurance premiums for occupational accidents and diseases*, employers will be entitled to a reduction in the contribution to the Insurance fund for occupational accidents and diseases applied to employees under this regime (except for cadres, civil servants, public employees, People's armed forces, employees in agencies of the Party, the State, administrative agencies, public non-business units that receive salaries from the State budget). The contribution rate will be reduced from 0.3% or 0.5% (in accordance with Article 4, Decree 58/2020/ND-CP) to 0% of the salary fund as the basis for social insurance premiums. Employers will provide the entire amount obtained from the contribution reduced for the employees in prevention and fight against the COVID-19 pandemic. Thus, in essence, during the period when the policy is applied

from July 1, 2021 to June 30, 2022, employees will be supported by the State with an amount equivalent to the contribution to the Insurance fund for occupational accidents and diseases while still being entitled to this insurance regime.

(ii) In the *policy of suspension of contributions to the Fund for retirement and survivorship*, the beneficiaries include both employers and employees. In order to enjoy this incentive, employers need to meet the following conditions: (i) having fully paid social insurance premiums or being under the suspension of contributions to the Fund for retirement and survivorship until the end of April 2021, and (ii) are affected by the COVID-19 pandemic, which results in a downsize in the number of employees engaged in social insurance by at least 15% at the time of application submission compared to April 2021. The number of employees recognized as "being downsized" has been specifically stipulated, which is the total of (i) the number of employees who terminate their employment contracts, working contracts in accordance with laws minus the number of new employees who enter into employment contracts, working contracts from May 1, 2021 to the date the employers submit written requests for this incentive, and (ii) the number of employees who are under suspension of employment contracts/taking unpaid leaves/under work suspension for at least 14 working days within a month.

Regarding the application procedure, from July 1, 2021 to the end of June 30, 2022, employers need to submit written requests to (i) the social insurance agency to which the social insurance premiums are paid, and (ii) the local Department of Labor - Invalids and Social Affairs. Employers and employees will be suspended from making contributions to the Fund for retirement and survivorship for 6 months from the time of application submission. However, if they have been suspended from making contributions to the Fund for retirement and survivorship in accordance with Resolution 42/NQ-CP dated April 9, 2020, Resolution 154/NQ-CP dated October 19, 2020, the total time of contribution suspension must not exceed 12 months.

Second, **preferential loan** for employers to pay the salary for work suspension, production restoration.

Accordingly, employers are entitled to borrow capital from the Bank for Social Policies at an interest rate of 0% and exempt from applying loan security measures with a loan term of no more than 12 months to pay up to 3 months of region-based minimum wage for employees. Regarding loan conditions, in the case of a loan to pay the salary for work suspension, employers must satisfy the following conditions: (i) their employees (who engage in compulsory social insurance up to the month preceding work suspension) are under work suspension for at least 15 consecutive days due to the COVID-19 pandemic from May 1, 2021 to the end of March 31, 2022, and (ii) they have no non-performing loan at credit institutions and foreign bank branches in the loan application time. In the case of a loan to pay the salary for restoring production, the main conditions to be satisfied include: (i) having employees engaging in compulsory social insurance up to the loan application time, (ii) having a production and business recovery plan, and (iii) having no non-performing loan at credit institutions and foreign bank branches in the loan application time. Regarding the application documents, in essence, the documents required are to prove the above conditions, including: (i) Loan application form, (ii) List of employees engaging in compulsory social insurance, Certificate of establishment, (iii) production and business recovery plan, etc.

In addition, Resolution 68 and Decision 23 also stipulate other forms of support, such as cash support for business households, employees who are under work suspension/subject to employment contract termination/under suspension of employment contracts/taking unpaid leaves; support funds for employers' training and improving vocational skills, etc.

SOME COMMENTS AND RECOMMENDATIONS

Being one of the latest supporting resolutions in the fourth wave of COVID-19 pandemic with a relatively wide scope, form and target audience, Resolution 68 not only provides urgent support solutions at the present time but also helps employees and enterprises make the necessary preparations to continue their operation in the near future, especially in the context that in the first five months of 2021, nearly 60,000 enterprises across the country had to shut down, suspend operations or dissolve, which witnesses an increase of 23% compared to the same period in 2020. Moreover, Resolution 68 is recognized as having simple and friendly policies when

reducing the number of administrative procedures by 2/3, helping the beneficiaries enjoy incentives more easily. The composition of the application documents and the processing steps have been simplified to ensure a shorter time for administrative procedures, from 2 to 7 working days depending on each procedure. In the context of the COVID-19 pandemic, State agencies also proactively apply online methods in receiving and returning documents to limit direct contact. For example, Vietnam Social Security has been developing and integrating the function of supporting enterprises in declaring electronic records to enjoy incentives in Resolution 68 on eBH software, such as suspension of contributions to the Fund for retirement and survivorship; support of preferential loan for employers to pay the salary for work suspension, production restoration; support for employees under work suspension, etc.

Resolution 68 is a newly issued document and the processing document procedures to enjoy incentives are continuously updated by State management agencies to further support the people. Therefore, enterprises need to pay attention to the provisions of Resolution 68, guiding documents as well as instructions of local State agencies (via media, email notifications, etc.) to promptly implement procedures and enjoy incentives. In addition, on July 22, 2021, the Government Portal announced and opened an online hotline to support people facing difficulties due to the COVID-19 pandemic in accordance with Resolution 68 and Decision 23. Enterprises and people with urgent problems arising in the process of accessing and benefiting from support policies can send feedbacks and recommendations to the Government Portal in the following ways: (i) Send emails to: thongtinchinhpheu@chinhpheu.vn, (ii) Send messages via Email section of Government Information fanpage on Facebook at: <https://www.facebook.com/thongtinchinhpheu>, or (iii) Fill out and send information according to the form at <https://hotro.chinhpheu.vn/> for answers and instructions.

