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# **LEGAL UPDATES**

## **October 2021**

**- SUPPORTING POLICIES GRANTED TO EMPLOYERS AND EMPLOYERS BEING AFFECTED BY COVID-19 -**



## Insurance & Labour – Salary

### Resolution No. 116/NQ-CP dated 24 September 2021 Providing Policies to Support Employees and Employers Affected by COVID-19 Pandemic Using Unemployment Insurance Fund (“Resolution 116”)

Effective date: 24 September 2021

With the aim at encouraging employers to adapt to the New Normal and maintain their production - business activities, the Government issued on 24 September 2021 Resolution 116 which provides for a number of policies to support employees and employers affected by the COVID-19 pandemic. Specific policies are as follows:

#### 1. Support Granted to Employees

Employees entitled to supports under Resolution 116 are those who: (i) are participating in Unemployment Insurance (“UI”) as of 30 September 2021; or (ii) have stopped participating in UI due to termination of their labour contracts or working contracts during the period from 1 January 2020 to the end of 30 September 2021 with the UI contribution period reserved according to regulations of Law on Employment (excluding monthly pensioners).

Under Resolution 116, the employees, if qualifying the conditions set out above, are entitled to a one-time monetary support from the balance of the UI Fund with the level of support based on the UI contribution period of each employee. In particular:

Employees’ Contribution Period to UI Fund	Level of Support (VND/person)
Under 12 months	1.800.000
From full 12 months to under 60 months	2.100.000
From full 60 months to under 84 months	2.400.000
From full 84 months to under 108 months	2.650.000
From full 108 months to under 132 months	2.900.000
From full 132 months or more	3.300.000

The above support is scheduled to be implemented from 1 October 2021 and completed on 31 December 2021 at the latest.

#### 2. Support Granted to Employers

The employers participating in the UI scheme prior to 1 October 2021 are entitled to a reduction in contribution rate to the UI Fund from 1% to 0% for a 12-month period starting from 1 October 2021 to 30 September 2022.

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