

Tax Alert

July 2021

Government's Resolution No. 68 and Decision 23 to support employees and employers facing difficulties due to the Covid-19 pandemic

On July 1st, 2021, the Government approved Resolution No. 68/NQ-CP on several policies to support employees and employers facing difficulties due to the Covid-19 pandemic. To expedite the implementation of Resolution No. 68, on July 7th, 2021, the Prime Minister issued Decision No. 23/2021/QD-TTg providing detailed guidance on the applicable objects, conditions for policy entitlement, process and procedures to apply the policies. Decision 23 takes effect from July 7th, 2021.

Below are some notable policies to support employers under Resolution 68:

- Reducing the contribution rate for labour accidents and occupational diseases insurance from 0.5% to 0% for 12 months (from July 1st, 2021 to June 30th, 2022). Employers shall use the decreased contribution to fund Covid-19 pandemic prevention activities;
- Suspending payment to the retirement and survivorship fund for 6 months from the time employers submit the application dossiers. This regulation applies to employers who have fully paid social insurance or who temporarily suspended payment of retirement and survivorship funds up to the end of April 2021 and have reduced the number of employees by 15% or more compared to April 2021 due to the Covid-19 pandemic;
- Financial support for vocational training for employees (1.5 million/person/month, up to 06 months in the period from July 1st, 2021 to June 30th, 2022), applicable to employers who have paid unemployment insurance for a full 12 months or more, are undergoing a change in technology structure, have the revenue of the preceding quarter decreased by 10% compared to the same period in 2019 or 2020 and have in place a training plan to improve skills to maintain jobs for workers;
- Providing Loans with 0% interest rate at the Bank for Social Policies to pay the salary for job cessation and production recovery related salary for qualified employers and employees in certain sectors such as transport, travel, hospitality.... experiencing difficulties, during the period from May 1st, 2021 to March 31st, 2022. The loan term is less than 12 months..

Please contact KPMG if detailed consultancy on the issues relating to support policies under Resolution 68 or process, procedures under Decision 23 is required.

Contact us

Hanoi

46th Floor, Keangnam Landmark 72,
E6 Pham Hung Road, Me Tri Ward,
South Tu Liem District, Hanoi, Vietnam

T: +84 (24) 3946 1600

F: +84 (24) 3946 1601

E: kpmghanoi@kpmg.com.vn

Ho Chi Minh City

10th Floor, Sun Wah Tower,
115 Nguyen Hue Street, Ben Nghe Ward,
District 1, Ho Chi Minh City, Vietnam

T: +84 (28) 3821 9266

F: +84 (28) 3821 9267

E: kpmghcmc@kpmg.com.vn

Da Nang

Unit D3, 5th Floor, Indochina Riverside Towers,
74 Bach Dang Street, Hai Chau I Ward,
Hai Chau District, Da Nang City, Vietnam

T: +84 (236) 351 9051

F: +84 (236) 351 9051

E: kpmgdanang@kpmg.com.vn

Follow us on:   

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Limited, KPMG Tax and Advisory Limited, KPMG Legal Limited, KPMG Services Company Limited, all Vietnamese one member limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

kpmg.com.vn