

Resolutions of the National Assembly and the Government on supporting employees and employers affected by the Covid-19 pandemic using the Unemployment Insurance Fund

On September 24, 2021, the National Assembly's Standing Committee issued Resolution No. 03/2021/UBTVQH15 on policies to support employees and employers affected by the Covid-19 pandemic using the Unemployment Insurance Fund ("UI Fund").

Following the Resolution No. 03/2021/UBTVQH15, on the same day, the Government issued Resolution No. 116/2021/NQ-CP stipulating the applicable objects and support levels for employees and employers affected by the Covid-19 pandemic from the UI Fund. However, neither resolution provides criteria for determining employees/employers affected by the Covid-19 pandemic.

Specific policies include:

- **For employees:** a one-time monetary support with the rate ranging from VND1,800,000 to VND3,300,000/person depending on the duration such person has contributed to the UI Fund. This support is applicable to employees who are participating in the UI scheme as of 30th September 2021 and those who have stopped participating in the UI scheme due to the termination of labour contracts/working contracts during the period from 1st January 2020 to 30th September 2021 with the UI contribution period reserved. The support is scheduled to be implemented from 1st October 2021 until 31st December 2021 at the latest. The estimated funding of VND30,000 billion is sourced from the balance of the UI scheme as at the end of 2020.
- **For employers:** to reduce the contribution rate to the UI Fund from 1% to 0% during a 12-month period from October 1st 2021 to September 30th 2022 for employers participating in the UI scheme prior to 1st October 2021.

The Government assigns the Ministry of Labour, War Invalids and Social Affairs to co-ordinate with other relevant authorities in compiling and submitting a Decision for implementation of Resolution 116 for the Government's approval.

Please contact KPMG for further details and consultation in relation to the above policies.

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