



Legal update – New Resolution on supporting those facing difficulties due to COVID-19 outbreak

On 9 April 2020, the Government issued *Resolution No. 42/NQ-CP on measures to directly support those facing difficulties because of Covid-19 outbreak ("Resolution 42")*.

Resolution 42 became valid on 9 April 2020.

We highlight the salient points below:

1. According to *Resolution 42*, 7 groups of those affected by Covid-19 may receive support from the Government in cash as follows:

No.	Eligible persons	Level of support (VND)	Form of payment	Duration of support
1	Employees who take unpaid leave or whose labour contracts have been suspended for one month or longer.	1,800,000	Monthly	According to the duration of the suspension of the labour contract or unpaid leave, starting from 1 April 2020 No more than 3 months
2	Businesses with financial difficulties and have paid at least 50% of the suspension salary for employees (<i>According to Article 98.3 of Labour Code</i>) from April to June	0% interest unsecured loans up to 50% of regional minimum wage no more than 3 months (no collateral required)	Monthly at Vietnam Bank for Social Policies (" <i>VBSP</i> ") Monthly disbursement directly to the suspended employees	Maximum term loan of 12 months
3	Business households with revenue less than VND100 million/year and suspension of business from 1 April 2020	1,000,000	Monthly	According to the actual situation of the epidemic No more than 3 months

4	Employees and freelance employees, who lost their jobs but are not eligible to receive job-loss allowance	1,000,000	Monthly	3 months (from April to June)
5	Those with meritorious services to the revolution	Enjoy an additional 500,000	One time	3 months (from April to June)
6	Social insurance beneficiaries, currently receiving monthly social allowances	Enjoy an additional 500,000	One time	3 months (from April to June)
7	Poor and near-poor households ¹	250,000	One time	3 months (from April to June)

2. Other regulations

If enterprises have to reduce 50% of employees participating in social insurance or more, employees and employers may stop paying retirement and survivor's allowance **for 12 months**.

From 1 April 2020 until the notification of the end of the pandemic, employees may:

- apply to receive job-loss allowance to the competent social insurance agency by post.

¹ Article 2.1, Article 2.2 of Decision No 59/2015/QĐ-TTg on promulgating multidimensional poverty levels applicable during 2016-2020 regulated the level of poor household, and near-poor household as follows:

“1. Poor household

a/ In rural areas: is the one that satisfies either of the two following norms:

- *Having a monthly per capita income of VND 700,000 or lower;*
- *Having a monthly per capita income of between over VND 700,000 and VND 1.000. 000 and deprived of at least 3 indicators measuring deprivation of access to basic social services.*

b/ In urban areas: is the one that satisfies either of the two following norms:

- *Having a monthly per capita income of VND 900,000 or lower;*
- *Having a monthly per capita income of between over VND 900,000 and VND 1.300.000 and deprived of at least 3 indicators measuring deprivation of access to basic social services.*

2. Near-poor household

a/ In rural areas: is the one that has a monthly per capita income of between over VND 700.000 and VND 1,000,000 and is deprived of less than 3 indicators measuring deprivation of access to basic social services;

b/ In urban areas: is the one that has a monthly per capita income of between over VND 900.000 and VND 1,300,000 and is deprived of less than 3 indicators measuring deprivation of access to basic social services.”

- indirectly post their job search monthly through the employment service center by mail, post, fax, etc without providing the confirmation from the commune or ward People's Committee.

The Ministry of Labor, War Invalids and Social Affairs is assigned to lead and guide the relevant agencies in identifying those eligible and implementing the policies of *Resolution 42*.

Vietnam Social Insurance shall determine and approve the list of those eligible for the above regimes.

The Ministry of Finance shall manage the State budget to implement the policies of *Resolution 42*.

The State Bank of Vietnam will lend to VBSP a principal amount of VND 16,000 billion with 0% interest rate so it can on-lend employers to pay salaries to employees.

DN Legal, 10 April 2020 (www.daonguyenlegal.com)