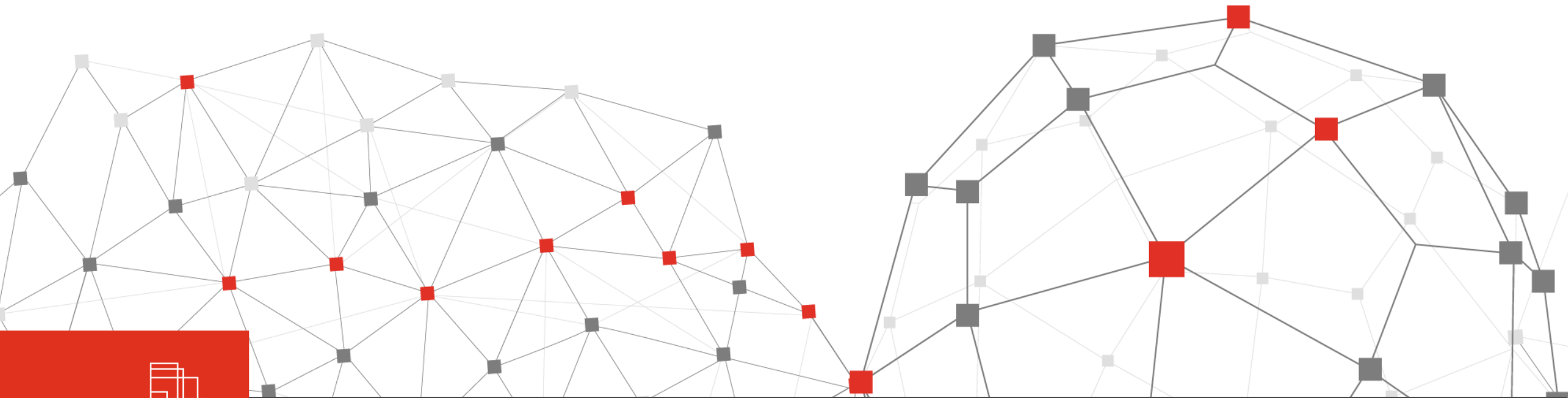


COVID-19

Social Insurance Contribution Suspension during COVID-19 outbreak



PwC Legal Vietnam NewsBrief

10 April 2020

In Directive 11/CT-TTg dated 4 March, the Prime Minister called on ministries and state agencies to urgently implement measures to address difficulties faced by businesses during the Covid-19 outbreak.

Please refer to this [link](#) for our previous NewsBrief on this matter.

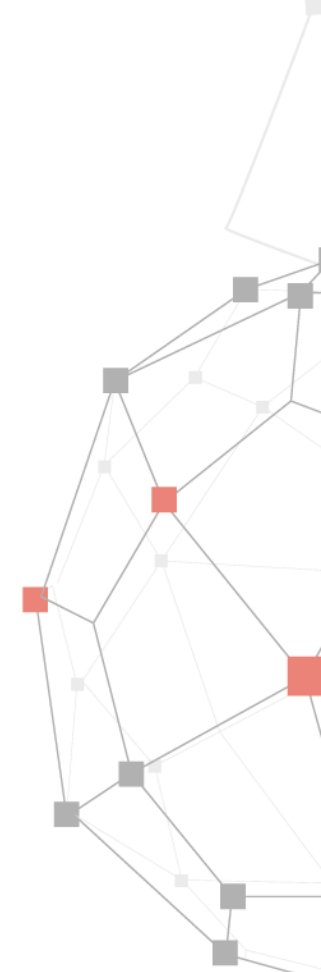
In response to Directive 11, the Ministry of Labour, War Invalids and Social Affairs, Vietnam Social Security, Vietnam General Confederation of Labour and some local authorities have issued various official letters to guide suspension/postponement of social insurance and trade union finance contributions.

Suspension of payment of social insurance premiums into Retirement and Death Fund

1. Guidance by the central government authorities

MOLISA issued Official Letter OL797/BLDTBXH-BHXH dated 9 March and OL874/BLDTBXH-BHXH dated 13 March, and VSS issued OL860/BHXH-BT dated 17 March to provide guidance on the suspension of SI contributions to the Retirement and Death Pension Fund (i.e. one of the three SI funds which requires 14% and 8% of employees' salary to be contributed by employers and employees respectively), as follows:

- Applicable scope: Companies involved in passenger transport, tourism, accommodation, restaurants and other sectors meeting either of the following conditions:
 - i. unable to find enough work for employees whereby 50% or more of the workforce participating in the SI scheme must temporarily stop working; or
 - ii. suffering a loss equivalent to at least 50% of the total value of the company's assets (excluding land).
- Timing: VSS will receive and settle applications (note this requirement for formal applications to be made) for such suspensions until June 2020. If the pandemic is not under control by the end of June, VSS may consider extending this until December.
- During the suspension, companies must still contribute SI premiums to the other two SI funds (i.e. Sickness and Maternity Fund, and Labour Accident and Occupational Disease Fund) as well as Health Insurance and Unemployment Insurance premiums to ensure employee benefits.



2. Guidance by local authorities

Various local Social Insurance Agencies and other local authorities nationwide have issued additional guidelines in this regard. Among them,

- OL553/BHXH-QLT was issued by HCMC SIA on 23 March
- OL882/HDLN-BHXH-LDTB&XH-TC was jointly issued by the SIA, the Department of Labour, War Invalid and Social Affairs and Department of Finance of Hanoi on 24 March
- OL9739/SLDTBXH-LD was issued by HCMC DOLISA on 1 April

According to these OLS, impacted businesses must contact their provincial DOLISA (if they have temporarily laid off 50% of their labourers) or the provincial DoF (if they are suffering a loss of over 50% of total assets) for assessment. DOLISA and DoF may delegate this task to their subsidiary offices at district level. Qualifying companies must then submit the confirmations issued by DOLISA/DoF or the district level authorities to the relevant SIA for SI contribution suspension.

Postponement of contributions of trade union finance

Vietnam General Confederation of Labour issued OL245/TLD dated 18 March to postpone trade union finance contributions until 30 June (and may consider extending it until 31 December). Similar to MOLISA's and VSS's guidance mentioned above, this postponement is applicable to companies which have 50% or more of their employees participating in the SI scheme suspended from work.



Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information, please reach out to us.



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