



Special Alert

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Vietnamese Government's response to employment issues arising from the Coronavirus pandemic

On 1 April 2020, the Prime Minister of Vietnam issued Decision No. 447/QĐ-TTg declaring Coronavirus (Covid-19) as a national pandemic in Vietnam. In addition, Vietnamese government has imposed numerous measures to minimize the spread of the Covid-19 and mitigate the economic impact of the Covid-19 outbreak which include:

Work Suspension

According to Official Letter No. 1064/LĐTBXH-QHLDL of the Ministry of Labor, War Invalids and Social Affairs of Vietnam (the "**MOLISA**") dated 25 March 2020, employees who are suspended from work due to the Covid-19 will be entitled to a wage for work suspension as mutually agreed between the parties but not lower than the regional minimum wages stipulated by the Government, i.e. from VND3,070,000 (appx. US\$132) to VND4,420,000 (appx. US\$190) per month.

Cases where employees are considered as being affected directly of the Covid-19 are as follow:

- (a) Foreign employees who are not allowed to return to Vietnam to work during the Covid-19;
- (b) Employees who are subject to mandatory quarantine as requested by competent authorities;
and
- (c) Employees who are suspended from work because the enterprise or its department cannot operate without their employer or other employee who is under quarantine or not allowed to return to work.

Financial Relief Measures

The Government of Vietnam has also passed Resolution No. 42/NQ-CP dated 9 April 2020 on measures to support those who are facing hardship due to the Covid-19, with the details as follows:

With regards to employers

- (a) Employers facing financial difficulties that have paid at least 50% of salaries in advance to their employees during their suspension of work for the period from April to June 2020 will be able to get interest-free loans with the term of 12 months from the Vietnam Bank for Social Policies; and
- (b) The capped loan shall be will be equivalent to a maximum of 50% of the minimum regional wages applicable to each employee based on the actual time of salary payment, but not exceeding three months.

With regards to employees

- (a) Employees who have their contracts suspended or take unpaid leave for a period of one month or longer will receive a financial support equivalent to VND1,800,000 (appx. US\$80) per month. The support duration is based on the actual duration of the contract suspension or amount of unpaid leave taken but shall not exceed 3 months, calculated from 1 April 2020; and
- (b) Employees who have their employment contracts terminated but are not eligible for unemployment insurance, or employees become unemployed due to not having the labor contracts will also be given VND1,000,000 (appx. US\$45) per month, calculated from April to June 2020.

Work Permit and Visa

Under Resolution No. 28/NQ-CP of the Government dated 10 March 2020, the MOLISA shall temporarily suspend the issuance of new work permits to foreign employees from countries and territories affected by Covid-19. Till date, no decision on resume of issuance of work permits has been issued.

In addition, all foreign nationals including overseas Vietnamese and their dependents have been temporarily suspended from entering to Vietnam from 22 March 2020 according to the Notification No. 118/TB-VPCP of the Government Office on 21 March 2020, except who are (a) unable to return to their country and must stay in Vietnam for work; or (b) foreign experts, business managers, high skilled workers etc. having a valid medical certificate proving negative for Covid-19 from the competent authority of their home country and have been accepted for entering Vietnam and strictly quarantined.

Practicing Social Distancing

Vietnam has ended its national social distancing measures at the end of 22 April 2020 except in some provinces or cities designated as high-risk, which will extend social distancing measures until 30 April 2020.

All business activities, including non-essential business and services, are allowed to return to normal on the condition they follow proper infection control measures. Based on the specific local conditions, the people's committee of each province/city will have discretion over each sector on their localities.

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