

LEGAL UPDATES (December 22th, 2020)

In these legal updates, we would like to send clients the legal updates on some following issues:

- The Decree No. 135/2020/ND-CP and the Decree No. 145/2020/ND-CP with the remarkable point about the age of retirement and health care for the female employee respectively, were promulgated in order to provide guidance for the implementation of some contents of the Labor Code 2019 which comes into effect from January 1st, 2021.
- On December 17th, 2020, the Government promulgated the Resolution No. 180/NQ-CP on reducing the electricity price, electricity bills for customers using electricity.

1. The new regulation on the age of retirement and the health care for female employee

The Government promulgated two Decrees guiding the implementation of some contents of the Labor Code 2019, specifically the Decree No. 135/2020/ND-CP dated November 18th, 2020 regulating the retirement ages and the Decree No. 145/2020/ND-CP dated December 14th, 2020 defining and providing guidance on the implementation of many contents of the Labor Code on working conditions and industrial relations

1.1 The Decree No. 135/2020/ND-CP dated November 18th, 2020 regulates the retirement ages.

1.1.1 The age of retirement

According to the Decree No. 135/2020//ND-CP, from January 01st, 2021, employee working in normal working conditions shall retire from work at the age of 60 and 03 months for male and 55 and 04 months for female. In the following years, the age of retirement of each year shall be increased by 03 months for male until they reach at the age of 62 in 2028 and by 04 months for female until they are 60 years old in 2035. Therefore, comparing with the current regulation, the age of retirement for male shall increase from 60 to 62 by 2028 and from 55 to 60 by 2035 for female.

1.1.2 Retirement before or after reaching the specified age of retirement

Depending on the circumstances, the employees can retire earlier or later than the age of retirement regulated. Specifically, the employees doing heavy lifting or working in hazardous environments can retire sooner, while working in highly-skilled jobs or the private sector can retire later. Generally, the maximum extension will be five years.

1.2 The Decree No. 145/2020/ND-CP dated December 14th, 2020 defines and provides guidance on the implementation of several contents of the Labor Code on working conditions and labour relations, details as follows:

In this Decree, the key points on health care for female employees are the regulations about the break of female employees during menstruation and female employees during the period of nursing a child under 12 months, specifically:

The female employee is entitled during her menstruation to a 30-minute break every day and during the period of nursing a child under 12 months is entitled to a break of 60 minutes every day which shall be included in the number of working hours and shall still receive the same wages as stated in her labour contract. In case a female employee does not want to take a break and employer allows her to work, a female employee is entitled to receive an additional salary for the work performed in the break, in addition to the salary pursuant to her labour contract.

Besides, the Decree No. 145/2020/ND-CP has the new provision on requiring employers who have more than 1000 female employees must install lactation and storing breastmilk rooms in the workplace.

The Decree No. 145/2020/ND-CP will take effect from February 1st, 2020.

2. The Government promulgated the new project on supporting to reduce the electricity price, electricity bills (the second time) for customers using electricity

The above project is approved when the Government promulgated Resolution No. 180/NQ-CP on the new project on supporting to reduce the electricity price, electricity bills (the second time) for customers using electricity on December 17th, 2020 based on proposal of the Industry and Trade Ministry. Specifically, according to the report of the Industry and Trade Ministry sent to the Prime Minister of the Socialist Republic of Viet Nam to propose the project on supporting to reduce the electricity price, electricity cost (the second time):

- The retail price of domestic electricity from level 1 to level 4 shall be reduced by 20%;
- To decrease electricity price from the retail level applied to business by retail price applied to the manufacturing industry for the customer that is tourist accommodation establishments or customer having warehouse during circulation;
- Establishments use for isolating, centralized medical examination for patients with suspected infection, already infected with COVID-19 shall receive a 100% reduction in electricity bill;
- Medical establishments used for examination, testing and treating the suspected and infected patients with COVID-19 are entitled to a 20% discount on their electricity bill; and
- Customers shall be assisted to reduce electricity price, electricity bills for 03 months with invoices in October, November, December 2020.

The Government assigned the Ministry of Industry and Trade to cooperate with the Ministry of Finance and related agency for implementing, ensuring strictness, right subject, and not allowing the policy to be abused for bad purposes.

We hope this short Letter of legal updates would bring you useful information.

Best regards.

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