



APAC payroll newsletter

In our first APAC payroll newsletter in 2021, we have both general updates and information on payroll, benefits and human resources. For the very latest news, please follow the links provided to the Mazars websites for the respective countries. Note, all dollar amounts quoted is in the respective country currency.

[Australia](#)

[Indonesia](#)

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Global payroll services

Managing global payroll across multiple countries can be challenging for many businesses. You may face different payment dates and deadlines, local rules and regulations, types of deductions, frequency of payments, and a variety of reporting requirements. It can also be problematic and inefficient using multiple local providers and hiring specialists in countries to service only a few employees.

How can we help you?

Mazars offers a comprehensive multi-country payroll outsourcing service that is seamless and efficient. By centralizing your global payroll services with one experienced firm, you retain greater control over the various regulations required to comply with payroll across multiple countries.

For more information, please visit our [Global Payroll Services](#).



Australia

Update

Payroll tax deferral scheme

- The States and Territories of Australia have introduced their own payroll tax relief measures to alleviate the impacts of coronavirus (COVID-19). One of such measures is the payroll tax deferral scheme whereby organisations continue to lodge their payroll tax returns by the due date but will be able to defer the payroll tax liability to a later date.
- The payroll tax deferral scheme introduced during 2020 may no longer be applicable with deferred payments now becoming due in some States and Territories.

Ending of Jobkeeper

- The Jobkeeper program has ended on 28 March 2021. There is no longer any employer subsidy to assist employers pay wages for employees, even for employers who are still experiencing a downturn in business due to Covid.

A word on the 'Modern Award' system

The Modern Award system in Australia is intended to cover most work and therefore most employees. The Modern Awards provide for minimum enforceable conditions. Modern Awards cover many aspects of employment including pay, hours, allowances, penalties etc. Although the Modern Award system is generally industry based, there are also some occupational Awards that cover employees in all industries, such as the Clerks - Private Sector Award.

Although the Award system, in one form or another, has been a feature of Australian employment regulation for a very long time, this does not mean that everyone is aware of how it operates and when their employees may be covered by a Modern Award. It is difficult to generalise about who is and who is not covered by an Award. However, it is safe to say that employees undertaking 'blue collar' work, clerical work or non-managerial work in most industries, e.g. nursing, child care, hairdressing, hospitality, retail etc are more likely than not to have Award coverage. There are exceptions to the above generalisation as well, as some Awards cover very senior employees including managerial employees.

For more information on the Modern Award system click [here](#) to read the full article.

For more information, go to:

- [Mazars in Australia website](#)
- [Human Resources consulting](#)
- [Latest news](#)



China

No updates

For more information, go to:

- [Mazars in China website](#)
- [Latest news](#)



Update

Maternity leave

- Extension of maternity leave is now in effect:
 - The extension of maternity leave to 14 weeks is effective since 11 December 2020. Employees who started confinement on or after 11 December 2020 are now eligible for this extension of statutory maternity leave.
 - Employers may apply for reimbursement of the 11th to 14th weeks' maternity leave pay (subject to a cap of \$80,000 per employee) after payment of 14 weeks' maternity leave pay on the normal pay day.
 - Employers who wish to apply for reimbursement are required to keep relevant employment records and other related documents of employees for subsequent submission of applications, including:
 - Employers' payment records of the 14 weeks' statutory maternity leave pay (e.g. salary slips, bank transaction records, etc).
 - Wage records of the 12 months preceding the commencement of maternity leave of employees.
 - Pregnancy proof provided by employees to employers (e.g. medical certificates specifying the expected dates of confinement, medical certificates or certificates of attendance for medical examinations in relation to pregnancy, etc.).
 - Criteria for application of the Reimbursement of Maternity Leave Pay ("RMLP")
 - Employer can only apply RMLP for employees covered by the Hong Kong Employment Ordinance ("HKEO").
 - Employee is entitled to Maternity Leave Pay ("MLP") under HKEO.
 - Employee has taken her maternity leave and received 14 weeks' MLP from the employer.
 - The employee's confinement date is on or after 11 December 2020.
 - Additional four weeks' MLP paid to the employee has not been or will not be covered / subsidised by any other government funding.
 - The application can be completed online, as well as by email, fax or post. To facilitate the reimbursement process, the Government encourages employers to apply online via the Reimbursement Easy Portal.

Reduction of salaries tax

- The Financial Secretary of Hong Kong has delivered his 2021/22 budget speech at the Legislative Council on 24 February 2021. He proposed to reduce salaries tax and tax under personal assessment for 2021/22 by 100% subject to a ceiling of HK\$10,000.

For more information, go to:

- [Mazars in Hong Kong website](#)
- [Outsourcing publications](#)



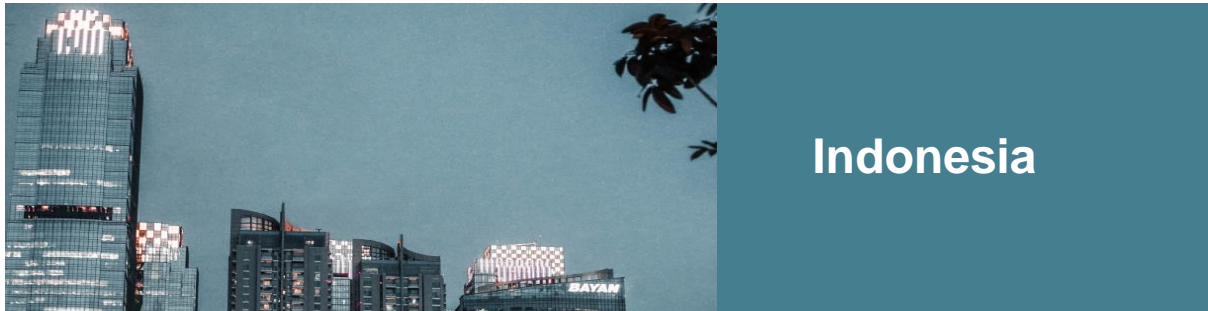
Update

Interest income on Provident Fund contribution to be taxable

- Previously, interest income on Provident Fund contribution was exempt from tax. From FY 2021 – 22 (AY 2022- 23) interest income will be taxable on contribution by employees exceeding INR 250,000 in the previous year. However, if the employee is contributing to the fund and there is no contribution to such fund by the employer, then interest income on contribution by employee in excess of INR 500,000 in the previous year will be taxable.

For more information, go to:

- [Mazars in India website](#)
- [Latest news](#)



Update

Withholding tax article 21

- The Ministry of Finance has issued the Regulation No.9/PMK.03/2021 (PMK9/2021) dated 1 February 2021 extending the tax facilities in response to the Covid-19 outbreak covering the period January 2021 to June 2021.
 - Tax will be borne 100% by the Government for 6 months (January to June 2021).
 - To qualify, employees who have a tax ID and received annualised fixed income of no more than IDR 200 million and work for an employer that is in the industry with certain KLU or having license to operate Bonded Zone or Special Economic Zone.
 - On the monthly reporting compliance, no later than the 20th of the following month, the Company needs to submit the Realisation Report to the Tax Office.
 - Effective from the Notification Letter submission month, the tax should be added to the employees take home pay.

Labour Law Cluster

- On 2 February 2021, several regulations related to the Labour Law Cluster of Law Number 11 of 2020 regarding Job Creation (“UU 11/2020”) were promulgated. This aims to make the Indonesian labour market more flexible and attractive for investors, will still protecting Indonesian workers’ rights at the same time. It covers:
 - Utilization of Foreign workers.
 - Fixed term employment, outsourcing, working hours, breaks and employment termination.
 - Wages.
 - Job loss security.
 - For further details on the above, click [here](#) to view the full article.

For more information, go to:

- [Mazars in Indonesia website](#)
- [Latest news](#)



Update

Equal pay for equal work

- On 1 April 2021, the Part-Time/Fixed-Term Employment Act (Act) has entered into effect also for small and medium-sized enterprises. The Act requires employers to implement equal pay for equal work with part time, fixed-term and dispatched workers in comparison to regular employees.
- The Act requires employers to inform the non-regular employees of such obligation at the time of hiring. The employer is also required to share information to the employee, upon employee request, on whether the employee is treated differently from regular employees and the reasons as to why they are treated differently, if so.
- Non-compliance to the Act and unreasonable treatment to the non-regular employee may result in the posting of the employer's name on the website of the Ministry of Health, Labour and Welfare. Additionally, unreasonable different treatment could result in claims for equal treatment and payments claims for the unfavourably treated employees.

Extension of the working age

- On 1 April 2021 the Act on Stabilization of Elderly Persons raised the retirement age from 65 to 70. A best effort obligation is to ensure employment opportunities to those aged 65 to 70. Best effort obligation requires companies to implement strategies on hiring and retaining staff aged 65 to 70. The strategies should include:
 - Introducing a system of continuous employment.
 - Introducing a system where employees can work under service agreements (e.g. consultants).
 - Introducing a system where employees can continuously work on the following projects;
 - Social contribution projects conducted by the employer; or
 - Social contribution projects conducted by organizations in which the employer invests or has a service agreement with.
- To encourage employment of employees aged over 65, the following subsidies has been established:
 - Promoting continuous employment of persons over 65.
 - Improving employment management including evaluation system for elderly persons.
 - Conversion to permanent employment of elderly persons.

For more information, go to:

- [Mazars in Japan website](#)
- [Latest news](#)



Update

Health insurance: change in contribution rates

- The health insurance rate for 2021 will increase from 6.67% to 6.86%. The long-term care insurance rate will also be increased from 10.25% to 11.52% in 2021.

Split of childcare leave period

- On 24 September 2020, the Environment and Labour Committee passed a vote to allow working women to split up their childcare leave into three periods instead of two periods and allow women to use their childcare leave while they are pregnant.

Revision of Labour Union and Labour Relations Adjustments Act (effective 6 July 2021)

- The Trade Union and Labour Relations Adjustment Act was previously interpreted as restricting the participation of dismissed persons to each company's union. Following the amendment of the law, union membership can be determined according to the union's own rules, regardless of the organisation type.
 - Considering the role and importance of executives and delegates, the executives and delegates of each company's union should be elected from members who work in the business or workplace.
 - In addition, union members who do not work in the business or workplace can engage in trade union activities without interfering with the employer's efficient business operations.
 - Unemployed union members should be excluded from the calculation of the number of union members for setting the working time exemption limit, determining representative union and voting.

Labour Standard Act Revision Plan (effective 6 April 2021)

- The improved bill increases the flexibility of working hour management by extending the unit period from the current three months to a maximum of six months and relaxing the requirement of pre-determining working hours.
- Also, workers' health damage and loss of wages according to an extension of the unit period can be prevented by regulating an 11-hour continuous break system between working days and mandatory notification of wage protection plan.
- Effective three months after proclamation for businesses with more than 50 employees and effective from 1 July 2021 for businesses with more than five and less than 50 employees.

New bill on punishment for serious industrial accidents

- On 8 January 2021, the National Assembly passed a bill on Punishment for Severe Industrial Accidents. The law will increase the penalties for the business owner or executive manager causing a serious industrial accident in violation of the obligations stated in the law. A serious industrial accident is defined in the law and refers to an industrial accident resulting in death or severe injury / occupational disease. A presidential decree is expected later in 2026.

Other changes effective as of 1 January 2021

- Monthly minimum wage is KRW8,720 per hour, hence a monthly minimum of KRW1,822,480.
- Granting paid time off for holidays is mandatory for companies with more than 30 employees.
- The working time reduction system for family care is applied to all companies with more than 30 employees.

2021 Supplementary budget bill of the Ministry of Employment and Labour

- On 2 March 2021 the Cabinet approved a supplementary budget bill of KRW 2.21 trillion with the main areas of focus:
 - Creating jobs for the young and strengthening job support;
 - Support for employment maintenance and stabilization of the lives of the vulnerable; and
 - Customized damage support via 'Emergency Employment Stabilization Subsidy'.

For more information, go to:

- [Mazars in Korea website](#)
- [Latest news](#)



Update

Wages subsidy 3.0

- Travel and retail
 - On 31 December 2020, the office of Social Security (Perkeso) announced that employers in the travel and retail sectors who are not allowed to operate due to movement control restrictions and experience 30% or more decrease in their revenue or income as compared to the respective month in year 2019 are eligible to apply for a wage subsidy.
 - Existing wage subsidy applicants will receive RM600 for each of their employees earning less than RM4,000 for a period of three months. New wage subsidy applicants will receive a wage subsidy of RM600 for a period of six months.
- Other sectors
 - On 18 January 2021, the scheme was extended to employers in all sectors in states where movement control is in place for one month if employers experience 30% or more decrease in their revenue or income, as compared to the respective month in year 2019. In addition, the wage subsidy limit of 200 employees for each employer will be increased to 500 employees.
 - The assistance is specifically for employers:
 - Registered with the Companies Commission of Malaysia (SSM) or local authorities before 1 January 2021; and
 - Registered with the Social Security Organisation (SOCSO) or Employment Insurance System (EIS) before 1 January 2021.
 - Applications can be made on or before 30 June 2021.
- Retention of employees
 - For employers opting to accept this assistance, they are required to retain their employees with salary RM4,000 or below at least for 6 months, i.e. 3 months during the period receiving the subsidy and 3 months thereafter. However, employers are allowed to reduce working hour or salary after obtaining consent from the employees.

Employees Provident Fund (EPF)

- From January to December 2021, the statutory rate for employee's share of contribution will be reduced from 11% to 9%. This new statutory contribution rate for employees applies only to members below 60 years old who are liable for contribution.

- Members who wish to maintain the contribution rate for employees at 11% may fill in the KWSP 17A (Khas 2021) form.

Human Resource Development Fund (HRDF)

- As mandated by the government of Malaysia in 11th Malaysia Plan (11MP) under Strategic Thrust 5 – Focus Area C: Strengthening the Lifelong Learning for Skills Enhancements where the access to HRDF is to be expanded to all industries.
- In line with this, HRDF has confirmed the expansion of the PSMB Act 2001, effective 1 March 2021.
- It is now mandatory for all employers with 10 or more Malaysian employees to register with HRDF. Employers with 5 to 9 Malaysian employees and non-governmental organisations (NGO) involved in social welfare activities are given the option to register.
- The registration of HRDF employers under the new industries takes effect from 1 March 2021. Employers of the new sectors are given an exemption of HRD levy for 3 months from 1 March to 31 May 2021

For more information, go to:

- [Mazars in Malaysia website](#)
- [Latest news](#)



Philippines

Update

Social Security System

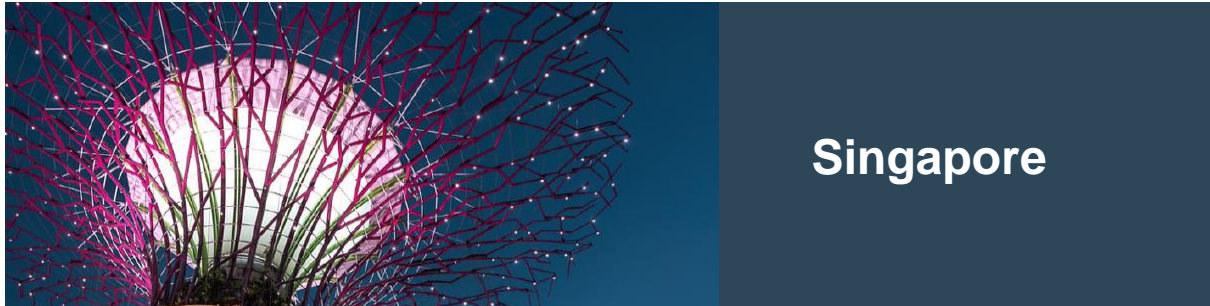
- New SSS Contribution Schedule effective starting 1 January 2021 will be at 13% – 1% higher than the 2020 rate.
- For employed members, including OFW members in countries with Bilateral Labour Agreements (BLAs) with the Philippines and sea based OFW members, the additional 1% will be divided equally between them and their employers, bringing the contribution rate breakdown to 8.5% for their employers and 4.5% for them.
- Based on the circular, the SSS enacted Republic Act No. 11199, which includes a provision that states there will be changes to the contribution, as follows:
 - Social Security (SS) contribution rate increases to 13%.
 - Minimum Monthly Salary Credit (MSC) increases to P3,000.
 - Maximum Monthly Salary Credit (MSC) increases to P25,000.
- The SSS Circular No. 2020-033 was then issued to announce the new schedule of contributions for employers (ER) and employees (EE) which was effective, for the applicable month of January 2021, as per Social Security Commission (SSC) Resolution No.709-s.2020 dated 17 December 2020.

Philhealth

- Under the Universal Health Care Law and reiterated in PhilHealth Circular 2020-005, effective 1 January 2021, those with monthly basic salary of P10,000 and below will pay a fixed rate of P350 per month while those with monthly basic salary of P70,000 and above will pay a fixed rate of P2,450 per month. Further, the premium rate will be increased to 3.5%.
- However, Philippine Health Insurance Corp. (PhilHealth) has suspended the increase in members' monthly contribution for the year 2021 in response to the directive of managing the impact of the Covid-19 pandemic. The deferment is an interim arrangement until Senate Bill 1966, seeking suspension of such increase, is passed into a law.
- To date, PhilHealth will continue to collect contributions using the three percent (3%) premium rate, wherein those with monthly basic salary of P10,000 and below will pay a fixed rate of P300 per month and those with monthly basic of P60,000 and above will pay a fixed rate of P1,800

For more information, go to:

- [Mazars in Philippines website](#)
- [Latest news](#)



Update

Tech.Pass

- The Economic Development Board (EDB) has announced that a new work pass called Tech.Pass will be launched in 2021. The target is top-tier foreign tech professionals and experts looking to start businesses, lead corporate teams or teach here.
- A Tech.Pass will be valid for two years, with a one-time renewal for two more years. A benefit of Tech.Pass is that individuals may apply for it without employer sponsorship. Applications will start in January 2021, with only 500 places available upon official launch.

Tightening of Work Pass requirements

- The minimum qualifying salary has been raised to S\$4,500 and S\$2,500 for EP and S Pass Holders respectively.
- The Ministry of Manpower announced on 27 August 2020 that the minimum qualifying salary for new Employment Pass (EP) candidates will be raised to S\$4,500 from 1 September 2020, and the minimum qualifying salary for new S Pass candidates will also be raised to S\$2,500 from 1 October 2020. For EP candidates in financial services, the minimum qualifying salary will be raised further to S\$5,000 from December 2020.
- The qualifying salaries for older and more experienced EP candidates in their 40s will be raised correspondingly and will remain around double the minimum qualifying salary for the youngest candidates. For renewals, the new criteria will come into effect from 1 May 2021.
- The Fair Consideration Framework (FCF) job advertising requirement will be extended to S Pass applications submitted from 1 October 2020 while the FCF job advertising duration for both EP and S Pass has been doubled to 28 days effective 1 October 2020.

A word on 'transitioning to a hybrid working model'

When the 'circuit breaker' hit Singapore back in April 2020, many companies were not prepared for remote working. Now that many employees are re-emerging from their homes and remote work locations, the key challenge is transitioning to a hybrid working model – a mix of working remotely and in the office.

What should be considered when transitioning to a hybrid working environment?

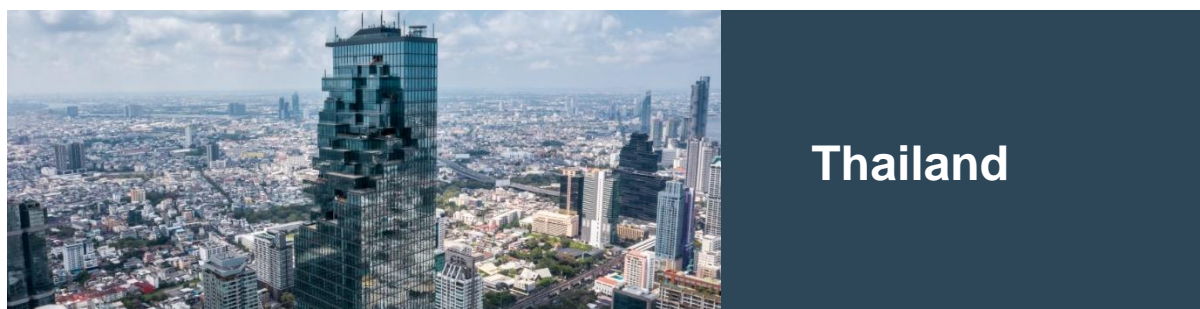
- Employees may feel disengaged or disconnected, especially when they have been working remotely for a long period of time. Communication is key, so it is important for companies to provide regular updates to their staff on what is happening within the organisation.

- Employees need to know what is expected of them. Set relevant competencies and Key Performance Indicators (KPIs) to benchmark their progress.
- Digitalisation of work processes by the management.
- Developing talent for the future.

There are several ways of addressing these main points. Click [here](#) to read the full article.

For more information, go to:

- [Mazars in Singapore website](#)
- [Latest news](#)



Update

New COVID-19 relief measures from Social Security Fund

On 22 December 2020, the Cabinet approved five draft Ministerial Regulations for helping the employees during COVID-19 outbreak as follows:

- Reduction of Social Security Fund contributions for both employees and employers from 5% to 3% for three months (effective from January to March 2021).
- It was later announced there will be a new reduction in Social Security Fund contributions for employees only in February and March 2021 from 3% to 0.5%, based on wages capped at 15,000 baht. Therefore, employees will make contributions of between 8 to 75 baht.

	January 2021		February 2021		March 2021	
	Employee's contribution	Employer's contribution	Employee's contribution	Employer's contribution	Employee's contribution	Employer's contribution
Cabinet approved on 22 December 2020	3%	3%	3%	3%	3%	3%
Cabinet approved on 26 January 2021	3%	3%	<u>0.50%</u>	3%	<u>0.50%</u>	3%

- The deadline for filing personal income tax returns (Forms P.N.D.90/91) electronically is to be extended from 31 March 2021 to 30 June 2021. The standard option of paying tax in three monthly instalments is still available.
- COVID-19 is considered an event of force majeure under the Social Security Act, where an employer does not have to pay wages to an employee. Effective from 19 December 2020, employer in some areas affected by the COVID-19 outbreak have been ordered by the government to close temporarily. Employees who have made SSF contributions in at least 6 of

the previous 15 months can receive unemployment benefits from the Social Security Office of 50% of their daily wages, calculated from maximum wage at 15,000 baht per month, for not more than 90 days.

- Increase in the childbirth allowance from 13,000 baht to 15,000 baht per birth, effective from 1 January 2021.
- Increase in the pre-natal care allowance per birth from 1,000 baht to 1,500 baht, effective from 1 January 2021.
- Increase in the child allowance of 600 baht to 800 baht per child per month, effective from 1 January 2021. This benefit is for employees (or voluntary insurers under Section 39 of the Social Security Act) who have made contributions for at least 12 months in the previous 36 months. Only legitimate children under 6 years old are counted, a maximum of three children per time.

Postponement or temporary discontinuation of Provident Fund contributions

On 8 January 2021, a notification of the Ministry of Finance was published in the Royal Gazette. The purpose of the notification is to mitigate the impact of the second-wave of the COVID-19 outbreak on both employers and employees/

- Employers and employees facing financial difficulties due to the COVID-19 outbreak can postpone or temporarily discontinue making provident fund contributions from now to June 2021, while continuing to be enrolled in the provident fund.
- An employee can continue making contributions, but an employer can choose to postpone contributions or to make them as usual.
- In order for an employer to be able to postpone contributions, a general meeting of the fund must approve a resolution on this matter. However, a vote must be passed unanimously by the fund's committees representing the employer and employees if a general meeting cannot be held.
- In order for contributions from a cash pool to be postponed, a general meeting of the fund must approve a resolution on this matter, or a vote must be passed unanimously by the fund's committees representing the employers and the employees of each employer.
- An employer or the fund's committees must submit the following documents to the provident fund registrar:
 - A statement from the employer certifying that it is having financial difficulties due to the COVID-19 outbreak. This must be signed off by the authorized person of the entity.
 - The minutes of the general meeting or the fund's committees reporting that the employer is having financial difficulties due to the COVID-19 outbreak and will postpone or temporarily discontinue contributions until a certain time, but no later than June 2021.

For more information, go to:

- [Mazars in Thailand website](#)
- [Latest news](#)



Vietnam

Update

New Decree – articles of the labour code

On 14 December 2020, the Government promulgated Decree No. 145/2020/ND-CP detailing and guiding the implementation of a number of articles of the Labour Code regarding labour conditions and labour relation (“Decree 145”). Such Decree provides for labour management, labour contract, labour outsourcing, dialogue at workplace, salary, working hour & rest hour, labour discipline & material liability, female employees & gender equality, domestic worker and labour dispute.

- Advance notice period upon unilateral termination of labour contracts regarding special works and business lines
 - With respect to some works in aviation industry (aircrew members, aircraft maintenance technicians, etc.), enterprise managers as specified by Law on Enterprises, crewmembers working on Vietnamese vessels operating overseas, crewmembers dispatched to foreign vessels by Vietnamese dispatching agencies, advance notice period required when the employer or employee unilaterally terminates the labour contract is:
 - For an indefinite term labour contract or a labour contract with a term of 12 months or more: at least 120 days.
 - For a labour contract with a term of less than 12 months: at least $\frac{1}{4}$ of the contractual term.
- Severance allowance
 - The employer shall not have to pay severance allowance in the following cases:
 - The employee is eligible to enjoy pension in accordance with the Labour Code and laws on social insurance.
 - The employee is absent from work without justified reasons for a period of 5 consecutive working days or more.
- Actual working period used to calculate severance allowance and job loss allowance
 - Probationary period is considered as actual period working for the employer.
 - Rounding rule for actual working period is changed in comparison with current provisions. Specifically, a period of up to 6 months shall be rounded up to $\frac{1}{2}$ year, a period of more than 6 months shall be rounded up to 1 year.

- Supplementing specific provisions on calculating actual working period in some special cases such as the employee works under consecutive labour contracts, the employee keeps working after company division, separation, merge or consolidation.
- **Salary used to calculate severance allowance, job loss allowance**
 - For an employee working under consecutive labour contracts as stipulated in Article 20.2 of the Labour Code (i.e. the employee keeps working upon expiration of a definite term labour contract), salary used to calculate his/her severance allowance or job loss allowance is the average salary of the last 6 months before the last labour contract is terminated. In case the last labour contract is declared as invalid due to lower salary than the regional minimum salary announced by the Government or the salary specified in the collective labour agreement, salary used to calculate severance allowance or job loss allowance shall be negotiated by both parties but must not be lower than the regional minimum salary or the salary specified in the collective labour agreement.
- **Settlement of invalid labour contracts**
 - Removing provision that within 03 working days from the date of receiving decision on declaration of partial invalidity of a labour contract, the parties have to amend and supplement such labour contract.
 - Removing the limitation of 12 months as maximum when calculating the actual working period of the employee in order to return the difference between agreed salary and salary stipulated in the labour contract which is declared as invalid due to lower salary than the one stipulated by the laws, internal labour regulations or collective labour agreement.
- **Dialogue at workplace**
 - Comparing with the current provisions, Decree 145 has more detailed provisions on contents of an internal workplace democracy regulations; participants in a dialogue; conditions for holding a periodical dialogue, an ad hoc dialogue when requested by either party or over an incident. Employers using less than 10 employees do not have to hold employee conferences and issue workplace democracy regulations.
- **Overtime salary**
 - Removing provision on maximum actual working hours in a month (208 hours) when calculating hourly salary in a normal working day to calculate overtime salary.
- **Time included in paid working hours**
 - The following time periods are included in paid working hours in additions to the ones stipulated by the current laws:
 - Time periods over which trainees and apprentices directly perform or participate in the performance of work.
 - Time spent on health check-up, medical examination for occupational diseases, medical evaluation for determination of work capacity reduction due to occupational accidents or diseases if arranged or required by the employers.
 - Time spent on registration and medical examination for military service if the employees are paid for as prescribed by military service laws.

- **Overtime**
 - Supplementing cases in which overtime work exceeding 200 hours but not exceeding 300 hours is permissible:
 - Provision of public services; medical services; educational and vocational training services.
 - Direct production and business operation works at enterprises of which normal working hours do not exceed 44 hours per week.
 - Time limit for notification to the Department of Labour, War Invalids and Social Affairs of the overtime work exceeding 200 hours but not exceeding 300 hours is 15 days from the initiation date of the overtime work.
- **Periods included in working time as the basis for calculation of annual leave and determination of annual leave days in case an employee has an incomplete month of work**
 - In this regards, Decree 145 has 2 new provisions in comparison with the current one:
 - Suspension period is only calculated if after which the employee is exonerated or exempt from disciplinary actions.
 - Removing detention period after which the employee is released and goes back to work after being declared innocent by competent state authorities.
 - In case an employee has an incomplete month of work, it will be considered a complete month (01 month) when calculating annual leave days if the total working days and paid leave days make up of at least 50% of the normal working days of the month.
- **Salary as the basis for paying an employee for untaken annual leave days**
 - Provisions of Decree 145 are changed in comparison with the current ones. Specifically, the salary used is salary under the employee's labour contract of the month preceding the month in which the employee resigns or loses his/her job.
- **Internal labour regulation**
 - Employers using less than 10 employees are not obligated to issue written internal labour regulations but have to specify agreements on labour discipline and material liability in labour contracts.
- **Orders and procedures for labour discipline**
 - Supplementing provisions on time limit during which the employer has to notify the mandatory participants of the labour discipline meeting (at least 5 working days before the meeting is held). However, Decree 145 removes provision on time limit during which the mandatory participants have to confirm their participation (current provision: 3 working days from the date of receiving the notification of the meeting).
- **Female employees and gender equality**
 - If a female employee does not have the need to take leave in menstrual period or rest period while nursing a child under 12 months of age and the employer agrees to her working during such periods, she will be entitled to, in addition to the salary paid for the rest time as stipulated by the laws, an extra salary that corresponds to the amount of works done by her

during the rest periods. The untaken menstrual leave shall not be included in the overtime hours.

- A room for expressing milk and breast milk storage is mandatory if an employer employs 1000 female employees or more.
- **Preventing and combating sexual harassment in the workplace**
 - Decree 145 has a separate section providing for sexual harassment in the workplace including forms of sexual harassment, definition of workplace, main contents of employers' regulations on preventing and combating sexual harassment in the workplace.
- **Personal income tax (PIT)**
 - According to Official Letter 5032/TCT-CS issued by GDT on 26 November 2020, the quarantine-related expenses paid after the expatriates' entry into Vietnam shall be deemed as benefits received by such expatriates, therefore shall be treated as taxable employment income.

For more information, go to:

- [Mazars in Vietnam website](#)
- [Latest news](#)

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