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Vietnam's Labour Law & Employment Regulations

Overview

Vietnam is one of Southeast Asia's most dynamic and attractive business destinations, underpinned by strong economic momentum, a young and growing labour force, rising foreign investment, and broad global trade access. The economy recorded 7.09% GDP growth in 2024 (Reuters, 2025) – one of the strongest performances in ASEAN. With a population of 103.08 million, of whom 67.8% are of working age, Vietnam offers businesses access to a large, productive, and increasingly skilled talent pool.

The country remains an FDI magnet, attracting USD 38.2 billion in inflows in 2024 (VnEconomy, 2025), with its manufacturing hub supported by Samsung, Intel, LG, and more than 200 Fortune 500 firms. Backed by 17 active FTAs – including CPTPP, EVFTA, and RCEP – Vietnam provides some of the broadest trade access in Southeast Asia, making it a compelling hub for regional and global operations alike.

Basic Country Facts

Capital
Hanoi

Population
103.08 million
IMF

Currency
Vietnamese Dong (VND, ₫)

GDP per Capita
USD 5,120 (as of 2026)
IMF

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Labour Law & Employment Regulations

Vietnam has established a comprehensive legal framework governing employment relationship, built on the Labour Code 45/2019 and supplemented by an evolving set of decrees covering wages, social insurance, health insurance, and occupational safety. This framework is one of the most structured in Southeast Asia – providing clarity for employers while delivering meaningful protections for employees. Understanding its foundations is essential for any business operating or planning to operate in Vietnam.

Legal Foundation

All employment relationships in Vietnam are governed by the Labour Code 45/2019, which provides the principal framework for employer and employee rights and obligations. Complementary legislation covers wages, social insurance (SI), health insurance (HI), and occupational safety, ensuring comprehensive statutory coverage.

- Labour Code 45/2019 governs all employment relationships.
- Supplemented by decrees on wages, SI, HI, and occupational safety.
- Disputes resolved via internal conciliation, then court or arbitration.

Employment Contracts

Vietnam provides a structured employment contract framework that balances operational flexibility with employee protection. All contracts must be in writing, and with the introduction of electronic contracts from January 2026, employers have a modern, efficient pathway for onboarding and documentation.

- Indefinite-term, Definite-term.
- Definite-term contracts may be signed a maximum of twice (original + one renewal). If employment continues after the second contract expires without a new agreement being signed within 30 days, the contract automatically converts to indefinite-term. (Article 20, Labour Code 45/2019).
- Must be in writing, except for contracts with a term of less than one month may be oral in limited cases; electronic contracts (e-contracts) are encouraged to apply from July 2026 onwards if they comply with e-contract laws (Decree 337/2025/NĐ-CP and Circular 08/2026/TT-BNV).

Probation Period (Article 25, Labour Code 45/2019)

Probation applies once per role. Maximum durations by position tier:

Position Tier	Maximum Probation
Enterprise directors/managers (as defined under the Law on Enterprises and Law on Management and Use of State Capital)	180 days
Roles requiring professional/technical qualification at college degree level or higher	60 days
Roles requiring intermediate-level qualification; technical workers and operators	30 days
All other roles (general/basic workers)	6 working days

Working Hours

Vietnam's working hour regulations are designed to maintain productivity while protecting employee wellbeing. Overtime rules are clearly defined, with premium rates that reward employees working beyond standard hours.

- Max 8 hrs/day, 48 hrs/week; OT capped at 200 hrs/year (300 in specific industries).
- Overtime rates: at least 150% on weekdays (at least 200% for night and at least 210% for night if also working overtime on weekdays), at least 200% on rest days (at least 270% for night), at least 300% on public holidays (at least 390% for night).
- Night work supplement: additional at least 30% on the base hourly rate.

Dispute Resolution

Vietnam's dispute resolution process is structured to encourage amicable resolution before escalating to formal legal proceedings, reducing burden on both parties.

Step 1: Internal labour conciliation (mandatory first step), except for disputes where mediation is not mandatory under the Labour Code.

Step 2: Labour Arbitration Council or People's Court.

Illegal strikes: employer may seek damages and injunction.

Statutory Leave Entitlements

Vietnam's leave entitlements reflect a genuine commitment to employee welfare. Notably, maternity leave at 6 months fully paid (via the Social Insurance fund) is among the most generous in ASEAN – a competitive advantage when attracting and retaining female talent.

Leave Type	Entitlement	Notes
Annual Leave	12–16 days/year	After 12 months; +1 day per 5 years seniority.
Sick Leave	• 30–60 days (in normal working conditions); • 40-70 days (in heavy, hazardous or dangerous work conditions)	Paid via SI fund. Duration varies by SI contribution tenure and working conditions – see breakdown below.
Maternity Leave	6 months	Paid at 100% by SI fund – among the most generous in ASEAN.
Paternity Leave	5–14 days	Depends on birth type; paid by SI fund.
Public Holidays	12 days	11 days under Labour Code 45/2019, plus Vietnamese Culture Day (24 November) added via Labour Code amendment. Includes New Calendar Year, Tết (5 days), National Day (2 days), International Labour Day, Liberation Day, and Hung Kings' Festival.
Bereavement	3 days paid	For immediate family members.

Sick Leave Entitlement Details (Social Insurance Law)

Sick leave entitlement is funded by the Social Insurance (SI) fund and scales with both the employee's SI contribution tenure and their working conditions. Employers in industries involving hazardous, heavy, or dangerous work should note the significantly higher entitlements that apply.

Working Conditions	SI Contribution < 15 years	SI Contribution 15–30 years	SI Contribution > 30 years
Normal working conditions	30 days/year	40 days/year	60 days/year
Hazardous, heavy, or dangerous work conditions	40 days/year	50 days/year	70 days/year

The applicable working condition category is determined by the Ministry of Labour's list of hazardous/heavy occupations. Employers operating in manufacturing, construction, mining, chemicals, or similar sectors should verify which category applies to each role.

Vietnam's Labour Reform Wave: 2024–2026

The period from 2024 to 2026 marks one of the most significant waves of labour and employment reform in Vietnam's recent history. Three cornerstone laws passed in 2024, covering social insurance, health insurance, and trade unions which took effect from 1 July 2025, followed by sweeping reforms to personal income tax, minimum wages, and data protection in 2026. Far from being mere compliance updates, these reforms reflect the Vietnamese government's commitment to modernising its labour market, expanding worker protections, and strengthening Vietnam's attractiveness as a long-term investment destination. For employers, they represent both an obligation to comply and an opportunity to enhance the employee value proposition.

Foundation Laws Passed in 2024 – All Effective 1 July 2025

Law	Effective	Details
SI Law 41/2024	1 July 2025	• Mandatory SI expanded to cooperation & consultancy contracts, which have the conditions similar to the labour contract according to the Vietnam Labour Code 2019. • Lump-sum withdrawal restricted for post-July 2025 joiners. • Penalty: 0.03%/day on unpaid contributions + potential criminal liability.
HI Law 51/2024	1 July 2025	Coverage extended to additional worker categories. HI contribution base aligned with SI base – removes prior ambiguity. Dependants must re-register under new rules.
Trade Union Law 50/2024	1 July 2025	• Employer trade union fee: 2% of salary for SI contribution. • Employee contribution: 1% of salary for SI contribution. • FIEs must establish a grassroots trade union and affiliate with VGCL; the specific registration timeline is subject to VGCL implementation guidelines – confirm current requirements with VGCL or legal counsel.

Key Regulatory Changes in 2026

Building on the foundation laws of 2024, Vietnam introduced sweeping regulatory changes in 2026 across electronic contracting, personal income tax, wages, and data protection. Taken together, these changes signal a maturing regulatory environment – one that rewards compliant, well-managed employers with greater operational efficiency and a more competitive employee proposition.

1. Electronic Labour Contracts

Decree 337/2025/NĐ-CP and Circular 08/2026/TT-BNV established Vietnam's national e-contract framework, with full platform registration mandatory from 1 July 2026. This is a modernisation milestone: reducing paper dependency, accelerating onboarding, and creating a timestamped, auditable record of every employment agreement. Employers who prepare early will find this a genuine operational improvement.

Deadline: Any new electronic labour contract concluded on or after 1 July 2026 must be submitted to the Electronic Labour Contract Platform for ID issuance. Non-compliance may affect the validity and enforceability of the electronic contract.

Three Conditions for a Legally Valid E-Contract

No.	Condition	Requirement
1	Qualified Digital Signature	Must use a CA-licensed digital signature in Vietnam. Standard tools (e.g. DocuSign standalone) are not sufficient without Vietnam compliance certification.
2	Certified E-Contract Platform	Must be signed on a compliant eContract system/service provider connected to the Electronic Labour Contract Platform managed by the Ministry of Home Affairs. As of June 2026, the vendor registry is still being finalised – confirm certification status in writing before proceeding.
3	24-Hour Platform Registration	After final signature, submit to the National E-Contract Platform within 24 hours – including weekends and public holidays.

If any one of the three conditions is not met, the contract will not be considered equivalent to a paper contract and may not qualify as a valid electronic labour contract under Decree 337/Circular 08 and may create validity or enforcement risks.

HRMS Integration: Why It Matters
An e-signature tool handles the signature step only. Full compliance also requires: 24-hour platform submission, 10-year retention, PDPL consent record management, and a timestamped audit trail for labour inspectors. At scale, these obligations are best managed through integrated HRMS automation rather than manual processes.

2. Personal Income Tax Reform

Law 109/2025/QH15 and Resolution 110/2025/UBTVQH15 deliver the most significant overhaul of Vietnam's personal income tax regime in many years, and the changes are decisively positive for employees and employers alike. The simplified 5-bracket structure, higher personal deductions, and targeted tech talent exemptions improve take-home pay, simplify payroll calculation, and create powerful new tools for recruiting high-value professionals. For employers, this is an opportunity to communicate a stronger total compensation story.

Salary & wages provisions: effective 1 January 2026 | Full law (all income types): effective 1 July 2026

What Changed – At a Glance

Component	Before	After (Jan 2026)	Employee Benefit
Bracket structure	7 brackets	5 brackets	Cleaner calculation, lower effective rate
Top rate (35%) threshold	VND 80M/month	VND 100M/month	Material saving for senior staff & expats
Self-deduction	VND 11M/month	VND 15.5M/month (+41%)	Reduces taxable income immediately – more take-home
Dependent deduction	VND 4.4M/person	VND 6.2M/person (+41%)	More take-home per registered dependent
Tech talent PIT exemption	None	5-year full exemption	AI/semiconductor/R&D – powerful recruitment tool

Family Deductions – Monthly Tax Shield (From Jan 2026)

Item	Amount	Notes
Self-Deduction	VND 15.5M/month	Previously VND 11M (+41%)
Per Dependent	VND 6.2M/month	Previously VND 4.4M (+41%)
2 Dependents Shield	VND 27.9M/month	Previously VND 19.8M
3 Dependents Shield	VND 34.1M/month	Covers many mid-income families
Zero PIT Threshold	≤ VND 15.5M/month	A large share of the workforce pays zero PIT

Implementation Timeline – What Applies When

The law has a split roll-out that requires careful payroll configuration:

- Salary & wages brackets: live from 1 January 2026.
- Bonuses, equity, and non-salary income: new rules apply from 1 July 2026.

Action: Verify that your payroll engine applies the correct rate regime to each income type in each pay period. Applying old brackets to 2026 salary creates over-withholding, an employee relations issue. Under-withholding is a tax compliance risk. Both are avoidable with correct system configuration.

3. Regional Minimum Wage & Social, Health, and Unemployment Insurance (SHUI) Cascade

Vietnam's minimum wage adjustments reflect the government's continued commitment to improving living standards – and confidence in the economy's ability to sustain it. The 7.2% regional wage increase effective January 2026 (Decree 293/2025/NĐ-CP), followed by an 8% basic wage increase in July 2026 (Decree 161/2026/NĐ-CP), represent the highest combined adjustment in recent years. While this requires careful payroll planning, it also signals the growing purchasing power and quality of Vietnam's workforce – a long-term positive for businesses operating in the consumer market.

Regional Minimum Wages – Effective January 2026

Region	Key Locations	Min Wage (VND/month)	vs 2025
Region I	Hanoi, HCMC, Hai Phong, Da Nang	5,310,000	+7.3%
Region II	Binh Duong, Dong Nai, Vung Tau, Can Tho	4,730,000	+7.3%
Region III	Bac Ninh, Hai Duong, Hung Yen, Vinh Phuc	4,140,000	+6.7%
Region IV	Remaining provinces and rural areas	3,700,000	+7.2%

Basic Wage Update – Effective 1 July 2026

- Basic wage increases: VND 2,340,000 → VND 2,530,000 per month (+8%).
- New SHI contribution ceiling: 20 × VND 2,530,000 = VND 50,600,000/month.
- New UI contribution ceiling: 20 x corresponding minimum regional wages.

Two payroll updates fall in the same calendar year. Recalculate SHUI in January and again in July to remain compliant.

Why Total Cost Exceeds the Headline Wage Increase

Step	Description
7.2% Regional minimum Wage and 8% Base Wage Rise	Direct payroll cost increase on base wages
SHUI Contribution Base Rises	SI, HI, and UI contributions are calculated as a percentage of the wage floor, so costs rise proportionally
Contract Multipliers	Entry-level contracts expressed as multiples of minimum wage auto-escalate
Net Impact	True total employment cost increase typically exceeds the headline wage percentage – budget accordingly

Key Actions Before Your Next Payroll Run

- Verify each entity's regional classification: Province mergers changed wage regions. A factory previously in Region III may now fall under Region II.
- Recalculate SHI from July 2026 using the new basic wage: SI cap = 20 × VND 2,530,000 = VND 50,600,000/month while UI should continue to follow the regional minimum wage-based ceiling which was effective from January 2026. Update your payroll engine before the July run.
- Review contracts linked to minimum wage multiples: Entry-level contracts that reference wage multiples will auto-escalate. Quantify the budget impact before 1 July.

4. Social Insurance Expansion

The Social Insurance Law 41/2024 (effective 1 July 2025) significantly broadens SI coverage to include contract types that were previously exempt, a positive development for worker welfare and long-term retirement security. For employers, this means reviewing all engagement models to ensure new obligations are captured in payroll processing.

Expanded Worker Categories – Who Is Now Covered?

Worker / Contract Type	Before July 2025	After July 2025	Employer Action
Standard Labour Contract (indefinite/definite)	Covered	Covered	No change – baseline
Fixed-Term Contracts (≥ 3 months)	Covered	Covered	No change
Cooperation / Consultancy Contracts	Exempt	Now Covered	New obligation – register and remit
Expert / Advisory Agreements	Exempt	Now Covered	New obligation – register and remit
Part-Time / Seasonal Workers	Partial	Expanded	Review all contracts for compliance

SI Lump-Sum Withdrawal – New Restriction

- Workers who joined on or after 1 July 2025 no longer have the right to withdraw social insurance contributions as a lump sum upon leaving employment. This change aligns Vietnam's SI framework with the long-term retirement savings intent of the fund – a positive development for employees' future financial security.
- HR teams are encouraged to proactively brief employees on this change during onboarding and regular communications, helping them understand the long-term value of their SI entitlements and plan accordingly.

Penalty Exposure for Non-Compliance

Level	Consequence	Notes
Civil Penalty	0.03%/day on unpaid SI contributions	Accrues from the date contributions were due
Administrative Fine	Up to VND 75,000,000	For systematic non-registration or under-declaration
Criminal Liability	Prosecution	Intentional SI evasion – personal liability for responsible managers

5. Government & Provincial Restructuring

As part of a broader initiative to streamline governance, eliminate administrative duplication, and create a more efficient regulatory environment, Vietnam undertook a major restructuring of its provincial and ministerial framework in 2025 (Resolution 60-NQ/TW + Decision 759/QĐ-TTg). The long-term objective – fewer, larger provinces and leaner government – reduces bureaucratic complexity and creates a more unified operating environment for businesses. In the near term, employers should verify their administrative references are updated to the new structure.

What Changed – Before vs After

Area	Before	After
Provincial Structure	63 provinces + district level	34 provinces – district level abolished
Labour / HR Ministry	MOLISA	Ministry of Home Affairs (MOHA) – all labour queries now routed through MOHA
Tax Administration	63 provincial tax departments	20 regional tax departments
Governance Levels	3 levels: Province / District / Ward	2 levels: Province / Ward or Commune only

Transition Checklist

- Update work permit and TRC applications to reference MOHA (not MOLISA) and the correct merged province codes – applications referencing old sub-department codes are being returned.
- Re-file any rejected tax submissions to the new regional tax department covering your location.
- Verify regional wage classification – factories in merged provinces may have moved to a higher wage region.

Multi-week delays have been reported for submissions referencing obsolete codes. Verify the correct receiving office before any administrative filing.

Payroll Compliance

Vietnam's payroll compliance framework is well-defined, with clear contribution rates, statutory deadlines, and a transparent tax structure. Employers who invest in accurate, up-to-date payroll processes benefit from predictability and reduced audit risk – and can confidently communicate the full value of employee compensation to their teams.

1. Personal Income Tax (PIT) Withholding Schedule – 5 Brackets (from 1 Jan 2026)

#	Monthly Taxable Income (VND)	Annual Taxable Income (VND)	Rate
1	Up to 10,000,000	Up to 120,000,000	5%
2	10,000,001 – 30,000,000	120,000,001 – 360,000,000	10%
3	30,000,001 – 60,000,000	360,000,001 – 720,000,000	20%
4	60,000,001 – 100,000,000	720,000,001 – 1,200,000,000	30%
5	Above 100,000,000	Above 1,200,000,000	35%

Taxable income = Gross salary − SHUI employee contribution (10.5%) − Self-deduction (VND 15.5M) − Dependent deductions (VND 6.2M × registered dependants)

SHUI Contribution Rates (2026)

Social, health, and unemployment insurance contributions are shared between employer and employee and are calculated on the employee's registered salary, up to the statutory cap (20 × basic wage = VND 50.6M/month from July 2026).

Category	Employer Rate	Employee Rate
Social Insurance (SI)	17.5%	8%
Health Insurance (HI)	3%	1.5%
Unemployment Insurance (UI)	1%	1%
Trade Union Fee	2%	1%
Total SHUI (approximate)	23.5%	11.5%

2. Payroll Calendar & Statutory Deadlines

Strict adherence to the following deadlines is essential. Late remittances attract daily interest and administrative penalties, and chronic non-compliance can trigger audit and SI code suspension.

Obligation	Deadline	Consequence of Late Payment
Monthly salary payment	As specified in employment contract	Interest + potential labour complaint
PIT quarterly withholding remittance	Last day of the month following the quarter	Interest + admin penalty up to VND 25,000,000
SI / HI / UI contribution	Last day of the following month	0.03%/day + risk of SI code suspension
Trade union fee	Last day of the following month	Administrative penalty

Obligation	Deadline	Consequence of Late Payment
Annual PIT finalisation (employee)	30 April of the following year	Penalty for under-declaration
Annual PIT finalisation (employer)	31 March of the following year	Penalty + potential audit trigger
E-contract platform registration	Within 24 hours of final signature	May affect the validity and enforceability of the electronic labour contract.

Hiring & Managing Foreign Nationals

Vietnam actively welcomes international talent to support its high-growth economy. The work permit framework provides a structured and transparent pathway for foreign professionals in managerial, expert, and technical roles. Following the 2025 governance restructuring, the administration of work permits and temporary residence cards has been consolidated under the Ministry of Home Affairs (MOHA), streamlining the process into a single regulatory channel.

Work Permit Categories

Category	Tenure	Who	Key Requirements
Work Permit (Standard)	Max 2 years (renewable)	Foreign employees in managerial, expert, or technical roles	University degree or 5+ years' experience; health certificate; no criminal record
Work Permit Exemption	Per business need	Internal MNC transfers; capital contributors of VND 3 billion or more (~USD 130,000) who are owners/capital contributors of LLCs or Chairpersons/Board members of JSCs; licensed lawyers; foreign teachers	Exemption certificate from MOHA required; TRC obligation still applies (Decree 152/2020/NĐ-CP)
Temporary Residence Card (TRC)	2 years (aligned to Work Permit)	All work permit holders and their dependants	Applied after work permit approval; replaces business visa; now routed through MOHA

Post-province merger: Work permit matters are handled by the competent labour authorities/ provincial People's Committees under the updated framework, while TRC applications are handled by Vietnam's immigration authorities or other competent immigration/ MFA authorities. Applications referencing old sub-department codes are being returned – verify the correct receiving office before submitting.

PIT Treatment of Expatriates

Vietnam's PIT rules for foreign nationals are straightforward: tax residency is determined by physical presence and domicile, with residents taxed on worldwide employment income at the progressive 5-bracket rate, and non-residents at a flat 20% on Vietnam-sourced income. A new 5-year PIT exemption for qualifying tech talent makes Vietnam particularly attractive for AI, semiconductor, and R&D professionals.

Status	Trigger	Tax Scope	Rate
Tax Resident	Present ≥ 183 days/year, or holding a lease ≥ 183 days + TRC and unable to prove residency elsewhere	Worldwide employment income	5–35% progressive (5-bracket)
Non-Resident	Does not satisfy conditions for Vietnam tax residency	Vietnam-sourced income only	Flat 20%
Tech Expert	AI/ semiconductor/ R&D roles; exemption must be applied for	Vietnam employment income	0% – full PIT exemption for 5 years

Personal Data Protection: What HR Leaders Must Know

As Vietnam's digital economy expands, the government has enacted comprehensive personal data protection legislation to safeguard individual rights and align with international standards. Law 91/2025/QH15 and Decree 356/2025/NĐ-CP – together forming the Personal Data Protection Law (PDPL) – came into force on 1 January 2026. For HR teams, compliance is straightforward with the right processes in place: structured consent at onboarding, defined response timelines, and a clear breach notification protocol.

Recent Enforcement Actions (January 2026)

Action	Fine	Details
PDPL Fine – TikTok (ByteDance)	VND 880M ~USD 33,500	No user consent mechanism; misleading data handling disclosures; prohibited ToS clauses.
PDPL Fine – Zalo (VNG Corp)	VND 810M ~USD 31,200	Forced blanket consent; no opt-out mechanism; prohibited ToS clauses.

Both fines issued under Consumer Rights Law, citing PDPL-aligned issues. PDPL-specific enforcement: penalty caps up to 5% of annual Vietnam revenue.

What HR Data Is 'Sensitive' Under PDPL?

Data Type	Examples
Biometric	Fingerprints, facial recognition, retina scans
Health	Insurance records, medical leave, disability status
Financial	Payroll, bank accounts, salary history
Location	GPS tracking, remote work monitoring
Behavioural	Productivity logs, computer activity

Key Obligations for HR Teams

- **Explicit Consent at Onboarding**
  No pre-ticked boxes. Granular consent only: employees may consent to some uses and refuse others.
- **72-Hour Breach Reporting**
  Sensitive data breaches must be reported to the Ministry of Public Security within 72 hours of detection.
- **Statutory Rights Timelines**
  Access/rectification: 10 days. Withdrawal: 15 days. Deletion: 20 days. These are statutory, not SLA targets.
- **Cross-Border Transfer Dossier**
  Transferring HR data to HQ, regional HRMS, or offshore shared services requires an impact assessment dossier, to be completed within 60 days of transfer commencement.

Vietnam's Workforce in Transition: Three Trends Shaping HR Strategy

Vietnam's labour market is evolving rapidly. Beyond regulatory compliance, three converging structural trends are reshaping what it takes to attract, retain, and develop talent. Employers who read these trends correctly will build a durable competitive advantage in Vietnam's talent market.

Trend	Key Metrics	Strategic Insight
From Cost Arbitrage to Talent Competition	200K annual IT talent shortfall (VINASA, 2024) | 30% of IT graduates considered job-ready (Topdev Vietnam IT Market Report 2024) | +111% overseas hiring of Vietnamese tech talent (LinkedIn, 2024)	Skilled talent is now globally competed for. Salary expectations are rising 8–10% annually, with 37% of professionals expecting raises exceeding 20% (Mercer Vietnam Salary Survey 2025). Cost advantage alone will not retain the best staff – a compelling total compensation and development proposition is essential.
Loyalty Collapse & the Retention Crisis	72% open to career change in 2025, up from 37% in 2023 (Vietnam Talent Report 2025) | 34% resign within first 6 months (Vietnam Talent Report, 2025)	The key driver is not salary: employees cite poor onboarding and management quality. Structured 30-60-90-day programmes and manager upskilling can lift 6-month retention by up to 50% (ManpowerGroup Vietnam, 2025).
HR as Business-Critical Function	8–10% annual salary inflation (Mercer Vietnam, 2025) | 67.8% of population at working age (IMF, 2024) | Gen Z projected to be 34% of workforce by 2030 (Navigos Group, 2025)	Vietnam's golden demographic window demands a data-driven HR approach. 62% of Gen Z employees prefer hybrid work arrangements (Navigos Group, 2025). Without workforce analytics to measure and respond, HR operates without visibility into the levers that matter most.

Key Labour Legislation Reference

The following principal laws and decrees underpin Vietnam's employment regulatory framework. Employers should ensure their HR and payroll operations are aligned with these instruments.

1. Labour Code 45/2019 – governing framework for all employment relationships, including contracts, working hours, probation, leave, and termination.
2. Labour Code Amendment (2025/2026) – adds Vietnamese Culture Day (24 November) as the 12th statutory paid public holiday, increasing total from 11 to 12 days.
3. SI Law 41/2024 – expanded social insurance coverage to cooperation and consultancy contracts; restricts lump-sum withdrawal for post-July 2025 joiners. Effective 1 July 2025.
4. HI Law 51/2024 – extended health insurance coverage; aligned HI contribution base with SI base. Effective 1 July 2025.
5. Trade Union Law 50/2024 – clarifies employer (2%) and employee (1%) trade union contributions; extends union membership rights to foreign employees on contracts of 12+ months. Effective 1 July 2025.
6. PIT Law 109/2025/QH15 + Resolution 110/2025/UBTVQH15 – simplified 5-bracket PIT structure; higher deductions; tech talent exemption. Salary provisions effective 1 Jan 2026, full law effective 1 Jul 2026.
7. Decree 293/2025/NĐ-CP – regional minimum wage increase (+7.2% across all regions) effective 1 January 2026.
8. Decree 161/2026/NĐ-CP – basic wage increase from VND 2,340,000 to VND 2,530,000 (+8%) effective 1 July 2026.
9. Decree 337/2025/NĐ-CP + Circular 08/2026/TT-BNV – electronic labour contract framework; platform registration mandatory from 1 July 2026.
10. PDPL Law 91/2025/QH15 + Decree 356/2025/NĐ-CP – personal data protection framework; effective 1 January 2026.
11. Decree 152/2020/NĐ-CP – foreign employee work permits and exemptions, including capital contribution threshold of VND 3 billion (~USD 130,000).
12. Resolution 60-NQ/TW + Decision 759/QĐ-TTg – provincial restructuring from 63 to 34 provinces; MOLISA functions transferred to MOHA. Effective September 2025.

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