



BE VIETNAM WISE · DOING BUSINESS IN VIETNAM

The guide for foreign and Vietnamese investors

Chapter 4 of 11

Employment, HR & Immigration

Every foreign-invested company in Vietnam becomes an employer within weeks of licensing, and most of the compliance work it then faces is labour work: contracts, payroll, insurance, work permits, internal rules and, sooner or later, a termination. This chapter explains the rules as they stand in October 2026, after a year in which the work permit regime, social insurance, unemployment insurance, union finance and the penalty decree were all replaced.

Reviewed 10 October 2026. Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law.

Legal and tax information, not legal advice. Rates, thresholds and procedures change: confirm anything important with the relevant authority or a lawyer licensed to provide legal services in Vietnam before you act. Only the Vietnamese text of a law is authoritative.

Read online, with live updates, links and Lawbot: <https://bewiseapps.com/doing-business-in-vietnam/employment-hr-and-immigration/>

© Be Wise Apps

Contents

4 Chapter overview

4.1 Employment contracts and probation

4.2 Working hours, leave and holidays

4.3 Wages, minimum wage and payroll

4.4 Social, health and unemployment insurance

4.5 Work permits for foreign staff

4.6 Visas and temporary residence

4.7 Termination, severance and redundancy

4.8 Internal labour rules, unions and disputes

Legal and tax information, not legal advice. Rates, thresholds and procedures change: confirm anything important with the relevant authority or a lawyer licensed to provide legal services in Vietnam before you act. Only the Vietnamese text of a law is authoritative.

Employment, HR & Immigration

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

AT A GLANCE

Governing law

- [Labour Code No. 45/2019/QH14 \(in force 1 January 2021\) and Decree No. 145/2020/ND-CP on labour conditions and labour relations](#)
- [Law No. 41/2024/QH15 on Social Insurance \(in force 1 July 2025\) and Decree No. 158/2025/ND-CP on compulsory social insurance](#)
- [Law No. 74/2025/QH15 on Employment \(unemployment insurance; in force 1 January 2026\)](#)
- [Decree No. 219/2025/ND-CP on foreign workers in Vietnam \(in force 7 August 2025\)](#)
- [Law No. 47/2014/QH13 on Entry, Exit, Transit and Residence of Foreigners, as amended by Laws No. 51/2019/QH14 and No. 23/2023/QH15](#)
- [Decree No. 293/2025/ND-CP on regional minimum wages \(from 1 January 2026\)](#)
- [Decree No. 283/2026/ND-CP on administrative penalties in labour and social insurance \(in force 10 September 2026, replacing Decree No. 12/2022/ND-CP\)](#)

Key figures

Regional minimum wage, Region I (2026)	VND 5,310,000 a month
Employer insurance contributions	21.5% of insured salary (plus 2% union fee)
Employee insurance contributions	10.5% of insured salary
Insurance salary ceiling (from 1 July 2026)	VND 50,600,000 a month

Who you will deal with

- Ministry of Home Affairs: labour, wages, employment, foreign workers and labour relations policy (it absorbed the labour functions of the former Ministry of Labour, Invalids and Social Affairs in 2025)
- Provincial People's Committees and provincial Departments of Home Affairs: work permits, registration of internal labour rules, redundancy notices, overtime notifications, labour mediators and inspection
- Vietnam Social Security and its provincial offices: registration, collection of social, health and unemployment insurance contributions, and benefits
- Immigration Department (Cục Quản lý xuất nhập cảnh) of the Ministry of Public Security and provincial police immigration divisions: visas, temporary residence cards and residence registration
- Vietnam General Confederation of Labour and its provincial federations: grassroots trade unions and the 2% trade union fee

What changed in 2025–26

- Decree No. 219/2025/ND-CP replaced Decree No. 152/2020/ND-CP on 7 August 2025: one combined work permit application, issued by the provincial People's Committee, with five days' local advertising.
- Law No. 41/2024/QH15 on Social Insurance took effect on 1 July 2025 and Law No. 74/2025/QH15 on Employment, which governs unemployment insurance, on 1 January 2026.

Longest definite-term contract	36 months
Work permit	Up to 2 years, extendable once
Annual leave	12 working days, plus 1 per 5 years
Severance / job-loss allowance	Half a month / one month per year

- Decree No. 293/2025/ND-CP raised the regional minimum wages from 1 January 2026, and Decree No. 161/2026/ND-CP raised the base salary, and with it the insurance ceiling, from 1 July 2026.
- Decree No. 283/2026/ND-CP replaced Decree No. 12/2022/ND-CP as the penalty decree for labour and social insurance from 10 September 2026.
- Electronic labour contracts became available under Decree No. 337/2025/ND-CP, and 24 November became a paid public holiday from 1 July 2026 under Resolution No. 28/2026/QH16.
- Labour administration moved to the Ministry of Home Affairs and the provincial Departments of Home Affairs in 2025; older guides still refer to MOLISA and DOLISA.

Who this applies to. Every employer in Vietnam, whether foreign-invested or domestic and whether a company, a branch or a representative office, that hires employees under labour contracts. Foreign employees also need a work permit or a confirmed exemption, and a visa or temporary residence card; social insurance and union membership extend to them on modified terms.

Why employment law matters early

Vietnamese labour law is protective, written and enforced through documents. An employer is expected to hold a written labour contract for every employee, a registered set of internal labour rules once it has ten or more staff, salary scales and a payroll that it has published to its workforce, monthly insurance filings, and a work permit or a confirmed exemption for every foreign employee before that person starts work. Labour inspectors and Vietnam Social Security check these documents, and in a dispute the labour court reads them strictly. Much of the cost of getting it wrong arises late: an employer that skipped the procedure for a dismissal, or let a work permit lapse, usually discovers the problem when it is trying to end the relationship.

The core statute is Labour Code No. 45/2019/QH14, in force since 1 January 2021, detailed by Decree No. 145/2020/ND-CP. Around it sit Law No. 41/2024/QH15 on Social Insurance (from 1 July 2025), Law No. 74/2025/QH15 on Employment, which governs unemployment insurance (from 1 January 2026), Law No. 50/2024/QH15 on Trade Unions (from 1 July 2025), Decree No. 219/2025/ND-CP on foreign workers (from 7 August 2025) and the Law on Entry, Exit, Transit and Residence of Foreigners. The institutions also changed in 2025: labour policy moved to the Ministry of Home Affairs, and provincial Departments of Home Affairs took over the functions of the former Departments of Labour, Invalids and Social Affairs.

Hiring: contracts, probation and the working week

Any agreement under which a person does paid work under an employer's management is an employment contract, whatever the parties call it. Contracts are either indefinite-term or definite-term for up to 36 months; two consecutive definite-term contracts are normally the limit before the relationship becomes indefinite, although a foreign employee's contract may be renewed repeatedly but may never outlast the work permit. Probation runs for up to 180 days for enterprise managers and for shorter periods for other roles, at not less than 85% of the agreed salary. Contracts may now be concluded electronically. All of this is in [Employment contracts and probation](#), which also covers secondments, service arrangements and labour sub-leasing.

Normal hours are capped at 8 a day and 48 a week. Overtime is limited to 40 hours a month and 200 a year, or 300 in listed sectors, and is paid at 150%, 200% or 300% of the normal rate. Annual leave starts at 12 working days, and the public holiday calendar now runs to 12 paid days for Vietnamese employees after Vietnam Culture Day was added from 1 July 2026. Sick and maternity pay come from social insurance rather than the employer. See [Working hours, leave and holidays](#).

Paying people: minimum wages, payroll and insurance

Decree No. 293/2025/ND-CP sets four regional minimum wages from 1 January 2026, from VND 5,310,000 a month in Region I to VND 3,700,000 in Region IV, and the Ministry of Home Affairs has proposed a further rise from 2027. Salaries must be stated and paid in Vietnamese dong, save that a foreign employee may be paid in foreign currency; payslips are compulsory; a 13th-month salary is customary but not required by law. [Wages, minimum wage and payroll](#) explains the rules and works through the gross-to-employer cost of two employees.

On top of salary, the employer pays 17.5% of insured salary for social insurance, 3% for health insurance and 1% for unemployment insurance, and deducts 10.5% from the employee, with social and health insurance capped at 20 times the reference level, VND 50,600,000 a month from 1 July 2026. Foreign employees on contracts of 12 months or more contribute to social and health insurance but not to unemployment insurance. Every enterprise also pays a trade union fee of 2% of the insurance salary fund, whether or not a union exists. See [Social, health and unemployment insurance](#). Salary tax is covered in [Personal income tax and expatriates](#).

Bringing in foreign staff

A foreigner who works in Vietnam needs a work permit unless an exemption applies. Under Decree No. 219/2025/ND-CP the provincial People's Committee issues permits, the former advance approval of the employer's demand for foreign labour has been folded into a single application, the position must first be advertised to Vietnamese candidates for five days, and the authority decides within ten working days of a complete dossier. Permits last up to two years and may be extended once. Capital contributors of VND 3 billion or more, intra-company transferees and people working under 90 days a year are among the exempt. See [Work permits for foreign staff](#).

Work authorisation and immigration are separate. The foreigner also needs the right visa, LD1 or LD2 for employees, DT1 to DT4 for investors graded by capital, DN1 or DN2 for business visitors, NN for heads of representative offices, and in most cases a temporary residence card of up to two years for employees, or up to ten for the largest investors. Dependants follow on TT visas and cards. The sequence matters, because a residence card for an employee is issued on the strength of the work permit. See [Visas and temporary residence](#). Remember too that at least one legal representative must reside in Vietnam ([Legal representative and governance](#)).

Ending employment, and the collective side

An employer may end a contract unilaterally only on the grounds listed in Article 36 of the Labour Code, with 3, 30, 45 or, for certain occupations, 120 days' notice; may dismiss only for the misconduct listed in Article 125 after a formal disciplinary meeting; and may make redundancies for restructuring or economic reasons only after preparing a labour use plan, consulting the employee representative organisation and notifying the provincial authority 30 days in advance. Severance is half a month's salary per year of service and the job-loss allowance one month per year, at least two months, in each case for periods not covered by unemployment insurance. An unlawful termination brings reinstatement, back pay and at least two months' salary. See [Termination, severance and redundancy](#).

Collective labour law is the last piece: internal labour rules, registered once the workforce reaches ten; periodic workplace dialogue; collective bargaining agreements; grassroots trade unions affiliated to the Vietnam General Confederation of Labour, which foreign employees may now join; and the dispute ladder of labour mediator, labour arbitration council and court. Penalties are now set by Decree No. 283/2026/ND-CP, in force since 10 September 2026, with fines for organisations at twice the individual amounts. See [Internal labour rules, unions and disputes](#), and for commercial disputes [Chapter 9](#).

How to use this chapter

A new employer should read the sections in order, in parallel with the post-licensing steps in [Compliance calendar after licensing](#), which places the labour declarations, insurance registration and union fee in the company's first-year calendar. An investor planning to relocate executives should start with the work permit and visa sections at the same time as the investment registration ([The Investment Registration Certificate](#)), because the legalised degree and experience documents take the longest to collect. Each section ends with the related FAQs, the official sources and a question that can be put to Lawbot with the reader's own facts. The worked examples are illustrative; the figures in them are not quotations, and the rules should be checked against the current text before a decision is taken.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 13 to 27, 33, 34, 52 to 58 and 151; Decree No. 145/2020/ND-CP — <https://vbpl.vn>
- Ministry of Home Affairs (labour, employment and the national electronic labour contract platform) — <https://moha.gov.vn>
- Government portal: Decree No. 337/2025/ND-CP on electronic labour contracts — <https://chinhphu.vn>
- Vietnam Social Security (registration of employees) — <https://baohiemxahoi.gov.vn>
- General Department of Taxation (personal income tax withholding) — <https://gdt.gov.vn>
- Vietnam General Confederation of Labour (trade union fee) — <https://congdoanvn.org.vn>
- National Public Service Portal (online work permit and criminal record applications) — <https://dichvucong.gov.vn>
- Immigration Department, Ministry of Public Security — <https://xuatnhapcanh.gov.vn>
- Ministry of Public Security — <https://bocongan.gov.vn>

Employment contracts and probation: contract types, mandatory contents, electronic contracts, probation, foreign employees, secondments and labour sub- leasing

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Any agreement for paid work under an employer's management and supervision is an employment contract, whatever the parties call it (Article 13, Labour Code No. 45/2019/QH14).
- A contract is either indefinite-term or definite-term for up to 36 months; after two consecutive definite-term contracts the next one must be indefinite, except for foreign employees and other listed cases (Article 20).
- The contract must be in writing (oral only for work under one month) and must cover the matters listed in Article 21; since 1 January 2026 it may be concluded electronically under Decree No. 337/2025/ND-CP.
- Probation may not exceed 180 days for enterprise managers, 60 days for roles requiring a college degree or higher, 30 days for intermediate and technical roles and 6 working days otherwise, and probation pay must be at least 85% of the agreed salary (Articles 24 to 27).
- A foreign employee's contract may not run beyond the work permit and ends if the permit expires (Articles 151 and 34); an intra-company transferee may work under an assignment letter instead (Article 7, Decree No. 219/2025/ND-CP).

The framework, and what counts as an employment contract

The rules on individual employment are in Chapter III of Labour Code No. 45/2019/QH14, in force since 1 January 2021, and in Decree No. 145/2020/ND-CP, which details labour conditions and labour relations. Policy now comes from the Ministry of Home Affairs and enforcement from the provincial Departments of Home Affairs and labour inspectors. The Code applies to every employer in Vietnam, including a branch or representative office, and to every employee, Vietnamese or foreign.

Article 13 defines an employment contract by substance. An agreement between an employee and an employer on paid work, wages, working conditions and the rights and obligations of each party is a labour contract, and so is any agreement under another name, such as a service, consultancy or collaboration agreement, that contains paid work, a wage and the management and supervision of one party. A so-called consultant who works set hours at the office, reports to a manager and is paid monthly is an employee, with social insurance, tax withholding and termination rules to match.

Misclassification is one of the commonest findings in labour inspections and social insurance audits, and it also bears on foreign contractor tax and permanent establishment exposure, discussed in [FAQ 59](#) and [Foreign contractor tax and tax treaties](#).

Two types of contract, and the two-contract rule

Article 20 recognises only two types. An **indefinite-term contract** has no end date and continues until it is terminated on a ground permitted by the Code. A **definite-term contract** has a term of no more than 36 months from its effective date. The seasonal or task-based contract of under 12 months that existed under the 2012 Code was abolished; a short engagement is simply a definite-term contract with a short term.

Article 20(2) controls renewal. If the employee keeps working after a definite-term contract expires, the parties must sign a new contract within 30 days; until they do, the old terms apply, and if they do not sign within that period the expired contract becomes an indefinite-term contract. The parties may sign only one further definite-term contract; if the employee then keeps working, the next contract must be indefinite. The rule does not apply to a person hired as director of an enterprise with State capital, to employees past retirement age (Article 149), to foreign employees (Article 151(2)) and to certain union officials whose term is running (Article 177(4)). The usual pattern for a Vietnamese employee is therefore probation, a first definite-term contract, a second, then an indefinite contract; gaps or re-hiring through an affiliate to break the chain are looked through.

An indefinite contract can be ended on the same Article 36 grounds as a definite-term contract, with 45 days' notice rather than 30 or 3; see [Termination, severance and redundancy](#).

Form, language and electronic contracts

Article 14 requires a written contract in two copies, one for each party. An oral contract is permitted only for work lasting under one month, with limited exceptions. A contract concluded by electronic means in the form of a data message has the same value as a written contract.

Electronic contracts now have their own regime. Decree No. 337/2025/ND-CP of 24 December 2025, in force from 1 January 2026, sets the technical conditions: the parties must be identified (a citizen identity card or level-2 electronic identification account for Vietnamese employees; a passport and evidence of a valid visa or visa exemption for foreigners), sign with digital signatures, and use a licensed electronic contract service provider, which must send each signed contract to the national electronic labour contract platform operated by the Ministry of Home Affairs within 24 hours. The platform was required to be in operation by 1 July 2026. Electronic contracting is optional and paper contracts remain valid; an employer that adopts it should keep its own retrievable copies.

The Labour Code does not prescribe the language of the contract. Contracts with Vietnamese employees are written in Vietnamese; contracts with foreign employees are usually bilingual. The parties may agree which version prevails, but the authorities and the courts work from the Vietnamese text, so it deserves the same care as the English.

What the contract must contain

Article 21 lists the mandatory contents: the employer's name and address and the name and title of the person signing for it; the employee's full name, date of birth, gender, residence and identity document number; the job and the place of work; the term; the salary for the job or title, the form and timing of payment, allowances and other supplements; the regime for promotion and salary increases; working hours and rest periods; personal protective equipment; social insurance, health insurance and unemployment insurance; and training and skills development. Article 21(2) allows an agreement on the protection of business and technology secrets, and the remedy for breach, either in the contract or in a separate document.

Two matters cause more trouble than any other. The first is salary: the contract should state the salary for the position, each allowance separately and whether it is a fixed amount paid with salary, because that split decides the salary on which social insurance is paid ([Social, health and unemployment insurance](#)). The second is the non-compete clause. The Code permits confidentiality obligations but says nothing about post-termination restraints; a clause restraining a former employee from working for a competitor is widely regarded as difficult to enforce and is treated with suspicion by labour courts as a restriction on the right to work. Employers rely instead on confidentiality, garden leave during the notice period and the protection of trade secrets under the Law on Intellectual Property ([Chapter 7](#)).

Hiring an employee: from offer to first payroll

1 Define the position and the salary structure

Fix the job, place of work, salary and each allowance, and check them against the regional minimum wage and the published salary scale (Article 93).

2 Confirm the right to work

For a foreign employee, obtain the work permit or exemption confirmation before the start date (Article 151; Decree No. 219/2025/ND-CP). See [Work permits for foreign staff](#).

3 Agree probation, if any

A separate probation contract or a clause in the labour contract, within the Article 25 maximum and at not less than 85% pay.

4 Sign the labour contract

In writing or electronically, with the Article 21 contents; for a foreign employee, ending no later than the work permit.

5 Register the employee for insurance

File the social insurance, health insurance and, for Vietnamese employees, unemployment insurance registration with Vietnam Social Security within 30 days of the employee becoming subject to compulsory insurance (Article 28, Law No. 41/2024/QH15), and start monthly contributions.

6 Register for personal income tax

Obtain or confirm the employee's tax identification and register any dependants for family deductions. See [Personal income tax and expatriates](#).

7 Update the labour declarations

Record the hire in the labour use declarations and periodic labour reports prescribed by Decree No. 145/2020/ND-CP.

8 Issue the internal rules and run the first payroll

Give the employee the internal labour rules and any bonus regulations, and issue a payslip with the first salary payment (Article 95(3)).

Probation

Articles 24 to 27 govern probation. The employer and the employee may agree on probation in the labour contract or in a separate probation contract, but there is no probation at all for a contract of under one month. Probation may be agreed only once for each job, and its length depends on the role under Article 25: up to 180 days for a manager of an enterprise as defined in the Law on Enterprises (for example a general director or deputy) or under the law on State capital; up to 60 days for a position requiring a professional qualification at college level or higher; up to 30 days for a position requiring intermediate-level qualifications, or for technical workers and professional staff; and up to 6 working days for any other work.

Under Article 26 the probation salary is agreed by the parties but may not be less than 85% of the salary for the job. Under Article 27, at the end of probation the employer must notify the result. If it is satisfactory, the labour contract continues or, after a separate probation contract, must be signed; if not, probation ends. During probation either party may cancel without notice and without compensation.

Insurance follows the form chosen. Decree No. 158/2025/ND-CP excludes employees working under a probation contract from compulsory social insurance; where probation is written into the labour contract, the common reading is that contributions are due from the start. Personal income tax is withheld on probation pay as well; the withholding rules for employees without a labour contract of three months or more differ from those for regular employees and are described in [Personal income tax and expatriates](#).

Contracts with foreign employees

A foreign employee must be at least 18, have full civil capacity, the qualifications, skills and experience for the job, a health certificate, and no current criminal sentence, and must hold a work permit or a confirmed exemption (Article 151(1)). The employer must sign a written labour contract before the person starts work. Under Article 151(2) the term of the contract may not exceed the term of the work permit, and the two-contract rule does not apply, so a foreign employee may be engaged on a succession of definite-term contracts, each matching a permit or an extension. Article 34 lists the expiry of the work permit among the events that end the contract.

The contract is otherwise governed by the Labour Code in full. A clause choosing a foreign law or a foreign court does not remove the protections of the Code for work performed in Vietnam. Salary may be stated and paid in foreign currency for a foreign employee (Article 95(2)); the tax, insurance and currency consequences are in [Wages, minimum wage and payroll](#). A foreign legal representative needs both work authorisation and the residence arrangements described in [Legal representative and governance](#).

Secondments, service arrangements and labour sub-leasing

Intra-company transferees. A manager, executive, expert or technical worker transferred for a limited period within a foreign enterprise that has a commercial presence in Vietnam, in one of the eleven service sectors in Vietnam's WTO schedule, and who has been employed by that foreign enterprise for at least 12 consecutive months before the transfer, is exempt from the work permit requirement (Article 7, Decree No. 219/2025/ND-CP). Such a secondee works under an assignment letter from the home employer and need not sign a Vietnamese labour contract; Law No. 41/2024/QH15 also exempts intra-company transferees from compulsory social insurance. Recharges of salary costs under the group secondment agreement have tax consequences ([Transfer pricing](#)).

Service agreements. A foreign company that supplies services in Vietnam through its own staff, rather than seconding them to the Vietnamese company, pays foreign contractor tax and risks a permanent establishment if its staff stay long or conclude contracts. Its staff still need work permits or exemptions.

Labour sub-leasing. Supplying workers who work under the direction of a client is a separate, licensed business under Articles 52 to 58 of the Code and Decree No. 145/2020/ND-CP. It is a conditional business line: the supplier needs a licence and a bank deposit, may sub-lease workers only for the jobs on the Government's list, and for no more than 12 months per assignment, and the sub-leased worker may not be paid less than the client's own employees doing the same work. For foreign investors it is also a line with market-access conditions, so the position under Appendix I of Decree No. 96/2026/ND-CP should be checked ([Market access for foreign investors](#)).

Contract types, probation and the numbers that govern them

Item	Rule	Source
Indefinite-term contract	No end date; ends only on a ground in the Code	Labour Code, Article 20(1)(a)
Definite-term contract	Up to 36 months	Article 20(1)(b)
Renewal	New contract within 30 days of expiry or it becomes indefinite; one further definite-term contract, then indefinite	Article 20(2)
Exceptions to the two-contract rule	Foreign employees; employees past retirement age; directors of enterprises with State capital; some union officials	Articles 20(2), 149, 151(2), 177(4)
Form	Written, two copies; oral only for work under one month (with exceptions); electronic contracts valid	Article 14; Decree No. 337/2025/ND-CP

Item	Rule	Source
Probation: enterprise managers	Up to 180 days	Article 25(1)
Probation: college degree or higher	Up to 60 days	Article 25(2)
Probation: intermediate level, technical workers, professional staff	Up to 30 days	Article 25(3)
Probation: other work	Up to 6 working days	Article 25(4)
Probation pay	At least 85% of the salary for the job	Article 26
Foreign employee's contract term	Not beyond the work permit	Article 151(2)
Labour sub-leasing assignment	Up to 12 months, listed jobs only, licence and deposit	Articles 52 to 58; Decree No. 145/2020/ND-CP

WORKED EXAMPLE

Hiring a finance manager and receiving a seconded engineer in Ho Chi Minh City

A newly licensed Japanese-owned software company in Ho Chi Minh City (Region I) hires a Vietnamese finance manager and receives a Japanese engineer from its parent. The figures are illustrative and do not take account of every rule that may apply to a particular employer.

Finance manager: offer	Gross salary VND 45,000,000 a month: salary for the position VND 40,000,000 plus a fixed responsibility allowance of VND 5,000,000. Both are fixed monthly amounts and both enter the insurance salary.
Probation	The role requires a university degree, so the maximum is 60 days; she is not an enterprise manager under the Law on Enterprises, so 180 days is not available. Probation clause in the labour contract: 60 days at 85%, that is VND 38,250,000 a month.
First contract	Definite term of 24 months from 1 March 2026, signed electronically through a licensed provider connected to the national platform. Insurance registration filed on 20 March, inside the 30-day window.
Second contract	On expiry on 28 February 2028 the company offers a further 24-month definite-term contract, signed on 10 March 2028, within 30 days. That is the last definite-term contract available: if she continues after February 2030, the next contract must be indefinite.
Engineer: status	Employed by the parent in Tokyo for four years, transferred for 18 months to the Vietnamese subsidiary, which operates in a WTO-scheduled computer services sector. He qualifies as an intra-company transferee.

Engineer: documents	Assignment letter from the parent; work permit exemption confirmation from the provincial authority (decided within 5 working days of a complete dossier); LD1 visa and temporary residence card. No Vietnamese labour contract is required and he is outside compulsory social insurance.
Engineer: cost recharge	The subsidiary reimburses the parent under a secondment agreement and withholds Vietnamese personal income tax on his employment income.

Had the engineer been hired directly, he would have needed a work permit, a contract no longer than the permit and, at 12 months or more, social and health insurance.

Questions employers ask about contracts and probation

Can I hire someone as a freelance consultant to avoid social insurance?

Not if the person in substance works under your management for pay. Article 13 of the Labour Code treats any such agreement as an employment contract whatever its title, so social insurance, personal income tax withholding and the termination rules all apply. Independent services, delivered without supervision and invoiced, are a different matter.

How many fixed-term contracts can I give a Vietnamese employee?

Two in a row. Under Article 20(2) of the Labour Code the parties may sign only one further definite-term contract after the first; if the employee keeps working after the second expires, the next contract must be indefinite. A contract not renewed within 30 days of expiry while the employee keeps working also becomes indefinite.

Can probation for a senior hire last six months?

Only for a manager of an enterprise as defined in the Law on Enterprises, such as a general director, or under the law on State capital. For other roles requiring a degree the maximum is 60 days under Article 25. Probation pay must be at least 85% of the salary for the job.

Are electronic employment contracts valid in Vietnam?

Yes. Article 14 of the Labour Code gives an electronic contract the same value as a written one, and Decree No. 337/2025/ND-CP, in force from 1 January 2026, sets the conditions: identity verification, digital signatures and a licensed provider that sends each contract to the Ministry of Home Affairs' national platform. Paper contracts remain valid.

Can a foreign employee's contract be longer than the work permit?

No. Article 151(2) limits the contract term to the term of the work permit, and the contract ends if the permit expires. The two-contract rule does not apply to foreign employees, so a new definite-term contract can be signed each time the permit is extended or a new permit is issued.

THE 2027 HORIZON

- The Government added a law amending the Labour Code 2019, together with three other home affairs laws, to the 2026 legislative programme under Resolution No. 47/NQ-CP; its content and timing were not settled at the review date, and contract rules may change when it is passed.
- The national electronic labour contract platform is in its first full year; further Ministry of Home Affairs guidance on connecting payroll and HR systems, and on electronic annexes and terminations, is expected.
- A revision of the labour sub-leasing rules, including the list of permitted jobs and the deposit, has been signalled; check the current text before establishing a staffing business.

Terms you will meet in the documents

English	Vietnamese	Meaning
Labour contract	<i>Hợp đồng lao động</i>	The employment contract under Article 13 of the Labour Code.
Indefinite-term contract	<i>Hợp đồng lao động không xác định thời hạn</i>	A contract with no end date.
Definite-term contract	<i>Hợp đồng lao động xác định thời hạn</i>	A contract of up to 36 months.
Probation	<i>Thử việc</i>	The trial period under Articles 24 to 27.
Contract annex	<i>Phụ lục hợp đồng lao động</i>	A document amending or detailing the contract; it may not change the term.
Electronic labour contract	<i>Hợp đồng lao động điện tử</i>	A contract concluded as a data message under Decree No. 337/2025/ND-CP.
Intra-company transferee	<i>Người di chuyển trong nội bộ doanh nghiệp</i>	A manager, executive, expert or technical worker transferred within a foreign enterprise; exempt from a work permit.
Labour sub-leasing	<i>Cho thuê lại lao động</i>	Supplying workers to work under a client's direction; a licensed business.

FOREIGN V VIETNAMESE INVESTOR

The contract rules are the same for a foreign-invested and a domestic employer. The differences turn on the employee, not the investor: a foreign employee's contract is tied to the work permit and escapes the two-contract rule, and a secondee from a foreign parent may work under an assignment letter.

WATCH OUT FOR

- Consultancy or collaboration agreements with people who in substance work as employees; inspectors re-characterise them and assess back social insurance.
- Letting a second definite-term contract expire while the employee keeps working; the relationship becomes indefinite.
- Probation periods copied from a group template (three or six months) that exceed the Article 25 limit for the role.
- A foreign employee's contract that runs beyond the work permit, or a permit that is allowed to lapse; the contract ends with it.
- Relying on a post-employment non-compete clause as the main protection of confidential information.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 13 to 27, 33, 34, 52 to 58 and 151; Decree No. 145/2020/ND-CP — <https://vbpl.vn>
- Ministry of Home Affairs (labour, employment and the national electronic labour contract platform) — <https://moha.gov.vn>
- Government portal: Decree No. 337/2025/ND-CP on electronic labour contracts — <https://chinhphu.vn>
- Vietnam Social Security (registration of employees) — <https://baohiemxahoi.gov.vn>

Working hours, overtime, leave and public holidays: the 48-hour week, overtime caps and pay, annual leave, the 2026 holiday calendar, and sick and maternity leave

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Normal working hours may not exceed 8 a day and 48 a week; an employer that sets hours by the week may schedule up to 10 hours a day within the 48 (Article 105, Labour Code No. 45/2019/QH14).
- Overtime needs the employee's consent and is capped at 40 hours a month and 200 a year, or 300 a year in listed sectors subject to notifying the provincial labour authority (Article 107; Decree No. 145/2020/ND-CP).
- Overtime is paid at not less than 150% on normal days, 200% on weekly rest days and 300% on public holidays, with a 30% night premium and a further 20% for night overtime (Article 98).
- Annual leave is 12 working days (14 or 16 in defined cases) plus one day for every five years of service (Articles 113 and 114); unused leave is paid out when employment ends.
- Vietnamese employees have 11 paid public holiday days under Article 112 and, from 1 July 2026, 24 November as Vietnam Culture Day (Resolution No. 28/2026/QH16); foreign employees have two more.
- Sick leave and maternity leave are paid by social insurance, not the employer: up to 30, 40 or 60 days' sickness benefit a year at 75% (Articles 43 and 45, Law No. 41/2024/QH15), and six months' maternity leave, seven for a second child from 1 July 2026.

Normal working hours and night work

Chapter VII of Labour Code No. 45/2019/QH14 governs working time, with detail in Decree No. 145/2020/ND-CP. Under Article 105, normal working hours may not exceed 8 hours a day and 48 hours a week. The employer may set working time by the day or by the week; where it sets it by the week, normal hours may not exceed 10 a day and the 48-hour weekly limit still applies. The State encourages a 40-hour week, and many foreign-invested offices work a five-day, 40-hour week by contract or internal rule, but that is a choice, not a legal requirement. Working hours must be stated in the labour contract or the internal labour rules and notified to employees. Shorter maximum hours apply to work on the list of heavy, hazardous or dangerous occupations issued by the Ministry of Home Affairs, and to minors.

Night work is work between 22:00 and 06:00 (Article 106). It carries a premium of at least 30% of the normal hourly wage (Article 98(2)) and is restricted for minors, pregnant employees from the seventh month (or sixth in remote areas) and employees nursing a child under 12 months, who may not be required to work at night or overtime without their consent.

Rest breaks and weekly rest

An employee working six hours or more continuously in a day is entitled to a break of at least 30 minutes, or 45 minutes for night work, counted as working time (Article 109). The employer may arrange additional short breaks in the internal rules. An employee on shifts is entitled to a break of at least 12 hours before starting the next shift (Article 110).

Under Article 111 every employee is entitled to a weekly rest of at least 24 consecutive hours. Where the nature of the work prevents a weekly rest, the employer must ensure an average of at least four rest days a month. The employer chooses the weekly rest day, usually Sunday, and records it in the internal labour rules. If a public holiday falls on the weekly rest day, the employee takes a compensatory day off on the next working day (Article 111(3)). Seven-day operations should set rotating rest days in the internal rules.

Overtime: consent, caps and notification

Overtime is work outside normal working hours as set by law, the collective bargaining agreement or the internal rules. Article 107 permits it only with the employee's consent and within three limits. First, overtime in a day may not exceed 50% of normal daily hours; where hours are set by the week, normal hours plus overtime may not exceed 12 hours a day. Second, overtime may not exceed 40 hours a month. Third, overtime may not exceed 200 hours a year, save that up to 300 hours a year is permitted in the sectors and cases listed in Article 107(3) and Decree No. 145/2020/ND-CP: production and processing of textiles, garments, footwear, electrical and electronic products, and agricultural, forestry, salt and fishery products; electricity generation and supply, telecommunications, oil refining, and water supply and drainage; work requiring highly qualified or technical workers who cannot be found on the labour market at the time; urgent work that cannot be delayed because of seasonal factors or the timing of materials or products; and other cases the Government defines.

An employer organising between 200 and 300 hours of overtime a year must notify the provincial labour authority, now the provincial Department of Home Affairs, in writing. Failure to notify is itself an offence under Decree No. 283/2026/ND-CP, separate from the heavier fines for exceeding the caps. Article 108 allows overtime beyond the caps, and without the employee's consent, only in emergencies: national defence and security mobilisation, and work to protect life or property in natural disasters, fires, epidemics and similar events.

The caps are absolute. Paying a premium, obtaining a waiver from the employee or describing the extra hours as training does not make overtime above 300 hours lawful. Seasonal peaks are met by extra shifts, temporary hiring and, within its limits, labour sub-leasing (Employment contracts and probation).

DECISION GUIDE

May I schedule this overtime?

Work through the questions for each employee and period. The first answer that points to an outcome settles the question.

Q1 Is the work needed for national defence or security mobilisation, or to protect life or property in a disaster, fire, epidemic or similar emergency (Article 108)?

Yes Overtime may be required without consent and beyond the caps, for the duration of the emergency. Pay at the overtime rates.

No Continue to Q2.

Q2 Has the employee agreed to the overtime?

Yes Continue to Q3.

No Overtime may not be scheduled. Consent may be given in writing or recorded electronically; an internal rule purporting to make overtime compulsory is not consent.

Q3 Will overtime that day exceed 50% of normal daily hours, or normal hours plus overtime exceed 12, or the month's total exceed 40 hours?

Yes Not permitted. Reschedule, add a shift or hire temporary staff.

No Continue to Q4.

Q4 Will the employee's overtime for the calendar year exceed 200 hours?

Yes Permitted up to 300 hours only if the work falls within Article 107(3) or Decree No. 145/2020/ND-CP, and only after written notice to the provincial Department of Home Affairs. Above 300 hours, not permitted.

No Permitted. Record the hours and pay at the Article 98 rates.

Overtime and night pay

Article 98 sets minimum rates by reference to the hourly wage for normal work: at least 150% on a normal working day, at least 200% on a weekly rest day, and at least 300% on a public holiday or paid leave day, in the last case not counting the holiday pay the employee receives anyway, so that an employee on a monthly salary who works a public holiday receives in effect four times the hourly rate for those hours. Night work earns at least an extra 30%. Night overtime earns, in addition to the overtime and night rates, a further 20% of the daytime wage for that day; Decree No. 145/2020/ND-CP sets out the formula, which differs depending on whether the employee also worked daytime overtime that day.

The hourly wage is derived from the monthly salary for the job, using the method in Decree No. 145/2020/ND-CP: the monthly salary divided by the number of normal working days in the month set by the employer and by the normal daily hours. Allowances that are part of the salary for the job enter the calculation; bonuses and welfare payments do not. Employers sometimes agree an all-inclusive salary covering overtime. That does not satisfy Article 98 unless the agreed amount can be shown to cover the statutory rates for the hours actually worked, and labour courts read such clauses against the employer.

Annual leave and personal leave

Under Article 113 an employee with 12 months' service is entitled to 12 working days' paid annual leave; 14 days for minors, employees with disabilities and those in heavy, hazardous or dangerous work; and 16 days for those in especially heavy, hazardous or dangerous work. An employee with less than 12 months' service receives leave in proportion to the months worked. Article 114 adds one day for every five years of service with the same employer. The employer sets the leave schedule after consulting the employee representative organisation and must notify employees in advance; employees may agree with the employer to take leave in several instalments or to combine leave for up to three years. On termination, the employer must pay for any annual leave not taken (Article 113(3)).

Article 115 gives paid personal leave of three days for the employee's own marriage, one day for a child's marriage, and three days on the death of a parent, parent-in-law, spouse or child. One day's unpaid leave is available on the death of a grandparent or sibling or the marriage of a parent or sibling, and further unpaid leave by agreement. Many foreign-invested employers grant more generous leave by contract, which is permitted; what an employer may not do is grant less.

Public holidays in 2026

Article 112 gives Vietnamese employees 11 paid public holiday days: Gregorian New Year (1 January, one day); Lunar New Year (Tết, five days); Victory Day (30 April, one day); International Labour Day (1 May, one day); National Day (2 September and one adjacent day, two days); and Hung Kings' Commemoration Day (the tenth day of the third lunar month, one day). Resolution No. 28/2026/QH16 on the development of Vietnamese culture, in force from 1 July 2026, designated 24 November as Vietnam Culture Day, a day off with full pay, so the calendar for Vietnamese employees now runs to 12 paid days. The Government is preparing amendments to the Labour Code that will write the new holiday into Article 112. Foreign employees are entitled, in addition, to one day for their traditional New Year and one for their national day.

The Prime Minister fixes each year the exact Tết days and the day adjacent to National Day for the public sector. Private employers are free to choose the Tết days within the statutory number, but most follow the public sector pattern and announce it to staff in advance. Longer public-sector breaks are achieved by swapping working days, which a private employer may agree with staff but need not. A public holiday that falls on a weekly rest day gives a compensatory day off.

Sick leave, maternity and other leave paid by social insurance

Sick pay in Vietnam is a social insurance benefit, not a salary obligation. Under Articles 42 to 45 of Law No. 41/2024/QH15 on Social Insurance, an insured employee who is unable to work because of illness or a non-occupational accident, or who cares for a sick child under seven, receives a benefit of 75% of the salary on which contributions were paid. The annual maximum, counted in working days, is 30 days for an employee with under 15 years of contributions, 40 days for 15 to under 30 years and 60 days for 30 years or more, with higher limits for heavy or hazardous work and continued benefit for listed long-term illnesses. Leave of less than half a day counts as half a day. The employer pays no salary for those days but must process the claim with Vietnam Social Security and may top up the benefit by contract.

Maternity leave is six months for a female employee giving birth, also paid by social insurance at 100% of the average insured salary for the six months before leave. From 1 July 2026, Law No. 113/2025/QH15 on Population and its implementing Decree No. 168/2026/ND-CP extend maternity leave to seven months for the birth of a second child and increase paternity leave for a second child. Male employees otherwise receive paternity leave of between five and fourteen working days depending on the circumstances of the birth. An employer may not terminate a pregnant employee or one on maternity leave or raising a child under 12 months, save where the employer ceases to operate (Article 37), and must reinstate her to her old job, or a job with no lower salary, on her return.

Foreign employees who participate in compulsory social insurance (Social, health and unemployment insurance) receive the same sickness and maternity benefits. Work accidents and occupational diseases are covered by the separate occupational accident fund, financed by the employer's 0.5% contribution.

Hours, overtime and leave at a glance

Item	Rule	Source
Normal hours	8 a day, 48 a week; up to 10 a day if set by the week	Labour Code, Article 105
Night work	22:00 to 06:00; premium of at least 30%	Articles 106 and 98(2)
Break	30 minutes (45 at night) after 6 hours' continuous work, paid	Article 109
Weekly rest	24 consecutive hours; average 4 days a month if weekly rest impossible	Article 111
Overtime caps	50% of daily hours (12 hours total if weekly); 40 a month; 200 a year, or 300 in listed sectors with notice	Article 107; Decree No. 145/2020/ND-CP
Overtime pay	150% normal day; 200% weekly rest day; 300% public holiday (plus holiday pay); night overtime +20%	Article 98
Annual leave	12 / 14 / 16 working days, plus 1 per 5 years' service	Articles 113 and 114

Item	Rule	Source
Public holidays (Vietnamese employees)	11 days plus 24 November from 1 July 2026	Article 112; Resolution No. 28/2026/QH16
Public holidays (foreign employees)	As above, plus traditional New Year and national day	Article 112(2)
Personal leave	Marriage 3 days; child's marriage 1; death of parent, spouse or child 3	Article 115
Sickness benefit	75% of insured salary; 30 / 40 / 60 days a year by contribution years	Law No. 41/2024/QH15, Articles 43 and 45
Maternity leave	6 months; 7 months for a second child from 1 July 2026	Law No. 41/2024/QH15; Law No. 113/2025/QH15; Decree No. 168/2026/ND-CP

WORKED EXAMPLE

Overtime for an assembly worker in an electronics plant in Bac Ninh

An electronics assembly plant in an industrial park in Bac Ninh (Region I) runs a peak season from September to December. It sets a six-day, 48-hour week with Sunday as the weekly rest day. The figures are illustrative; rounding is to the nearest dong.

Salary	VND 7,800,000 a month for the job, with no allowances. The employer's internal rules set 26 normal working days a month.
Hourly wage	$7,800,000 / 26 / 8 = \text{VND } 37,500$.
October overtime	24 hours on weekdays and 8 hours on two Sundays, in each case with the worker's written consent: a total of 32 hours, within the 40-hour monthly cap and within 4 hours on any weekday (50% of 8).
Weekday overtime pay	$24 \times 37,500 \times 150\% = \text{VND } 1,350,000$.
Sunday overtime pay	$8 \times 37,500 \times 200\% = \text{VND } 600,000$.
Public holiday work	In September the worker worked 8 hours on 2 September at the plant's request: $8 \times 37,500 \times 300\% = \text{VND } 900,000$, on top of the normal salary that already includes the holiday.
Annual total	By 31 October the worker has 210 overtime hours for the year. Because electronics is a listed sector, the plant may go up to 300 hours, but only after written notice to the Bac Ninh Department of Home Affairs, which it filed in July when its plan showed it would pass 200 hours.
Cap check for December	With 290 hours reached by the end of November, December overtime is limited to 10 hours for this worker, however strong the demand. The plant hires 40 workers on three-month definite-term contracts to cover the peak.

Overtime pay is employment income; the personal income tax rules have long exempted the premium above the normal rate, and the current treatment under Law No. 109/2025/QH15 is explained in [Personal income tax and expatriates](#).

Had the plant been a software company, the annual cap would have been 200 hours unless it could show that the work required highly qualified technical workers unavailable on the labour market.

Questions employers ask about hours and leave

What are the legal working hours in Vietnam?

Normal hours may not exceed 8 a day and 48 a week under Article 105 of the Labour Code; an employer that sets hours by the week may schedule up to 10 hours a day within the 48. The State encourages a 40-hour week, which many foreign-invested offices adopt by contract, but it is not compulsory.

How much overtime can employees work?

With consent, up to 50% of normal daily hours, 40 hours a month and 200 hours a year. In listed sectors such as textiles, garments, footwear, electronics and food processing, up to 300 hours a year, after written notice to the provincial Department of Home Affairs (Article 107; Decree No. 145/2020/ND-CP). Higher totals are unlawful even with consent.

How many public holidays are there in Vietnam in 2026?

Eleven days under Article 112 of the Labour Code, including five for Tết and two for National Day, plus 24 November as Vietnam Culture Day from 1 July 2026 under Resolution No. 28/2026/QH16, making twelve for Vietnamese employees. Foreign employees also get their traditional New Year and their national day.

Does the employer pay salary during sick leave?

No, unless the contract says so. An insured employee receives a social insurance sickness benefit of 75% of insured salary, for up to 30, 40 or 60 working days a year depending on years of contributions (Articles 43 and 45, Law No. 41/2024/QH15). The employer processes the claim and may top up the benefit.

Must unused annual leave be paid out?

Yes, on termination. Article 113(3) of the Labour Code requires the employer to pay for annual leave not taken when employment ends or is lost. During employment, leave may be carried forward or combined for up to three years by agreement, and the employer may set the schedule after consulting the employee representative organisation.

THE 2027 HORIZON

- The bill amending the Labour Code, added to the 2026 legislative programme under Government Resolution No. 47/NQ-CP, is expected to write 24 November into Article 112; whether it will also change working time or overtime caps had not been settled at the review date.
- A law amending the Law on Occupational Safety and Health was scheduled for consideration by the National Assembly Standing Committee in September 2026; changes to the occupational accident regime and to working time in hazardous occupations may follow.
- The Ministry of Home Affairs periodically revises the list of heavy, hazardous and dangerous occupations, which drives longer annual leave and shorter hours; check the current list for production roles.

Terms you will meet in the documents

English	Vietnamese	Meaning
Normal working hours	<i>Thời giờ làm việc bình thường</i>	Up to 8 hours a day and 48 a week (Article 105).
Overtime	<i>Làm thêm giờ</i>	Work outside normal hours, with consent and within the Article 107 caps.
Night work	<i>Làm việc vào ban đêm</i>	Work between 22:00 and 06:00 (Article 106).
Weekly rest	<i>Nghỉ hằng tuần</i>	At least 24 consecutive hours a week (Article 111).
Annual leave	<i>Nghỉ hằng năm</i>	Paid leave of 12, 14 or 16 working days (Article 113).
Public holidays	<i>Nghỉ lễ, tết</i>	The paid holidays in Article 112 and Resolution No. 28/2026/QH16.
Sickness benefit	<i>Chế độ ốm đau</i>	The social insurance benefit for sick leave.
Maternity benefit	<i>Chế độ thai sản</i>	The social insurance benefit for pregnancy, birth and paternity leave.

FOREIGN V VIETNAMESE INVESTOR

Working time rules are identical for foreign-invested and domestic employers. The differences concern employees: foreign employees receive two extra public holiday days, and only foreign employees who participate in compulsory social insurance are paid sickness and maternity benefits by Vietnam Social Security. Imported group policies are valid only where at least as generous as the Code.

WATCH OUT FOR

- Overtime above 300 hours a year in any sector, or above 200 outside the listed sectors; consent and premiums do not cure it.
- Failing to notify the provincial Department of Home Affairs before overtime passes 200 hours; it is a separate offence.
- Holiday calendars built on the public sector's swapped working days without agreeing the swaps with staff.
- Treating 24 November as optional in 2026; it is a paid holiday from 1 July 2026.
- Terminating or disciplining an employee on sick or maternity leave, or raising a child under 12 months, contrary to Article 37.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 98 and 105 to 115; Decree No. 145/2020/ND-CP — <https://vbpl.vn>
- Government portal: Resolution No. 28/2026/QH16 (Vietnam Culture Day) and annual holiday notices — <https://chinhphu.vn>
- Vietnam Social Security: sickness and maternity benefits under Law No. 41/2024/QH15 — <https://baohiemxahoi.gov.vn>
- Ministry of Home Affairs (working time, overtime notifications) — <https://moha.gov.vn>

Wages, minimum wage and payroll: the 2026 regional minimums, salary scales, payment rules, bonuses and the 13th month, payslips and deductions, foreign staff paid offshore, and the cost of an employee

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- From 1 January 2026 the monthly regional minimum wages are VND 5,310,000 (Region I), 4,730,000 (Region II), 4,140,000 (Region III) and 3,700,000 (Region IV), with hourly minimums of VND 25,500, 22,700, 20,000 and 17,800 (Decree No. 293/2025/ND-CP).
- The employer must build salary scales, payroll tables and labour norms, consult the employee representative organisation and publish them at the workplace before applying them (Article 93, Labour Code No. 45/2019/QH14).
- Salaries are stated and paid in Vietnamese dong, but a foreign employee may be paid in foreign currency; each payment must be accompanied by a payslip (Article 95).
- Deductions are permitted only to compensate damage to the employer's property and may not exceed 30% of monthly net salary (Article 102); a bonus, including a 13th-month payment, is not compulsory unless promised in the contract, bonus rules or collective agreement (Article 104).
- On a Vietnamese employee's salary the employer adds 21.5% for insurance and 2% for the trade union fee, within the ceilings, so that the cost of employment is typically about 123.5% of gross salary below the insurance ceiling.

What counts as salary

Article 90 of Labour Code No. 45/2019/QH14 defines salary as the amount the employer pays the employee for the work agreed, comprising the salary for the job or title, salary allowances and other supplements. The salary for the job or title, for normal working hours, may not be lower than the regional minimum wage, and the employer must pay equal salary for work of equal value without discrimination on grounds of gender. The split between the three components matters for three different purposes: the minimum wage test applies to the salary for the job; overtime is calculated on the salary for the job and the allowances that form part of it; and compulsory social insurance is paid on the salary for the job plus allowances and regular supplements, but not on bonuses or welfare benefits (Social, health and unemployment insurance).

Contracts that state a single gross figure without identifying its components invite disputes with Vietnam Social Security about the insurance base. Contracts that load most of the package into allowances in order to reduce the insurance base invite the opposite problem: allowances paid regularly with salary are insurable whatever they are called. The safest structure is a salary for the position that reflects the real value of the job, a small number of fixed allowances that are named and quantified, and a separate bonus and welfare policy.

The regional minimum wages for 2026

Vietnam sets four regional minimum wages by Government decree after a recommendation from the National Wage Council. Decree No. 293/2025/ND-CP fixed the levels that apply from 1 January 2026: VND 5,310,000 a month (VND 25,500 an hour) in Region I, VND 4,730,000 (22,700) in Region II, VND 4,140,000 (20,000) in Region III and VND 3,700,000 (17,800) in Region IV. Region I covers the central urban areas of Hanoi and Ho Chi Minh City and some adjoining industrial areas; Regions III and IV cover rural and mountainous areas. Because the provinces and communes were merged in 2025, the decree's appendix lists the region by commune-level unit; an employer must look up the commune where each workplace sits, not the province alone. An employer with workplaces in different regions applies the minimum of each region to the employees working there, and a workplace in an industrial park or economic zone that straddles regions applies the highest.

The monthly minimum applies to employees paid by the month and the hourly minimum to those paid by the hour; employees paid weekly, daily or by product are converted to the monthly or hourly equivalent. The minimum is a floor for the salary for the job for a full month of normal hours. It does not include overtime, night premiums, allowances for hazardous work, or meal and transport support, which must be paid on top. Paying below the minimum is an offence under Decree No. 283/2026/ND-CP, with fines graduated by the number of employees affected and doubled for organisations, in addition to an order to pay the shortfall.

The regional minimum also drives other figures: the floor for the insurance salary of employees under labour contracts, the ceiling for unemployment insurance (20 times the regional minimum, or VND 106,200,000 in Region I in 2026) and the wage used for some severance and stoppage payments. The Ministry of Home Affairs has proposed an average rise of 7.8% from 1 January 2027; at the end of September 2026 the Government decree had not been issued ([FAQ 57](#)).

Salary scales, payment and payslips

Under Article 93 the employer must build its own salary scales, payroll tables and labour norms, as the basis for recruitment, agreeing salaries in contracts and paying them. It must consult the employee representative organisation where one exists and publish the scales at the workplace before applying them. Registration with the authorities is no longer required, but labour inspectors ask to see the scales and the evidence of consultation and publication.

Articles 94 to 97 govern payment. Salary must be paid directly, in full and on time to the employee, or to a person the employee authorises; the employer may not restrict how the employee spends it or require purchases from the employer. Salary is stated in the contract and paid in Vietnamese dong, but a foreign employee may be paid in foreign currency (Article 95(2)). Payment may be in cash or into the

employee's bank account, in which case the employer bears the account and transfer fees (Article 96). A monthly-paid employee is paid once a month or twice a month, at a fixed time agreed in advance (Article 97). Where force majeure prevents payment on time, the delay may not exceed 30 days; where payment is 15 days or more late, the employer must add compensation at least equal to interest on the late amount at the one-month deposit rate of the bank where it holds its payroll account. Each payment must be accompanied by a payslip showing salary, overtime, night pay, the content and amount of any deduction and any other items (Article 95(3)).

Article 99 deals with work stoppages: where the employer is at fault the employee receives full salary; where the employee is at fault, none; where the stoppage results from a power or water failure not caused by the employer, natural disaster, epidemic, a decision of the authorities or economic reasons, the parties agree the salary, but for the first 14 working days it may not be less than the regional minimum.

Bonuses, the 13th month, allowances and deductions

Article 104 makes a bonus a matter for the employer: it is paid on the basis of business results and the employee's performance, under bonus regulations that the employer issues after consulting the employee representative organisation and publishes at the workplace. A 13th-month salary paid before Tết is a strong custom, and candidates expect it, but the Labour Code does not require it. It becomes enforceable if the labour contract, the bonus regulations or the collective bargaining agreement promise it, and a practice of paying a fixed 13th month year after year without conditions may be read as an agreed term. Employers that intend the payment to be discretionary should say so in writing and link it to results.

Allowances and welfare benefits (Article 103) are agreed in the contract, the collective bargaining agreement or the internal rules. Typical allowances are for position, responsibility, seniority, hazardous work, region and attraction; typical welfare items are meals, transport, telephone, housing, childcare, health checks and gifts on holidays. The insurance and tax treatment differ by item.

Deductions are tightly limited. Under Article 102 the employer may deduct from salary only to compensate damage to its tools or equipment, or other property, under Article 129, and the deduction may not exceed 30% of the monthly salary after compulsory insurance and personal income tax. Union dues, loan repayments to the employer and similar items require the employee's written agreement. Penalising an employee by cutting salary is prohibited as a disciplinary measure (Article 127). An advance of salary is permitted on agreed terms (Article 101).

Running the monthly payroll

1 Close attendance and overtime

Lock hours, overtime by category, night work, leave and absences for the period, and check overtime against the monthly and annual caps ([Working hours, leave and holidays](#)).

2 Compute gross pay

Salary for the job, allowances, overtime at 150%, 200% or 300%, night premiums, bonuses due and taxable benefits.

3 Fix the insurance salary

Salary for the job plus allowances and regular supplements, not below the regional minimum and capped at 20 times the reference level (VND 50,600,000 from 1 July 2026) for social and health insurance and 20 times the regional minimum for unemployment insurance.

4 Deduct the employee's contributions

8% social insurance, 1.5% health insurance and, for Vietnamese employees, 1% unemployment insurance, together 10.5%; foreign employees in the scheme pay 9.5%.

5 Withhold personal income tax

Apply the progressive rates for residents (5% to 35%) after the personal deduction of VND 15.5 million and VND 6.2 million per registered dependant, or 20% for non-residents ([Personal income tax and expatriates](#)).

6 Pay net salary and issue payslips

On the fixed pay date, by bank transfer at the employer's cost, with a payslip for every employee (Article 95(3)).

7 Pay the employer's contributions and union fee

Social, health and unemployment insurance for the month by the last day of the following month (Article 34, Law No. 41/2024/QH15); the 2% trade union fee monthly under Decree No. 105/2026/ND-CP.

8 File and keep records

Monthly or quarterly personal income tax returns, insurance adjustments for joiners and leavers, and the payroll records that support each figure for labour inspection and tax audit.

Foreign staff paid in foreign currency or offshore

Three regimes meet in an expatriate's payslip. **Labour law** lets the contract state and pay a foreign employee's salary in foreign currency (Article 95(2)), and in practice many packages are split between a Vietnamese salary and a home-country salary or allowance paid by the parent. **Tax law** looks through the split: income for work performed in Vietnam is Vietnamese-source employment income wherever and by whomever it is paid, and a resident is taxed on worldwide income. Where the Vietnamese company bears the offshore portion through a recharge, it includes it in its own payroll withholding; where the parent pays without recharge, the employee must usually declare and pay the tax on that portion directly. The rules, including tax residence and the 183-day test, are in [Personal income tax and expatriates](#). **Insurance law** applies to the salary under the Vietnamese labour contract, so the definition of salary in that contract, and whether the offshore portion forms part of it, determines the contribution base up to the ceiling.

On the currency side, the employer's ability to pay salary in foreign currency, and the employee's ability to buy foreign currency with dong salary and remit it abroad after tax, are governed by the State Bank's foreign exchange rules, which require supporting documents such as the labour contract and tax

records for outward remittances by individuals. See [Currency and payments inside Vietnam](#). Recharges of salary costs from a foreign parent are cross-border service payments with their own tax and documentation consequences ([Paying foreign suppliers and group companies](#)).

Regional minimum wages and payroll numbers for 2026

Item	Figure	Source
Region I minimum	VND 5,310,000 a month; VND 25,500 an hour	Decree No. 293/2025/ND-CP
Region II minimum	VND 4,730,000 a month; VND 22,700 an hour	Decree No. 293/2025/ND-CP
Region III minimum	VND 4,140,000 a month; VND 20,000 an hour	Decree No. 293/2025/ND-CP
Region IV minimum	VND 3,700,000 a month; VND 17,800 an hour	Decree No. 293/2025/ND-CP
Proposed 2027 increase	Average 7.8% from 1 January 2027 (proposal; decree not issued at end September 2026)	Ministry of Home Affairs proposal
Reference level (base salary)	VND 2,530,000 from 1 July 2026 (VND 2,340,000 before)	Decree No. 161/2026/ND-CP
Social and health insurance ceiling	20 x reference level: VND 50,600,000 a month from 1 July 2026	Law No. 41/2024/QH15, Article 31
Unemployment insurance ceiling	20 x regional minimum: VND 106,200,000 in Region I	Law No. 74/2025/QH15
Employer contributions	17.5% SI + 3% HI + 1% UI = 21.5%; 2% union fee	Law No. 41/2024/QH15; Decree No. 188/2025/ND-CP; Decree No. 105/2026/ND-CP
Employee contributions	8% SI + 1.5% HI + 1% UI = 10.5% (9.5% for foreign employees)	As above
Late salary	Compensation at the bank's one-month deposit rate if 15 days or more late	Labour Code, Article 97(4)
Deductions	Only for damage to property; at most 30% of net monthly salary	Article 102

WORKED EXAMPLE

What two employees cost a company in Ho Chi Minh City from July 2026

A foreign-invested company in Region I employs a Vietnamese accountant and a foreign general manager who is a tax resident on a two-year labour contract. Neither has registered dependants. The figures are illustrative, use the rates and ceilings in force from 1 July 2026, and are rounded to the dong.

Accountant: gross salary	VND 30,000,000 a month (salary for the job VND 27,000,000 plus fixed responsibility allowance VND 3,000,000); all insurable, below the ceiling.
--------------------------	---

Accountant: employer additions	Social insurance 17.5% = 5,250,000; health insurance 3% = 900,000; unemployment insurance 1% = 300,000; union fee 2% = 600,000. Total VND 7,050,000.
Accountant: cost to the employer	VND 37,050,000 a month, or 123.5% of gross salary; plus any 13th-month bonus if promised.
Accountant: net pay	Employee contributions 10.5% = 3,150,000. Taxable income 30,000,000 - 3,150,000 - 15,500,000 = 11,350,000; tax 5% x 10,000,000 + 10% x 1,350,000 = 635,000. Net pay VND 26,215,000.
General manager: gross salary	VND 120,000,000 a month under the Vietnamese contract; insurance base capped at VND 50,600,000. As a foreign employee, no unemployment insurance.
General manager: employer additions	Social insurance 17.5% x 50,600,000 = 8,855,000; health insurance 3% = 1,518,000; union fee 2% x 50,600,000 = 1,012,000. Total VND 11,385,000; cost VND 131,385,000 a month.
General manager: net pay	Employee contributions 9.5% x 50,600,000 = 4,807,000. Taxable income 120,000,000 - 4,807,000 - 15,500,000 = 99,693,000; tax 500,000 + 2,000,000 + 6,000,000 + 30% x 39,693,000 (11,907,900) = 20,407,900. Net pay VND 94,785,100.
What changed on 1 July 2026	The ceiling rose from VND 46,800,000 to VND 50,600,000 with the base salary under Decree No. 161/2026/ND-CP, adding 22.5% of the VND 3,800,000 difference, or VND 855,000 a month, to the employer's insurance and union cost for the general manager.

The union fee base is the salary fund on which compulsory social insurance is paid, so it follows the capped figure. Confirm the treatment of foreign employees' salaries in the fund with the provincial labour federation.

Benefits paid for an expatriate, such as housing, are subject to specific personal income tax rules; where they are taxable and the package is agreed net of tax, the gross-up increases the cost.

Questions employers ask about wages and payroll

What is the minimum wage in Vietnam in 2026?

Under Decree No. 293/2025/ND-CP, from 1 January 2026 the monthly minimums are VND 5,310,000 in Region I, 4,730,000 in Region II, 4,140,000 in Region III and 3,700,000 in Region IV, with hourly equivalents of VND 25,500, 22,700, 20,000 and 17,800. The region is fixed by the commune where the workplace is located.

Is a 13th-month salary compulsory?

No. Article 104 of the Labour Code leaves bonuses to the employer's bonus regulations. A 13th-month payment becomes enforceable only if the contract, the bonus regulations or the collective agreement promise it, or a consistent unconditional practice turns it into an agreed term. Employers wanting discretion should link it to results in writing.

Can I pay a foreign employee in US dollars?

Yes. Article 95(2) of the Labour Code allows a foreign employee's salary to be stated and paid in foreign currency. The salary remains subject to Vietnamese personal income tax and, under a labour contract of 12 months or more, to compulsory social and health insurance on the dong equivalent up to the ceiling.

Can I deduct money from salary for poor performance?

No. Article 102 permits deductions only to compensate damage to the employer's tools, equipment or other property, capped at 30% of net monthly salary, and Article 127 prohibits salary cuts as a disciplinary penalty. Performance is addressed through appraisal, bonus rules and, where justified, the procedures in the Labour Code.

How much does a Vietnamese employee cost above gross salary?

Below the insurance ceiling, the employer adds 17.5% social insurance, 3% health insurance and 1% unemployment insurance, together 21.5%, plus the 2% trade union fee: about 123.5% of gross salary. Above the ceiling of VND 50,600,000 a month, the percentage cost falls because contributions stop rising.

THE 2027 HORIZON

- The Ministry of Home Affairs has proposed an average 7.8% increase in the regional minimum wages from 1 January 2027; the Government decree had not been issued at the end of September 2026, and payroll budgets should allow for it.
- Social Insurance Law No. 41/2024/QH15 provides for the reference level to replace the base salary once the base salary is abolished as part of public-sector salary reform; until then the two are equal, and the next change to the base salary will move the insurance ceiling again.
- The bill amending the Labour Code in the 2026 legislative programme may revisit wage provisions; nothing had been adopted at the review date.

Terms you will meet in the documents

English	Vietnamese	Meaning
Salary	<i>Tiền lương</i>	Salary for the job, allowances and other supplements (Article 90).
Regional minimum wage	<i>Mức lương tối thiểu vùng</i>	The floor for pay for normal hours, set by region in Decree No. 293/2025/ND-CP.
Salary scale and payroll table	<i>Thang lương, bảng lương</i>	The employer's published pay structure (Article 93).
Allowance	<i>Phụ cấp lương</i>	A payment for working conditions, responsibility or other factors, usually insurable.

English	Vietnamese	Meaning
Bonus	<i>Thưởng</i>	A payment under the employer's bonus regulations (Article 104).
Payslip	<i>Bảng kê trả lương</i>	The statement that must accompany each salary payment (Article 95(3)).
Reference level	<i>Mức tham chiếu</i>	The figure used to set insurance ceilings; equal to the base salary until it is abolished.
Base salary	<i>Mức lương cơ sở</i>	The public-sector base salary, VND 2,530,000 from 1 July 2026 (Decree No. 161/2026/ND-CP).

FOREIGN V VIETNAMESE INVESTOR

Wage rules apply equally to foreign-invested and domestic employers. The differences sit with foreign employees: they may be paid in foreign currency, do not contribute to unemployment insurance, and often receive part of their package offshore, which brings personal income tax, insurance base and recharge questions that a domestic employer with local staff does not face. Foreign-invested employers also tend to be benchmarked by inspectors against their own published salary scales, so the scales should match what is actually paid.

WATCH OUT FOR

- Looking up the minimum wage by province rather than by the commune of each workplace after the 2025 mergers.
- Packages loaded into allowances to reduce the insurance base; regular allowances are insurable whatever their label.
- A 13th-month payment paid unconditionally for years and then withdrawn without notice.
- Salary deductions for lateness, poor performance or uniforms without a legal basis or written agreement.
- Offshore salary for expatriates left out of Vietnamese tax returns.
- Payroll budgets for 2027 that ignore the proposed minimum wage rise and the higher insurance ceiling from July 2026.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 90 to 104; Decree No. 293/2025/ND-CP on regional minimum wages — <https://vbpl.vn>
- Government portal: Decree No. 161/2026/ND-CP on the base salary — <https://chinhphu.vn>
- Ministry of Home Affairs (wages and the National Wage Council) — <https://moha.gov.vn>
- General Department of Taxation (personal income tax withholding) — <https://gdt.gov.vn>

Social, health and unemployment insurance: who must join, the 21.5% and 10.5% contribution rates, ceilings, foreign employees, the trade union fee, the occupational accident fund and the cost of paying late

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Employers pay 17.5% of insured salary for social insurance (including 0.5% for the occupational accident and disease fund), 3% for health insurance and 1% for unemployment insurance, and deduct 8%, 1.5% and 1% from employees: 21.5% and 10.5% (Law No. 41/2024/QH15; Decree No. 188/2025/ND-CP; Law No. 74/2025/QH15).
- Social and health insurance are capped at 20 times the reference level, VND 50,600,000 a month from 1 July 2026 under Decree No. 161/2026/ND-CP; unemployment insurance is capped at 20 times the regional minimum wage.
- Foreign employees with a work permit or exemption and a labour contract of 12 months or more must join social and health insurance, save for intra-company transferees, those at retirement age and treaty cases; they do not join unemployment insurance (Article 2(2), Law No. 41/2024/QH15).
- Every enterprise pays a trade union fee of 2% of the social insurance salary fund, monthly, whether or not a union exists (Law No. 50/2024/QH15; Decree No. 105/2026/ND-CP).
- Monthly contributions are due by the last day of the following month (Article 34); late payment and evasion attract interest of 0.03% a day and fines of 12% to 15% or 18% to 20% of the amount, doubled for organisations (Articles 40 and 41; Decree No. 283/2026/ND-CP).

Three schemes, four laws and one collector

Compulsory insurance in Vietnam has three parts, each with its own statute. **Social insurance** covers sickness, maternity, occupational accidents and diseases, retirement and survivorship, under Law No. 41/2024/QH15 on Social Insurance, in force since 1 July 2025, and Decree No. 158/2025/ND-CP on compulsory social insurance. The occupational accident and disease fund sits within it but is financed under the Law on Occupational Safety and Health. **Health insurance** pays for medical treatment under the Law on Health Insurance No. 25/2008/QH12, most recently amended by Law No. 51/2024/QH15, with the rate set by Decree No. 188/2025/ND-CP. **Unemployment insurance** pays benefits and training support to Vietnamese employees who lose their jobs, under Law No. 74/2025/QH15 on Employment, in force since 1 January 2026, which replaced the unemployment insurance chapter of the 2013 Employment Law.

Vietnam Social Security and its provincial offices collect all three through a single monthly payment and a single electronic filing system, issue the electronic social insurance book and the health insurance card, and pay most benefits. The trade union fee is collected separately for the Vietnam General Confederation of Labour. From the employer's perspective the obligations are to register each employee, calculate the correct insurance salary, deduct the employee's share, pay both shares on time, process benefit claims and report changes.

Who must be insured

For Vietnamese employees, compulsory social and health insurance apply to employees under labour contracts of one month or more, whatever the contract is called, and the 2024 law extended coverage to part-time employees whose monthly salary reaches the minimum contribution base. Enterprise managers who receive salary are also covered. Employees working under a separate probation contract are outside the scheme (Decree No. 158/2025/ND-CP). Unemployment insurance applies to Vietnamese employees under labour contracts as defined in Law No. 74/2025/QH15, with exceptions for employees already receiving a pension and certain others.

For foreign employees, Article 2(2) of Law No. 41/2024/QH15 requires participation where the employee holds a work permit, a practising certificate or a work permit exemption and works under a labour contract of 12 months or more with an employer in Vietnam. Three groups are excluded: intra-company transferees within the meaning of the foreign worker rules; employees who had reached retirement age under Article 169 of the Labour Code when they signed the contract; and cases where a treaty to which Vietnam is a party provides otherwise. The principal treaty is the social insurance agreement with the Republic of Korea, in force since 1 January 2024, under which a Korean employee seconded to Vietnam can be exempt from Vietnamese contributions for up to 60 months, extendable, on presenting a certificate of coverage. Foreign employees pay social and health insurance at the same rates as Vietnamese employees but are not covered by unemployment insurance ([FAQ 56](#)).

A foreign employee who is not covered, for example on an 11-month contract or as a secondee, is still subject to Vietnamese personal income tax, and the employer remains liable for workplace injury under the Labour Code. Private medical insurance is the norm for expatriates in any event, because the public scheme's benefits are designed around the Vietnamese public hospital system.

Contribution rates

The employer's 17.5% social insurance contribution comprises 3% to the sickness and maternity fund, 14% to the retirement and survivorship fund, and 0.5% to the occupational accident and disease fund; Decree No. 158/2025/ND-CP allows a reduced 0.3% for employers in high-risk sectors that meet prescribed safety conditions and apply for it. The employee contributes 8% to the retirement and survivorship fund. Health insurance is 4.5% of the insurance salary under Decree No. 188/2025/ND-CP, two-thirds (3%) from the employer and one-third (1.5%) from the employee; the law allows up to 6%. Unemployment insurance is 1% from each of employer and employee, with State support from the budget.

The totals are therefore 21.5% from the employer and 10.5% from the employee for a Vietnamese employee, and 20.5% and 9.5% for a foreign employee in the scheme. Employers sometimes agree to bear the employee's share for senior staff; that is permitted, but the amount borne is additional taxable income of the employee.

The insurance salary, the floor and the ceilings

Under Article 31 of Law No. 41/2024/QH15, the monthly salary on which contributions are paid for an employee under a labour contract comprises the salary for the job or title, salary allowances, and other supplements agreed in the contract and paid regularly in each pay period. Decree No. 158/2025/ND-CP excludes supplements that depend on or fluctuate with productivity, performance or work quality, and welfare items shown separately in the contract remain outside the base. The insurance salary may not be lower than the regional minimum wage for the workplace.

The ceiling for social and health insurance is 20 times the reference level. While the public-sector base salary exists, the reference level equals it; Decree No. 161/2026/ND-CP raised the base salary from VND 2,340,000 to VND 2,530,000 from 1 July 2026, so the ceiling rose from VND 46,800,000 to VND 50,600,000 a month. The unemployment insurance ceiling is 20 times the regional minimum wage, VND 106,200,000 in Region I in 2026. For a highly paid employee the ceilings make the percentage cost of insurance fall steeply as salary rises, which is why the employer cost examples in [Wages](#), [minimum wage](#) and [payroll](#) differ so much between a local and an expatriate employee.

DECISION GUIDE

Must this employee be insured?

Work through the questions in order for each new employee. The first answer that points to an outcome settles the question.

Q1 Is the employee a Vietnamese citizen under a labour contract (not a separate probation contract) of one month or more?

- Yes** Compulsory social insurance and health insurance; unemployment insurance unless an exception in Law No. 74/2025/QH15 applies. Register within 30 days.
- No** Continue to Q2 if the employee is a foreign national; otherwise check the part-time and short-contract rules.

Q2 Does the foreign employee hold a work permit, practising certificate or exemption confirmation, and a labour contract with the Vietnamese employer of 12 months or more?

- Yes** Continue to Q3.
- No** Not in the compulsory scheme (for example a secondee under an assignment letter, or a contract under 12 months). Personal income tax still applies.

Q3 Is the employee an intra-company transferee, or had he or she reached retirement age when the contract was signed?

Yes Excluded from compulsory social insurance under Article 2(2). Keep the evidence (transfer letter, proof of 12 months' prior employment, date of birth).

No Continue to Q4.

Q4 Does a social insurance treaty apply, such as the agreement with the Republic of Korea, and has the employee a certificate of coverage from the home scheme?

Yes Follow the treaty: the employee may be exempt for the treaty period. File the certificate with Vietnam Social Security.

No Compulsory social and health insurance at the standard rates; no unemployment insurance.

The trade union fee and the occupational accident fund

Separately from insurance, every enterprise and organisation that employs staff must pay a **trade union fee** of 2% of the salary fund used as the basis for compulsory social insurance contributions, whether or not a grassroots union has been established. The fee is imposed by Law No. 50/2024/QH15 on Trade Unions, in force since 1 July 2025, and Decree No. 105/2026/ND-CP, in force since 16 May 2026, which requires monthly payment, allows a temporary suspension or a reduction of up to 20% for businesses in difficulty, and permits exemption only on dissolution or bankruptcy ([FAQ 60](#)). Where a grassroots union exists, part of the fee is returned to it to fund its activities. The fee is distinct from the dues that union members pay personally. Payment is made to the provincial or industrial-zone labour federation; failure to pay is enforced by the union through the labour inspectorate and, in principle, the courts. The union structure itself is covered in [Internal labour rules, unions and disputes](#).

The **occupational accident and disease fund** is financed by the employer's 0.5% contribution and pays benefits for work accidents and occupational diseases, including commuting accidents, and supports prevention. The employer remains directly liable under the Law on Occupational Safety and Health for first aid, medical costs not covered by health insurance and full salary during treatment, and for compensation where the employer was at fault, so the fund does not replace the employer's own insurance for serious incidents.

Paying on time, and what happens if an employer does not

Under Article 34(4) of Law No. 41/2024/QH15 an employer contributing monthly must pay the month's contributions by the last day of the following month: contributions for October are due by 30 November. Registration of a new employee is due within 30 days of the employee becoming subject to the scheme (Article 28), and changes in salary or status must be reported promptly so that the base stays correct.

The 2024 law distinguishes **late payment** (Article 40) from **evasion** (Article 41), which includes failing to register employees, registering a salary lower than the real one and deducting the employee's share without paying it over. Both attract interest of 0.03% a day on the amount unpaid, and the employer must also pay the arrears. Decree No. 283/2026/ND-CP, which replaced Decree No. 12/2022/ND-CP on 10 September 2026, sets fines of 12% to 15% of the amount for late payment and 18% to 20% for evasion, capped at VND 75 million for an individual; under Article 7 of the decree fines for organisations are twice those for individuals. Failure to register employees is fined by the number of employees affected. Evasion above the thresholds in Article 216 of the Penal Code is a criminal offence for the enterprise and the individuals responsible. Late payers also lose eligibility for State commendations and may be named publicly by Vietnam Social Security, and an employer with unpaid contributions cannot complete a dissolution (Chapter 8).

Contribution rates and ceilings from 1 July 2026

Item	Employer	Employee	Source
Sickness and maternity fund	3%	0%	Law No. 41/2024/QH15
Retirement and survivorship fund	14%	8%	Law No. 41/2024/QH15
Occupational accident and disease fund	0.5% (0.3% if qualifying)	0%	Decree No. 158/2025/ND-CP
Health insurance	3%	1.5%	Decree No. 188/2025/ND-CP
Unemployment insurance (Vietnamese employees)	1%	1%	Law No. 74/2025/QH15
Total, Vietnamese employee	21.5%	10.5%	As above
Total, foreign employee in the scheme	20.5%	9.5%	Law No. 41/2024/QH15, Article 2(2)
Trade union fee	2% of the insurance salary fund	Members pay their own dues	Law No. 50/2024/QH15; Decree No. 105/2026/ND-CP
Ceiling, social and health insurance	VND 50,600,000 a month (20 x VND 2,530,000)	Same	Decree No. 161/2026/ND-CP
Ceiling, unemployment insurance	VND 106,200,000 in Region I (20 x regional minimum)	Same	Law No. 74/2025/QH15; Decree No. 293/2025/ND-CP
Payment deadline	Last day of the following month	Deducted from salary	Law No. 41/2024/QH15, Article 34

Item	Employer	Employee	Source
Late payment or evasion	0.03% a day plus fines of 12-15% or 18-20%, doubled for organisations		Articles 40 and 41; Decree No. 283/2026/ND-CP

WORKED EXAMPLE

The cost of paying contributions three months late

A manufacturing company in Dong Nai with 60 Vietnamese employees misses its contributions for August 2026 because of a cash shortfall. The figures are illustrative and the fine range depends on the facts found by the inspectors.

Contributions due	Employer and employee social insurance and unemployment insurance for August 2026: VND 200,000,000, due by 30 September 2026. The employee shares were deducted from August salaries.
Payment	Paid in full on 29 December 2026, 90 days late.
Interest	$0.03\% \times 90 \text{ days} \times \text{VND } 200,000,000 = \text{VND } 5,400,000$, payable to Vietnam Social Security with the arrears.
Characterisation	Because the employee shares were deducted but not paid over, the inspectors may treat the case as evasion rather than late payment; the company argues late payment, having declared the contributions correctly and paid voluntarily.
Fine if late payment	12% to 15% of VND 200,000,000 for an individual, doubled for an organisation: VND 48,000,000 to 60,000,000, within the VND 150,000,000 cap for organisations (Decree No. 283/2026/ND-CP).
Fine if evasion	18% to 20%, doubled: VND 72,000,000 to 80,000,000, plus the risk of criminal referral if the Penal Code thresholds are met.
Knock-on effects	The company may be listed as a late payer, loses eligibility for State commendations, and must clear the arrears before any restructuring or dissolution can be completed.

Had the company applied under Decree No. 158/2025/ND-CP to suspend contributions to the retirement and survivorship fund for a hardship period before the due date, where the conditions are met, the shortfall would not have been unlawful.

The arithmetic assumes the fine is calculated on the full amount due; inspectors may calculate it on the amount outstanding at the time of the inspection.

Questions employers ask about insurance

What percentage of salary does an employer pay in social insurance in Vietnam?

For a Vietnamese employee, 21.5% of insured salary: 17.5% social insurance (including 0.5% for occupational accidents), 3% health insurance and 1% unemployment insurance, plus the 2% trade union fee. The employee pays 10.5%. Social and health insurance are capped at VND 50,600,000 a month from 1 July 2026.

Do foreign employees have to pay Vietnamese social insurance?

Yes, if they hold a work permit or exemption and a labour contract of 12 months or more (Article 2(2), Law No. 41/2024/QH15). Intra-company transferees, those at retirement age and treaty cases such as Korean secondees are excluded. Foreign employees pay social and health insurance at the standard rates but no unemployment insurance.

What is the maximum salary for social insurance contributions in 2026?

Twenty times the reference level. That was VND 46,800,000 a month until 30 June 2026 and is VND 50,600,000 from 1 July 2026, after Decree No. 161/2026/ND-CP raised the base salary to VND 2,530,000. Unemployment insurance is capped at 20 times the regional minimum wage instead.

Do we pay the union fee if we have no union?

Yes. Under Law No. 50/2024/QH15 and Decree No. 105/2026/ND-CP every enterprise pays 2% of its social insurance salary fund each month, whether or not a grassroots union exists. A temporary suspension or a reduction of up to 20% is possible for businesses in difficulty; exemption applies only on dissolution or bankruptcy.

When are contributions due, and what if we pay late?

Monthly contributions are due by the last day of the following month (Article 34, Law No. 41/2024/QH15). Late payment or evasion attracts interest of 0.03% a day plus fines under Decree No. 283/2026/ND-CP of 12% to 15% or 18% to 20% of the amount, doubled for organisations, and evasion can be criminal.

THE 2027 HORIZON

- The reference level is expected eventually to replace the base salary as part of public-sector salary reform; any change will move the social and health insurance ceilings again.
- Decree No. 283/2026/ND-CP took effect on 10 September 2026; the first inspection cycles under it, and any guidance on how the doubled organisation fines are calculated for percentage-based penalties, should be watched.
- The amended Law on Occupational Safety and Health in the 2026 legislative programme may change the occupational accident fund and the employer's direct liabilities.

Terms you will meet in the documents

English	Vietnamese	Meaning
Compulsory social insurance	<i>Bảo hiểm xã hội bắt buộc</i>	The scheme under Law No. 41/2024/QH15 covering sickness, maternity, work accidents, retirement and survivorship.
Health insurance	<i>Bảo hiểm y tế</i>	The public medical insurance scheme, 4.5% of insured salary.
Unemployment insurance	<i>Bảo hiểm thất nghiệp</i>	The scheme under Law No. 74/2025/QH15 for Vietnamese employees.
Insurance salary	<i>Tiền lương làm căn cứ đóng bảo hiểm xã hội</i>	Salary, allowances and regular supplements on which contributions are paid (Article 31).
Occupational accident and disease fund	<i>Quỹ bảo hiểm tai nạn lao động, bệnh nghề nghiệp</i>	The fund financed by the employer's 0.5% contribution.
Late payment	<i>Chậm đóng</i>	Paying after the deadline (Article 40).
Evasion	<i>Trốn đóng</i>	Failing to register, under-declaring salary or not paying over deductions (Article 41).
Trade union fee	<i>Kinh phí công đoàn</i>	The employer's 2% levy under Law No. 50/2024/QH15.

FOREIGN V VIETNAMESE INVESTOR

The insurance rules do not depend on who owns the employer; a foreign-invested company pays exactly what a domestic one pays for the same workforce. The differences concern foreign employees: they join social and health insurance only with a contract of 12 months or more, intra-company transferees and treaty cases are excluded, and none of them joins unemployment insurance. Foreign-invested employers with many expatriates should keep a file for each one showing why the person is in or out of the scheme.

WATCH OUT FOR

- Registering an insurance salary lower than the salary for the job plus regular allowances; Vietnam Social Security treats the difference as evasion.
- Foreign employees moved from secondment to a local contract of 12 months or more without being registered.
- Applying the old VND 46,800,000 ceiling after 1 July 2026.
- Deducting employees' shares and then paying late, which risks characterisation as evasion.
- Ignoring the union fee because no union exists; it is payable regardless.
- Treating the Korean treaty exemption as automatic without a certificate of coverage on file.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 41/2024/QH15 on Social Insurance; Decree No. 158/2025/ND-CP; Decree No. 188/2025/ND-CP; Law No. 74/2025/QH15 on Employment — <https://vbpl.vn>
- Vietnam Social Security (registration, contributions and benefits) — <https://baohiemxahoi.gov.vn>
- Government portal: Decree No. 161/2026/ND-CP (base salary) and Decree No. 283/2026/ND-CP (penalties) — <https://chinhphu.vn>
- Vietnam General Confederation of Labour (trade union fee) — <https://congdoanvn.org.vn>

Work permits for foreign staff under Decree 219/2025: the four categories, exemptions, the single application, documents, timing, extension, re-issue, revocation and penalties

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- A foreigner working in Vietnam needs a work permit unless an exemption under Article 154 of Labour Code No. 45/2019/QH14 or Article 7 of Decree No. 219/2025/ND-CP applies; the decree has been in force since 7 August 2025 and replaced Decree No. 152/2020/ND-CP.
- Foreign workers are admitted as managers, executives, experts or technical workers, each defined in Article 3 of the decree; an expert needs a university degree and two years' relevant experience, or one year in priority sectors.
- The separate approval of the employer's demand for foreign labour has been abolished; the explanation is part of a single application, filed 10 to 60 days before the start date after five days' advertising, and decided within 10 working days (Articles 18 and 22).
- A work permit lasts up to two years and may be extended once for up to two years, on an application filed 10 to 45 days before expiry (Articles 21, 28 and 29).
- Capital contributors of VND 3 billion or more, intra-company transferees with 12 months' prior employment and managers, executives, experts and technical workers working under 90 days a year are among the exempt, but most exemptions must be confirmed in advance (Articles 7 to 9).
- Working without a permit exposes the foreigner to a fine of VND 15 to 25 million and deportation, and the employer to fines graduated by the number of workers and doubled for organisations (Decree No. 283/2026/ND-CP).

The framework after August 2025

Articles 151 to 157 of Labour Code No. 45/2019/QH14 set the principles: a foreigner may work in Vietnam only in defined roles, only with a work permit or a confirmed exemption, and only for an employer that has explained why a Vietnamese worker cannot do the job. The detailed rules are in Decree No. 219/2025/ND-CP of 7 August 2025, which took effect on the day it was issued and replaced Decree No. 152/2020/ND-CP and its amending Decree No. 70/2023/ND-CP. Under the decree the **provincial People's Committee** is the authority that issues, extends, re-issues and revokes work permits and exemption confirmations, usually acting through the provincial Department of Home Affairs, which absorbed the labour functions of the former Department of Labour, Invalids and Social Affairs. Applications are filed online through the National Public Service Portal.

The 2025 decree made four changes that matter to employers. It abolished the separate advance approval of the employer's demand for foreign workers, which used to take 15 working days before the permit application could even be filed, and folded the explanation into the permit application itself. It reduced the advertising period for the position from 15 days to five and let employers choose where to advertise. It lowered the experience thresholds for experts and technical workers. And it linked the Vietnamese criminal record procedure to the permit application, so that the record can be requested online at the same time. The work permit and the visa remain separate processes, handled by different ministries; the immigration side is in Visas and temporary residence.

The four categories

Article 152 of the Labour Code allows an employer to recruit foreigners only as managers, executives, experts or technical workers, and only for positions that Vietnamese workers cannot yet fill. Article 3 of Decree No. 219/2025/ND-CP defines each category.

A **manager** is a manager of an enterprise as defined in Article 4(24) of the Law on Enterprises, such as the owner of a private enterprise, a member or chair of the members' council or board, the company owner, the director or general director and any other managerial position set by the charter, or the head or deputy head of an agency or organisation. An **executive** is the head of a branch, representative office or business location, or a person who heads and directly runs a field of activity of an agency, organisation or enterprise and has at least three years' relevant experience. An **expert** holds a university degree or higher, or an equivalent, and has at least two years' relevant experience; in the priority fields named in the decree, including finance, science, technology, innovation and digital transformation, a university degree in the relevant speciality and one year's experience suffice. A **technical worker** has at least one year's training and at least two years' relevant experience, or at least three years' experience without formal training.

Evidence of experience is a confirmation from previous employers stating the position, the period and the work, or equivalent documents. The authority compares the position with the degree and experience, and a mismatch is the commonest reason for a clarification request.

Exemptions, and how to rely on them

Article 154 of the Labour Code and Article 7 of the decree list the cases in which no permit is needed. For investors and multinational groups the important ones are: the owner or a capital-contributing member of a limited liability company with a capital contribution of VND 3 billion or more; the chair or a member of the board of a joint stock company with a capital contribution of VND 3 billion or more; the head of a representative office or of a project of an international organisation or foreign non-governmental organisation; a person entering Vietnam to establish a commercial presence; a manager, executive, expert or technical worker who works in Vietnam for fewer than 90 days in a calendar year, however many entries that involves; an intra-company transferee, that is, a manager, executive, expert or technical worker transferred for a limited period within a foreign enterprise with a commercial presence in Vietnam in one of the eleven WTO service sectors, who has worked for that enterprise for at least 12 consecutive months before the transfer; a foreigner married to a Vietnamese citizen and living

in Vietnam; practising lawyers licensed in Vietnam; and specialists certified by a ministry or provincial People's Committee for work in priority sectors. Capital contributors and board members below the VND 3 billion threshold now need a permit, but are spared the advertising and demand explanation.

An exemption is not self-executing. In most cases the employer must obtain a **work permit exemption confirmation** from the provincial authority, filed 10 to 60 days before the start date and decided within five working days (Article 9); the confirmation lasts up to two years and may be extended once for up to two years. Certain categories need only a notice to the authority at least three working days before work begins. Either way, the foreigner must hold the exemption evidence before starting work, and must still obtain the right visa or residence card. Exempt status under the 90-day rule should be tracked by days worked in each calendar year; a manager who visits for 20 working days a quarter will exceed it.

Obtaining a work permit for a new hire

1 Confirm category and eligibility

Match the position to manager, executive, expert or technical worker and check the degree and experience against Article 3 of Decree No. 219/2025/ND-CP. Check first whether an exemption applies.

2 Collect and legalise documents abroad

Degree, experience confirmations and the foreign criminal record (issued within six months before filing). Documents issued abroad need an apostille (Vietnam applies the Apostille Convention from 11 September 2026) or consular legalisation, and a certified Vietnamese translation.

3 Advertise the position

For a local labour contract, a bidding package or project, or a contract with a foreign mission or organisation, advertise to Vietnamese candidates for at least five days before filing, by a method the employer chooses. Intra-company transferees and service suppliers are exempt from advertising.

4 Obtain the health certificate

From a qualified medical facility, issued no more than 12 months before filing; a foreign certificate is accepted only where mutual recognition applies.

5 File the single application

Through the National Public Service Portal, 10 to 60 days before the start date: the labour demand explanation and application on the prescribed form, health certificate, passport copy, criminal record (or the linked request for a Vietnamese record), two 4 x 6 cm colour photographs, proof of the form of employment and of the job category.

6 Answer any clarification

The authority decides within 10 working days of a complete dossier and must give reasons for a refusal within three working days. A request for clarification restarts the completeness check.

7 Sign the labour contract and start work

Sign the written labour contract with a term no longer than the permit, then start work; for a secondee, the assignment letter governs.

8 Visa, residence and insurance

Apply for the LD2 visa or temporary residence card on the strength of the permit, register temporary residence, and register the employee for social and health insurance if the contract is 12 months or more.

Duration, extension, multi-site work and re-issue

Under Article 21 of the decree a work permit is issued for the term of the labour contract or assignment, up to a maximum of two years. Article 29 allows one extension, for up to two years, on an application filed 10 to 45 days before expiry and decided within 10 working days (Article 28). After the extension has been used, a further period requires a new permit, with a full application. Employers should therefore diarise the expiry of every permit at least two months ahead.

A permit issued to work for one employer may now be used at that employer's workplaces in several provinces without a new permit, provided the employee notifies the labour authority of the new location at least three days before starting work there. A permit is **re-issued** (Article 23), within three working days, where the original is lost or damaged, or where the employee's name, nationality or passport number, or the employer's name, changes while the enterprise code remains the same; the re-issued permit runs for the remaining term. A change of employer, of position or of category requires a new permit, not a re-issue.

Revocation, expiry and the employer's duties

A permit ceases to be valid in the cases listed in Article 156 of the Labour Code, including expiry of its term, termination of the labour contract, a change in the content of the contract inconsistent with the permit, the end of the assignment by the foreign employer, and the cessation of the employer's operations. Under Article 30 of the decree the authority revokes a permit that has expired in those circumstances, one obtained or used in breach of the decree, and one whose holder is being prosecuted or investigated for criminal liability in Vietnam. Within 15 days of a permit ceasing to be valid, the employer must recover it and return it to the authority with a written explanation (Article 31).

Because Article 34 of the Labour Code ends the labour contract when the permit expires, the expiry of a permit is also a termination event for the employment, with the consequences described in [Termination, severance and redundancy](#). The employer must also report periodically on its use of foreign workers, as part of the labour reports prescribed by the Ministry of Home Affairs.

Penalties and the deportation risk

Decree No. 283/2026/ND-CP, which replaced Decree No. 12/2022/ND-CP on 10 September 2026, keeps the established scale of fines. A foreigner working without a permit or exemption confirmation, or with an expired permit, is fined VND 15 to 25 million and may be deported, which in practice also ends any

immediate prospect of returning to work in Vietnam. An employer that uses foreign workers without permits or exemption confirmations is fined VND 30 to 45 million where one to ten workers are involved, VND 45 to 60 million for 11 to 20, and VND 60 to 75 million for 21 or more; an employer that uses a foreign worker for work different from the permit faces a fine per worker. Under Article 7 of the decree these amounts are for individuals and are doubled for organisations, so a company employing a single unpermitted foreigner faces up to VND 90 million.

The fines are the smaller part of the cost. A deportation order disrupts management, and the absence of a permit undermines the labour contract, the residence card and the documentation that supports the salary cost in the company's tax filings (Corporate income tax).

Decree 219/2025 at a glance

Item	Rule	Source
Issuing authority	Provincial People's Committee, usually through the Department of Home Affairs	Decree No. 219/2025/ND-CP
Categories	Manager; executive (3 years' experience if not a head of unit); expert (degree + 2 years, or 1 year in priority fields); technical worker (1 year's training + 2 years, or 3 years)	Article 3
Advertising	At least 5 days before filing, for local contracts and certain other cases	Decree No. 219/2025/ND-CP
Filing window	10 to 60 days before the start date	Article 22(1)
Decision	10 working days from a complete dossier; reasons for refusal within 3 working days	Article 22(3)
Health certificate	Issued within 12 months before filing	Article 18(2)
Criminal record	Issued within 6 months before filing, or linked online request	Article 18(4); Article 6(3)
Duration	Up to 2 years, matching the contract or assignment	Article 21
Extension	Once, up to 2 years; file 10 to 45 days before expiry; decided in 10 working days	Articles 28 and 29
Exemption confirmation	File 10 to 60 days before start; decided in 5 working days; up to 2 years, extendable once	Articles 9, 10 and 17
Re-issue	Loss, damage, change of name, nationality, passport or employer name; 3 working days	Articles 23 and 25
Return on expiry	Within 15 days	Article 31
Fines (individual amounts; doubled for organisations)	Worker: VND 15-25 million plus possible deportation. Employer: VND 30-45 / 45-60 / 60-75 million by number of workers	Decree No. 283/2026/ND-CP

WORKED EXAMPLE

A German plant manager for a factory in Hai Phong

A German-owned automotive parts manufacturer in an industrial park in Hai Phong hires a German engineer as plant manager on a two-year local labour contract starting 1 March 2027. He is not a capital contributor and has not worked for the group before, so no exemption applies. The timeline is illustrative.

Category	The plant manager heads and directly runs production, so he is an executive; he has 12 years' relevant experience, well above the three required. His mechanical engineering degree would also support the expert category.
Weeks 1 to 4 (November 2026)	Degree and two employer confirmations apostilled in Germany and translated; German police certificate obtained (dated 20 November, so valid for filing until 20 May 2027).
Week 5 (December 2026)	Position advertised on two recruitment websites for five working days; no suitable Vietnamese applicants.
Week 6 (mid-January 2027)	Health check at an approved hospital during a business visit on an e-visa; single application filed on the National Public Service Portal on 18 January, 42 days before the start date and inside the 10-to-60-day window.
Week 8 (early February 2027)	Work permit issued on the 9th working day after the dossier was accepted as complete, for two years to 28 February 2029.
Late February 2027	Labour contract signed for the same term. The company sponsors an LD2 visa, then a temporary residence card of up to two years; the plant manager registers temporary residence at his serviced apartment.
March 2027	Registered for social and health insurance (contract of 12 months or more; no unemployment insurance); personal income tax withheld monthly.
Diary	Extension application window: 14 January to 18 February 2029. After one extension, a new permit will be required for any period beyond February 2031.

Had the group seconded an engineer who had worked for the German parent for at least 12 months, he could have worked as an intra-company transferee with an exemption confirmation and no Vietnamese labour contract, provided the business fell within a WTO-scheduled service sector; a pure manufacturing activity may not qualify, and the point should be checked.

Official fees for permits are set by provincial People's Councils and are modest; professional fees for a full permit and residence card package are typically USD 800 to 2,000 per person with a Vietnamese service provider, a typical market range rather than a quotation.

Questions employers ask about work permits

Does a foreign director of my Vietnamese company need a work permit?

Usually yes, unless an exemption applies. The owner or a member of a limited liability company, or a board member of a joint stock company, who contributed VND 3 billion or more is exempt under Article 7 of Decree No. 219/2025/ND-CP. Others, including a hired general director, need a permit, and exemptions must normally be confirmed in advance.

How long does a Vietnam work permit take under Decree 219?

The authority decides within 10 working days of a complete dossier, filed 10 to 60 days before the start date after at least five days' advertising. Collecting apostilled degrees, experience letters and a criminal record usually takes longer than the decision; four to eight weeks from instruction is a realistic plan.

Can a foreigner work on a business visa while the permit is processed?

No. Working before the permit or exemption confirmation is issued is unlawful, whatever visa the person holds. A business visitor may attend meetings and negotiations, and managers, executives, experts and technical workers may work up to 90 days a year under the exemption, which normally needs a confirmation or notice.

How long is a work permit valid and can it be renewed?

Up to two years, matching the labour contract or assignment (Article 21). It may be extended once for up to two years, on an application filed 10 to 45 days before expiry. After that a new permit is needed, with a full application, so diarise each expiry well in advance.

What happens if a foreign employee works without a permit?

Under Decree No. 283/2026/ND-CP the employee faces a fine of VND 15 to 25 million and possible deportation, and the employer fines from VND 30 million upwards depending on the number of workers, doubled for an organisation. The labour contract and residence card are also undermined.

THE 2027 HORIZON

- Decree No. 219/2025/ND-CP left the invitation procedure for priority-sector specialists to further guidance; Ministry of Home Affairs or provincial instructions on how the priority-sector exemption and the one-year expert threshold are applied are expected.
- The bill amending the Labour Code in the 2026 legislative programme may revisit Articles 151 to 157 on foreign workers; nothing had been adopted at the review date.
- From 1 July 2026 a UD1 visa for high-quality digital technology industry personnel is available under Law No. 118/2025/QH15; how it interacts with the work permit regime for priority-sector experts will become clearer as it is used.

Terms you will meet in the documents

English	Vietnamese	Meaning
Work permit	<i>Giấy phép lao động</i>	The authorisation for a foreigner to work in Vietnam, for up to two years.
Work permit exemption confirmation	<i>Giấy xác nhận không thuộc diện cấp giấy phép lao động</i>	The document confirming that an exemption applies.
Manager	<i>Nhà quản lý</i>	An enterprise manager under the Law on Enterprises, or a head or deputy head of an organisation.
Executive	<i>Giám đốc điều hành</i>	A head of a branch or representative office, or of a field of activity with three years' experience.
Expert	<i>Chuyên gia</i>	A degree holder with two years' relevant experience (one in priority fields).
Technical worker	<i>Lao động kỹ thuật</i>	One year's training and two years' experience, or three years' experience.
Explanation of the demand for foreign workers	<i>Giải trình nhu cầu sử dụng người lao động nước ngoài</i>	Now part of the single work permit application.
Criminal record certificate	<i>Phiếu lý lịch tư pháp</i>	Required within six months before filing, or requested online with the permit.

FOREIGN V VIETNAMESE INVESTOR

Work permits concern foreign individuals, not foreign investors: a Vietnamese-owned company that hires a foreign engineer follows exactly the same procedure as a foreign-owned one. The investor-specific rule is the exemption for capital contributors and board members who contributed VND 3 billion or more, which applies whether the company is wholly foreign-owned or a joint venture.

WATCH OUT FOR

- Starting work on an e-visa or business visa before the permit or exemption confirmation is issued.
- Experience letters that do not state the position, dates and duties, or a degree in a field unrelated to the job.
- Criminal records and health certificates that are out of date by the filing date (six and twelve months respectively).
- Using the one extension and then forgetting that a full new application is needed next time.
- A change of employer within a group treated as a re-issue; it needs a new permit.
- Board members below the VND 3 billion threshold assumed to be exempt.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Decree No. 219/2025/ND-CP on foreign workers in Vietnam; Labour Code No. 45/2019/QH14, Articles 151 to 157 — <https://vbpl.vn>
- National Public Service Portal (online work permit and criminal record applications) — <https://dichvucong.gov.vn>
- Ministry of Home Affairs (foreign workers policy) — <https://moha.gov.vn>
- Government portal: Decree No. 283/2026/ND-CP on administrative penalties in labour — <https://chinhphu.vn>

Visas and temporary residence for investors, employees and their families: visa categories, investor visas by capital, e-visas, temporary residence cards, dependants, residence registration and the sequence with the work permit

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Immigration is governed by Law No. 47/2014/QH13 on Entry, Exit, Transit and Residence of Foreigners, as amended by Laws No. 51/2019/QH14 and No. 23/2023/QH15, and administered by the Immigration Department of the Ministry of Public Security and provincial police immigration divisions.
- Investor visas are graded by capital contributed: DT1 for VND 100 billion or more (or priority sectors or areas), DT2 for VND 50 billion to under 100 billion, DT3 for VND 3 billion to under 50 billion and DT4 below VND 3 billion; DT1, DT2 and DT3 lead to temporary residence cards of up to 10, 5 and 3 years, DT4 to none.
- Employees hold an LD1 visa (exempt from a work permit) or an LD2 visa (work permit holders), each valid for up to two years, and may obtain a temporary residence card of up to two years matching the permit or exemption (Articles 9 and 38).
- An e-visa of up to 90 days, single or multiple entry, is available to all nationalities; it suits exploratory and short business trips but does not authorise work.
- Spouses and children under 18 of investors and employees with residence cards may hold TT visas and cards of up to three years; every foreigner's temporary residence must be declared by the accommodation provider within 12 hours of arrival (24 in remote areas).

The framework and the authorities

Entry, stay and residence of foreigners are governed by Law No. 47/2014/QH13 on Entry, Exit, Transit and Residence of Foreigners in Vietnam, substantially amended by Law No. 51/2019/QH14, which reorganised the business and investor visa categories, and by Law No. 23/2023/QH15, which from 15 August 2023 extended the e-visa to 90 days and lengthened visa-free stays to 45 days for countries on the unilateral exemption list; a Government resolution then opened the e-visa to nationals of all countries. A further amendment, made by Law No. 118/2025/QH15 of 10 December 2025 (which amended ten laws on security and order), introduced from 1 July 2026 a UD1 visa for high-quality personnel of the digital technology industry and other foreigners entitled to special preference under a law or National Assembly resolution, and a UD2 visa for their spouses and children under 18; both visas are valid for up to five years and lead to temporary residence cards of up to ten years ([FAQ 53](#)).

The law is administered by the **Immigration Department** (Cục Quản lý xuất nhập cảnh) of the Ministry of Public Security, which issues e-visas, approves visa sponsorship letters for collection at Vietnamese embassies or on arrival, and handles cases sponsored by central bodies, and by the **immigration divisions of the provincial police**, which handle most visa extensions, conversions and temporary residence cards sponsored by companies in their province. Visas issued abroad come from Vietnamese diplomatic missions (Vietnamese embassies). Immigration status is personal and separate from work authorisation: a visa never authorises work by itself, and a work permit never authorises entry or stay.

The visa categories that matter to business

Each visa carries a symbol that states its purpose, and a foreigner must hold the visa that matches what he or she is doing. The categories used by investors and employers are these. **DN1** is for foreigners working with a Vietnamese enterprise or organisation with legal personality, typically for meetings, negotiations and short assignments, and **DN2** for foreigners entering to offer services, establish a commercial presence or carry out other activities under a treaty; both are valid for up to 12 months. **NN1** is for heads of representative offices or projects of international organisations and foreign non-governmental organisations, **NN2** for heads of representative offices and branches of foreign traders and of foreign economic, cultural and professional organisations, and **NN3** for those working for such offices; all are valid for up to 12 months. **DT1** to **DT4** are investor visas, graded by capital as described below. **LD1** is for foreigners working in Vietnam with a confirmed work permit exemption, and **LD2** for those who need and hold a work permit; both are valid for up to two years. **TT** is for the spouse and children under 18 of foreigners holding certain visas, and for foreign parents, spouses and children of Vietnamese citizens, valid for up to 12 months.

The **e-visa (EV)** is issued online by the Immigration Department for up to 90 days, single or multiple entry, to nationals of all countries, through the official portal. It is the usual route for exploratory visits, board meetings and site inspections, and for entering to complete medical checks and interviews before a work permit issues. Nationals of countries on the unilateral exemption list may enter visa-free for up to 45 days, and Government Resolution No. 229/NQ-CP added twelve further European countries to the visa-free list for the period from 15 August 2025 to 14 August 2028. Neither an e-visa nor visa-free entry authorises work.

Investor visas and the capital tests

Since the 2019 amendment, investor visas are graded by the capital the investor has contributed, which closed the earlier practice of obtaining long investor visas on the strength of nominal contributions. **DT1** is for foreign investors, and representatives of foreign organisations investing, with capital contributed of VND 100 billion or more, or investing in sectors with special investment incentives or areas with especially difficult socio-economic conditions; it is valid for up to five years and leads to a temporary residence card of up to ten years. **DT2** covers capital of VND 50 billion to under VND 100 billion, or investment in sectors encouraged for development; up to five years, with a card of up to five years. **DT3** covers VND 3 billion to under VND 50 billion; up to three years, with a card of up to three years. **DT4** covers capital below VND 3 billion; up to 12 months, with no temporary residence card, so the holder must renew the visa itself each year.

The immigration authority looks for evidence that the capital has actually been contributed, not merely registered: the Enterprise Registration Certificate or Investment Registration Certificate, the charter or register of members, and bank evidence of the contribution through the investment capital account (The investment capital account). An investor who also manages the company should check the work permit position separately: a capital contribution of VND 3 billion or more to a limited liability company, or as a board member of a joint stock company, brings a work permit exemption, which must be confirmed (Work permits for foreign staff). The VND 3 billion figure is therefore a threshold twice over: for the DT3 visa and residence card, and for the work permit exemption. Charter capital planning should take both into account (Charter capital and capital contribution).

Temporary residence cards

A temporary residence card (thẻ tạm trú) replaces a visa for long stays and allows multiple entries without further visas during its term. Under Article 36 of the law, cards are issued to holders of LV1, LV2, LS, DT1, DT2, DT3, NN1, NN2, DH, PV1, LD1, LD2 and TT visas, among others; holders of DN, NN3, DT4 and e-visas are not eligible. Article 38 sets the maximum terms: up to ten years for DT1; up to five years for DT2 (and for LV1, LV2, LS and DH); up to three years for DT3, NN1, NN2 and TT; and up to two years for LD1, LD2 and PV1. From 1 July 2026, Law No. 118/2025/QH15 added the UD1 and UD2 visas to the list of eligible visas, with cards of up to ten years. In each case the card must expire at least 30 days before the passport, and in practice it is also limited to the term of the work permit, exemption confirmation or other document on which it is based.

The application is filed by the sponsoring company or organisation with the immigration authority of the place where it has its head office, with the sponsor's written request, the foreigner's declaration with photograph, the passport, and evidence of the basis for the card (work permit, exemption confirmation or investment documents). The authority decides within five working days of a complete dossier (Article 37). A company sponsoring for the first time must first file its legal documents and the specimen signature and seal of its representative with the immigration authority. A card that expires may be replaced by a new one if the basis continues; there is no extension of a card as such.

Sequencing immigration with the work permit

- 1 Exploratory and pre-hire visits**
Enter on an e-visa (up to 90 days) or visa-free where available, for meetings, interviews and the health check needed for the work permit. No work may be done.

- 2 Work permit or exemption**
The employer obtains the work permit or exemption confirmation (Work permits for foreign staff). For an investor, the company is first incorporated and the capital contributed.

- 3 Register the sponsor**
If the company has not sponsored foreigners before, file its legal documents and specimen signature and seal with the immigration authority.

4 Obtain the right visa

LD2 for a permit holder, LD1 for an exempt employee, DT1 to DT4 for an investor. A foreigner already in Vietnam may convert to the new visa in the cases the law allows, notably where he or she holds a work permit or exemption or is an investor; otherwise the visa is approved by the immigration authority and collected abroad or on arrival.

5 Apply for the temporary residence card

Filed by the sponsor; decided in five working days; term limited by the visa category, the work permit or exemption and the passport.

6 Bring in dependants

The company or the principal sponsors TT visas and cards for the spouse and children under 18, with marriage and birth certificates legalised and translated.

7 Declare residence and keep documents current

Make sure the landlord or hotel declares temporary residence within 12 hours of arrival (24 in remote areas); renew the card before the permit, passport or card expires.

Dependants, residence registration and leaving

The spouse and children under 18 of a foreigner holding a DT1, DT2 or DT3, NN1 or NN2, LD1 or LD2 visa or card may obtain a TT visa and a TT temporary residence card of up to three years, limited to the principal's card. A dependant holding a TT card may not work without a work permit of his or her own. Marriage and birth certificates issued abroad must be legalised and translated.

Every foreigner staying in Vietnam must have his or her temporary residence declared. Under Article 33 of the law, the accommodation establishment, whether a hotel, serviced apartment or private landlord, must declare a foreign guest to the local police within 12 hours of arrival, or 24 hours in remote and mountainous areas, through the online declaration system or at the commune police. A foreigner who rents a house or apartment should ask the landlord for evidence that the declaration has been made, because the police check residence declarations when processing card applications and residence violations are fined. Housing for foreigners is covered in [Housing and offices for foreigners](#).

When employment ends, the work permit is returned within 15 days and the residence card ceases to have a basis. The foreigner should leave or change status before the card expires; overstaying is fined and can lead to deportation and future entry restrictions. Before leaving, the foreigner should also finalise personal income tax and, if in the social insurance scheme, consider the lump-sum payment available to foreigners who stop working in Vietnam.

Visas and residence cards for business at a glance

Symbol	Who it is for	Visa validity	Residence card	Source
DN1 / DN2	Business with a Vietnamese enterprise / services, commercial presence, treaty activities	Up to 12 months	Not eligible	Law No. 47/2014/QH13 as amended, Articles 8 and 9
NN1 / NN2	Heads of representative offices, projects or branches	Up to 12 months	Up to 3 years	Articles 8, 9 and 38
NN3	Staff of representative offices and foreign organisations	Up to 12 months	Not eligible	Articles 8 and 9
DT1	Capital of VND 100 billion or more, or priority sectors or areas	Up to 5 years	Up to 10 years	Articles 8, 9 and 38
DT2	VND 50 billion to under 100 billion, or encouraged sectors	Up to 5 years	Up to 5 years	Articles 8, 9 and 38
DT3	VND 3 billion to under 50 billion	Up to 3 years	Up to 3 years	Articles 8, 9 and 38
DT4	Below VND 3 billion	Up to 12 months	Not eligible	Articles 8 and 9
LD1 / LD2	Employees exempt from a work permit / work permit holders	Up to 2 years	Up to 2 years	Articles 8, 9 and 38
TT	Spouses and children under 18 of eligible holders; family of Vietnamese citizens	Up to 12 months	Up to 3 years	Articles 8, 9 and 38
UD1 / UD2	High-quality digital technology industry personnel and other specially preferred foreigners, and their spouses and children under 18 (from 1 July 2026)	Up to 5 years	Up to 10 years	Law No. 118/2025/QH15
E-visa (EV)	All nationalities; visits, business exploration	Up to 90 days, single or multiple entry	Not eligible	Law No. 23/2023/QH15
Card processing	Sponsor files where it has its head office		5 working days	Article 37

WORKED EXAMPLE

A Korean investor, his family and a hired engineer in Bac Ninh

A Korean national sets up a wholly owned limited liability company in Bac Ninh with charter capital of VND 25 billion, fully contributed, and is its sole member and general director. His wife and 12-year-old daughter come with him, and the company hires a Korean process engineer on a two-year contract. The timeline is illustrative.

Investor's category	Capital contributed VND 25 billion: within VND 3 billion to under VND 50 billion, so DT3. Visa of up to three years; temporary residence card of up to three years.
Investor's work status	As owner of an LLC with a contribution of VND 3 billion or more he is exempt from a work permit; the company obtains an exemption confirmation before he starts work as general director.
Month 1	He enters on a 90-day multiple-entry e-visa to sign the factory lease and open accounts; the company is registered and the capital contributed through the investment capital account.
Month 2	The company files its documents and specimen signature and seal with the Bac Ninh police immigration division, then applies for his DT3 visa conversion and DT3 temporary residence card (decided in five working days).
Month 2	TT visas and TT cards of up to three years for his wife and daughter, sponsored by the company, with their marriage and birth certificates apostilled and translated.
Months 2 to 3	The engineer's work permit is issued; the company sponsors an LD2 visa and an LD2 card of up to two years, ending with the permit.
Ongoing	Each family member's temporary residence is declared by the landlord within 12 hours of moving in; the investor diarises the card expiry three years out and the engineer's permit extension window.

Had the investor contributed VND 2.5 billion, he would have qualified only for a DT4 visa of up to 12 months, with no residence card, and would have needed a work permit to act as general director, since the exemption threshold is VND 3 billion.

Had he contributed VND 120 billion, a DT1 visa of up to five years and a card of up to ten years would have been available.

Questions investors and employers ask about visas

Which visa does a foreign investor in Vietnam get?

It depends on capital contributed: DT1 for VND 100 billion or more or priority sectors or areas, DT2 for VND 50 billion to under 100 billion, DT3 for VND 3 billion to under 50 billion, and DT4 below VND 3 billion. DT1 to DT3 holders can obtain temporary residence cards of up to 10, 5 and 3 years; DT4 holders cannot.

Can I work in Vietnam on an e-visa?

No. The e-visa, valid for up to 90 days and available to all nationalities, allows entry for visits, meetings and business exploration but does not authorise work. Work requires a work permit or confirmed exemption, followed by an LD1 or LD2 visa or the matching residence card, or the investor route.

How long is a temporary residence card valid for an employee?

Up to two years for LD1 and LD2 holders under Article 38 of the Law on Entry and Exit of Foreigners, and never beyond the work permit or exemption confirmation, or less than 30 days before passport expiry. A new card is issued when the permit is extended or renewed.

Can my spouse and children live with me in Vietnam?

Yes. The spouse and children under 18 of an investor with a DT1 to DT3 visa, an employee with an LD visa or a head of office with an NN1 or NN2 visa may obtain TT visas and cards of up to three years, limited to the principal's card. A spouse who wants to work needs his or her own work permit.

Who registers a foreigner's temporary residence?

The accommodation provider. Under Article 33 of the law, the hotel, serviced apartment or landlord must declare the foreign guest to the local police within 12 hours of arrival, or 24 hours in remote areas, usually online. The foreigner should keep evidence of the declaration for card applications.

THE 2027 HORIZON

- The UD1 and UD2 visas introduced from 1 July 2026 are new; who qualifies as high-quality digital technology industry personnel turns on the Law on Digital Technology Industry and its implementing rules, and practice on how UD1 holders obtain work authorisation is still developing.
- The visa-free list under Government Resolution No. 229/NQ-CP runs to 14 August 2028; further additions or extensions are decided by Government resolution and should be checked before travel.
- The Ministry of Public Security continues to move sponsorship, visa and residence card applications online; documentary requirements and procedures may change as it does, so check the current requirements before each application.

Terms you will meet in the documents

English	Vietnamese	Meaning
Visa	<i>Thị thực</i>	The permission to enter and stay, identified by a purpose symbol.
Electronic visa	<i>Thị thực điện tử</i>	An online visa of up to 90 days.

English	Vietnamese	Meaning
Temporary residence card	<i>Thẻ tạm trú</i>	A card replacing the visa for stays of up to 2, 3, 5 or 10 years.
Visa exemption	<i>Miễn thị thực</i>	Visa-free entry for nationals of listed countries, up to 45 days unilaterally.
Sponsor	<i>Cơ quan, tổ chức mời, bảo lãnh</i>	The company or organisation that invites and is responsible for the foreigner.
Declaration of temporary residence	<i>Khai báo tạm trú</i>	The landlord's or hotel's declaration of a foreign guest to the police.
Change of visa purpose	<i>Chuyển đổi mục đích thị thực</i>	Conversion to a different visa inside Vietnam in the cases the law allows.
Immigration Department	<i>Cục Quản lý xuất nhập cảnh</i>	The Ministry of Public Security department responsible for foreigners' entry and residence.

FOREIGN V VIETNAMESE INVESTOR

Immigration law applies only to foreign individuals. A foreign investor's personal status depends on the capital he or she has contributed, which decides between a ten-year card and a twelve-month visa. A Vietnamese investor needs none of this, and a Vietnamese-owned company hiring a foreign employee sponsors visas and cards in exactly the same way as a foreign-owned one. A Vietnamese citizen who also holds foreign nationality should enter and stay on the Vietnamese passport to avoid needing a visa at all.

WATCH OUT FOR

- Working on an e-visa, a business visa or visa-free entry while the work permit is pending.
- Investor visas sought on capital that has been registered but not yet contributed; the authority checks the contribution.
- Residence cards that will outlast the passport; the card must expire at least 30 days earlier.
- Landlords who do not declare temporary residence, which surfaces when the card is renewed.
- Letting the card lapse after employment ends, and overstaying.
- Charter capital fixed just below VND 3 billion, which loses both the DT3 card and the work permit exemption.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 47/2014/QH13 on Entry, Exit, Transit and Residence of Foreigners, as amended by Laws No. 51/2019/QH14 and No. 23/2023/QH15 — <https://vbpl.vn>
- Immigration Department, Ministry of Public Security — <https://xuatnhapcanh.gov.vn>
- Ministry of Public Security — <https://bocongan.gov.vn>
- Government portal: Resolution No. 229/NQ-CP on visa exemption — <https://chinhphu.vn>

Termination, severance and redundancy: the employer's grounds and notice periods, resignation, mutual agreement, disciplinary dismissal, redundancy for restructuring or economic reasons, severance and job-loss allowances, and unlawful termination

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- An employer may terminate unilaterally only on the grounds in Article 36 of Labour Code No. 45/2019/QH14, with at least 45 days' notice for an indefinite contract, 30 days for a contract of 12 to 36 months and 3 working days for a shorter one, or 120 days for the occupations listed in Decree No. 145/2020/ND-CP.
- Dismissal is a disciplinary penalty available only for the misconduct listed in Article 125, after a disciplinary meeting held under Article 122 within the limitation period in Article 123.
- Redundancy for restructuring, technological change or economic reasons requires a labour use plan, consultation with the employee representative organisation and 30 days' notice to the provincial People's Committee and the employees (Articles 42 to 44).
- Severance is half a month's salary, and the job-loss allowance for redundancy one month's salary (at least two months), for each year of service not covered by unemployment insurance, on average salary for the last six months (Articles 46 and 47).
- An unlawful termination obliges the employer to reinstate the employee, pay salary and insurance for the period out of work and pay at least two months' salary, plus salary for any notice not given (Article 41).

The routes by which employment ends

Vietnamese law does not allow termination at will. Article 34 of Labour Code No. 45/2019/QH14 lists the only ways a labour contract ends: expiry of a definite term; completion of the agreed work; mutual agreement; the employee's imprisonment, deportation (for a foreign employee) or death; the death of an individual employer or the cessation of operations of an organisational employer; dismissal as a disciplinary penalty; unilateral termination by the employee under Article 35 or by the employer under Article 36; termination for restructuring, technological change, economic reasons, merger, division or transfer of ownership under Articles 42 and 43; expiry of a foreign employee's work permit; and failure or cancellation of probation. Any termination outside these routes, or without their procedure, is unlawful.

In practice most terminations of employees who are not at fault are achieved by **mutual agreement** under Article 34(3), documented in a termination agreement that records the termination date, the payments and a release. The employer's statutory grounds are narrow, the procedures are formal and the remedies for getting them wrong are heavy, so a negotiated exit with a package above the statutory minimum is usually quicker and cheaper. The agreement must be voluntary; one obtained by pressure can be set aside.

The employer's unilateral grounds and notice

Article 36(1) allows the employer to terminate unilaterally in seven situations only: (a) the employee frequently fails to perform the work as assessed against criteria in the employer's own performance regulations, which must have been issued after consulting the employee representative organisation; (b) the employee has been ill or injured and has not recovered after 12 consecutive months of treatment under an indefinite contract, six months under a contract of 12 to 36 months, or more than half the term of a shorter contract; (c) natural disaster, fire, dangerous epidemic, enemy action or relocation or downsizing at the request of the authorities force the employer to reduce jobs after it has tried every means to avoid it; (d) the employee fails to return to work after the end of a period of suspension of the contract; (e) the employee reaches retirement age, unless otherwise agreed; (f) the employee abandons work without good reason for five or more consecutive working days; and (g) the employee gave false information when entering the contract that affected the recruitment.

Under Article 36(2) the employer must give at least 45 days' notice for an indefinite-term contract, at least 30 days for a definite-term contract of 12 to 36 months, and at least 3 working days for a contract of under 12 months and in the illness case. For the occupations listed in Article 7 of Decree No. 145/2020/ND-CP, which include aircraft crew, ship crew and managers of enterprises under the Law on Enterprises, the notice is at least 120 days for an indefinite contract or a contract of 12 months or more, and at least a quarter of the term for a shorter one. No notice is required for grounds (d) and (f). Article 37 prohibits unilateral termination while the employee is being treated for illness or injury on medical advice (except under ground (b)), is on annual or other authorised leave, or is pregnant, on maternity leave or raising a child under 12 months, save where the employer ceases operations.

Ground (a) is the one employers most often lose on: it requires written criteria issued before the assessment, a documented assessment and repeated failure.

Resignation by the employee

Article 35 gives the employee a right to resign without stating a reason, on 45 days' notice under an indefinite contract, 30 days under a contract of 12 to 36 months and 3 working days under a shorter contract, or 120 days for the occupations in Decree No. 145/2020/ND-CP. The employee may leave without notice if not assigned the agreed work or workplace, not paid in full or on time, maltreated, sexually harassed or subjected to forced labour, if pregnant and advised to stop work, on reaching retirement age, or if the employer gave false information that affected the contract. Severance is due for uncovered service after 12 months.

An employee who leaves without the required notice and without a ground terminates unlawfully: under Article 40 he or she loses severance, must pay half a month's salary in compensation and salary for the days of notice not given, and must reimburse training costs where a training agreement so provides.

Dismissal as a disciplinary penalty

Dismissal (sa thải) is the heaviest of the four disciplinary penalties in Article 124, alongside reprimand, extension of the period for a salary increase by up to six months, and demotion. Under Article 125 it is available only where the employee: commits theft, embezzlement, gambling, intentional injury or drug use at the workplace; discloses business or technology secrets or infringes the employer's intellectual property; causes or threatens serious damage to the employer's property or interests; commits sexual harassment at the workplace as defined in the internal labour rules; repeats a disciplinary offence while a previous penalty of extended salary-increase period or demotion is still running; or is absent without good reason for a total of five days in 30 days, or 20 days in 365 days.

The procedure in Article 122 and Decree No. 145/2020/ND-CP is strict. The employer must prove the employee's fault; must hold a disciplinary meeting, notifying the employee and, where he or she is a member, the employee representative organisation in advance; must allow the employee to attend and to defend himself or herself or be represented by a lawyer or the union; and must record the meeting in minutes. The offence must be one described in the internal labour rules (or the contract or the law), which is one reason why registered internal rules matter (Internal labour rules, unions and disputes). Under Article 123 the decision must be issued within six months of the offence, or 12 months for offences concerning finance, assets or the disclosure of business or technology secrets. Discipline may not be imposed while the employee is on sick or authorised leave, in detention, or pregnant, on maternity leave or raising a child under 12 months; Article 127 prohibits fines and salary cuts as penalties. A dismissed employee receives no severance.

Redundancy for restructuring or economic reasons

Article 42 allows an employer to terminate employees whose jobs disappear because of a change of structure or technology, such as reorganising the workforce, changing processes or equipment, or changing products, or for economic reasons, such as a crisis or recession, or the implementation of State policy on economic restructuring or international commitments. Article 43 applies a similar regime to mergers, consolidations, divisions and transfers of ownership or of the right to use assets. The employer must be able to prove the reason and its effect on these jobs.

Where the change affects the jobs of many employees, the employer must prepare a **labour use plan** under Article 44, stating the employees to be retained, retrained, transferred to part-time work, retired and terminated, and the measures and funding for implementing the plan. It must consult the employee representative organisation (the grassroots union, where one exists) on the plan and on the terminations, and the employees may only be let go after that consultation and after **30 days' notice to the provincial People's Committee**, in practice the provincial Department of Home Affairs, **and to the employees** (Article 42(6)). The plan must be publicised to employees within 15 days of its approval.

Each terminated employee with 12 months' service receives the job-loss allowance under Article 47, not severance. A redundancy that skips the plan, consultation or notices is unlawful even where the economic reason is real. Restructuring on an acquisition or exit is covered in [Chapter 8](#).

DECISION GUIDE

Which route can end this employment?

Work through the questions in order. The first answer that points to an outcome identifies the route, and its procedure must then be followed in full.

Q1 Is the employee willing to agree to leave on negotiated terms?

Yes Mutual agreement under Article 34(3): a written termination agreement with the date, payments (at least statutory severance for service not covered by unemployment insurance) and a release.

No Continue to Q2.

Q2 Has the employee committed misconduct listed in Article 125, described in the internal labour rules, within the last six months (12 for finance, assets or secrets)?

Yes Disciplinary dismissal after a meeting under Article 122, with the representative organisation where the employee is a member. No severance.

No Continue to Q3.

Q3 Does one of the seven grounds in Article 36(1) apply, with evidence (written performance criteria and assessments, medical records, five days' unexplained absence)?

Yes Unilateral termination with 3, 30, 45 or 120 days' notice, unless an Article 37 protection applies. Severance for service not covered by unemployment insurance.

No Continue to Q4.

Q4 Is the job being removed because of restructuring, technological change, economic reasons, merger or division?

Yes Redundancy under Article 42 or 43: labour use plan, consultation, 30 days' notice to the provincial People's Committee and the employees, job-loss allowance of at least two months.

No No lawful unilateral route. Wait for a definite term to expire, or negotiate.

Severance, job-loss allowance and the unemployment insurance offset

Under Article 46 an employee who has worked regularly for the employer for 12 months or more and whose contract ends by expiry, completion of work, mutual agreement, the employee's or employer's lawful unilateral termination, and certain other cases receives a **severance allowance** of half a month's salary for each year of service. Severance is not payable where the employee qualifies for a pension or is dismissed. Under Article 47 an employee with 12 months' service who loses the job under Article 42 or 43 receives a **job-loss allowance** of one month's salary for each year of service, and at least two months' salary.

Both allowances are calculated on the employee's **working time**: the total time actually worked for the employer, less the time during which the employee participated in unemployment insurance and any period for which severance or job-loss allowance has already been paid. Because unemployment insurance has applied to Vietnamese employees since 2009, the working time of most Vietnamese employees today consists only of periods not covered, such as a probation period under a separate probation contract. For them, severance is often small or nil, while the job-loss allowance is the two-month minimum. Foreign employees do not participate in unemployment insurance, so their whole period of service counts, and their severance and job-loss allowances can be substantial. Decree No. 145/2020/ND-CP rounds odd months: up to six months counts as half a year and more than six months as a full year. The salary used is the average salary under the labour contract for the six consecutive months before termination.

Under Article 48 the employer must settle all amounts due, including salary, unused annual leave and the allowances, within 14 working days of termination, extendable to 30 days in cases of cessation, restructuring, economic reasons, merger or division and force majeure. It must also confirm the insurance periods and return the employee's original documents.

Unlawful termination and its consequences

A termination that does not comply with Articles 35, 36 or 37, or with the redundancy or disciplinary procedures, is unlawful (Article 39). Under Article 41 the employer must reinstate the employee under the existing contract, pay salary, social insurance, health insurance and unemployment insurance for the days the employee was prevented from working, and pay an additional amount of at least two months' salary under the contract. If notice was not given in full, it must also pay salary for the days of notice missed. If the employee does not want to return, the employer pays severance in addition to these amounts; if the employer does not want to reinstate and the employee agrees, the parties agree additional compensation of at least two months' salary.

The back-pay element makes delay expensive. A termination dispute may be taken directly to court without mediation (Article 188) within one year (Article 190), as explained in [Internal labour rules, unions and disputes](#).

Termination routes, notice and payments

Route	Notice	Payment	Source
Mutual agreement	As agreed	Severance for uncovered service (12 months+), plus any agreed package	Labour Code, Articles 34(3) and 46
Employer, Article 36 grounds	45 days (indefinite); 30 days (12-36 months); 3 working days (under 12 months, illness); 120 days for listed occupations; none for (d) and (f)	Severance for uncovered service	Articles 36 and 46; Decree No. 145/2020/ND-CP, Article 7
Employee resignation	45 / 30 / 3 working days; 120 for listed occupations; none in Article 35(2) cases	Severance for uncovered service	Articles 35 and 46
Disciplinary dismissal	Disciplinary meeting; decision within 6 or 12 months of the offence	None	Articles 122 to 125
Redundancy (Articles 42 and 43)	30 days to the provincial People's Committee and the employees, after consultation	Job-loss allowance: 1 month per year of uncovered service, at least 2 months	Articles 42 to 44 and 47
Expiry of a foreign employee's work permit	Diarrise; the contract ends	Severance where Article 46 applies	Articles 34 and 156
Unlawful termination by employer		Reinstatement, back pay and insurance, at least 2 months' salary, missed notice, severance if no return	Article 41
Final settlement		Within 14 working days (30 in listed cases)	Article 48

WORKED EXAMPLE

Closing a sales department in Ho Chi Minh City

A foreign-invested distributor closes its direct sales department at the end of December 2026 and moves to a distributor model. Three employees are affected. The figures are illustrative and assume all employment was under indefinite contracts unless stated.

Reason and route	A change of business model removing the department's jobs: restructuring under Article 42. A labour use plan is prepared; two other employees are redeployed to customer service.
------------------	---

Timeline	Plan presented to the grassroots union on 2 October 2026; consultation minutes signed on 16 October; written notice filed with the Ho Chi Minh City Department of Home Affairs and given to the employees on 20 October; terminations effective 31 December 2026, more than 30 days later; settlement paid by 13 January 2027, inside 14 working days.
Employee A (Vietnamese sales manager)	Joined 1 February 2018; two months' probation under a separate contract, then insured from 1 April 2018. Uncovered time: two months, rounded to half a year. One month per year $\times 0.5 = 0.5$ month, so the two-month minimum applies. Average salary VND 40,000,000: job-loss allowance VND 80,000,000.
Employee B (foreign regional director)	Joined 1 July 2020: six years and six months to 31 December 2026, all uncovered because foreign employees are outside unemployment insurance, so 6.5 years. Average salary VND 120,000,000: job-loss allowance $6.5 \times 120,000,000 = \text{VND } 780,000,000$. Her work permit is returned within 15 days.
Employee C (Vietnamese sales executive)	Joined 1 March 2026, ten months' service: no job-loss allowance (12 months required), but final salary and unused leave are paid.
Negotiated alternative	The company offers each employee two extra months' salary for a mutual termination agreement and release; all three accept.
Had the plan been skipped	Terminating without the plan, consultation or provincial notice would have been unlawful, with reinstatement or back pay and insurance to judgment, plus at least two months' salary each.

Job-loss allowances and severance paid in accordance with the Labour Code are generally exempt from personal income tax; additional negotiated amounts are taxable. See [Personal income tax and expatriates](#).

Questions employers ask about termination

Can I terminate an employee without a reason in Vietnam?

No. An employer may end a contract unilaterally only on the seven grounds in Article 36 of the Labour Code, by disciplinary dismissal for misconduct listed in Article 125, or by redundancy under Articles 42 and 43. Otherwise the options are to let a definite term expire or to agree a mutual termination.

How much notice must an employer give?

Under Article 36 of the Labour Code, at least 45 days for an indefinite-term contract, 30 days for a definite-term contract of 12 to 36 months, and 3 working days for a shorter contract or in the illness case. For listed occupations, including enterprise managers, Decree No. 145/2020/ND-CP requires 120 days.

How is severance calculated in Vietnam?

Half a month's average salary for the last six months, for each year of service not covered by unemployment insurance, for employees with 12 months' service (Article 46). For redundancy the job-loss allowance is one month per year, at least two months (Article 47). Foreign employees, outside unemployment insurance, count their whole service.

What must an employer do before making redundancies?

Prepare a labour use plan where many jobs are affected, consult the employee representative organisation, and give 30 days' notice to the provincial People's Committee and the affected employees (Articles 42 and 44). Employees with 12 months' service then receive the job-loss allowance, and all dues are settled within 14 working days, extendable to 30.

What happens if a termination is found unlawful?

Under Article 41 the employer must reinstate the employee, pay salary and social, health and unemployment insurance for the period out of work, pay at least two months' salary in addition, and pay salary for missed notice. If the employee does not return, severance is added; agreed compensation of at least two months applies if not reinstated.

THE 2027 HORIZON

- The bill amending the Labour Code in the 2026 legislative programme may revisit the termination and redundancy provisions; nothing had been adopted at the review date.
- Law No. 74/2025/QH15 on Employment has applied to unemployment insurance since 1 January 2026; its implementing decrees, and the interaction between unemployment benefit and the allowances in Articles 46 and 47, should be watched as practice develops.

Terms you will meet in the documents

English	Vietnamese	Meaning
Unilateral termination	<i>Đơn phương chấm dứt hợp đồng lao động</i>	Termination by one party on a ground in Article 35 or 36.
Mutual termination	<i>Thỏa thuận chấm dứt hợp đồng lao động</i>	Termination by agreement under Article 34(3).
Dismissal	<i>Sa thải</i>	The heaviest disciplinary penalty (Article 125).
Labour use plan	<i>Phương án sử dụng lao động</i>	The plan required before redundancies (Article 44).
Severance allowance	<i>Trợ cấp thôi việc</i>	Half a month's salary per year of uncovered service (Article 46).
Job-loss allowance	<i>Trợ cấp mất việc làm</i>	One month's salary per year of uncovered service, at least two months (Article 47).

English	Vietnamese	Meaning
Unlawful unilateral termination	<i>Đơn phương chấm dứt hợp đồng lao động trái pháp luật</i>	A termination that breaches Articles 35 to 37 (Article 39).
Labour discipline	<i>Kỷ luật lao động</i>	The disciplinary regime in Articles 117 to 127.

FOREIGN V VIETNAMESE INVESTOR

Termination law is the same for foreign-invested and domestic employers. What differs is the cost profile of the workforce: foreign employees are outside unemployment insurance, so their severance and job-loss allowances run on their full service, and the expiry of a work permit can itself end the contract.

WATCH OUT FOR

- Terminating for poor performance without written performance criteria issued after consulting the representative organisation.
- Redundancies without a labour use plan, consultation and the 30-day notice to the province and the employees.
- Disciplinary dismissals for offences not described in the internal labour rules, or decided out of time.
- Terminating employees who are pregnant, on maternity leave or raising a child under 12 months.
- Underestimating severance for long-serving foreign employees, whose whole service counts.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 34 to 48 and 117 to 127; Decree No. 145/2020/ND-CP — <https://vbpl.vn>
- Ministry of Home Affairs (labour relations and redundancy notices) — <https://moha.gov.vn>
- Vietnam Social Security (confirmation of insurance periods on termination) — <https://baohiemxahoi.gov.vn>

Internal labour rules, workplace democracy, trade unions and labour disputes: registration of internal rules, dialogue, collective bargaining, unions and the union fee, mediation, arbitration, courts, strikes, inspection and penalties

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- An employer with 10 or more employees must issue written internal labour rules covering the matters in Article 118 of Labour Code No. 45/2019/QH14, after consulting the employee representative organisation, and register them with the provincial labour authority within 10 days; they take effect 15 days after the authority receives the dossier (Articles 118 to 121).
- The employer must hold periodic workplace dialogue at least once a year and implement grassroots democracy at the workplace (Article 63; Decree No. 145/2020/ND-CP; Law No. 10/2022/QH15).
- Grassroots trade unions are affiliated to the Vietnam General Confederation of Labour; under Law No. 50/2024/QH15, in force since 1 July 2025, foreign employees with contracts of 12 months or more may join, and every enterprise pays the 2% union fee whether or not a union exists.
- Most individual labour disputes must go to a labour mediator before arbitration or court, but disputes over dismissal, unilateral termination and termination payments may go straight to court; the limitation periods are 6 months for mediation, 9 months for arbitration and 1 year for court (Articles 188 to 190).
- Labour and social insurance offences are penalised under Decree No. 283/2026/ND-CP, in force since 10 September 2026 and replacing Decree No. 12/2022/ND-CP, with fines for organisations at twice the individual amounts.

Internal labour rules: when they are needed and what they contain

Internal labour rules (nội quy lao động) are the employer's written code of conduct and the legal foundation for discipline. Under Article 118 of Labour Code No. 45/2019/QH14 every employer must issue internal rules, and an employer with 10 or more employees must issue them in writing; an employer with fewer may instead set out the rules in the labour contracts. The written rules must cover: working time and rest periods; order at the workplace; occupational safety and hygiene; the prevention of sexual harassment at the workplace and the procedure for handling complaints of it; the protection of the employer's assets, business and technology secrets and intellectual property; the cases in which

an employee may be temporarily transferred to other work; the violations of labour discipline and the corresponding penalties; material liability for damage; and the persons competent to handle discipline. Decree No. 145/2020/ND-CP details each item.

The rules matter in practice because of Article 127 and the disciplinary procedure: an employee may be disciplined only for conduct that the internal rules, the labour contract or the law describe as an offence. An employer without registered rules, or whose rules are vague, often finds that it cannot lawfully discipline or dismiss an employee whose misconduct is obvious (Termination, severance and redundancy). The rules should also contain the performance criteria on which an Article 36 termination for poor performance depends, or refer to a separate performance regulation issued after consultation.

Before issuing or amending the rules, the employer must consult the employee representative organisation where one exists (Article 118(3)). It must then notify the rules to employees and post their main contents at the workplace (Article 118(4)).

Issuing and registering internal labour rules

- 1 Draft the rules**
Cover each Article 118 item, in Vietnamese, adapted to the business: sexual harassment procedure, confidentiality, the list of offences graded by penalty, and material liability.

- 2 Consult the representative organisation**
Send the draft to the grassroots union, where one exists, and record its comments in minutes; consultation is required, agreement is not.

- 3 Issue the rules**
By decision of the legal representative or other competent person, with an effective date that respects the registration period.

- 4 File the registration dossier within 10 days**
With the provincial labour authority (the Department of Home Affairs) where the employer has its head office: the registration request, the rules, the consultation minutes and any related regulations on discipline and material liability (Articles 119 and 120).

- 5 Respond to any request for amendment**
If the rules conflict with the law, the authority notifies the employer and guides it to amend them within seven working days of receipt; the employer amends and re-files.

- 6 Notify branches and employees**
An employer with units in other provinces sends the registered rules to the labour authority of each province where a unit is located; post the main contents at each workplace.

- 7 Apply from the effective date**
The rules take effect 15 days after the authority receives the complete dossier (Article 121); amendments follow the same procedure.

Workplace dialogue and grassroots democracy

Article 63 requires the employer to hold dialogue at the workplace with employees or the representative organisation at least once a year, when either side requests it, and in the cases the law requires, such as the preparation of a labour use plan for redundancies or the adoption of performance criteria. Decree No. 145/2020/ND-CP sets out how dialogue is organised, who represents the employees where there is no union, and the content to be covered: the business situation, the performance of contracts and collective agreements, working conditions and the employees' requests.

Workplace democracy is also governed by Law No. 10/2022/QH15 on the Implementation of Grassroots Democracy, in force since 1 July 2023, which applies to enterprises through the labour legislation, and by the workplace democracy provisions of Decree No. 145/2020/ND-CP. In practice the employer issues regulations on democracy at the workplace and holds an annual employee conference at which the business results, salary and bonus policies and the collective agreement are discussed and employee representatives for dialogue are chosen. An amended Law on the Implementation of Grassroots Democracy was added to the National Assembly's programme for its October 2026 session.

Collective bargaining agreements

Collective bargaining under Articles 65 to 78 takes place at the request of either side; the employer may not refuse to bargain when the representative organisation requests it, but the Code does not require that an agreement be reached. An enterprise-level collective bargaining agreement may be signed only if more than half of the employees voting approve the negotiated text. Its term is one to three years, it may not provide less than the law, and its provisions prevail over less favourable terms in individual contracts and internal rules. The employer must send the signed agreement to the provincial labour authority within 10 days and publicise it to employees. Multi-enterprise and sectoral agreements also exist, particularly in textiles and garments.

For a foreign-invested employer, a collective agreement is chiefly a tool for fixing pay rises, allowances, bonuses and additional leave for a predictable period, and for reducing the risk of collective disputes. Commitments in it are enforceable by the union and by individual employees, so the text should be drafted with the same care as a commercial contract.

Trade unions and other employee representative organisations

The usual employee representative organisation is a **grassroots trade union** (công đoàn cơ sở) affiliated to the Vietnam General Confederation of Labour through its provincial or industrial-zone federation. Employees may form or join one, and the employer may not obstruct its formation, discriminate against members or interfere in its affairs. Law No. 50/2024/QH15 on Trade Unions, in force since 1 July 2025, extended membership to foreign employees working under labour contracts of 12 months or more. Where a union exists, the employer must provide it with facilities and time for its activities, consult it on internal rules, salary scales, bonus regulations, labour use plans and discipline, and respect the special protections of union officials in Article 177, including the extension of a part-time official's contract that expires during the union term and the consultation required before a union official's contract is terminated.

Whether or not a union exists, every enterprise pays the **trade union fee** of 2% of the social insurance salary fund under Law No. 50/2024/QH15 and Decree No. 105/2026/ND-CP, in force since 16 May 2026, which sets monthly payment and permits suspension or a reduction of up to 20% for businesses in difficulty ([FAQ 60; Social, health and unemployment insurance](#)). Union members pay their own dues.

Articles 170 to 174 of the 2019 Labour Code also recognise a second kind of body: an **organisation of employees at the enterprise**, formed by employees and registered with the State, not affiliated to the Confederation, with the same rights as a union in dialogue, bargaining and dispute resolution. The provision reflects Vietnam's commitments under the CPTPP and the EU-Vietnam Free Trade Agreement. Its practical operation depends on implementing rules for registration; employers should check the current position, since in most enterprises the grassroots union remains the only representative organisation in fact. Where neither exists, the employees choose representatives for workplace dialogue, and the superior trade union may, at the employees' request, represent them in certain matters.

Labour disputes: individual and collective

An **individual labour dispute** between an employee and the employer is resolved, under Article 187, by a labour mediator, a labour arbitration council or the People's Court. Article 188 makes mediation by a labour mediator, appointed by the provincial labour authority, a mandatory first step, completed within five working days of the request, except for disputes over disciplinary dismissal and unilateral termination, damages and allowances on termination, domestic workers, social, health and unemployment insurance and occupational accident insurance, and certain sub-leasing and overseas-placement disputes, which may go straight to court. If mediation fails or is not held in time, the parties may agree to refer the dispute to the **labour arbitration council**, which forms a panel within seven working days and decides within 30 days, or either party may sue in court. While an arbitration request is pending, neither party may go to court. Under Article 190 the limitation periods run from the date the party discovers the infringement: six months for a mediation request, nine months for arbitration and one year for court.

A **collective labour dispute** is either a dispute about rights, concerning the interpretation or performance of the law, a collective agreement or internal rules, or a dispute about interests, concerning new terms. Rights disputes go through mediation and then to the competent administrative body or the court; interests disputes go through mediation and then to the labour arbitration council, and only interests disputes can lead to a lawful strike. Commercial disputes with partners, by contrast, go to commercial arbitration or the economic courts, covered in [Chapter 9](#).

Strikes

Under Articles 198 to 212 a strike is lawful only if it is organised and led by an employee representative organisation with the right to bargain collectively, arises from an interests dispute after mediation has failed or the arbitration council has not been formed or its decision has not been implemented, is supported in a ballot by more than half of the employees consulted, and is preceded by a strike decision sent to the employer and the authorities at least five working days before it starts. Strikes are prohibited in the essential services listed by the Government. Spontaneous work stoppages that do not follow these steps, which have historically been the commonest form of industrial action in Vietnam's

industrial parks, are unlawful, but employers usually resolve them through negotiation with the provincial union federation and the labour authority rather than by disciplinary action. An employer may not retaliate against employees who take part in a lawful strike, or use sub-leased labour to replace them.

Collective labour law at a glance

Item	Rule	Source
Written internal labour rules	Required at 10 or more employees	Labour Code, Article 118
Registration	Within 10 days of issue, with the provincial labour authority; effective 15 days after receipt of the dossier	Articles 119 to 121
Workplace dialogue	At least once a year, on request and in mandatory cases	Article 63; Decree No. 145/2020/ND-CP
Collective agreement	Signed if more than 50% of those voting approve; term 1 to 3 years; filed within 10 days	Articles 65 to 78
Trade union membership	Vietnamese employees; foreign employees with contracts of 12 months or more	Law No. 50/2024/QH15
Trade union fee	2% of the social insurance salary fund, monthly	Law No. 50/2024/QH15; Decree No. 105/2026/ND-CP
Individual disputes	Labour mediator first (5 working days), except termination and insurance disputes; then arbitration council (decision in 30 days) or court	Articles 187 to 189
Limitation periods	6 months (mediation); 9 months (arbitration); 1 year (court)	Article 190
Strikes	Interests disputes only; ballot of more than 50%; 5 working days' notice	Articles 198 to 212
Fines: internal rules (individual amounts; doubled for organisations)	No written rules or no registration: VND 5-10 million; failure to notify employees: VND 1-3 million	Decree No. 283/2026/ND-CP

Labour inspection and penalties

Compliance is policed by labour inspectors of the Ministry of Home Affairs and the provinces, within the inspection system reorganised in 2025, by Vietnam Social Security, which checks contribution compliance, and by the union federations, which monitor workplace conditions. Inspections are scheduled annually or triggered by complaints, accidents and disputes. A typical inspection asks for labour contracts, the registered internal rules, salary scales and evidence of their publication, overtime records and notifications, insurance registrations and payment records, work permits for every foreign employee, occupational safety records and the minutes of workplace dialogue.

Penalties are set by Decree No. 283/2026/ND-CP, issued on 15 July 2026 and in force since 10 September 2026, which replaced Decree No. 12/2022/ND-CP. It covers labour, social insurance and Vietnamese workers sent abroad. The amounts stated are for individuals; under Article 7 an organisation is fined twice the individual amount. Fines are graduated, often by the number of employees affected, and come with remedial measures such as orders to pay underpaid wages or contributions, reinstate employees or register internal rules. Examples are given in the table above and in the sections on working hours, insurance and work permits. Serious breaches, such as evasion of social insurance contributions or violations of occupational safety causing death, can also lead to criminal liability under the Penal Code.

WORKED EXAMPLE

From ten employees to the first dispute: a design studio in Da Nang

A foreign-owned design studio in Da Nang grows from 8 to 14 employees in 2026 and faces its first disciplinary case. The timeline is illustrative.

March 2026	The tenth employee joins. The studio drafts internal labour rules in Vietnamese covering the Article 118 items, with a detailed confidentiality and IP section and a graded list of offences.
April 2026	No union exists; the studio asks the Da Nang labour federation to participate and records its comments. The rules are issued on 6 April and filed with the Da Nang Department of Home Affairs on 13 April, within 10 days.
Late April 2026	The authority receives the complete dossier on 14 April and raises no objection; the rules take effect on 29 April, 15 days after receipt.
August 2026	A designer uploads client files to a personal cloud account and shares them with a competitor. The rules list disclosure of business secrets as a dismissal offence, consistent with Article 125.
September 2026	Disciplinary meeting held on 15 September after written notice to the designer; the designer attends with a friend and the labour federation is invited; minutes signed. Dismissal decision issued on 18 September, within six months (12 months would have applied for secrets).
October 2026	The designer sues for unlawful dismissal in the Da Nang People's Court without mediation, as Article 188 permits, within the one-year limitation period.
Outcome	The studio produces the registered rules, the evidence of the upload, the meeting notice and minutes. Had the rules not been registered, or the offence not described in them, the dismissal would have been at serious risk and reinstatement, back pay and at least two months' salary would have followed.

Failing to issue written rules at 10 employees, or to register them, would also have exposed the studio to a fine of VND 5 to 10 million for an individual, doubled to VND 10 to 20 million for the company, under Decree No. 283/2026/ND-CP.

Professional fees for a set of bilingual internal rules and the registration filing are typically USD 800 to 2,500 with a Vietnamese firm; this is a typical market range, not a quotation.

Questions employers ask about internal rules, unions and disputes

When must a company in Vietnam register internal labour rules?

Once it has 10 or more employees. Article 118 of the Labour Code requires written rules covering the listed matters, issued after consulting the employee representative organisation, and Article 119 requires registration with the provincial labour authority within 10 days of issue. The rules take effect 15 days after the authority receives the dossier.

Must we have a trade union?

No. Employees decide whether to form a grassroots union, and the employer may not obstruct or interfere. Whether or not a union exists, the enterprise pays the 2% trade union fee under Law No. 50/2024/QH15 and Decree No. 105/2026/ND-CP, and must hold workplace dialogue at least once a year.

Can foreign employees join a Vietnamese trade union?

Yes, since 1 July 2025. Law No. 50/2024/QH15 on Trade Unions allows foreign employees working in Vietnam under labour contracts of 12 months or more to join a grassroots union affiliated to the Vietnam General Confederation of Labour. Membership is voluntary and members pay their own dues.

Must a labour dispute be mediated before going to court?

Usually, but not always. Article 188 of the Labour Code requires mediation by a labour mediator first, except for disputes over dismissal, unilateral termination, termination payments, insurance and a few others, which may go straight to court. The limitation period for court is one year from discovering the infringement.

Which decree sets labour fines in 2026?

Decree No. 283/2026/ND-CP, issued on 15 July 2026 and in force since 10 September 2026, which replaced Decree No. 12/2022/ND-CP. Its amounts are for individuals; organisations pay twice. It also sets remedial measures such as paying wages or contributions owed and registering internal rules.

THE 2027 HORIZON

- An amended Law on the Implementation of Grassroots Democracy was added to the programme for the National Assembly's October 2026 session; changes to workplace democracy obligations may follow from 2027.
- The bill amending the Labour Code in the 2026 legislative programme may affect internal rules, dialogue and dispute resolution, and could address the practical operation of employee organisations at the enterprise; nothing had been adopted at the review date.
- Decree No. 283/2026/ND-CP is in its first year; guidance on its application, and on transitional cases that straddle 10 September 2026, should be watched.

Terms you will meet in the documents

English	Vietnamese	Meaning
Internal labour rules	<i>Nội quy lao động</i>	The employer's written rules of conduct and discipline (Article 118).
Workplace dialogue	<i>Đối thoại tại nơi làm việc</i>	Periodic and on-request dialogue with employees (Article 63).
Collective bargaining agreement	<i>Thỏa ước lao động tập thể</i>	An agreement between the employer and the representative organisation, for one to three years.
Grassroots trade union	<i>Công đoàn cơ sở</i>	The enterprise-level union affiliated to the Vietnam General Confederation of Labour.
Organisation of employees at the enterprise	<i>Tổ chức của người lao động tại doanh nghiệp</i>	A non-Confederation employee body recognised by Articles 170 to 174.
Labour mediator	<i>Hòa giải viên lao động</i>	The official who mediates labour disputes first (Article 188).
Labour arbitration council	<i>Hội đồng trọng tài lao động</i>	The provincial body that decides referred labour disputes (Article 189).
Strike	<i>Đình công</i>	Collective stoppage permitted only in interests disputes after the statutory steps.

FOREIGN V VIETNAMESE INVESTOR

Collective labour law applies in the same way to foreign-invested and domestic employers. In practice, foreign-invested manufacturers in industrial parks have the highest rates of unionisation, collective agreements and industrial action, and are the main audience for the provincial union federations. Since 1 July 2025 their foreign employees on contracts of 12 months or more may also join the union, and the union fee is paid on their insured salaries as on everyone else's.

WATCH OUT FOR

- Reaching 10 employees without issuing and registering written internal labour rules.
- Rules copied from a group handbook that omit Article 118 items, such as the sexual harassment procedure.
- Disciplining for conduct that the registered rules do not describe as an offence.
- Skipping the annual workplace dialogue and the employee conference.
- Missing the one-year court limitation period when assessing exposure, or assuming every dispute must be mediated first.
- Ignoring Decree No. 283/2026/ND-CP and relying on fine tables from Decree No. 12/2022/ND-CP.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Labour Code No. 45/2019/QH14, Articles 63 to 78, 118 to 127, 170 to 212; Decree No. 145/2020/ND-CP; Law No. 50/2024/QH15 on Trade Unions — <https://vbpl.vn>
- Vietnam General Confederation of Labour (unions and the trade union fee) — <https://congdoanvn.org.vn>
- Ministry of Home Affairs (labour relations, mediation and inspection) — <https://moha.gov.vn>
- Government portal: Decree No. 283/2026/ND-CP and Decree No. 105/2026/ND-CP — <https://chinhphu.vn>