

N2N CONSULTING FIRM

Newsletter

COMPULSORY SOCIAL INSURANCE SCHEME IN VIETNAM

UPDATE WEF 1 JAN 2027

Engaging labor employment in Vietnam requires contribute compulsory Social Insurance (SHUI) on monthly basis.

Compulsory SHUI in Vietnam includes three key components, in particulars:

- Social Insurance (SI)
- Health Insurance (HI)
- Unemployment Insurance (UI)

THRESHOLD FOR SOCIAL INSURANCE (SI) & HEALTH INSURANCE (HI)

Effective from 1 July 2026, the referral salary is VND2,530,000 (USD98) regulated under Decree 161/2026/ND-CP, revising upwards from current one VND 2,340,000 per month.

SI, HI contribution is capped at 20 times of the referral salary. As a result, threshold for SI & HI contribution is VND50,600,000 per month (equivalent to USD 1,950)

THRESHOLD FOR UNEMPLOYMENT INSURANCE (UI) [UPDATE]

Take effect on January 1, 2027, the updated regional minimum salaries, along with their corresponding regional classifications (as defined in the Appendix), established under Decree 399/2026/ND-CP issued on November 2, 2026.

UI contributions are capped at 20 times the regional minimum salary. As a result, this new issuance regarding regional minimum salary cap a new threshold for monthly UI contribution.

Region	Regional minimum salary (per month)	UI Threshold (per month)
#1	VND 5,700,000 (USD 230)	VND 114,000,000 (USD 4,455)
#2	VND 5,080,000 (USD 198)	VND 101,600,000 (USD 3,970)
#3	VND 4,450,000 (USD 180)	VND 89,000,000 (USD 3,480)
#4	VND 4,040,000 (USD 158)	VND 80,800,000 (USD 3,160)

Table: *Regional Minimum Salary Rates and Maximum UI Contribution Caps*

Notice:

After administrative boundary merge in Vietnam in 2025, region 1 covers major cities and key metropolitan areas, including Hanoi, Ho Chi Minh City, Hai Phong, Quang Ninh, Tay Ninh, Dong Nai with certain designated localities.

Terms in existing agreements more favorable than Decree 399/2026/ND-CP (e.g., +7% for trained staff or +5% to +7% for hazardous work) remain in effect unless renegotiated.

(to be continued)

(to be continued)

Rising minimum and reference salaries reflect Vietnam's growing economy and living standards. Enterprises should review their salary structures to balance costs and support employee goodwill alongside long-term business growth.

KEY SUMMARY OF SHUI SCHEMES IN VIETNAM

<table>
<tr><th>ITEMS</th><th>VIETNAMESE</th><th>EXPATRIATE</th></tr>
<tr><td>Condition of employment</td><td>No requirement</td><td>Obtaining Work Permit (WP)</td></tr>
<tr><td>Employment</td><td>Probation (maximum 60 days)
Labor contract (definite or indefinite-term)</td><td>Normally no probation
Labor contract (definite-term based on WP)</td></tr>
<tr><td>SHUI Contribution

EE | Employee
ER | Employer</td><td>
<table>
<tr><th>SHUI</th><th>EE</th><th>ER</th></tr>
<tr><td>SI</td><td>8%</td><td>17.5%</td></tr>
<tr><td>HI</td><td>1.5%</td><td>3%</td></tr>
<tr><td>UI</td><td>1%</td><td>1%</td></tr>
<tr><td>Total</td><td>10.5%</td><td>21.5%</td></tr>
</table>
</td><td>
<table>
<tr><th>SHUI</th><th>EE</th><th>ER</th></tr>
<tr><td>SI</td><td>8%</td><td>17.5%</td></tr>
<tr><td>HI</td><td>1.5%</td><td>3%</td></tr>
<tr><td>UI</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Total</td><td>9.5%</td><td>20.5%</td></tr>
</table>
</td></tr>
<tr><td>SHUI Contribution (Cont')</td><td colspan="2">Threshold of SI & HI contribution is 20 times of "referral salary" i.e. VND 50,600,000 (equivalent to USD 1,950)

Threshold of UI contribution is 20 times of the regional minimum salary.
From 1 Jan 2027, new regional minimum salary is revised increasingly following Decree 399/2026/ND-CP. The corresponding region can be found in Appendix of such Decree.
In brief:
• UI threshold for region #1 is VND 114,00,000 (USD 4,455)
• UI threhold for region #2 is VND 101,600,000 (USD 3,970)
• UI threshold for region #3 is VND 89,000,000 (USD 3,480)
• UI threshold for region #4 is VND 80,800,000 (USD 3,160)
Region #1 include metropolitan areas such as: Hanoi, Ho Chi Minh City, Hai Phong, Dong Nai, Tay Ninh, Quang Ninh.</td></tr>
<tr><td>Ongoing Compliance</td><td colspan="2">SHUI is contributed on MONTHLY basis, no later than the last working day of each month.
Any changes relating to new-hire, resignation, increasing, decreasing salary, sickness claim, maternity claims etc. must be informed to Vietnam SHUI authority on time.</td></tr>
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