New Penalties For Vietnam Employers from September 2026

Labour, Social Insurance and Overseas Labour Contract Penalties

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Vietnam Decree 283/2026/NĐ-CP: What the New Administrative Penalty Framework Means for Employers

Vietnamese employers now operate under a new penalty framework for labour, social insurance and overseas labour contract violations. Decree 283/2026/NĐ-CP, effective from 10 September 2026, replaces Decree 12/2022/NĐ-CP and sets out administrative fines, remedial measures and, for the first time, provisions for referring serious violations for criminal prosecution.

The changes go beyond fine levels. The Decree introduces a stand-alone rule on labour registration, clarifies how organisations and household businesses are treated, allows for electronic service of enforcement decisions and extends the limitation period for certain overseas labour violations. Together, they raise the standard for payroll, HR and social insurance documentation.

The sections below cover the areas most relevant to employers and the practical steps to consider.

1. One Decree, Three Areas

Decree 283 provides the administrative penalty framework across three areas:

- Labour;
- Social insurance, covering compulsory social insurance and unemployment insurance, which are penalised separately; and
- Vietnamese workers going abroad under contract.

For most employers, the first two will matter most. Businesses that recruit, place or manage workers for overseas assignments should also review the third.

2. Fine Levels for Individuals and Organisations

The maximum fine is VND 75 million per violation for an individual. Under Article 7.1, organisations are generally fined at twice the individual level, meaning up to VND 150 million per violation.

The Decree applies different approaches depending on the type of violation:

- Late payment and registration penalties are tiered by the number of affected employees. For social insurance, fines can reach VND 75 million where 1,000 or more employees are affected.
- Social insurance evasion is fined at 18% to 20% of the evaded amount, subject to a cap of VND 75 million or to headcount-based tiers.

Because compulsory social insurance and unemployment insurance are treated separately, a single underlying issue, such as under-declared insurance salary, may give rise to more than one penalty. Employers should therefore reconcile the salary declared for insurance purposes with actual salary, as an apparent under-declaration may be assessed as evasion rather than a simple administrative error.

3. Labour Registration Is Now Its Own Rule

Article 12 makes labour registration a stand-alone violation, separate from social insurance registration. Labour registration has run alongside social insurance registration since 1 July 2026 under Decision 645/QĐ-BNV and Decree 318/2025/NĐ-CP, so employers should already be operating the two processes together.
Fines depend on the number of employees affected:

Employees affected	Individual	Organisation (2×)
1 to 50	VND 5 to 10 million	VND 10 to 20 million
51 to 100	VND 10 to 15 million	VND 20 to 30 million
101 or more	VND 15 to 20 million	VND 30 to 40 million

The separate rule means that completing social insurance registration will not, on its own, satisfy the labour registration requirement. Employers should confirm that onboarding, transfer and termination procedures capture both, and that the records are consistent.

4. When a Fine Is No Longer the Only Consequence

Decree 283 provides for certain serious violations that show signs of a crime to be referred to the criminal-justice authorities rather than only being fined. Examples include:

- forged documents or records;
- illegal trading or theft of labour-market data;
- violations of dignity or honour during disciplinary processes;
- exploitation through overseas labour schemes; and
- repeated breaches of the rules on minors aged 15 to 18 working in banned jobs or at banned sites.

For employers, this is a reminder that record integrity and disciplinary process matter as much as payment accuracy. Documents should be accurate and genuine, personal data from recruitment or labour-market activity should be handled properly, and disciplinary procedures should respect employee dignity. Employers who engage minors should confirm that the roles and sites involved are permitted.

5. Enforcement Can Go Digital

Under Article 6, once the necessary infrastructure, technical and information conditions are met, decisions and notices may be served electronically. The channels are email, SMS and VNeID (level 2 or above).

This does not mean electronic service is enabled everywhere today. However, employers should keep the email address, phone number and VNeID details held by the authorities accurate. Where electronic service is enabled in your area, an outdated contact could mean a notice is sent to a channel no one monitors, which may affect response deadlines.

6. Household Businesses: Fined as Individuals

Article 7.3 provides that household businesses and family households are fined as individuals, not as organisations. The general rule in Article 7.1 doubles the individual fine for organisations, so the household business treatment is lower, though still material.

This matters for employers in two ways. Businesses that operate as household businesses should understand their own exposure. Those that work with household business vendors or partners should re-check any compliance assumptions built into those relationships, as the applicable penalty level differs from that of a company.

7. A Longer Watch Window for Overseas Labour Violations

Clause 4, Article 3 doubles the limitation period for violations involving Vietnamese workers under overseas labour contracts, from one year to two. The one-year limitation period for labour and social insurance violations is unchanged.

Organisations involved in overseas labour arrangements should therefore retain records for longer, as past conduct can be examined for a longer period.

Priorities for Employers: Review, Align and Document

Taken together, Decree 283 raises the cost of weak documentation and inconsistent records. Employers should consider the following immediate priorities:

- reconcile declared and actual insurance salary, as under-declaration can lead to evasion-level fines of 18% to 20% of the evaded amount;
- confirm that labour registration runs alongside social insurance registration, as Article 12 treats it as a separate obligation with its own fines;
- extend occupational safety and health (OSH) recordkeeping to leased and outsourced workers;
- keep email, phone and VNeID details current in case electronic service is enabled in your area; and
- re-check exposure with household business vendors or partners, given the different treatment under Article 7.3.

Payroll and HR compliance in Vietnam increasingly depends on the quality of the underlying data, contracts and process controls. Employers that review these areas early will be better placed to respond to inspections and manage the new penalty framework with confidence.

To discuss your payroll and employment compliance arrangements in Vietnam, contact Alitium at Vietnam@Alitium.com.

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