

Vietnam Raises Regional Minimum Wages From 1 January 2026: Decree 293/2025/ND-CP

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[11 November 2025]

Vietnam Raises Regional Minimum Wages: Decree 293/2025/ND-CP Takes Effect 1 January 2026

On 10 November 2025, the Vietnamese Government issued Decree 293/2025/ND-CP, increasing the regional minimum monthly wages for employees. Effective 1 January 2026, the new Decree replaces Decree 74/2024/ND-CP, reflecting impacts of inflation and cost of living management, supported by a policy push to support workers.

The increases range from VND 250,000 to VND 350,000 per month across the four wage regions, maintaining Vietnam's differentiated regional wage framework that accounts for varying living costs and labour market conditions.

Regional Minimum Wages from 1 January 2026

Region	Current Minimum Wage (until 31 December 2025)	New Minimum Wage (from 1 January 2026)	Increase
Region I	VND 4,960,000	VND 5,310,000	+ VND 350,000
Region II	VND 4,410,000	VND 4,730,000	+ VND 320,000
Region III	VND 3,860,000	VND 4,140,000	+ VND 280,000
Region IV	VND 3,450,000	VND 3,700,000	+ VND 250,000

Hourly minimum wages also rise proportionately. For instance, Region I increases from VND 23,800 to VND 25,500 per hour, maintaining the same relative gap between regions.

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Increases in Regional Salaries from 1 January 2026

Impact on Unemployment Insurance and Social Contributions

As Vietnam's unemployment insurance (UI) contribution cap is linked to the regional minimum wage (20 × regional minimum salary), these increases will automatically raise the upper threshold for UI contributions and potential benefits.

From 1 January 2026, the maximum monthly salary base for UI contributions will adjust as follows:

Region	Old Cap (2025)	New Cap (from 2026)
Region I	VND 99,200,000	VND 106,200,000
Region II	VND 88,200,000	VND 94,600,000
Region III	VND 77,200,000	VND 82,800,000
Region IV	VND 69,000,000	VND 74,000,000

This change affects both employers and employees, as UI contributions are calculated as 1% of the actual monthly salary (up to the maximum cap) for each party. While the impact per employee is modest, companies will need to update payroll systems to reflect the new caps accurately, and determine the impact on budgets, particularly for labour-intensive sectors.

Implications for Employers

1. Payroll cost adjustments

The increase represents an average 6–7% rise in the wage floor, which will affect total compensation budgets and related benefits indexed to salary, including social insurance, health insurance, and unemployment insurance.

2. Regional compliance remains essential

Vietnam continues with its four-region system, meaning enterprises must apply the correct minimum wage based on the employee's workplace location, and not the company's head office address.

3. Contracts, allowances, and pay structures

Employers should review labour contracts and ensure total pay remains above the new thresholds, adjusting base salary and allowances where necessary.

4. Broader HR and budget planning

Given the change also lifts UI and related contribution caps, HR and finance teams should incorporate the new limits into 2026 payroll planning and budgeting.

While Decree 293/2025/ND-CP does not by itself signal an aggressive wage rise, it reinforces the Vietnamese Government's focus on aligning wage floors with economic conditions, an approach that was previously relaxed somewhat during and after the Covid periods. For employers, early preparation will be key to maintaining competitiveness, compliance and internal cost-control heading into 2026.

For any further questions you may have, please reach out to us at vietnam@alitim.com


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