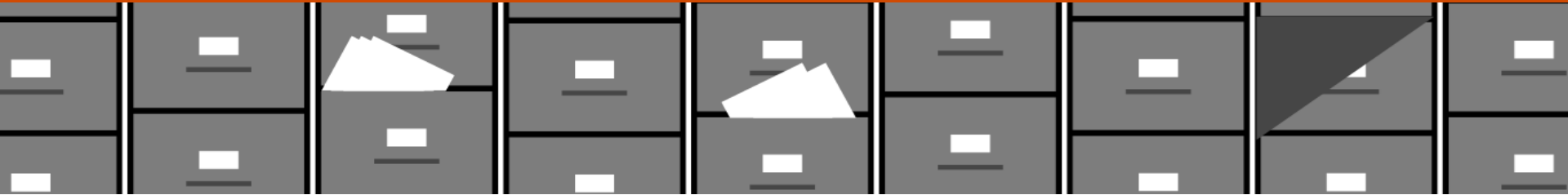


# Government boosts basic salary 30% and minimum salaries 6% in July



2 July 2024

## At a glance...

*On 30 June, the Government issued Decree 73/2024/ND-CP on new basic salary and Decree 74/2024/ND-CP on new minimum salaries which will come into effect from 1 July 2024.*

## New basic salary

- The basic monthly salary will be increased from VND1.8 mil. to VND2.34 mil. effective from 1 July 2024.
- Decree 73 governs only the pay rate for state officials, state employees and armed forces' personnel. However, importantly this basic salary is also used to calculate statutory social and health insurance contributions.

## New minimum salaries

- Decree 74 stipulates the minimum monthly and hourly salaries, as follows:

	<i>Minimum monthly salary</i>	<i>Minimum hourly salary</i>
Region I	VND4.96 mil. (Increased from VND4.68 mil.)	VND 23,800
Region II	VND4.41 mil. (Increased from VND4.16 mil.)	VND 21,200
Region III	VND3.86 mil. (Increased from VND3.64 mil.)	VND 18,600
Region IV	VND3.45 mil. (Increased from VND3.25 mil.)	VND 16,600

- With regards to weekly/daily salaries or salaries which are calculated on the basis of products produced or completed pieces of work, such salaries, if converted to monthly or hourly, must not be lower than the stipulated monthly/hourly salaries. Decree 74 provides methods to convert weekly/daily salaries into monthly/hourly salaries.
- Some upgrades have been made to the regional classifications in Decree 74.

### **Capped salaries for calculation of social, health and unemployment insurance contributions increase as of 1 July 2024**

- As the SI and HI contributions are capped at 20 times the basic salary, the capped salary for these purposes will increase from VND36 mil. to VND46,8 mil. for all regions.
- As a result of the increase of minimum salaries, the capped salaries for UI contributions (equal to 20 times the regional minimum salaries) will increase accordingly, e.g. from VND93.6 mil. to VND99.2 mil. for Region I and from VND83.2 mil. to VND88.2 mil. for Region II.

# Contact us

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