

# NEWSLETTER ICL

## Tax & Legal updates

Accelerate to breakthrough

July - 2024





CONTENT	Page
1. Increase base salary to 2.34 million VND, implement bonus regime	03
2. Increase 6% of regional minimum wage (Decree 74/2024/ND-CP)	04
3. Increase pensions by 15% and increase benefits	05
4. Reduce value added tax to 8% from 01/07 to 31/12/2024	06

# 1. Increase base salary to 2.34 million VND, < >

## Article 3, Decree 73/2024/ND-CP decides to increase the base salary to 2.34 million VND

In conclusion 83-KL/TW and Decree 73/2024/ND-CP on salary reform, pension adjustment, preferential benefits for people with meritorious services, and social benefits from July 1, 2024, the Ministry Politburo has concluded the adjustment of the base salary from 1.8 million VND to 2.34 million VND (up 30%) from July 1, 2024.

In addition, implement the bonus regime from July 1, 2024 (bonus fund is equal to 10% of the basic salary budget. At the same time, complete the salary increase regime in accordance with the transformation of management and salary for employees. officers, civil servants, public employees and armed forces.





## 2. Increase the regional minimum wage < > by 6%

*Decree 74/2024/ND-CP stipulates the regional minimum wage:*

1. Adjust the regional minimum wage (monthly and hourly) according to the provisions of the Labor Code (up 6% compared to 2023) with this increase applicable from July 1, 2024
2. Regulate the salary mechanism for state-owned enterprises in accordance with the content of Resolution 27/NQ/TW, applicable from January 1, 2025 to be consistent with the enterprise's fiscal year

Thus, the regional minimum wage will be adjusted to increase by 6% from July 1, 2024 compared to the previous level.

Details of regional minimum wage increase. Specifically:

Regional minimum wage/month

Regional	Old salary	New salary	Increase
I	4,680,000	4,960,000	280,000
II	4,160,000	4,410,000	250,000
III	3,640,000	3,860,000	220,000
IV	3,250,000	3,450,000	200,000

Regional/hourly minimum wage

Regional	Old salary	New salary	Increase
I	22,500	23,800	1,300
II	20,000	21,200	1,200
III	17,500	18,600	1,100
IV	15,600	16,600	1,000

### 3. Increase pensions by 15% and increase benefits < >

*At **conclusion 83-KT/TW** adjusts pensions, social insurance benefits, preferential benefits for meritorious people and benefits from July 1, 2024. Details:*

- Adjustment to increase the current pension and social insurance benefits by 15% (June 2024).
- For people receiving pension before 1995, if after adjustment their benefit is lower than 3.2 million VND/month, the adjustment will increase by 0.3 million VND/month, with a bonus of 3.2 million VND. /month to less than 3.5 million VND/month, then adjusted to equal 3.5 million VND/month.
- Adjusting preferential allowances for meritorious people according to the standard allowance level from 2,055,000 VND to 2,789,000 VND/month (an increase of 35.7%), keeping the current correlation of preferential allowances for meritorious people unchanged. salary compared to the subsidy standard; Adjust social benefits according to the standard social support level from 360,000 VND to 500,000 VND/month (up 38.9%).



# 4. Reduce value added tax to 8% from 01/07 to 31/12/2024 < >

*Decree No. 72/2024/ND-CP dated June 30, 2024 regulating value added tax reduction policy according to Resolution No. 142/2024/QH15 dated June 29, 2024 of the National Assembly:*

According to Decree 72/2024/ND-CP

- Business establishments that calculate value-added tax using the deduction method may apply the value-added tax rate of 8% for goods and services eligible for value-added tax reduction.
- Business establishments (including business households and individual businesses) that calculate value-added tax according to the percentage method on revenue are entitled to a 20% reduction in the percentage rate to calculate value-added tax upon implementation. currently issue invoices for goods and services eligible for value added tax reduction.

Decree 72/2024/ND-CP takes effect from July 1, 2024 to December 31, 2024.



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