Decree No. 253/2026/NĐ-CP and Circular No. 87/2026/TT-BTC providing guidance on the implementation of the Personal Income Tax Law

I. OVERVIEW OF THE LEGISLATION

Reference numbers: 253/2026/NĐ-CP; 87/2026/TT-BTC
Date of issue: 30 June 2026
Effective date: 1 July 2026; specifically, provisions relating to income from business activities and from wages and salaries of resident individuals shall apply from the 2026 tax year, with the exception of provisions concerning meal allowances during shifts and lunch allowances.
Issuing authority: The Government; the Ministry of Finance
Replacement / Amendment: Replaces Decree No. 65/2013/NĐ-CP and repeals Article 3 of Decree No. 91/2014/NĐ-CP and Article 2 of Decree No. 12/2015/NĐ-CP. Replaces Circular No. 111/2013/TT-BTC and the Circulars amending and supplementing Circular No. 111/2013/TT-BTC

SUMMARY
Decree No. 253/2026/NĐ-CP and Circular No. 87/2026/TT-BTC provide detailed guidance on the Personal Income Tax Law No. 109/2025/QH15, replacing the entire system of previous guidance documents. Of particular note for resident individuals: the thresholds for insurance premiums and dependent allowances have been raised; a completely new deduction for medical and educational expenses has been introduced; and, for the first time, digital assets, .vn domain names and carbon credits have been included within the scope of personal income tax.

II. KEY NEW PROVISIONS

Point 1: The threshold for the non-compulsory insurance deduction has been tripled

Content	Previous regulations	New regulation
The total amount of non-compulsory insurance contributions deductible for tax purposes has increased from 1 million to VND 3 million per month	Voluntary pension insurance contributions are deductible up to a maximum of VND 1,000,000 per month.	Extend the tax allowance to cover life insurance as well. At the same time, raise the total tax allowance for contributions to supplementary pension schemes, voluntary pension schemes and life insurance to VND 3,000,000 per month.

Point 2: The income threshold for dependants is tripled

Content	Previous regulations	New regulations
The income threshold for being classified as a dependant has been raised from 1 million to VND 3 million per month; the criteria for loss of working capacity have been changed to a quantitative assessment based on a percentage	A dependant is defined as a person whose average monthly income does not exceed VND 1,000,000; a person deemed to have lost their ability to work is identified on the basis of a list of specific conditions (such as AIDS, cancer, chronic kidney failure, etc.).	The income threshold for dependants has been raised to VND 3,000,000 per month; the criterion of 'inability to work' has been replaced by a quantitative measure: a reduction in working capacity of 81% or more, as determined by a medical assessment.

Point 3: Deduction for medical and educational expenses — entirely new

Content	Previous regulations	New regulations
For the first time, taxpayers may deduct actual medical and	There are currently no deductions for actual medical or educational expenses incurred (only deductions	Decree No. 253/2026/NĐ-CP introduces tax deductions for actual medical expenses (up to VND 23 million per year) and

education expenses incurred from their taxable income	for charitable, humanitarian and educational contributions are provided for in Article 9(3)).	education and training expenses (up to VND 24 million per year) incurred by taxpayers and their dependants, provided that valid invoices or supporting documents are provided (Article 49, Clauses 2 and 3). Consequently, taxpayers who incur medical expenses or tuition fees for themselves or their dependants may be eligible for a further deduction of up to VND 47 million per year from their taxable income, thereby significantly reducing the amount of personal income tax payable.

Point 4: Wages for night work, overtime and work on days when no annual leave is taken

Content	Previous regulations	New regulations
Tax exemption for wages for night work, overtime and work on days when no leave is taken	Tax exemption applies only to the difference between night-shift and overtime pay and the pay for normal working hours.	Full tax exemption is granted on wages and remuneration for night work and overtime, and the scope of the tax exemption is extended to include wages paid for unused annual leave in accordance with labour legislation.

Point 5: Codifies meal allowance thresholds and increases the deduction threshold for incidental income

Contents	Old regulations	New regulations
The tax-exempt threshold for meal allowances is set directly at VND 1.2 million per month	The threshold for meal allowances (breakfast and lunch) is not included in taxable income and is referred to as 'in accordance with the guidelines of the Ministry of Labour, Invalids and Social Affairs', with no specific figure stated in the regulation.	The tax-exempt meal allowance threshold is strictly defined as the amount exceeding VND 1,200,000 per person per month.
Increase the tax-free allowance for casual income (for work without an employment contract or under a contract of less than three months) to VND 5 million, up from the previous VND 2 million	A 10% deduction shall be applied when paying casual income of VND 2 million or more per payment.	Raise the threshold for casual income subject to withholding tax to VND 5 million per payment (including payments made following the termination of an employment contract). For payments of less than VND 5 million per payment, tax will be withheld if the individual so requests.

Point 6: Simplifying the procedure for registering dependants

Content	Previous regulations	New regulations
The requirement for dependants to be issued with a separate tax identification number has been removed; the deadline for submitting applications has been standardised to 31 December	Dependants were required to be registered and issued with a separate tax identification number to qualify for tax relief; the deadline for submitting supporting documents varied depending on the category of dependent.	The requirement for dependants to be issued with a separate tax identification number has been abolished; registration alone is now sufficient. The deadline for submitting documentation to prove dependancy has been standardised as 31 December for all cases. Furthermore, the National Population Database will now be utilised to automatically identify dependants.

Point 7: Digital assets (cryptocurrencies) are subject to personal income tax for the first time in Vietnam

Content	Previous regulations	New regulations
Taxable income from the disposal of virtual assets and cryptocurrencies is subject to a	No regulations in place	Regulations stipulate that taxable income from the transfer of digital assets (virtual assets, cryptocurrency) is subject to a 0.1%

0.1% tax on the disposal price, similar to securities		personal income tax on the transfer price for each transaction, regardless of whether a profit or loss is realised.

Point 8: Inclusion of income from .vn domain names, carbon credits and auctioned number plates in taxable income

Content	Previous regulations	New regulations
Inclusion in the scope of personal income tax, with a 5% tax rate on the portion of income exceeding VND 20 million per transaction for certain types of income	No provision in place	Income from the transfer of Vietnamese national internet domain names '.vn', emission reduction certificates/carbon credits, and vehicle registration numbers won at auction shall be classified as other income: a tax rate of 5% shall apply to the portion of income exceeding 20 million đồng per transfer.

III. RECOMMENDATIONS FOR BUSINESSES

01 Review employees' taxable income

The HR department and employees should review cases of tax exemptions and increases in deductions from wages and salaries—such as meal allowances, overtime pay, and days not taken as annual leave—to determine the correct taxable income.

02 Complete the assessment of the dependants' capacity for work

Dependants classified as having a loss of working capacity must undergo a medical assessment confirming a degree of disability of 81% or more before applying for a family allowance under the new criteria.

03 Additional deductions for medical and education expenses

Collect and retain all invoices and receipts for medical treatment and tuition fees for yourself and your dependants in order to claim the additional medical and education tax relief when filing your 2026 tax return.

04 Review tax obligations relating to digital asset transactions

Individuals who trade in digital assets (cryptocurrencies), .vn domain names, carbon credits or auctioned number plates must proactively declare and pay personal income tax to avoid back-tax claims and late-payment penalties.

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