

# GMS Flash Alert

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## Vietnam – Personal Income Tax Relief Increased for Families Beginning in 2026

On 17 October 2025, the Vietnam National Assembly Standing Committee enacted Resolution No. 110/2025/UBTVQH15, which increases the family circumstance-based deduction amounts for personal income tax, effective for tax periods beginning on or after 1 January 2026.<sup>1</sup>

### WHY THIS MATTERS

This change directly affects the calculation of individual income tax liability for taxpayers and their dependents in Vietnam. For global mobility programs, the increased deduction may lower the tax burden for employees assigned to Vietnam, potentially affecting total assignment costs and net compensation.

### Key Highlights

- Effective for tax periods starting 1 January 2026, the family circumstance-based deduction for personal income tax is higher.
- The deduction for taxpayers increases to VND 15.5 million per month (VND 186 million per year), while the deduction for each dependent is set at VND 6.2 million per month.
- These adjustments are intended to reflect economic changes and provide taxpayer relief.
- The previous deduction levels under Resolution No. 954/2020/UBTVQH14 will cease to apply after 2025.

### KPMG INSIGHTS

The adjustment in deduction amounts represents an effort to align personal income tax relief with current economic conditions and living costs. The increased deductions may reduce taxable income for both local and internationally assigned employees, affecting payroll calculations and tax equalization policies for global mobility programs.

In accordance with the upcoming changes, the organisations and entities may wish to consider the following:

- Organisations may wish to update payroll software and tax compliance procedures before the 2026 tax period to take into account the new deduction amounts.
- Companies may wish to communicate these changes to affected employees to support financial planning and transparency.
- Global mobility teams may wish to reassess assignment budgets and hypothetical tax calculations for employees assigned to Vietnam.

If assignees and/or their programme managers have any questions or concerns about the scope of the law, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax professional or a member of the GMS tax team with KPMG in Vietnam (see the Contacts section).

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## FOOTNOTE:

1 THU' VIỆN PHÁP LUẬT website, "[110/2025/UBTVQH15 in Vietnam, Resolution 110/2025/UBTVQH15 adjustment of personal income tax exemptions in Vietnam](#)," published on 17 October 2025.

See also, (in Vietnamese) THU' VIỆN PHÁP LUẬT website, "[110/2025/UBTVQH15 in Vietnam, Resolution 110/2025/UBTVQH15 adjustment of personal income tax exemptions in Vietnam](#)," published on 17 October 2025.

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## Contact Us

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**The information contained in this newsletter was submitted by the KPMG International member firm in Vietnam.**

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