

**Abstract Submission**  
to the 30<sup>th</sup> General Conference  
of the International Association for Research in Income and Wealth (IARIW)

**[1] Title of the Paper:**

“Demographic Changes and the Pension Scheme Finances in Vietnam:  
A Long-term Stochastic Actuarial Assessment”

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**[3] Abstract:**

This paper aims to measure the long-term financial capacity of the pay-as-you-go defined benefit (PAYG DB) pension scheme in Vietnam, with particular focus on the size of pension liabilities and how they vary across generations, by using a standard actuarial model with stochastic modeling of the relevant variables. It seeks to answer the following questions: (i) what is the long-term outlook for the financial capacity of the scheme, especially regarding the size of pension liabilities, and how much each cohort will have to pay? (ii) what are the roles of demographic and economic factors in changing the size of pension liabilities? and (iii) how to reform the current pension scheme under swift demographic changes and profound social and economic progress, so as to guarantee financial sustainability as well as generational equity for the scheme.

**Key words:** elderly, pension, financial sustainability, Vietnam

**JEL Classification:** H55, J11, J14

**Theme:** Pension Issues in Aging Society [Parallel Session 2A]