

Developing Voluntary Pension Life Insurance, Aiming to Build a Multi-Pillar Pension System in Vietnam



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ABSTRACT: Vietnam currently does not have a social welfare regime for all workers. The current pension system has different pension regimes (monthly social allowance for the elderly in the social protection policy, pension regime in the form of social insurance and voluntary pension insurance products in the form of commercial insurance). However, the protection scope of the pension tiers is not enough to ensure that all workers have a pension when they reach the end of their working age. To build a multi-pillar pension insurance system, pension insurance products provided by insurance businesses are considered a strategic solution, contributing to reducing the risk of unsustainability of the system, reducing the burden of the social insurance fund, and increasing social security for people. Secondary data collection methods and data analysis methods including descriptive statistical methods, synthesis methods, analysis, comparison, and systematic approaches are used in this study to Analyze and evaluate the current situation of exploiting pension insurance products in the Vietnamese life insurance market. Based on the research results, the authors have proposed several recommendations (for the State, insurance management agencies and insurance businesses) to develop voluntary pension insurance in Vietnam, aiming to build a multi-pillar pension insurance system, ensuring sustainable social security.

KEYWORDS: pension insurance, life insurance, multi-pillar pension, Vietnam

I. INTRODUCTION

According to a report by the General Statistics Office, Vietnam currently has about 12 million elderly people (accounting for about 12% of the population). Of these, there are currently only about 1.7 million elderly people receiving monthly social benefits from the state budget (with the standard monthly social benefit rate applicable from July 1, 2021 being 360,000 VND/month, accordingly, the lowest monthly social allowance for the elderly is 360,000 VND/person/month and the highest is 1,080,000 VND/person/month); and currently about 3.3 million people are receiving monthly pensions and social insurance benefits in the form of social insurance (average pension benefit is about 5.4 million VND/month). Thus, Vietnam currently has about 7 million elderly people who do not receive any subsidy policies from the State budget or Social Insurance fund. Along with that, according to forecasts of the General Department of Population under the Ministry of Health, Vietnam will only take about 20 years to transition from the phase of population aging to an elderly population (by 2050, Vietnam will have about 22.3 million elderly people, accounting for 20.4% of the total population). Meanwhile, pension insurance coverage in the current form of social insurance is still very low. By the end of 2022, there will only be about 17.5 million people participating in compulsory and voluntary social insurance (accounting for 38.07% of the labor force in this age group). Accordingly, it can be seen that Vietnam currently does not have a social welfare regime for all workers, and personal savings retirement insurance provided by life insurance companies has not yet developed, Pension under the social insurance regime is considered the main income of the majority of retirees with low pension payments. Although the current pension system in Vietnam has different pension regimes (Monthly social allowance for the elderly in social protection policy, Pension regime in the form of social insurance, Voluntary pension insurance in the type of commercial insurance). However, the scope of protection of pension floors is not enough to ensure that every employee will have a pension when they reach the end of their working age.

Rapid population aging has created a major challenge, posing a need to reform Vietnam's pension system to ensure that all elderly people have at least one source of income from the pension insurance system; and implement social security goals and fairness and equality among workers. Vietnam is gradually building a multi-pillar pension system to harmoniously handle the

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improvement of support and sharing of the system with the enhancement of retirement security, suitable for each individual's abilities, conditions and needs. With the goal of building a multi-pillar pension insurance system, in addition to implementing the social pension regime, efforts to reform basic pension insurance programs in the form of social insurance should focus on building and developing voluntary retirement programs in the form of commercial insurance, to reduce financial pressure on the state budget. Pension insurance products provided by insurance businesses are considered a strategic solution, contributing to reducing the risk of unsustainability of the system, reducing the burden of the social insurance fund, and increasing social security. Voluntary pension insurance through pension funds will contribute to diversifying the country's social security programs. Contributions from individuals and employees to pension funds will become a source of long-term investment capital in the capital market. However, in practice, life insurance businesses in Vietnam have not focused on implementing pension insurance products, most insurance businesses ignore pension insurance products (to meet the needs of on supplementary pension insurance) but focus on other product lines. Data from the Vietnam Insurance Association shows that only 06/18 insurance businesses in the Vietnamese life insurance market have recorded Pension Insurance business results and the proportion of Insurance revenue. Compared to other product lines, pensions are very low, both new exploitation revenue and original insurance premium revenue account for less than 1%. The article discusses the legal framework related to pension insurance in Vietnam, the current situation of providing voluntary pension insurance products by insurance companies in Vietnam, and from there proposes solutions for the development of pension insurance products for insurance enterprises to contribute to the goal of building a multi-pillar pension insurance system, sustainable development of the pension insurance system, ensure income for workers in old age.

II. THEORETICAL BASIS

(i) Multi-pillar pension insurance

Most of the world's studies up to now have assumed that multi-tier pension insurance is a collection of many pension insurance regimes; in which each mode has a relatively independent purpose and function, and is closely related to each other, aiming to achieve the goal of expanding pension insurance coverage in both breadth and depth (increasing the proportion of participating workers and the elderly enjoying retirement benefits, increasing the pension level of beneficiaries), ensure income security for workers in old age, improve the quality of life for the elderly (Ha et al., 2023). In Vietnam, According to ILSSA & GIZ (2011), a multi-pillar pension system is a pension system consisting of a first pillar that is public (generally PAYG); a second pillar that is mandatory and funded; and a third pillar that is voluntary and funded. There are other combinations: a first pillar could be a universal social pension, for example.

Typical multi-tier pension insurance models include the World Bank's multi-tier pension insurance model (Wang et al., 2014), ILO's pension insurance system (Gillion, 2000; Duran, 2018), Multi-layer pension system model from the perspective of the Organization for Economic Cooperation and Development (OECD, 2011). The common point of these pension insurance models is: first, all models have a layer for elderly people with no income to fight poverty (wide coverage, depending on the state budget), called social pension; Second, all models have a layer for subjects with mandatory participation (managed by the state); Third, the voluntary contribution layer, including voluntary pension insurance, voluntary subsidy pension insurance and commercial insurance. Depending on conditions, each country designs its own appropriate pension insurance model, aiming to ensure that every person when they reach retirement age has at least one source of income from the pension insurance system. Retirement systems in other countries are usually built with three layers: social benefits, mandatory retirement and voluntary retirement, to ensure wide coverage, providing flexible retirement products, and ensuring the needs and rights of the elderly (Ha et al., 2013).

(ii) Voluntary pension insurance in the form of commercial insurance

From a business perspective, the Voluntary Pension Insurance product is a life insurance product made by an insurance company to provide additional monthly income and reduce the financial burden on the insured when they reach the end of working age. From the perspective of insurance participants, the Voluntary Retirement Insurance product is a type of financial product in which individual employees and/or employers contribute a certain monthly amount (or at different intervals) into a financial fund (retirement fund). Individual employees will receive payments from the fund when they reach retirement age. The pension amount that each individual is entitled to depends on his or her total contribution amount and the capital investment efficiency of the fund. Voluntary pension insurance is for two subjects: individual voluntary pension insurance and group (organization) voluntary pension insurance.

Voluntary pension insurance is a type of life insurance, so it also has the common characteristics of a life insurance product such as: Insurance products are unexpected products, Insurance products are products of a reverse business cycle, Insurance products are effective products, Life insurance products are multi-purpose and long-term, Includes protection, savings

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and investment elements. In addition to these common characteristics, voluntary pension insurance products also have unique characteristics that are different from traditional life insurance products, which are: (i) Pension insurance is an insurance service that applies to cases where the insured person reaches a certain age and will receive insurance payments (similar to pension benefits) from the insurer as agreed upon in the insurance contract. To be insured, pension insurance buyers must pay periodic insurance premiums as contributions to a pension fund. Pension insurance is a combination of term insurance and periodic payment insurance or term life insurance. Depending on the agreement in the insurance contract, the insurer will pay benefits limited to one annuity or lump sum paid when the insured retires. If the insured dies before retirement, the benefit amount will be paid in a lump sum by the insurer to their beneficiaries. It can be seen that the insured's contributions to the pension fund are like the legacy they leave behind for their relatives. And (ii) the pension insurance purchaser may not terminate the insurance contract to receive a refund before the insured's retirement. In addition to the purpose of creating a fund to pay retirement benefits, this insurance often allows the insurance buyer to enjoy preferential income tax policies, that is, tax deduction or exemption for premium payments as well as tax exemption upon retirement. Pension insurance provided by life insurance companies is an additional option besides the social insurance fund. Voluntary pension insurance is considered a common fund that people can participate in, contribute to and provide a stable source of income when they reach retirement age. In addition, capital flows from pension insurance can be reinvested back into the economy, contributing to providing long-term investment capital to support overall economic development. This is a type of development in parallel with social insurance, adding pillars to the current single pension system, helping to reform the Vietnamese pension system to gradually become a multi-pillar system.

III. METHODS

Data collection method: This study uses secondary data collected from (i) Previous scientific works related to multi-pillar pension insurance and voluntary pension insurance products of commercial insurance companies, (ii) Reports on the implementation of pension insurance regimes in Vietnam's social security system, such as: Annual report of Vietnam Social Insurance Agency, Statistical yearbook of the General Statistics Office of Vietnam, Insurance market report of the Vietnam Insurance Association, (iii) Legal documents as a basis for organizing and implementing voluntary pension insurance in the Vietnamese life insurance market.

Data analysis methods: This study uses the following data analysis methods (i) Descriptive statistical method using Excel tool for secondary information collected from annual reports of Vietnam Social Insurance, Annual insurance market data of Vietnam Insurance Association Nam, Statistical Yearbook of the General Statistics Office; (ii) Methods of synthesis, analysis, and comparison to synthesize and analyze research works related to this study; from there, compare and select valuable findings closely related to the research topic to include in the theoretical basis; (iii) A systematic approach is used in the research to analyze and evaluate the current situation and propose recommendations to develop pension insurance products at life insurance enterprises in Vietnam, promote the construction of a multi-pillar pension insurance system in Vietnam.

IV. RESULTS

4.1. Legal regulations on voluntary pension insurance

In Vietnam, voluntary pension of life insurance is regulated in Circular No. 115/2013/TT-BTC of the Ministry of Finance guiding pension insurance and voluntary pension funds, issued on August 20, 2013; Circular No. 130/2015/TT-BTC of the Ministry of Finance amending and supplementing Circular No. 115/2013/TT-BTC, issued on August 25, 2015. Accordingly, pension insurance is a life insurance product made by an insurance company to provide additional income for the insured person when they reach the end of their working age.

(i) Form of insurance

According to Clause 2, Article 2, Circular No. 115/2013/TT-BTC of the Ministry of Finance guiding pension insurance and voluntary pension funds, issued on August 20, 2013; In terms of form, voluntary pension insurance can be deployed for individuals and groups of employees (called group pension insurance). In the case of pension insurance for a group of employees, the insurance buyer is the employer, and the employee will receive all benefits of the insurance contract after a certain period as agreed between the parties and recorded in the insurance contract. Thus, it can be seen that according to regulations, voluntary pension insurance is designed as a tool for employers to increase benefits for employees. The law also protects the rights of employees by stipulating that "employees will receive all benefits of the insurance contract after a certain period as agreed between the parties and recorded in the insurance contract". However, it can be seen that the law also recognizes certain rights and interests of employers in purchasing voluntary pension insurance for employees through the mechanism of agreement between the parties in the insurance contract. At the same time, voluntary pension insurance can also be used as a tool for self-

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planning retirement financial plans for those who do not have social insurance and those who already have social insurance but want to have additional sources of income to ensure retirement.

(ii) Insurance benefits

Unemployment insurance products provide basic benefits, which are periodic retirement benefits and risk insurance benefits. In addition, voluntary pension insurance products can provide supplementary insurance benefits.

First, Basic insurance benefits: According to the provisions of Article 5, Circular No. 115/2013/TT-BTC, insurance enterprises are proactive in designing voluntary retirement insurance products, including periodic retirement benefits and Risk insurance benefits.

- Periodic retirement benefits: Retirement benefits are paid periodically until the death of the insured person or for a minimum of 15 years, depending on the agreement in the insurance contract; The insurance company and the insurance buyer agree on the level of retirement benefits per period and the number of periods to receive retirement benefits; Calculate accumulated interest from the portion of retirement benefits not yet paid to the insurance buyer, but not lower than the minimum committed investment interest rate agreed in the insurance contract.

- Risk insurance benefits include: Funeral benefits (When receiving a request for payment of death insurance benefits, regardless of whether they are within the scope of insurance or not, the insurance company must immediately pay the funeral allowance for the beneficiary in the amount agreed upon in the insurance contract);

Death or total permanent disability insurance benefit (When the insured person dies or has a total permanent disability within the scope of insurance and the specified period,

The insurance company pays the beneficiary the insurance amount as agreed in the insurance contract); The insurance buyer can choose the insurance amount when entering into an insurance contract and adjust the insurance amount during the validity period of the insurance contract as agreed in the insurance contract.

Second, Supplementary insurance benefits: According to the provisions of Article 5, Circular No. 115/2013/TT-BTC, in addition to basic insurance benefits, depending on the agreement in the insurance contract, Voluntary pension insurance products can provide the following additional insurance benefits: Benefits of adjusting the level of periodic pension benefits; Unemployment insurance benefits; Medical care benefits; Hospitalization support benefits; Insurance benefits for dependents; Critical illness insurance benefits; Other supplementary benefits as agreed in the insurance contract.

(iii) Insurance fees

According to the provisions of Article 7, Circular No. 115/2013/TT-BTC, Unemployment insurance premiums paid into the voluntary pension fund can be paid periodically or once as agreed in the pension insurance contract. In addition, like a universal life insurance contract, a life insurance contract can pay an additional premium (contribution in addition to the periodic or one-time premium agreed in the insurance contract) to invest in the voluntary pension fund. In case of participating in additional supplementary insurance benefits, the method of paying the premium for the supplementary insurance benefits will be agreed upon by the parties when entering into the insurance contract. Insurers are not allowed to deduct the premium of supplementary insurance benefits from the value of the retirement insurance account. This regulation is intended to ensure that the goal of establishing retirement financial resources will be fully realized as planned.

In case of inability to pay premiums, the insurance buyer and the insurance company can agree to temporarily close the retirement insurance account. During the temporary closure of the retirement insurance account, the insurance company is not allowed to charge any fees to the insurance buyer. The value of the retirement insurance account is accumulated according to the investment rate announced by the insurance company annually as agreed in the insurance contract. The insurance company is not obliged to pay insurance benefits during the insurance period. this period, except in the case of paying periodic retirement benefits when the insured person reaches a certain age or paying the entire value of the pension insurance account accumulated up to the time of the insured person's death or permanent total disability. On the contrary, when there are financial conditions, the insurance buyer can request the insurance company to restore the pension insurance account and continue paying insurance premiums at (Article 16, Circular No. 115/2013/TT -BTC).

4.2. Current status of pension insurance product exploitation in Vietnam's life insurance market

(i) Voluntary retirement insurance products

The number of voluntary retirement insurance products is an indicator of the total number of unemployment insurance products provided to the market by life insurance enterprises. The large and diverse number of products will demonstrate the efforts of life insurance businesses in developing new products to meet the diverse needs of customers. Currently, the Vietnamese life insurance market has 18 insurance enterprises, of which, only 6 businesses, Prudential Vietnam, Bao Viet Life, Manulife, AIA Vietnam, Dai-ichi Vietnam, and PVI Sun Life, meet the conditions to deploy voluntary pension insurance products. Voluntary pension insurance products appeared on the market in October 2013. Dai-ichi Life Vietnam is the first insurance enterprise to

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deploy this insurance product on the market (October 15, 2013), followed by Manulife Vietnam, AIA, and PVI Sun Life (today known as Sunlife Vietnam). Nam), Prudential and Bao Viet Life. The system of voluntary pension insurance products exploited by life insurance enterprises is shown in the following table:

Table 1. Voluntary pension insurance products of life insurance enterprises in the Vietnamese life insurance market

No.	Name of insurance company	Product's name	Product line
1	Dai-ichi Life	Comfortable retirement	Individual Policies, Group Policies
2	Manulife	Retirement fulcrum	Group Policies
3	Sun Life	Sun Life has a lifetime of peace	Group Policies
4	Bao Viet Life	Retire well Secure retirement	Individual Policies, Group Policies
5	AIA	Retirement security	Group Policies
6	Prudential	Phu - An Think retirement	Individual Policies,

Source: Authors compiled from data from the Insurance Association of Vietnam

So it can be seen that Dai-ichi Life Vietnam and Bao Viet Life developed a line of voluntary retirement products for groups and individuals who can participate; Life insurance companies including Manulife, Sun Life Vietnam, AIA Vietnam focus on deploying retirement insurance products for groups of employees working at businesses, Prudential Vietnam specifically develops a line of retirement insurance products for individuals.

(ii) Results of new exploitation of voluntary pension insurance products

The number of new insurance contracts is an indicator that reflects the number of newly exploited contracts in the business year. The results of the new exploitation of voluntary pension insurance products are shown in the following data table:

Table 2. Situation of new exploitation of voluntary pension insurance products in the Vietnam Life Insurance market, period 2018 - 2022

No.	Content	2018	2019	2020	2021	2022
1	Number of new exploitation pension insurance contracts	6,180	5,948	1,708	1,481	890
	Individual Policies	5,564	5,295	977	1,466	884
	Group Policies	616	653	731	15	6
2	Number of insurance contracts in the entire market	2,248,157	2,716,671	3,180,816	3,559,973	3,414,405
3	Percentage of new exploitation contracts of pension insurance products (%)	0.27	0.22	0.05	0.04	0.03
4	New Mining Pension Insurance contract insurance amount (Millions VND)	620,313	607,756	163,520	247,913	139,556
	Individual Policies	552,637	529,176	93,970	195,552	102,116
	Group Policies	67,676	78,580	69,550	52,361	37,440
5	Insurance amount for the whole market (millions VND)	1,299,994,056	1,603,311,949	2,100,495,882	2,276,288,562	2,416,956,930
6	Percentage of the sum insured of the new Mining Pension Insurance Contract (%)	0.05	0.04	0.008	0.01	0.006
7	Premium revenue from new exploitation pension insurance (Millions VND)	141,878	204,403	39,473	42,228	39,573
	Individual Policies	81,583	76,299	28,332	36,958	37,514
	Group Policies	60,295	128,104	11,141	5,269	2,059

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8	Insurance premium revenue of the entire market (Millions VND)	29,605,773	34,452,724	41,947,796	49,550,340	50,888,400
9	Percentage of new premium revenue from pension insurance products (%)	0.48	0.006	0.09	0.09	0.08

Source: Authors compiled and calculated from Vietnam insurance market data for the years 2018 - 2022, Insurance Association of Vietnam

Data show that, although voluntary pension insurance products have appeared on the Vietnamese insurance market for 9 years, the contribution proportion of this type is still very modest, with premium revenue always below 1% of total market fee revenue. Specifically, in 2018, the number of new contracts of voluntary pension insurance accounted for only 0.27%, and insurance premiums accounted for 0.48% compared to the entire market. This rate decreased sharply over the following years. In 2022, the number of new exploitation contracts accounted for only 0.03%, insurance premiums accounted for 0.08% compared to the entire market.

(iii) Result of exploitation of effective voluntary pension insurance contract

To see more clearly the quality of declaration of voluntary pension insurance products, it is necessary to consider the results of exploitation of effective voluntary pension insurance contracts, in which the number of insurance contracts in effect at the end of the period is an indicator reflecting the number of insurance contracts in effect at the end of the period, calculated by the number of insurance contracts in effect at the beginning of the period plus the number of invited exploitation contracts minus the number of contracts that mature and are canceled during the period.

Table 3. Results of exploiting voluntary pension insurance contracts in effect in the Vietnamese life insurance market, period 2018 - 2022

No	Content	2018	2019	2020	2021	2022
1	Pension insurance policy number	36,483	41,040	41,633	30,341	30,776
	Individual Policies	25,027	29,207	29,434	30,220	30,653
	Group Policies	11,456	11,833	12,199	121	123
2	Number of insurance contracts in the entire market	8,677,911	10,274,336	11,643,881	13,198,753	13,921,675
3	Percentage of effective pension insurance contracts (%)	0.42	0.40	0.36	0.23	0.22
4	Insurance amount Pension Insurance (Millions VND)	3,716,197	4,166,340	4,121,797	4,295,289	4,339,025
	Individual Policies	2,495,407	2,909,618	2,930,757	3,061,579	3,083,865
	Group Policies	1,220,790	1,256,722	1,191,040	1,233,710	1,255,160
5	Insurance amount for the entire market (Millions VND)	3,385,355,767	4,566,384,607	5,836,589,454	7,165,486,963	8,260,675,082
6	Proportion of the effective pension insurance contract amount (%)	0.11	0.09	0.07	0.06	0.05
7	Insurance premium revenue Pension insurance (Millions VND)	478,094	703,353	467,032	461,011	481,461
	Individual Policies	325,139	413,855	333,226	345,471	363,019
	Group Policies	152,955	289,498	133,806	115,539	118,442
8	Insurance premium revenue of the entire market (Millions VND)	86,488,078	106,919,238	130,649,951	159,340,640	178,326,682
9	Percentage of premium revenue of the effective	0.55	0.66	0.4	0.3	0.27

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	pension insurance contract (%)					
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Source: Authors compiled and calculated from Vietnam insurance market data for the years 2018 - 2022, Insurance Association of Vietnam

The number of effective pension insurance contracts increased in the period 2018 - 2019 and tends to stagnate from 2020, then tends to decrease sharply in 2021 and 2022. Specifically, in 2018, the number of effective pension insurance contracts was 36,483 contracts, this number was 41,040 contracts in 2019 and 41,633 contracts in 2020; However, by 2021 it will decrease to only 30,341 valid contracts and in 2022 it will be 30,776 contracts. Along with that, pension insurance premium revenue from effective pension insurance contracts tends to increase over the years from 2018 - 2019, and in 2020 began to decrease sharply and remain relatively stable in 2021.

In 2022, fee revenue shows signs of increasing again. Although there are fluctuations in increase/decrease in the period 2018 - 2022, in general, similar to the situation of new exploitation of pension insurance products. The exploitation of effective pension insurance contracts only accounts for a very small proportion of the total number of valid contracts in the entire market. The contract number ratio or fee revenue ratio is always below 1% of the entire market and tends to decrease more and more.

(iv). Causes

These results show that although insurance businesses are allowed to deploy pension insurance products, they do not focus on this product line. Life insurance companies already have pension insurance products that meet the needs of saving and protecting workers in old age, but the number of pension insurance products is still limited; The reason partly comes from quite strict regulations on capital, management capacity, and information technology level. These legal regulations are very good in ensuring management capabilities as well as customers' rights, but they also limit the number of businesses deploying this type of insurance product on the market.

The exploitation of pension insurance products has certain results, but the results achieved are still very low, and not commensurate with the development potential of pension insurance products.

Most Vietnamese people are not interested in saving for retirement, making it difficult to deploy this insurance product. At the same time, pension insurance products do not have many tax incentives to serve as a "fulcrum" for development, and pension insurance management regulations are more complicated and have more constraints than monitoring and management. They are managing universal insurance contracts. On the other hand, the commission policy for agents is not attractive, Voluntary Pension Insurance commissions are too low compared to other product lines (The maximum commission for the Pension Insurance product line is 3%; meanwhile, the maximum commission for some other retirement product lines is up to 40%, for example, the commission rate for death insurance products in the first year of the contract, mixed life insurance products over 10 years is up to 40%, or a whole life insurance product with a commission rate of 30%). Agents provide insurance consulting to customers with the primary purpose of income, so agents will proactively choose insurance products with high commissions for sales consulting. For insurance businesses, businesses will have to focus resources on product design, promotion and bringing in high revenue, and those are product lines with high commission rates (not voluntary pension insurance). Therefore, not many insurance businesses promote selling this product, except for businesses that consider this product a strength. It can be seen that a voluntary pension insurance contract requires the participation of three parties (insurance business, agent and customer), but two parties do not support it. Insurance businesses and agents do not target Voluntary Retirement Insurance, resulting in customers not being approached to participate. In addition, the voluntary retirement insurance product contract has many specialized terms, making it more difficult for customers to understand the more they read. Many terms require investment knowledge, making it more confusing for customers the more they read. This is both a limitation of insurance businesses when designing products and also a reason why customers are indifferent to the product. In addition, the propaganda and advertising work of insurance enterprises for pension insurance products is still fragmentary, without focus, the number of advertisements is limited, and the forms of advertising are not yet diverse. Stop by insurance newspapers, company websites, and through agents. The organization of marketing activities is still small, does not have a big impact on customers, and does not attract participants.

V. RECOMMENDATIONS

To develop pension insurance products at life insurance enterprises in Vietnam, the author proposes some recommendations as follows:

Firstly, for the State and insurance management agencies: Continue to improve the legal framework to manage voluntary pension insurance activities in the life insurance market,

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Promote healthy and fair competition among insurance businesses, help protect and increase the rights of insurance participants, and maintain a stable, safe, and effective market.

Accordingly, continue to research and build a life insurance business legal system that is more suitable to Vietnamese reality and international standards, minimizing administrative procedures and creating maximum proactive conditions for businesses (such as shortening insurance product approval time and other business changes). Continue to amend and improve existing product regulations, such as flexible provisions for participants to withdraw their retirement funds after paying premiums for a certain period in the contract, for example: 5 years, or 10 years; regulate the maximum amount of money that can be withdrawn at one time to still ensure benefits when retiring. The Ministry of Finance needs to consider comparing it with Vietnam's GDP per capita to make tax exemption regulations more appropriate (for example, increasing it to 5 million VND/month to create motivation for employees to participate in a voluntary pension fund; It is possible to stipulate personal income tax exemption when withdrawing retirement money to attract participants). At the same time, strengthens inspection and supervision of investment activities in the life insurance market. In particular, focus on issues such as: paying insurance benefits as agreed in the insurance contract, complying with regulations on separating profit-sharing funds, distributing profits to contract owners, and accounting for revenue and expenses according to regulations... Through inspection and examination activities, it also helps to discover inadequacies and problems in mechanisms and policies to amend and supplement, thereby making the legal environment more and more perfect. It is necessary to consider adding and amending several policies to create conditions for the development of Voluntary Pension Insurance, such as: (i) Consider adding regulations on a percentage of new revenue from voluntary pension insurance each year for businesses, considering the implementation of voluntary pension insurance a mandatory task for security society, to increase the responsibility of insurance businesses; (ii) Relax regulations on mandatory conditions for businesses allowed to deploy voluntary pension insurance (such as capital, experience...) but still ensure the safety of customers' interests; (iii) Consider adding mandatory regulations in the training program and exam for life insurance agent code with pension insurance. At the same time, agents must be trained on the first voluntary retirement insurance product in the early stages of work (if the enterprise has deployed pension insurance); (iv) it is necessary to adjust the commission policy, increase the commission rate to stimulate motivation from businesses and agents, and also need to research an appropriate rate to avoid affecting customer fees (because by default, agent commissions are deducted from customer fees in the first few years of the contract).

Second, for insurance businesses: When designing insurance products, especially the contract terms and conditions, they need to be explained in detail and easy to understand so that insurance participants can conveniently participate, and correctly understand their rights and obligations. In addition, insurance businesses also need to pay attention to the development of pension insurance products. Pension insurance products are considered one of the most potential segments, a product line with full insurance benefits, but are also quite specific and picky about customers. Continuously improve existing products and develop new products. Improve existing pension insurance products, increase insurance benefits, or adjust some insurance terms to suit customer needs. Research to improve and add additional benefits from retirement insurance products to attract customers. Accordingly, products need to meet criteria such as: Customers can have flexible payment fees, investment funds, and withdrawals to implement financial plans suitable to their needs in each stage of their life... In other words, insurance businesses not only provide an insurance product, but also work out a financial plan with customers, determine the correct needs, and thereby propose investment solutions suitable to their ability financial capabilities and future goals for customers. It is necessary to promote the promotion and propaganda of voluntary pension insurance products of commercial insurance enterprises. Promoting advertising is very important for the business activities of life insurance businesses. These activities help life insurance businesses satisfy customer needs, make customers more aware and knowledgeable about businesses and pension insurance products, their benefits and create demand. and their interest in purchasing insurance. For a life insurance business, advertising needs to be formal and easy to understand. The task of advertising is to spread the image and message of the business widely in the Vietnamese market. Advertising forms need to be diverse and flexible, such as: (i) Direct advertising, which is a form of personal direct communication between the company and selected insurance customers; Making phone calls, sending letters, and announcements are types of advertising that make a strong impression on customers, but the disadvantages are the limited number of recipients and high costs; (ii) Advertising through products, done by printing names, logos of insurance companies and necessary information about insurance products on insurance policies, insurance rules, documents and gifts of the company for customers; (iii) Advertising by word of mouth: in insurance, this is the transmission of information about insurance services in a chain that gradually spreads through word of mouth from insurance customers (this form plays a particularly important role in insurance, it is very difficult for customers to evaluate the quality of insurance services right after purchasing it, so they strongly believe in the reliability of word-of-mouth information).

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VI. CONCLUSION

In today's world, building and implementing a multi-pillar pension system to ensure that all elderly people have at least one source of income from the pension insurance system is an inevitable development trend. Vietnam is gradually reforming its pension system, converting from a single pension system to a multi-tiered pension system. With this goal, in addition to implementing social pensions and efforts to reform basic pension insurance programs in the form of social insurance, it is necessary to focus on building and developing voluntary retirement programs in the form of commercial insurance to reduce financial pressure on the state budget.

Pension insurance products provided by insurance businesses are considered a strategic solution, contributing to reducing the risk of unsustainability of the system, reducing the burden of the social insurance fund, and increasing social security for people, contributing to diversifying the country's social security programs. The article focuses on analyzing and clarifying the theoretical basis for multi-pillar pension insurance and voluntary pension insurance products in the form of commercial insurance, legal regulations on voluntary pension insurance and the current situation of exploiting pension insurance products in the Vietnamese life insurance market. On that basis, the author proposes a number of recommendations for the State and insurance management agencies and for insurance enterprises to develop pension insurance products at life insurance enterprises in Vietnam, aiming to build a multi-pillar pension insurance system.

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