

Mobility: Immigration alert

April 2023



Singapore

Enhanced medical insurance requirements for Work Permit and S Pass holders from 1 July 2023

Executive summary

Effective 1 July 2023, employers that sponsor individuals to obtain Work Permits and S Passes, or renew their existing Work Permits and S Passes, will be subject to enhanced medical insurance requirements.

New requirements

The Ministry of Manpower (MoM) announced on 31 March 2023 that it will begin implementing the new requirements in the following phases for all new and existing holders of S Passes and Work Permits, including Migrant Workers and Migrant Domestic Workers:

- ▶ Phase 1 (effective 1 July 2023)
 - ▶ *Minimum medical coverage:* The minimum medical insurance coverage that employers must provide impacted employees will increase to SGD 60,000 per year (up from SGD 15,000 currently). This will apply to policies with a start date of 1 July 2023 or later.
 - ▶ *Co-payment component.* A new co-payment component will be introduced for employers and insurers. For claim amounts beyond the first SGD 15,000, insurers will be required to pay 75% of the co-payment and employers must pay the remaining 25%. The annual claim amount will be limited to SGD 60,000.
- ▶ Phase 2 (effective 1 July 2025)
 - ▶ *Standardization of exclusion clauses:* The MoM released a [standardized list](#) of treatment items, procedures and conditions that insurers may exclude from their insurance policies. This will apply to policies with a start or renewal date of 1 July 2025 or later.

- ▶ *Age-differentiated premiums.* Different (age-based) premiums will apply to those above and below the age of 50.
- ▶ *Reimbursement requirement for insurers.* Insurers will be required to reimburse hospitals directly once they approve an insured individual's claim. Currently, in general, employers need to pay hospitals upfront for their employees' treatment and can claim the amount from insurers later.

A list of insurers offering enhanced medical insurance for Work Permit and S Pass holders can be found [here](#). Once the new requirements go into effect, employers will be required to upload the details of the medical insurance policy of their employees prior to the issuance of S Pass or Work Permit applications on their behalf.

Employers can have a co-pay arrangement for medical expenses with impacted individuals (excluding Migrant Domestic Workers), provided:

- ▶ The co-payment amount does not exceed 10% of the employee's fixed monthly salary.
- ▶ The duration of the co-payment does not exceed six months in every two years of employment.
- ▶ The co-payment option is clearly stated in the employment contract or collective agreement, and the employee has provided consent.

Employers will not be able to pass on the full cost of medical insurance to employees. However, they will not need to provide insurance to Work Permit holders if they also have a Dependant's Pass and an insurance plan that meets the minimum coverage requirement for Work Permit holders.

Impact on employers

The new requirements are expected to impact employers, who will be required to cover larger amounts (and more) of their foreign employees' medical expenses, at a time when medical costs are rising within Singapore. At the same time, the new requirements are expected to protect employers against unexpected medical bills incurred by these employees. Employers may consider the new requirements and take necessary action to ensure compliance.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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