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## MediShield Life (MSHL)

MediShield Life is a national healthcare insurance scheme that replaced MediShield on 1 November 2015. The scheme provides lifelong protection for all Singapore Citizens and Permanent Residents, including the very old and those who have pre-existing health conditions.

As a basic health insurance plan administered by the Central Provident Fund (CPF) Board, MSHL helps to pay for large hospital bills and selected costly outpatient treatments, such as kidney dialysis and chemotherapy for cancer.

For more details on MediShield Life Scheme and other types of Government support, please visit the Ministry of Health website or call 1800-222-3399 or (+65) 6222 3399.

## **Payment of MediShield Life premium**

The Government provides strong support through a range of premium subsidies to help Singapore Citizens and Permanent Residents pay for their MediShield Life premiums.

## **Government support and subsidies**

The Government offers various channels of help for the payment of MediShield Life premiums, such as Premium Subsidies for the lower to middle income groups, Pioneer Generation Subsidies for Pioneers, Mederka Generation Subsidies for Mederka Generation seniors, MediSave top-ups for Singapore Citizens etc.

If you are still unable to afford your premium even after the above support measures, you may wish to seek an immediate family member's help to use his or her MediSave savings to pay for your premiums in full.

Alternatively, we encourage you to apply for Additional Premium Support (APS). APS is designed to help those who are unable to afford their MediShield Life premiums even after Government subsidies and have limited family support. You can request a copy of the APS application form or find out more information on APS by calling 1800-222-3399 (or +65 6222 3399) from Mondays to Fridays, 8.30am to 5.30pm. MOH will assess each application to ensure that assistance is provided to those who need financial support. They will keep in touch with you on the application status. You will not lose MediShield Life coverage if you are unable to pay for the premiums.

#### Penalties and enforcement actions for those who choose not to pay

However, for those who can but choose not to pay their MediShield Life premiums, late payment penalties and interest will be imposed, and enforcement actions taken to recover the outstanding premiums. It is necessary to have firm enforcement actions to deter defaults and uphold the spirit of collective responsibility behind the MediShield Life Scheme. This will ensure that the MediShield Life Fund remains sustainable and can meet its commitment to all Singaporeans and Permanent Residents. It also ensures that the debts of wilful defaulters are not unfairly shouldered by those who have paid their share responsibly. Outstanding premiums that are not recovered will translate to bad debts for the MediShield Life Fund and consequently, higher premiums for all members.

## Late payment of MediShield Life premiums

The Inland Revenue Authority of Singapore (IRAS) and the CPF Board have been appointed by Ministry of Health as recovery bodies responsible for the recovery of outstanding premiums.

### 1. Late payment penalties and interest

If the premium is not fully paid or paid late, a 5% late payment penalty will be imposed on the full policy year premium after the payment due date in the Demand Note sent by IRAS.

Additional penalties of 12% will be imposed if the premiums and any interest and late payment penalties imposed remain outstanding one year after the imposition of the 5% late payment penalty.

Annual compounding interest of 4% will also be applied on the outstanding premiums and/or interest of those who persistently delay the payment of premiums to make up for the interest loss to the MediShield Life Fund. For calculation of late payment penalty and interest, please refer to the FAQs.

### 2. Premium recovery measures

If the premiums continue to remain outstanding, despite repeated reminders and the imposition of late payment penalties, other actions to recover the outstanding premiums may include:

- · Appointing agents like your bank, tenant and/or employer to recover the outstanding premiums
- · Offsetting outstanding premiums against one-off Government surplus-sharing transfers (e.g. Growth Dividends)
- Issuing a Travel Restriction Order (TRO) to stop you from leaving Singapore; and/or
- Taking legal action



When your bank is appointed as agent, you will experience inconvenience in using your bank accounts (e.g. being unable to access your bank accounts) until you have fully paid your premiums. Requests made for the release of your banks from the agent appointment after 12pm on weekdays will only be processed on the next working day, while requests cannot be processed on Saturdays, Sundays and Public Holidays.

For more details on the enforcement actions, please refer to the FAQs.

For enquiries on late payment of premiums, late payment penalties, interest and/or other enforcement actions, please email us at <a href="mailto:enfmshl@iras.gov.sg">enfmshl@iras.gov.sg</a> or call us on (+65) 6356 7012 (Mondays to Fridays, 8 a.m. to 5 p.m.).

## **FAQs**

## General questions on the MediShield Life Scheme

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What is MediShield Life (MSHL) Scheme?

MediShield Life Scheme is a basic health insurance plan, administered by the Central Provident Fund (CPF) Board, which helps to pay for large hospital bills and selected costly outpatient treatments, such as kidney dialysis and chemotherapy for cancer.

### Am I covered under MSHL Scheme? What must I do to be insured under the MSHL Scheme?

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If you are a Singapore Citizen or Permanent Resident, you will be automatically covered by MediShield Life Scheme. No application is required.

### What are the premiums for MediShield Life and how are the premiums set?

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MediShield Life premiums are calculated on an individual basis. You can calculate your estimated MediShield Life premium payable using the premium calculator on the Ministry of Health website ☑.

## Payment of MediShield Life premiums

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## Who is responsible for the payment of my premiums?

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You are responsible for the payment of your own MediShield Life premiums.

If you are below 21 years of age i.e. a minor, your parents or legal guardians are liable to pay your MediShield Life premiums, interest and late payment penalties.

## How do I make payment for my outstanding premiums?



MediShield Life premiums are automatically deducted from your MediSave Account (MA). If you have insufficient savings in your MA, you can top up your MA using cash via <u>e-Cashier</u> □ and select "Contribute to my MediSave".

For information on other payment modes, please visit **CPF Board's website** .

## Can I help my family members pay for their premiums?



Yes, you can use your MediSave savings to help your immediate family members – your parents, spouse, children and grandparents - pay for their MediShield Life premiums.

Please visit the Ministry of Health website of for more information on the switching of payers for premium payment.

## Non-payment of MediShield Life outstanding premiums

#### — COLLAPSE ALL

## If I have outstanding premiums, how do I view the breakdown of my MediShield Life premiums, interest, and late payment penalties?

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To view the breakdown of your MediShield Life premiums, interest, and late payment penalties, please log in to the e-Service, "View my Outstanding MediShield Life Premiums" with your Singpass.

Under 'Healthcare', you will see the amount due with a link to view the breakdown of your outstanding MediShield Life premiums, interest and/or penalties.

Alternatively, you can write to the MediShield Life Team or call them on 1800 222 3399 (or +65 6222 3399).

## What will IRAS do if I do not pay the premiums?



If premiums remain outstanding after the active premium payment measures such as the issuance of premium renewal notices and regular reminder letters by the MediShield Life Team, IRAS may proceed with premium recovery measures.

IRAS will issue you with a demand note i.e. a notice requesting for payment of the outstanding premiums. If you do not make payment for the outstanding amount, IRAS can thereafter, without further notice, impose late payment penalties and take any one or more of the following actions to recover the outstanding premiums:

- Appoint agents like your bank, tenant, lawyer and/or employer to recover the outstanding premiums
- Offset outstanding premiums against one-off Government surplus-sharing transfers (e.g. Growth Dividends)
- Issue a Travel Restriction Order (TRO) to stop you from leaving Singapore and/or
- Take legal action

## Why is there a need for premium recovery measures?



As MediShield Life Scheme provides universal coverage, it is the collective responsibility of all Singapore Citizens and Permanent Residents to pay their premiums in a timely manner. This ensures that the MediShield Life Fund is able to meet its commitments to all its members and pay out on claims.

The premium recovery measures are targeted at a small group of defaulters who have the means but choose not to pay their premiums. This is to discourage freeloading and ensure that they also pay their fair share of premiums. Otherwise, premium defaults will translate to bad debts to the MediShield Life Fund and higher premiums for all.

## Why is IRAS enforcing/collecting the premiums?



IRAS is appointed by the Ministry of Health as one of the recovery bodies responsible for the recovery of outstanding MediShield Life premiums.

## **Demand Note**

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### What is a Demand Note? What should I do if I receive a Demand Note?

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A Demand Note (DN) is a notice issued to defaulters to request for payment of the outstanding premiums and inform of any late payment penalties and/or interest that will be imposed should the outstanding premiums remain outstanding after the payment due date in the DN.

If you receive a DN from IRAS, you will need to make full payment for the outstanding premiums before the payment due date. Otherwise, late payment penalties and/or interest will be imposed.

Further enforcement actions may be taken after the DN has been issued to you to recover the outstanding premiums.

## Why are compounding interests and late payment penalties imposed on outstanding premiums?

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As an insurance scheme, MediShield Life is intended to be self-sustaining, with all costs and payments to be supported by premiums collected.

Interest collected will help to recover the opportunity cost to the MediShield Life Fund, as the premiums would otherwise have been invested to support future claim payment from the MediShield Life Fund. This loss can translate to higher premiums for other insured persons if the premiums are not recovered early.

Late payment penalties are imposed to encourage prompt payment and support the administrative cost of premium recovery and enforcement.

### What is the late payment penalty and interest rate and how are they computed?



If the premium is not fully paid or paid late, a 5% late payment penalty will be imposed on full policy year premium after the active premium payment measures taken by CPF Board.

Additional penalties of 12% will be imposed if the premiums and any interest and late payment penalties imposed remain outstanding one year after the imposition of the 5% late payment penalty. Annual compounding interest of 4% will also be applied on the outstanding premiums and/or interest of those who persistently delay the payment of premiums to make up for the interest loss to the MediShield Life Fund.

A Demand Note (DN) will be issued to notify you of the late payment penalties and interest amount that will be imposed if the outstanding premiums are not paid in full before the payment due date in the DN.

## (i) Illustration for computation of Late Payment Penalty and Interest, with no payment received: Policy renewal date: 1 February 2021



Date of Event	Description of Event	Amount	Total Premium, Penalty and/or Interest payable
1 Feb 2021	Policy Renewal Date - premium for Policy Year 2021 due for payment	\$1,000.00	\$1,000.00

Date of Event	Description of Event	Amount	Total Premium, Penalty and/or Interest payable
1 Apr 2021	Demand Note served to notify of $5\%$ late payment penalty amount of \$50.00 (i.e. $5\%$ x \$1,000) that will be imposed on the premium if full payment is not received by the due date - 22 Apr 2021.	-	\$1,000.00
23 Apr 2021	Add: 5% late payment penalty for Policy Year 2021	\$50.00	\$1,050.00
1 Feb 2022	Premium remains outstanding after 1 policy year.  Demand Note served to notify of the 4% interest that will be imposed on the premium that remains outstanding after the due date - 22 Feb 2022.	-	\$1,050.00
23 Feb 2022	Add: Interest compounded on premium for Policy Year 2021 that remains outstanding (i.e. 4% x \$1,000)	\$40.00	\$1,090.00
23 Apr 2022	Premium remains outstanding 1 year after the 5% late payment penalty was imposed.	-	\$1,090.00
	Demand Note issued to notify of 12% late payment penalty amount of \$120 (i.e. $12\% \times \$1,000$ ) that will be imposed on the outstanding premium if full payment is not received by the due date - 14 May 2022.		
15 May 2022	Add: 12% late payment penalty for Policy Year 2021	\$120.00	\$1,210.00

Note: Interest will continue to compound on the premium and interest that remain outstanding after each policy year.

# (ii) Illustration for computation of Late Payment Penalty and Interest, with partial payment received: Policy renewal date: 1 February 2021

Date of Event	Description of Event	Amount	Total Premium, Penalty and/or Interest payable
1 Feb 2021	Policy Renewal Date - premium for Policy Year 2021 due for payment	\$1,000.00	\$1,000.00
1 Apr 2021	Demand Note served to notify of $5\%$ late payment penalty of \$50.00 (i.e. $5\% \times \$1,000$ ) that will be imposed on the premium if full payment is not received by the due date - 22 Apr 2021.	-	\$1,000.00
10 Apr 2021	Less: Payment received - Offset against outstanding premium of \$1,000	\$(500.00)	\$500.00
23 Apr 2021	Add: 5% late payment penalty for Policy Year 2021	\$50.00	\$550.00

Date of Event	Description of Event	Amount	Total Premium, Penalty and/or Interest payable
1 Feb 2022	Premium remains outstanding after 1 policy year.  Demand Note served to notify of the 4% interest that will be imposed on the premium that remains outstanding after the due date on 22 Feb 2022.	-	\$550.00
20 Feb 2022	Less: Payment received - Offset against outstanding late payment penalty of \$50	\$(40.00)	\$510.00
23 Feb 2022	Add: Interest compounded on premium for Policy Year 2021 that remains outstanding (i.e. 4% x \$500)	\$20.00	\$530.00
20 Mar 2022	Less: Payment received - Offset against outstanding late payment penalty of \$10, followed by outstanding interest of \$20	(\$25.00)	\$505.00
23 Apr 2022	Premium remains outstanding 1 year after the 5% late payment penalty was imposed.	-	\$505.00
	Demand Note issued to notify of 12% late payment penalty amount of \$60 (i.e. $12\% \times $500$ ) that will be imposed on the outstanding premium if full payment is not received before the due date on 14 May 2022.		
15 May 2022	Add: 12% late payment penalty for Policy Year 2021	\$60.00	\$565.00

Note: Interest will continue to compound on the premium and interest that remain outstanding after each policy year.

I received a letter from IRAS requesting for payment of the outstanding premiums of my parent who has passed away. What should I do?

premiums

As the Legal Personal Representative of your parent, you are required to make payment for the outstanding premiums (including interest and penalties, if applicable) from the funds/assets in your parent's estate.

If there are no or insufficient funds/assets in your parent's estate, the Legal Personal Representative(s) is/are required to submit a declaration form to IRAS to avoid any further action.

What do I do with the notice from IRAS if the recipient no longer stays at the address or is uncontactable?



Please return the notice under the Returned Mail Box commonly found at the letter box area, with a written remark that the recipient is uncontactable or no longer stays at the address.

You may also <u>write to the MediShield Life Team</u> to inform them that the recipient is no longer residing at the address with the following information:

- Your NRIC number; and
- Screenshots of the notice letter (Front and Back) with written remarks on the letter that the recipient is no longer

residing at the address.

## Further Enforcement measures to recover outstanding premiums

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### What does it mean to appoint agents to recover outstanding premiums?

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Agents refer to individuals or companies such as banks, tenants, lawyers, or employers, who hold monies due to the person who has defaulted on his or her premium payment.

Both defaulters and agents will be informed of the appointment by IRAS in writing. The appointed agents will be required to pay these monies to the MediShield Life Fund on behalf of the defaulter. For example, an employer who has been appointed as a defaulter's agent will be required to pay the premiums from the salary due to the defaulter.

I received a notice from IRAS informing me that I have been appointed as an agent. Why was the notice sent to me and what should I do?

If you have been appointed as an agent under the MediShield Life Scheme Act (e.g. tenant to your landlord, or employer to your employee), you are required to pay any money due to the defaulter (i.e. rent as a tenant, or wages as an employer) to the MediShield Life Fund. Kindly indicate the name and NRIC number of the defaulter when making payment into his MediSave Account.

If you have received such a notice but fail to comply, you can be held personally liable for the MediShield Life premiums owed under the MediShield Life Scheme.

If you have been appointed by IRAS as an agent but wish to object to the appointment, you may do so by writing to IRAS within 14 days after the receipt of the notice.

The bank has informed me that IRAS is recovering money from my bank account as it has been appointed as an agent. What can I do for the bank to be released as an agent?

Agents will only be released from the appointment after the outstanding premiums have been paid in full to the MediShield Life Fund.

## Note:

For banks appointed as agents, requests for the release of your banks from the agent appointment cannot be processed on Saturdays, Sundays and Public Holidays. Any request for release of bank appointment after 2pm on weekdays can only be processed on the next working day.

### What is a Travel Restriction Order?



A Travel Restriction Order (TRO) is a recovery measure to prevent defaulters from leaving Singapore without paying the outstanding premiums.

If a TRO has been issued, you will not be allowed to travel out of Singapore until you pay the premiums in full.

It is your responsibility to ensure that you have a valid pass to remain in Singapore. If extension of time is required to settle your outstanding premiums, please approach the Immigration & Checkpoints Authority (ICA) to extend your stay in Singapore.

The TRO will be withdrawn after the MediShield Life Fund receives full payment of the outstanding premiums (including any penalties and interest, if applicable).

## Will I be arrested if I am unable to pay my premiums?

You will not be arrested if you are unable to pay your MediShield Life premiums. However, if you have been informed that you are disallowed travel out of Singapore until your premiums are paid, it will be an offence if you still attempt to leave the country.

Various forms of support are available to help with the payment of your MediShield Life premiums. If you wish to find out more about the available subsidies and support, please <u>write to the MediShield Life Team</u>, or call them on 1800-222-3399 if you are calling from Singapore / +65 6222 3399 if you are calling from overseas.

## **Inland Revenue Authority of Singapore**

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