h·well NHIS National Health Insurance Service

2025 제22차 국제연수과정
NHIS UHC GLOBAL ACADEMY

Understanding the Health Insurance Imposition System

Contents

Health Insurance Overview

Health Insurance Financial Resources

Composition of Funds

(Insurance premium) Health insurance subscribers pay monthly.

(Government Support) National Treasury and National Health Promotion Fund

– Every year, the government provides an amount equal to 14% of the expected income from insurance premiums for the year.

– According to the "National Health Promotion Act," the National Health Promotion Fund supports 6% of the finances.

Imposition of Premiums

The primary financial resource of health insurance is the **social insurance principle**, where subscribers bear the cost.

Premiums are calculated monthly, with the qualification date being the 1st of each month. Premiums are divided between workplace subscribers and self-employed subscribers.

Workplace Subscribers	Income from the business (monthly remuneration) and non–remuneration income (monthly non–remuneration) x premium rate
Self–Employed Subscribers	Household Income Insurance Premium + Asset Insurance Premium

For foreign regional subscribers, since their income and assets are harder to determine than those of nationals, their premiums are calculated similarly to those of nationals. If the previous year's calculated premium falls below the average, the average amount for all subscribers from the previous year is charged.

Health Insurance Overview

Current Health Insurance Premium System:

Workplace Subscribers

Insurance Premium on Salary

Salary × 7.09% = Health Insurance Premiums

Salary: Monthly remuneration
7.09%: Premium rates as of '24

Only! Split in half
personal burden | Workplace Burden

Insurance Premium on Other Income

If other income exceeds 20 million won annually, additional premiums are imposed.

2,000 Ten thousand won
Excess income

(Excess income ÷ 12 months) × Income Assessment Rate* × 7.09% = Health Insurance Premiums

Self-Employed Subscribers

Income: Monthly Income × 7.09% ('24)

\+

Asset: Property Insurance Premium Charge Score × 208.4 won ('24)

= Health Insurance Premiums

- (Income Assessment Rate) 50% for work and pension income, and 100% for other income from financial services (the same applies to income subject to local taxation)

Reform of the Insurance Premium Imposition System

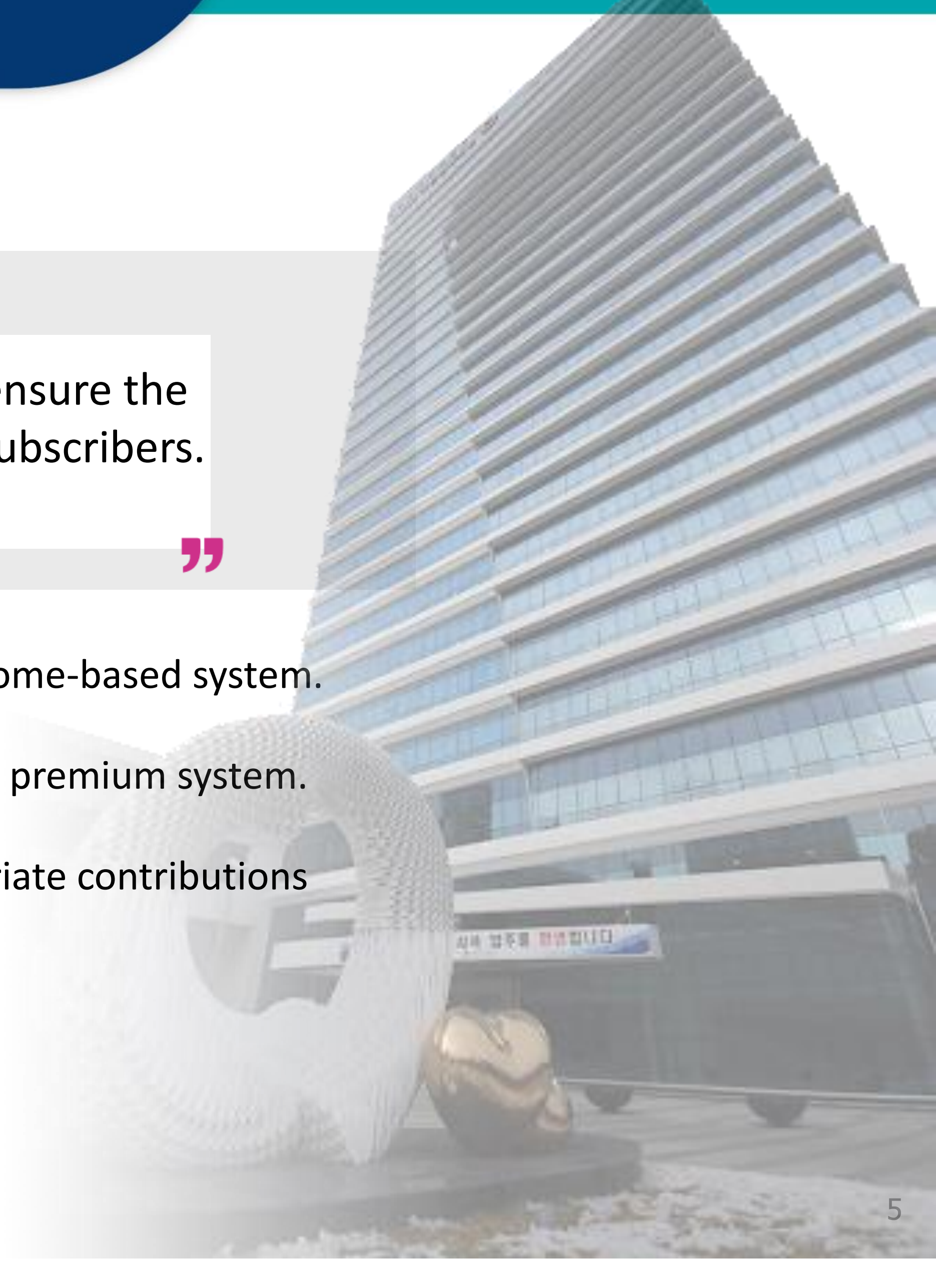
Purpose of the Insurance Premium System Reform

> “**To reform the step-by-step premium system centered on income** to ensure the sustainability of finances and to enhance fairness and equity among subscribers.
>
> ,”

01 **Reduce the contribution of asset-based premiums** in favor of an income-based system.

02 **Improve the fairness and equity among subscribers** by adjusting the premium system.

03 **Strengthen the sustainability of financial resources** through appropriate contributions



Reform of the Insurance Premium Imposition System

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Insurance Premium System Reform Timeline:

Promotion Progress

Apr 2017 — Promulgation of a law to partially amend the National Health Insurance Act

- 2017.3.30.
  - Partial amendment to the National Health Insurance Act passed by the National Assembly plenary session
  - * Approved by 99% of the members of the 350th 4th plenary session

Incidental Opinion

- The government will implement the reform of the health insurance premium charging system in a phased manner, taking into consideration equity between workplaces and local insurers, the acceptability of those who are eligible for premium increases, and fiscal sustainability.
- The Minister of Health and Welfare shall conduct an adequacy assessment for the implementation of the plan for the phased reorganization of the health insurance premium charging system, report the results to the Health and Welfare Committee, and implement the reorganization plan.
- In principle, health insurance premiums are charged on income. However, it can also be levied on property in consideration of the degree of identification of the income subject to the health insurance premium and the enforceability of the levy.
- The government strives to expand the income base for the charging of health insurance premiums by continuously monitoring the current status of comprehensive income taxation, including comprehensive taxable income and separate taxable income.

- 2017.4.18.
  Promulgation of Law No. 14776 to partially amend the law on the reorganization of the levy system

Jul 2018 — Phase 1 Reform

- 2018.3.6.
  - "Enforcement Decree of the National Health Insurance Act" Promulgation of Enforcement Regulations of the National Health Insurance Act
- 2018.3.30.
  - National Health Insurance Act Establishment and notification of administrative rules
- **2018.7.1.**
  Implementation of the 1st Phase of Health Insurance Premium System Reform

Sep 2022 — Phase 2 Reform

- 2022.2.8.
  - Held the 1st Working Committee
  - of the Insurance Premium Levy Committee
- 2022.5.18.
  - The 2nd Working Committee on Insurance Premiums was held.
- 2022.6.24.
  - The 1st Insurance Premium Charging System Improvement Committee was held
- **2022.9.1.**
  Implementation of the 2nd Phase of Health Insurance Premium System Reform

Feb 2024 — Phase 2.5 Reform

- 2024.2.13.
  - Expansion of property deductions, abolition of automobile insurance premiums

Reform of the Insurance Premium Imposition System

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Background of the first phase of the reorganization of the insurance premium charging system

Low-income subscribers
Equity controversy and increased premium burden

01

of high-income subscribers
It is necessary to pay the right amount of insurance premiums.

02

Dependents who are able to afford it
Free ride controversy

03

Maintaining the same standard for 18 years since 2000

Low-income subscribers
Controversy over the regressive income levy system

Between workplace and local subscribers
Equity controversy over the charging of insurance premiums

Dependents who are able to afford it
Free ride controversy

Through social consensus such as public opinion gathering and expert discussions, the National Health Insurance Act was passed by the National Assembly (April '17).

The health insurance premium charging system has been reorganized in stages (Phase 1 '18.July, Phase 2 '22.September).

Reform of the Insurance Premium Imposition System

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Background of the first phase of the reform of the insurance premium imposition system

01

Low-income subscribers
Equity controversy and increased premium burden

High-income subscribers need to bear appropriate insurance premium

Increased burden on low-income self-employed subscribers

(Fairness) Low-income (5 million won or less) local subscribers are charged based on property, car, and assessed income. Even if the income is the same, there are unreasonable cases where insurance premiums differ depending on gender, age, etc.

(Additional Burden) With assessed income estimated based on property and motor vehicle insurance premiums while charging property and automobile insurance premiums, The imposition will increase the premium burden of low-income area subscribers such as double duty

〈Standard of living and economic activity participation rate scores by section〉(As of '17)

Gender ,Age Fairness Controversy

Increased burden on double imposition

				3구간	4구간	5구간	6구간	7구간
가입자의 성별 · 나이	남성 (점수)	20세미만~ 65세이상	60세이상~ 65세미만	20세 이상~ 30세 미만, 50세 이상~ 60세 미만	30세 이상 50세 미만 (6.6)			
		(1.4)	(4.8)	(5.7)	(6.6)			
	여성 (점수)	20세미만~ 65세이상	60세이상~ 65세미만	25세 이상~ 30세 미만 50세 이상~ 60세 미만	20세 이상~ 25세 미만 30세 이상~ 50세 미만			
		(1.4)	(3.0)	(4.3)	(5.2)			
재산(만원) (점수)		450 이하	450 초과~ 900 이하					
		(1.8)	(3.6)	(5.4)	(7.2)	(9.0)	(10.9)	(12.7)
자동차(연간세액) (점수)		6만4천원이하	6만4천원초과~ 10만원이하	10만원초과~ 22만4천원이하	22만4천원초과~ 40만원이하	40만원초과~ 55만원이하	55만원초과~ 66만원이하	66만원초과
		(3.0)	(6.1)	(9.1)	(12.2)	(15.2)	(18.3)	(21.3)

Reform of the Insurance Premium Imposition System

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Background of the first phase of the reform of the insurance premium imposition system

Low-income subscribers
Equity controversy and the issue of increasing insurance premiums

02

of high-income subscribers
It is necessary to pay the right amount of insurance premiums.

Dependents who are able to afford it
Free ride controversy

Compensation for employees is based on a fixed income rate system, but premiums are charged.

Non-remunerative income of employees is not subject to insurance premiums up to 72 million won

(Workplace Subscribers)

Annual remuneration 72,000,000 won

Health insurance premium of KRW 183,600 (deductible)

※ 1,443 points (income score) X 179.6 (premium charge score, as of '17)

(Workplace Subscribers)

Interest income 72 million won

Charge 0 won for health insurance

※ Insurance premium will be charged if the monthly premium exceeds 72 million won

“There is a difference in the levy standard for the same income (interest income, etc.)

=〉 Equity between sectors and the need to increase the appropriate burden of high-income subscribers”

Reform of the Insurance Premium Imposition System

Background of the first phase of the reform of the insurance premium imposition system

Low-income subscribers
Equity controversy and the issue
of increasing insurance premiums

of high-income subscribers
It is necessary to pay the right amount
of insurance premiums.

Dependents who are able to afford it
Free ride controversy

03

Self-Employed subscribers pay the lowest premiums even if they do not have income or assets.
(´17 years 3,660 won)
Even if dependents have income and assets, if they are below a certain level,
they are not charged a premium.

(Self-Employed Subscribers)
Pension income of KRW 40 million
Financial income of KRW 40,000,000
Earned income 40,000,000 won

Health insurance premium of KRW 234,010
※ 1,303 points (income score) X
179.6 (premium charge score, as of '17)

(Dependents)
Pension income of KRW 40 million
Financial income of KRW 40,000,000
Earned income 40,000,000 won

Charge 0 won for health insurance
※ Income requirements: 40 million won or less per year
for each income (up to 120 million won)
If the sum of the property requirements and tax base is
less than 900 million won

"Dependents who can afford to pay for free-riding controversy"

Reform of the Insurance Premium Imposition System

Background of the first phase of the reform of the insurance premium imposition system

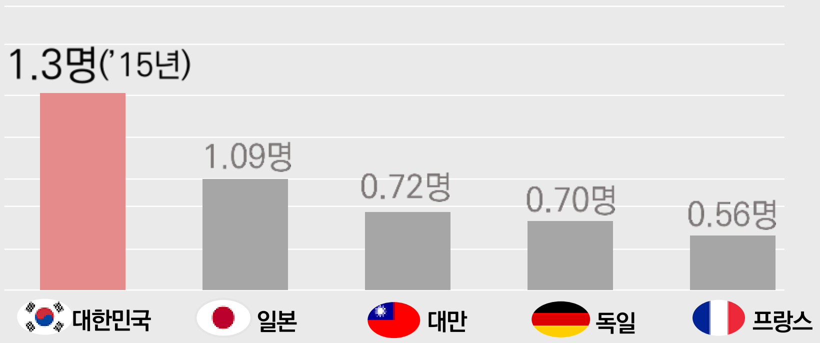
Low-income subscribers
Equity controversy and the issue
of increasing insurance premiums

of high-income subscribers
It is necessary to pay the right amount of
insurance premiums.

03 Dependents who are able to afford it
Free ride controversy

By recognizing dependents broadly so that all citizens can receive insurance benefits in a short period of time,
Compared to major countries overseas, the dependency rate is high

〈 주요국의 피부양률 비교 (2011년) 〉



Reform of the Insurance Premium Imposition System

Background of the first phase of the reform of the insurance premium imposition system

	Before the reorganization (~July 2018)	Phase 1 reorganization(July 2018~)
Local Subscribers **Vulnerable Groups Burden Relief**	• Low-income assessed income premiums (Gender, age, income, property, car) • Charge a property insurance premium (Land, houses, buildings, rents) • Car Insurance Charges (Car type, age of use, displacement)	• Abolition of assessed income insurance premiums • Introduction of property deduction system (500~12,000,000 won differential deduction) • Exemption from subsistence car insurance premiums such as small cars • Higher premium cap (Adjustment of the upper limit of insurance premiums by 7800→99 million won through the expansion of the income classification table)
Workplace Subscribers **High Earners Reasonable burden**	• Remuneration × premium rate • Non-remuneration income supplemental premium (When non-remuneration income exceeds 72 million won per year)	• Non-remuneration income premium basis Strengthened to 34 million won a year
Dependents **Improving Equity**	• ①finance, ②annuity ③Working+Other Income Each exceeds 40 million won per year (up to 120 million won) • Assets exceeding 900 million won • Recognition of dependents up to siblings	• Strengthening the income requirement of 34 million won per year • Exceeding 540 million won in property requirements + Standards strengthened for annual income exceeding 10 million won • Brothers and sisters are excluded in principle (However, people over 65 years old, under 30 years old, and people with disabilities are allowed.)

Reform of the Insurance Premium Imposition System

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Main effects of the first phase of the reform of the insurance premium charging system

The burden on low-income citizens has been reduced, and fairness among subscribers has increased.

Local Subscribers

Vulnerable Groups Burden Relief

The monthly insurance premiums of 5.68 million households (77%) decreased by an average of 21,000 won, easing the burden of insurance premiums on the people.

1단계 (July 2018)

5.68 million households (77% of all subscribers)

Decrease in insurance premiums by 21,000 won

Workplace Subscriber

High Earners Reasonable burd

150,000 households with large non-remuneration income (rental income, etc.) will pay additional premiums.

Income other than salary (wages) subject to insurance premium imposition"

1단계 (2018년7월)

150,000 households

Individuals subject to additional insurance premium imposition for income other than salary

Average monthly increase of 129,000 won

Dependents

Improvement of fairness

280,000 households with high incomes and assets will pay premiums.

Dependent Local Subscriber Conversion

1단계 (2018년7월)

280,000 households (360,000 people)

Self-employed Subscriber Conversion Generation

Average monthly 50,000 won new charge

Reform of the Insurance Premium Imposition System

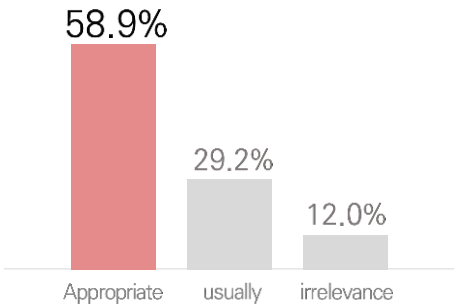
Major Achievements of the reform the Insurance Premium Imposition System

Collect public opinions by surveying public satisfaction with the reorganization of the insurance premium charging system

17 cities nationwide, 3,000 men and women between the ages of 19~70 58.9% Appropriate

Satisfaction and improvement of the first stage of the levy system reorganization

For citizens of 17 cities and cities nationwide



Participation Status: 3,000 men and women aged 19~70 from 17 cities across the country participated
Period and Method (1st): 2018.10.24. ~ 29., Telephone interview survey (2,000 people)
Period and Method (2nd): 2018.11.2. ~ 14., Online and face-to-face survey (1,000 people)
Contents (1st): 17 items on awareness and publicity effect of the implementation of the levy system reform
Contents (2nd): 14 items on awareness and publicity effect of the implementation of the levy system reform

For good reason	
1	Expansion of levy for high-income earners
2	Improving free rides
3	Introduction of minimum insurance premiums

Why it is inappropriate	
1	Lack of sufficient publicity
2	Increases in insurance premiums

Reform of the Insurance Premium Imposition System

Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income imposition system

of high-income subscribers
It is necessary to pay the right amount of insurance premiums.

Dependents with ability to pay
Free ride controversy

Maintaining the same standard for 18 years since 2000

01 Low-income subscribers
Controversy over the regressive income levy system

02 Between workplace and self-employed subscribers
Fairness controversy over the imposition of insurance premiums

03 Dependents who are able to afford it
The ongoing free-ride controversy

After the reorganization of the first phase of the health insurance premium charging system ('18.July),
for the continuation of the income-based levy system,

Reflecting social and environmental changes such as the realization of the public notice*, we have implemented the amendment to the second phase of the reorganization of the health insurance premium charging system.

- Raising the demand for the strengthening of the dependents' property standards agreed upon by the National Assembly in the past (Imposition Working Committee, '22.2.8), and amending the National Assembly consensus bill (strengthening the property tax table from 5.4→360 million won) to maintain the current dependents' property standards

Reform of the Insurance Premium Imposition System

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Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income imposition system

01

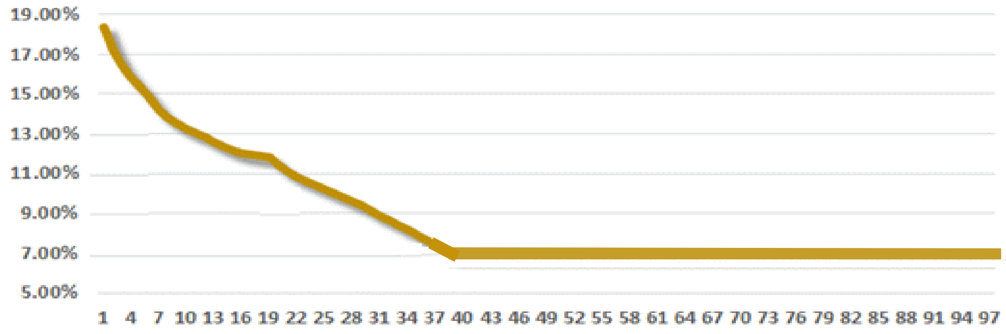
Fairness controversy over insurance premium imposition between workplace and self-employed subscribers

Dependents with the ability to pay
Ongoing free-riding controversy

After the first stage of reform, the income insurance premium levy has been based on a regressive graded point system.

Low-income groups are actually paying higher insurance premiums relative to their income.

〈 After the first stage of reform, the premium-to-income ratio for local subscribers by income class〉



"Up to 20% of low-income segments are reversed.
=〉 Need to improve equity between income groups =〉 Reorganization from income class system to flat rate system"

Reform of the Insurance Premium Imposition System

Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income levy system

Between workplace and self-employed subscribers
Fairness controversy over the charging of insurance premiums

Dependents with the ability to pay
Ongoing free-riding controversy

02

Although property and vehicles have little correlation with actual living ability.

Self-employed subscribers still have a High proportion of insurance premiums from assets and vehicles besides income.

〈Proportion of income levy in local insurance premiums〉

Immediately after the reform of the first phase

Health Insurance Premiums ('18)

Income-based insurance premium proportion44.9%

Property-based insurance premium proportion: 55.1%

“Following the reform of the Imposition system, it is necessary to continuously reduce the proportion of property insurance premiums.

=) Need to continue to reform the levy system according to actual economic capacity”

Reform of the Insurance Premium Imposition System

Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income imposition system

Between workplace and self-employed subscribers
Fairness controversy over the charging of insurance premiums

02

Dependents with the ability to pay
Ongoing free-riding controversy

Self-Employed subscribers will reflect 100% of their combined income in their premiums.

(Self-Employed Subscribers)

Interest income KRW 34 million | Health insurance premium KRW 198,050

※(KRW 34 million / 12 months) X Health Insurance Premium Rate (6.99%, as of '22)

(Workplace Subscribers)

Interest income KRW 34 million | Charge 0 won for health insurance

※ 20 million won deduction is not charged in full

"A difference in premium imposition arises for the same income (interest income, etc.)

=> Need to improve equity across sectors"

Reform of the Insurance Premium Imposition System

Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income levy system

Between workplace and self-employed subscribers
Fairness controversy over the charging of insurance premiums

03 Dependents with the ability to pay
Ongoing free-riding controversy

After the first phase of the reform, despite the tightening of the dependent criteria, compared to major countries overseas, the dependency rate is still high

〈Dependents' Income Standards〉

Division	Dependents' Income Standards	
Korea	Rework	KRW 40,000,000
	Phase 1 reorganization	KRW 34,000,000
	Phase 2 reorganization	KRW 20,000,000
Germany	7,200,000 won	
Japan	KRW 12,780,000	

〈Dependent rate per employee〉

Division	Dependency rate (at 19 years)
Korea	1.3 people → 0.95 people ('15) ('22)
Germany	0.29 people
Japan	0.68 people
Taiwan	0.49 people

Reform of the Insurance Premium Imposition System

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Background of the second phase of the reform of the insurance premium Imposition system

Low-income subscribers
Controversy over the regressive income levy system

Between workplace and local subscribers
Equity controversy over the charging of insurance premiums

03

Dependents with the ability to pay
Ongoing free-riding controversy

Self-Employed subscribers pay the lowest premiums even if they do not have income or assets.
('24 years 19,780 won)
Dependents do not charge premiums if they have income and assets but are below a certain level.

(Self-Employed Subscribers)

Interest income KRW 34 million

Health insurance premium of KRW 173,400 will be charged

※ (KRW 34 million / 12 months) X Health Insurance Premium Rate (6.12%, as of '17)

(Dependents)

Interest income KRW 34 million

Charge 0 won for health insurance

※ Dependents' income recognition requirement
34 million won (after the first stage of reorganization)

"Controversy arises over dependents with the ability to pay benefiting without contributing"

Reform of the Insurance Premium Imposition System

Key details of the Phase 2 reform of the insurance premium imposition system

	Phase 1 reorganization (July 2018~)	Phase 2 reorganization (July 2018~)
Local Subscribers Subscriber-to-subscribe Advancing Equity	• Income insurance premium grading system • Introduction of property deduction system (differential deduction of 500~13.5 million won) • Charges for cars over 1,600cc • Introduction of minimum insurance premiums (annual income of 1 million won or less)	• Introduction of a fixed income insurance premium system • Expansion of property deduction (lump sum deduction of 50 million won based on taxation) • Only cars over 40 million won will be charged for insurance • Unified minimum insurance premiums (annual income of 3.36 million won or less)
Workplace Subscribers Appropriate contribution for high-income individuals"	• Non-salary income threshold 34 million KRW per year	• Non-salary income threshold 20 million KRW per year
Dependents Improving Fairness	Income beyond 34 million KRW annually → transferred to self-employed subscriber.	Income beyond 20million KRW annually → transferred to self-employed subscriber.
Ball Barrel Equitable imposition based on income	• Pension and earned income reflection rate 30%	• Strengthening the reflection rate of pension and earned income to 50%

Reform of the Insurance Premium Imposition System

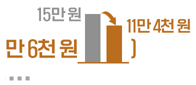
Key details of the Phase 2 reform of the insurance premium imposition system

Self-Employed Subscribers

The contribution of property and vehicle Premiums is reduced, and fairness is improved

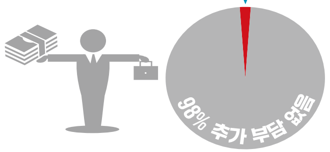
A reduction in their insurance premium contribution for most self-employed subscribers

65% (5.6 million households) Monthly premiums reduced by an average of 39,600 KRW



Workplace Subscribers

Workplace subscribers with significant non-salary (wage) income will see an increase in their insurance premium contributin

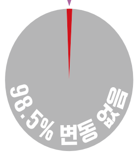


Only the top 2% will bear additional contribution Workplace subscribers with significant non-salary income

Dependents

Dependents with the ability to pay will be transferred to self-employed subscribers and will begin paying insurance premiums

Strengthened criteria for recognizing income and assets of dependents



Only the top 1.5% will bear insurance premium contribution Dependents with income and assets

Reform of the Insurance Premium Imposition System

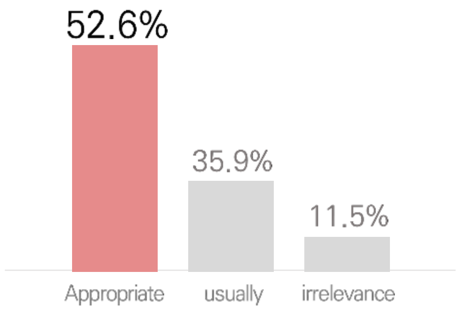
Major Achievements of the 2nd Phase Reorganization of the Insurance Premium Charging System

Collecting public opinions by surveying public satisfaction with the reform of the insurance premium imposition system

17 cities nationwide, 2,000 men and women between the ages of 19~70 52.6% Appropriate

Satisfaction and improvement points of the second stage reorganization of the levy system

For citizens of 17 cities and cities nationwide



Participation status: 2,000 men and women between the ages of 19~70 from 17 cities across the country participated

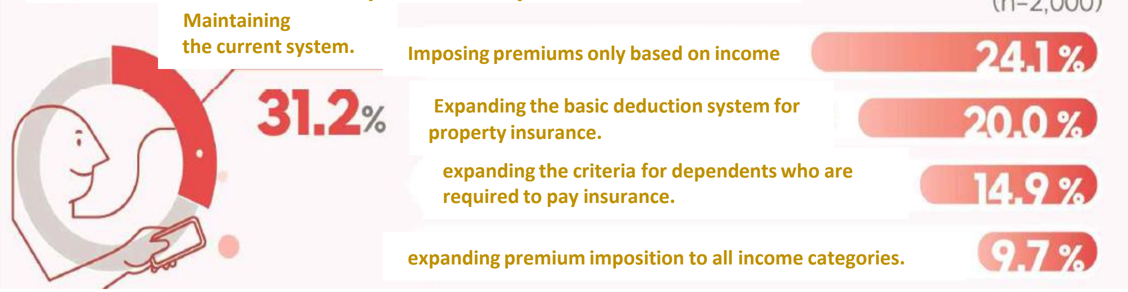
Period: October 12 (Wed) ~ November 20 (Sun), 2022

Surveyed by: Korea Research International

Reasons for satisfaction	
1	Improvement of the same charging method
2	Property Insurance Premium Relief
3	Improvement of free riding

Reasons for dissatisfaction	
1	The Problem of Free Riding
2	Increases in insurance premiums

Important factors for future reform of the health insurance premium system

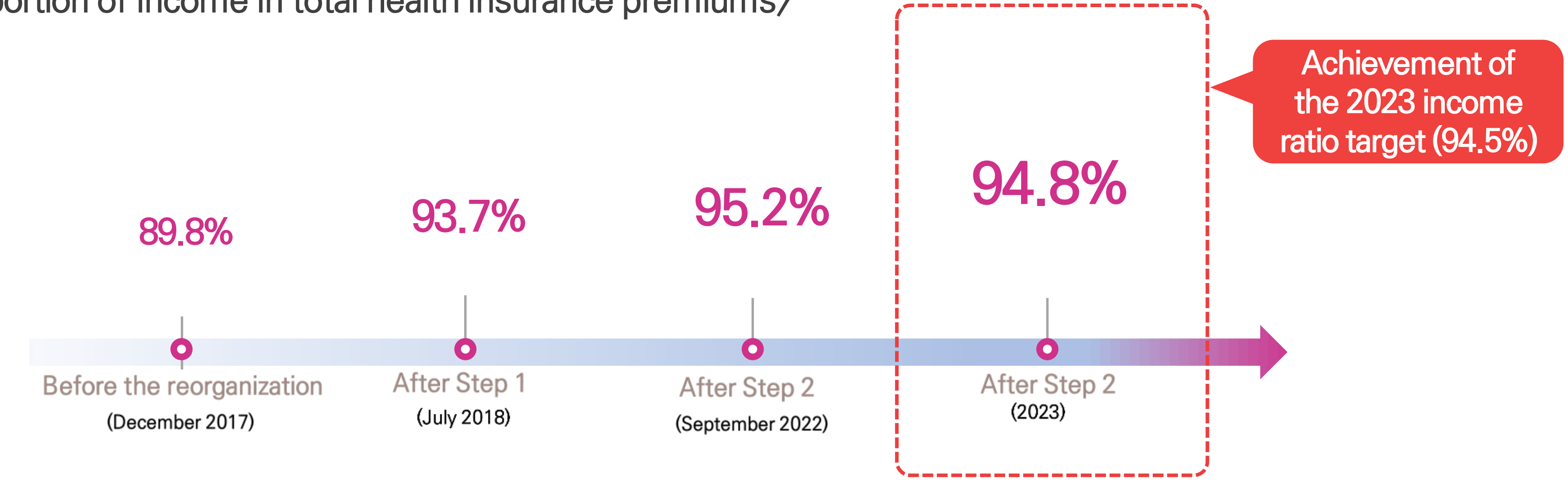


Reform of the Insurance Premium Imposition System

Major Achievements of the 2nd Phase Reform of the Insurance Premium Imposition System

By continuously promoting income-based reform, the 2023 income ratio target (94.5%) has been achieved.

〈Proportion of income in total health insurance premiums〉



Reform of the Insurance Premium Imposition System

Reform of the Insurance Premium Imposition System

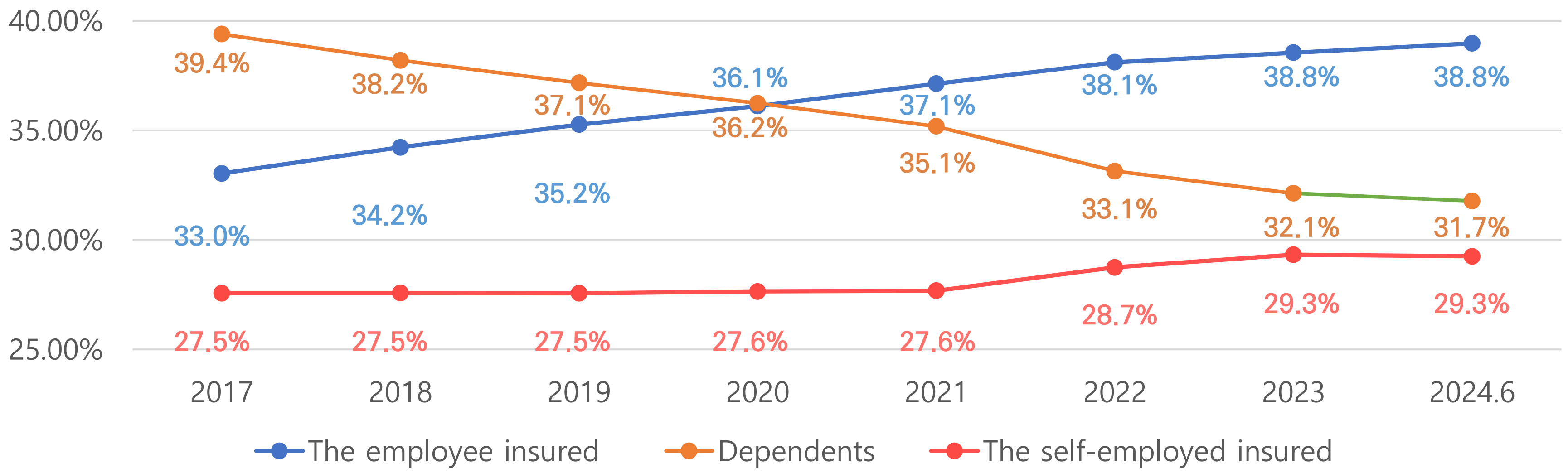
		Before Reform	Phase 1 Reform (July 2018)	Phase 2 Reform (September 2022)	Continuing the Income-based Contribution System (February 2024)
Common (for all insured)		Pension /earned income evaluation rate: 20%	Pension /earned income evaluation rate: 30%	Pension /earned income evaluation rate: 50%	
Self-employed insured	Income	Assessed income applied (For annual income less than5 million KRW) Income grade table: up to grade 75 (5 million KRW ~ 499 million KRW)	Assessed income abolished Income grade table expanded to 97 grades (1 million KRW ~ 1.14 billion KRW)	Income grade table abolished and proportional tax system introduced	
	Assets	No asset deduction applied	Asset deductions introduced (Taxable value 500,000 ~ 12 million KRW)	Asset deduction expanded (Taxable value 50 million KRW)	Asset deduction expanded (Taxable value ceiling100 million KRW)
	Vehicles	Insurance premiums applied to all vehicles less than15 years old	Livelihood-type vehicles exempt from premium contribution	Premiums levied only on high-value vehicles	Vehicle-based contributions abolished
	Minimum contribution	No separate minimum contribution standard	Minimum premium: Introduced (Applied when annual income is less than 1 million KRW)	Minimum premium: Introduced (Applied when annual income is less than 3.36 million KRW)	
Employee insured		Non-wage income exceeding 72 million KRW	Non-wage income exceeds 34 million KRW	Non-wage income exceeds 20 million KRW	
Dependent	Income	Annual combined income up to 120 million KRW	Annual combined income up to 34 million KRW	Annual combined income up to 20 million KRW	
	Assets	Property tax base up to 900 million KRW	Property tax base up to 340 million KRW	Property tax base up to 340 million KRW	
	Family eligibility	Siblings included as dependents	Siblings excluded in principle but they are allowed only if eligibility criteria are met*	Siblings excluded in principle but they are allowed only if eligibility criteria are met*	

Reform of the Insurance Premium Imposition System

Changes in Composition of the Insured Following Insurance Premium System Reform

Although the total number of the insured remains around 51 million, the phase 1 and phase 2 reforms of the contribution system have increased the shares of both the employee insured and the self-employed insured and reduced the proportion of dependents

- Composition Changes: the employee insured (2017) 33.0% → (June 2024) 38.8% / the self-employed insured (2017) 27.5% → (June 2024) 29.3% / dependents (2017) 39.4% → (June 2024) 31.7%



(Unit: Thousand)

	2017	2018	2019	2020	2021	2022	2023	June 2024
The insured	50,941 (100%)	51,072 (100%)	51,391 (100%)	51,345 (100%)	51,412 (100%)	51,410 (100%)	51,453 (100%)	51,425 (100%)
The employee insured	16,830 (33.04%)	17,480 (34.23%)	18,123 (35.26%)	18,543 (36.11%)	19,090 (37.13%)	19,594 (38.11%)	19,834 (38.87%)	20,042 (38.97%)
Dependents	20,069 (39.40%)	19,510 (38.20%)	19,104 (37.17%)	18,607 (36.24%)	18,090 (35.19%)	17,039 (33.14%)	16,531 (32.13%)	16,343 (31.78%)
(Dependency ratio, no. of people)	1.19	1.12	1.05	1.00	0.95	0.87	0.83	0.82
The self-employed insured	14,042 (27.57%)	14,082 (27.57%)	14,164 (27.56%)	14,195 (27.65%)	14,232 (27.68%)	14,777 (28.74%)	15,089 (29.33%)	15,040 (29.25%)

※ Figures for 2017–2023 are based on year-end data while 2024 figures reflect month-end data

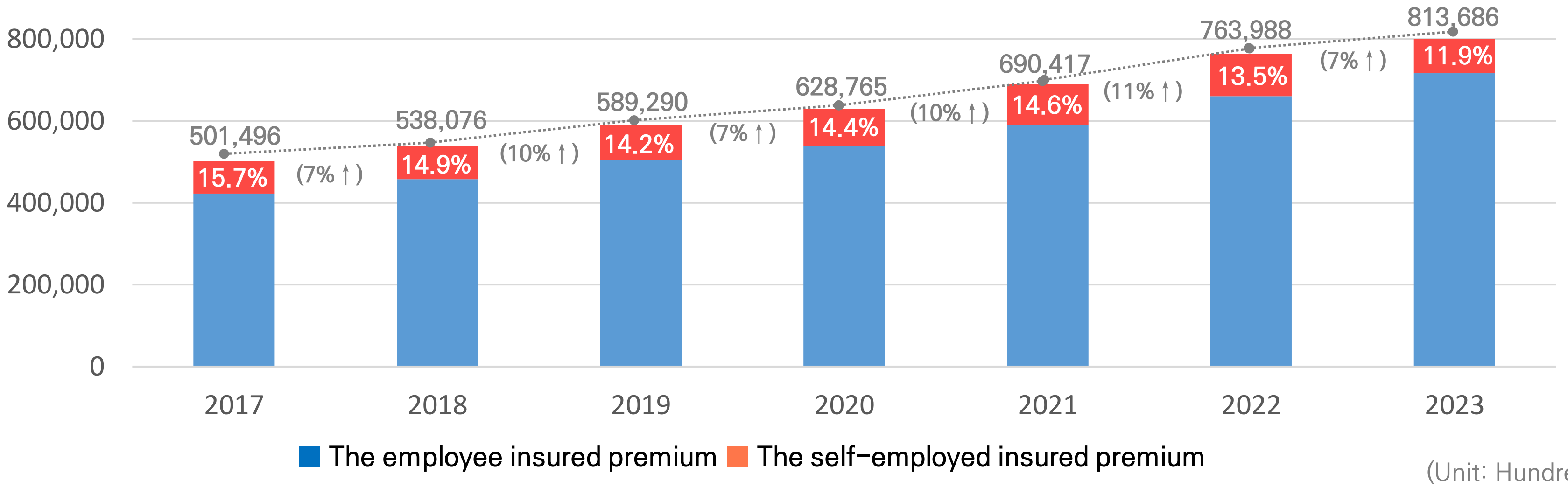
Reform of the Insurance Premium Imposition System

Financial Status of National Health Insurance Following Premium System Reform

Total premium income has continued to grow steadily (with an average annual increase of approximately 8%). However, the proportion of the self-employed insurance premium income has declined over time (falling from 15.7% in 2017 to 11.9% in 2023)

- The second phase of the insurance premium system reform (including the introduction of a flat 50 million KRW asset deduction) further accelerated this decline (decreasing from 14.6% in 2021 to 13.5% in 2022, and to 11.9% in 2023)

〈Trends in National Health Insurance Premium Income and the Self-employed Insured Premium Share〉



(Unit: Hundred of million KRW)

	2017	2018	2019	2020	2021	2022	2023
Total premium income	501,496 (100%)	538,076 (100%)	589,290 (100%)	628,765 (100%)	690,417 (100%)	763,988 (100%)	813,686 (100%)
The self-employed insured premium	78,600 (15.67%)	80,063 (14.88%)	83,443 (14.16%)	90,135 (14.34%)	100,449 (14.55%)	103,267 (13.52%)	96,881 (11.91%)
The employee insured premium	422,896 (84.33%)	458,013 (85.12%)	505,847 (85.84%)	538,630 (85.66%)	589,968 (85.45%)	660,721 (86.48%)	716,805 (88.08%)

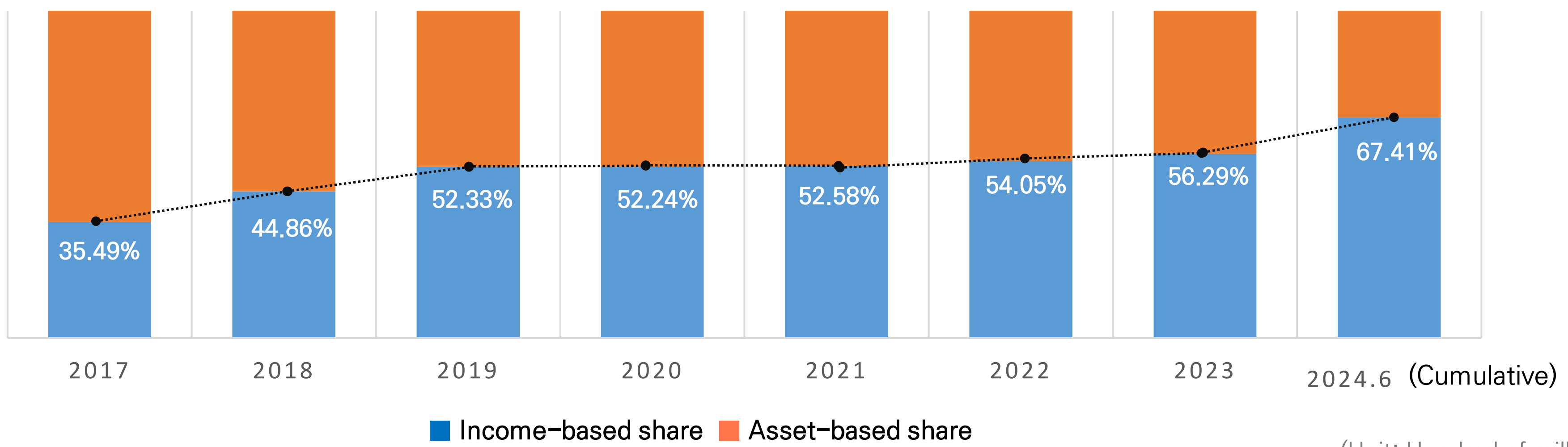
Reform of the Insurance Premium Imposition System

Progress of Premium System Reform and the Self-employed Insurance Premium Income Share (%)

The income-based portion of the self-employed insurance premium has steadily increased through phase 1 and phase 2 of the insurance premium system reform.
The expansion of asset deductions in February 2024 from 50 million KRW → 100 million KRW) further accelerated the shift toward income-based premium.

- The income-based share of the self-employed insurance premium increased by 11.43 percentage points (from 44.86% in 2018 to 56.29% in 2023) following phase 1 and phase 2 of the premium system reform and further rose by 11.12 percentage points (to 67.41% as of June 2024) after the expansion of asset deductions.

〈Income-Based Share of the Self-employed Insurance Premium〉



(Unit: Hundred of million KRW)

	2017	2018	2019	2020	2021	2022	2023년	June 2024 (Cumulative)
Income percentage	35.49%	44.86%	52.33%	52.24%	52.58%	54.05%	56.29%	67.41%
The self-employed premium income	79,682	76,075	83,616	91,506	100,202	100,858	97,366	47,738
Income-based share	28,280	34,130	43,758	47,800	52,690	54,517	54,800	32,183
Asset-based share	51,402	41,945	39,858	43,706	47,512	46,341	42,566	15,555

Future Tasks for Improving the Premium Imposition System

Future Tasks for Improving the Health Insurance Premium Imposition System?

Address dependent free-riding

Expand the scope of assessable income

Unify the employee insured and the self-employed insured contribution assessment systems

Lower thresholds for non-wage income contribution

Revise the premium reduction

Financial Sustainability

Expand property deduction policies

Raise premium ceilings

Improve premium imposition units

Establish realistic minimum premium

Future Tasks for Improving the Premium Imposition System

3 Strategic Directions for Reforming the National Health Insurance Premium Imposition System

Expand the scope of assessable income

Address dependent free-riding

Unify the employee insured and the self-employed insured contribution assessment systems

Lower thresholds for non-wage income contribution

Revise the premium reduction

Financial Sustainability

Expand property deduction policies

Improve premium imposition units

Raise premium ceilings

Establish realistic minimum premium

Enhancing equity and fairness in imposition assessment

Ensuring the long-term sustainability of health insurance finances

Improving public acceptability through rational and system improvements

2025 제22차 국제연수과정

NHIS UHC GLOBAL ACADEMY

Thank You

h·well NHIS National Health Insurance Service