

Employee's Health Insurance Premium and Contribution to the Health Service Systems to the Elderly

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Abstract

we examine how large the employee bears the marginal increase of the premium caused by the increase of the contributions to the Health Service Systems for the Elderly (HSSE) or the Health Service Systems for the Retired (HSSR), whether the increase are shifted to the wage and what factors determine the volume of the fringe benefits associated with the health insurance. We find that ten percent increase of the proportion of the contribution to the HSSE to the total revenue causes nearly 1.5 percent point increase of the employee's premium rate but no changes of the employer's premium rate. We also find that societies composed of only one workplace may shift the increase of the expenditure to the wage but most of the societies do not change the employee's wage corresponding to the increase of the expenditure. Societies of higher-salary employee tend to provide more additional benefits or health promoting services.

Keywords: Health service systems for the elderly, fringe benefits

JEL classification: I10, I11, I18

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