



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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September 16, 2015

**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2016**

For a medical benefit plan coverage year beginning on or after January 1, 2012, MCL 15.563, as amended by 2013 Public Act 270, sets a limit on the amount that a public employer may contribute to a medical benefit plan.

For medical benefit plan coverage years beginning on or after January 1, 2013, MCL 15.563 provides that the dollar amounts that are multiplied by the number of employees with each coverage type be adjusted annually. Specifically, the dollar amounts shall be adjusted, by October 1 of each year, by the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available. For calendar year 2015, the limit on the amount that a public employer may contribute to a medical benefit plan was set to the sum of the following:

- \$5,992.30 times the number of employees and elected public officials with single-person coverage
- \$12,531.75 times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- \$16,342.66 times the number of employees and elected public officials with family coverage.

The limits for 2016 equal the 2015 limits increased by **2.5 percent**. The 2.5 percent is the percentage change in the medical care component from the period September 2013-August 2014 to the period September 2014-August 2015.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2016, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **\$6,142.11** times the number of employees and elected public officials with single-person coverage
- **\$12,845.04** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **\$16,751.23** times the number of employees and elected public officials with family coverage.

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State Treasurer

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