



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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January 13, 2014

**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2014**

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 2013, the limit on the amount that a public employer may contribute to a medical benefit plan was set to the sum of the following:

- \$5,692.50 times the number of employees and elected public officials with single-person coverage
- \$11,385.00 times the number of employees and elected public officials with individual-and-spouse coverage
- \$15,525.00 times the number of employees and elected public officials with family coverage.

The limits for 2014 equal the 2013 limits increased by **2.9 percent**, with the exception of individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage, which was amended by 2013 Public Act 270. The 2.9 percent is the percentage change in the medical care component from the period September 2011-August 2012 to the period September 2012-August 2013.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2014, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **\$5,857.58** times the number of employees and elected public officials with single-person coverage
- **\$12,250.00** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **\$15,975.23** times the number of employees and elected public officials with family coverage.

R. Kevin Clinton
State Treasurer

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