



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: September 20, 2016
TO: Nick Khouri
State Treasurer
FROM: Jay Wortley, Director *JW*
Office of Revenue and Tax Analysis
SUBJECT: Public Employer Contribution to Medical Benefit Plan Limitation Notice

Attached is the updated Public Employer Contribution to Medical Benefit Plan Limitation Notice for your review and signature. The maximum amount a public employer may contribute per employee to a medical benefit plan for coverage years beginning in calendar year 2017 is established by increasing the 2016 maximum level by the increase in the medical care component of the U.S. CPI.

Per law, the annual cost limitations must be available by October 1, 2016.

Please contact Tom Patchak-Schuster at 3-0648 or me at 3-2697 if you have any questions.

Attachment

cc: Evah Cole
Howard Heideman
Thomas Patchak-Schuster
Becki Gresh ✓



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**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2017**

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 2016, the limit on the amount that a public employer may contribute to a medical benefit plan was set to 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.

The limits for 2017 equal the 2016 limits increased by **3.3 percent**. The 3.3 percent is the percentage change in the medical care component from the period September 2014-August 2015 to the period September 2015-August 2016.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2017, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **\$ 6,344.80** times the number of employees and elected public officials with single-person coverage
- **\$13,268.93** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **\$17,304.02** times the number of employees and elected public officials with family coverage.

September 20, 2016

Nick A. Khouri
State Treasurer