



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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GOVERNOR

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September 18, 2012

**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2013**

For a medical benefit plan coverage year beginning on or after January 1, 2012, MCL 15.563 sets a limit on the amount that a public employer may contribute to a medical benefit plan to the sum of the following:

- \$5,500.00 times the number of employees with single person coverage
- \$11,000.00 times the number of employees with individual and spouse coverage
- \$15,000.00 times the number of employees with family coverage.

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.

By October 1, 2012, the most recent 12-month period available for the U.S. medical care component CPI data spans from September 2011-August 2012. The percentage change in the medical care component from the period September 2010-August 2011 to the period September 2011-August 2012 is **3.5 percent**.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2013, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

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

Andy Dillon
State Treasurer

September 18, 2012