STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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March 25, 2019

PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS ANNUAL COST LIMITATIONS – CALENDAR YEAR 2020

For a medical benefit plan coverage year beginning on or after January 1, 2012, MCL 15.563, as last amended by 2018 Public Act 477, 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 after 2011 and before 2019, 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 April 1 of each year after 2018, the dollar amounts shall be adjusted by the change in the medical care component of the U.S. consumer price index for the most recent 12-month period for which data are available. For calendar year 2019, the limit on the amount that a public employer may contribute to a medical benefit plan was set to the sum of the following:

- $ 6,685.17 times the number of employees and elected public officials with single-person coverage
- $13,980.75 times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- $18,232.31 times the number of employees and elected public officials with family coverage.

The limits for 2020 equal the 2019 limits increased by **2.0 percent**. The 2.0 percent is the percentage change in the medical care component from the period March 2017-February 2018 to the period March 2018-February 2019.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2020, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **$ 6,818.87** times the number of employees and elected public officials with single-person coverage
- **$14,260.37** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **$18,596.96** times the number of employees and elected public officials with family coverage.

Rachael Eubanks
State Treasurer

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