

February 2011
University of Michigan
Summary of Retiree Health Benefit Changes
Effective Implementation 1/1/2013

Retired On/After	University Contribution % For Health Care ¹			Retirement Eligibility (Age + Years of Service)
	Single Contribution	Dependent Portion	Contributions Tied to Years of Service	
January 1, 1987 ² (Current Benefit Level – No Change)	93.0%	75.0% Children, 66.0% Adult, 70.0% Medicare	No	Current Eligibility
January 1, 2000	90.0%	70.0%	No	Current Eligibility
January 1, 2013	87.5%	65.0%	No	76 Points
January 1, 2015	85.0%	60.0%	No	77 Points
January 1, 2017	82.5%	55.0%	No	78 Points
January 1, 2019	80.0%	50.0%	No	79 Points
January 1, 2021	Maximum 80.0%	Maximum 50.0%	Yes (see below)	80 Points
Part-Time Employees: <ul style="list-style-type: none"> ➤ Starting January 1, 2013, benefits eligible part-time faculty and staff working between 20 and 31.9 hours per week (50% to 79.9% appointment) will earn 0.8 years of service for every full year worked as a part-time employee. 				
New Hires: <ul style="list-style-type: none"> ➤ For new hires effective 1/1/2013, the maximum retiree University Contribution will be 68% for the single contribution and 26% for the dependent portion 				
For Faculty and Staff retiring on/after January 1, 2021: Retirees with less than 20 years of service will have a reduced University Contribution towards retiree health benefits. <ul style="list-style-type: none"> ➤ Retirees with 10 years of service will receive 50% of the maximum University Contribution and can earn an additional 10% of the Maximum Contribution with every 2 years of additional service. ➤ With 20 years of service, a retiree will have earned 100% of the maximum contribution. 				

Stewardship of Benefits website: www.benefitsstewardship.umich.edu
Background information, committee report and questions and answers

Send Questions: benefitsstewardship@umich.edu

Retirement estimator: www.benefits.umich.edu/events/retire/estimator

¹ % Based on the Enrollment Weighted Average Premium of the Two Lowest Cost Comprehensive Plans. Retirees who were hired on or after July 1, 1988 will continue to pay the full cost of the benefits up to the first of the month following the month they turn age 62.

² Pre-1987 retirees are part of a closed group receiving 100% University Contribution.