



**BENEFITS
OFFICE**

2021 Changes to the University Contribution to Retiree Health Benefits

Two upcoming changes to the university contribution to retiree health benefits will impact new retirees in 2021. The number of points needed to retire will also increase in 2021. These changes are part of a series of gradual adjustments that began in 2013 to support the long-term sustainability of the U-M benefit programs. Units and departments should consider these changes when discussing retirement planning with faculty and staff.

2021 Change: Years of Service Impact Cost for New Retirees

- 80 points required to retire (+1 increase from 2019-2020)
- Retiree share of health plan cost takes years of service into account for faculty and staff retiring with <20 years of service

Note: This change will be most significant for faculty and staff with fewer years of service. It will not impact anyone who retires with 20 or more years of service.

Changes in Retirement Eligibility and Cost of Health Benefits for New Retirees in 2021

Year of Retirement	Points Needed to Retire	Years of Service	Retiree Share of Cost (for Retiree)*	University Share of Cost (for Retiree)*	Retiree Share of Cost (for Dependents)*	University Share of Cost (for Dependents)*
2018	78	10 or more	17.5%	82.5%	45%	55%
2019	79		20%	80%	50%	50%
2020						
2021 or later	80	10 or 11	60%	40%	75%	25%
		12 or 13	52%	48%	70%	30%
		14 or 15	44%	56%	65%	35%
		16 or 17	36%	64%	60%	40%
		18 or 19	28%	72%	55%	45%
		20 or more	20%	80%	50%	50%

**Approximate; actual costs vary by plan choice, Medicare status and coverage level. Assumes date of service before 2013. For faculty and staff with a date of service in 2013 or later, the same rules will apply starting in 2021, but the maximum university contribution you can receive will be lower.*

Learn More

Visit hr.umich.edu/cost-retiree-benefits for information on how age, date of service and date of retirement impact the cost of retiree health benefits. View current rates at hr.umich.edu/retiree-health-plan-rates.