



PA 152 Explanation May 2026

PA 152 refers to the **Publicly Funded Health Insurance Contribution Act (2011 Public Act 152)**, which limits how much public employers in Michigan can spend on employee medical benefit plans.

The legislation affects the school district and its employees in two major ways:

1. The Cost-Sharing Rules

Under PA 152, the Saginaw Public School District is required to choose one of two cost-sharing models to cover employee health insurance:

- **The "Hard Cap" Option:** The state sets a strict maximum dollar amount that the district can pay toward an employee's medical premiums (including deductibles and HSAs). If the cost of the health plan exceeds this annual cap, the employee must pay the difference.
- **The 80/20 Option:** Alternatively, the school district can vote to pay exactly (80%) of the total annual cost of the medical benefit plans it offers, leaving the employees responsible for the remaining (20%).

2. Penalties for Noncompliance

If the district fails to comply with these limits, the Michigan Department of Education is required to penalize the district by withholding (10%) of its state school aid funding.

Saginaw Public School District pays 80% of the total annual cost of the medical benefit plans that we offer, leaving the employees responsible for the remaining 20%. **We do not have the hard cap option.**

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