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Department of Technology, Management & Budget
Office of Retirement Services

Michigan Supreme Court action on PA 75 and 3% healthcare contributions

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On June 30 the Michigan Supreme Court took action on the PA 75 lawsuit, which challenges the 3% retiree healthcare contributions made by public school employees between July 1, 2010 and September 4, 2012. The Supreme Court sent the PA 75 case back to the Court of Appeals. As a result, the 3% retiree healthcare contributions for public school employees will continue to be held in escrow.

The Supreme Court further directed the Court of Appeals to reconsider the case in light of the ruling on the PA 300 case, which upheld the constitutionality of the 3% retiree healthcare contributions made by public school employees after September 4, 2012.

Please continue to report as normal until a final ruling is issued. ORS will continue to keep you informed of the progress of this case.

You may wish to review the following FAQs page, sent in January 2015, which addresses the tax implications of the 3% health care contribution and the FICA/Medicare exemption for these contributions, as well as next steps for either outcome of the case: [FAQs: 3% Healthcare Contribution FICA Exemption](#).

If you have further questions, please contact ORS Employer Reporting at ORS_Web_Reporting@michigan.gov.

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