



# MUNICIPAL EMPLOYEES'

RETIREMENT SYSTEM  
OF LOUISIANA

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## MEMORANDUM

TO: ALL DROP PARTICIPANTS OF MERS

FROM: WARREN PONDER, DIRECTOR 

DATE: APRIL 30, 2018

Beginning July 1, 2018, the DROP accounts for members who have completed the program, will be transferred to a fixed income account managed by Empower Retirement. Individuals who have DROP monies on account will then have the option of self-directing those funds into a variety of investment options. The self-directed options will be similar to those accounts offered by the Louisiana Deferred Compensation Program, which is managed by Empower Retirement.

The rules regarding DROP have not changed. No withdrawals are allowed until the member's employment is terminated. No interest is paid while the member is actively participating in DROP. If regular withdrawals have been selected, the withdrawals will continue. The **ONLY** change is that each member will have the option to select the type of investment in which the member feels most comfortable.

It is important to remember once the money is moved from the fixed income account, the returns are subject to the gains and **LOSSES** associated with investing in stocks and bonds. As we have seen in the past, the stock market has volatility, and one investing in the market should be prepared to have the value of the investments to experience down turns as well as gains.

If the member is not comfortable with risk, then the member has the option of leaving the money in the fixed income account, and will earn interest at an initial rate of 1.3% per year, which is slightly higher than the amount that is being paid now.

The exact amount of the fixed interest rate, as well as the investment opportunities that will be offered are being negotiated. As more information becomes available it will be put on the web site at [www.mersla.com](http://www.mersla.com).

Please feel free to call our office with any questions at 225-925-4810 or 800-820-1137.