

MERS MESSENGER

Volume 4

February 2016

MERS Reorganizes to Provide Better Service

Congratulations to Susita Suire who is now Retirement Benefits Administrator supervising the retirement staff and to Nancy LaGarde who has been promoted to Chief Financial Officer with oversight over MERS' financials.

The Board has great confidence in these two employees and their ability to improve services to the members. Congratulations to both.

Two New Members take Seats on Board of Trustees

The Board of Trustees for the MERS system has two new members, Senator Barrow Peacock and Commissioner of Administration Jay Dardenne. Senator Peacock has been appointed as the chairman of the Senate Committee on Retirement and Jay Dardenne is the new Commissioner of Administration. Both of those positions are ex officio members of the Board of Trustees.

The Board welcomes the two new members and looks forward to working with them to make the system even better.

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1099 Forms Mailed

The annual report to the IRS has been mailed and all retirees should have received their Form 1099R by now. If you are a retiree receiving a benefit and have not received your 1099, please contact the MERS office.

When checks are delivered electronically, communications by email, and notices by web pages, it is easy to forget to change mailing addresses. Change of Address forms are available on the MERS web page, so please let us know when you move.

TRUSTEE ELECTION TO BE HELD BY MERS

In May, MERS will be saying goodbye to longtime Trustee, Claire Sarradet, who completes her term. An election will be held between now and May 26, 2016 for a six-year term of office as member of the retirement system's Board of Trustees.

Any actively contributing elected official of a participating municipality/employer who will have credit in the system for at least ten years of service on March 15, 2016, is eligible to run for the seat on the Board.

Candidates for election to the Board may be nominated by the petition of twenty-five members of the system. Each nomination must be received in the retirement system office no later than 4:30 p.m. on March 15, 2016. Nomination petitions were mailed on February 5, 2016 to all municipalities and will also be available online at www.mersla.com.

Once a candidate is otherwise nominated, he/she must receive five (5) hours of education, one hour each in investments, actuarial science, and legal, as well as two (2) hours of fiduciary duty and ethics. The education required will be provided at the retirement system's office in Baton Rouge.

If you have any questions, please call Susita Suire at 225-925-4810 or 800-820-1137.

2016 Legislative Session

The 2016 Legislature will convene on Monday, March 14, 2016, at noon, and will adjourn not later than 6:00 p.m. on June 6. This is a "general" session and each legislator may introduce an unlimited number of bills dealing with any subject matter, including retirement. The Constitution requires that any proposed bill concerning retirement be advertised before the session. As of the date of this newsletter, two bills have been introduced that directly affect MERS:

HB 12 provides that the Treasurer and Commissioner of Administration shall become "voting members" of the MERS Board. The two positions were added to the Board of Trustees in 2013, but were "non-voting".

HB 17 will add Louisiana Local Government Environmental Facilities and Community Development Authority as a member employer to the MERS system. This is a housekeeping measure as the LDCA was originally under the authority of the LMA and as such it was a member.

The MERS staff will continue to monitor the filings and will post any bills relating to the system on the web page, as the bills are filed.

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MERS FINANCIAL REPORTS AVAILABLE

We are pleased to announce that the financial statements for MERS fiscal year ending June 30, 2015, are available on our website at www.mersla.com. MERS has received a clean (Unmodified) audit opinion.

The System experienced net investment loss of \$27,713,499 as compared to a net investment income of \$96,919,567 in the previous year. The decrease in investment return over prior year was primarily due to weaker financial markets. The investment value of the system is \$836,551,689 as compared to \$871,863,559 in the previous year.

During the year ended June 30, 2014, the System adopted the provisions of GASB (Governmental Accounting Standards Board) Statement No. 67, Financial Reporting for Pension Plans. GASB Statement No. 67 established new standards of financial reporting for defined benefit pension plans (MERS Plan A and Plan B). This new standard also specifies the required approach to measuring the System's funding ratio.

An important point to remember is that the new funded ratio is not closely associated with the approach that is used to fund the benefits and it does not affect the employers' contribution rates. MERS is, and will continue to be strong financially, and your retirement check will go into your bank account each and every month when you reach retirement age just as it has for our retirees since 1955.

More details relating to GASB Statement No. 67 and 68 can be found at:

GASB website: www.gasb.org

[GASB toolkit](#)

[GASB's New Pension Standards: Setting the Record Straight](#) (Q&A from Government Accounting Standards Board)

Governmental Accounting Statement No. 68 (GASB 68) - *Accounting and Financial Reporting for Pensions*

The Employer Pension Report (GASB 68) is complete and will be posted to the website. It is available in draft form. Please call the system CFO, Nancy LaGarde, at 225/925-4811 if you need a draft copy prior the posting of the final version.

MERS VALUATION REPORT

The actuarial valuation report as of June 30, 2015 will also be available on our website as soon as the report is approved by PRSAC. PRSAC is the legislative committee that has the authority to approve actuarial valuation reports.

NOTIFICATION OF THE DEATH OF A MEMBER

It is very important that MERS is notified immediately of the death of a member whether that member is active, retired, or vested. If an active member deceases, the retirement system staff will review the member's account to calculate any survivor benefit or refund of contributions eligible to be paid to the last named beneficiary on file, minor children, surviving spouse, or estate. If a retired member deceases, the retirement system needs to cease retirement benefits to the retiree effective with the benefit payment due on the 1st of the month after death. The retiree's account will be reviewed to calculate what survivor benefits or if survivor benefits are payable to the beneficiary or estate. Any overpayment of a benefit to a deceased member must be recouped by the retirement system. A certified copy of a death certificate of the member is required by law to pay a survivor benefit or refund of contributions to a beneficiary.

Retirement Benefits Calculator Now On Website

The retirement benefits calculator is now on the web page and members can calculate their benefits. **Be aware that this is merely a tool to use for retirement planning, and should not be relied upon for a final benefit.** A member can now calculate an estimated benefit using basic information and whole years of work in order to get an idea of the amount of benefits the member can expect for retirement or to enter DROP. Many factors can affect the final benefit and are not included in the calculation, such as the amount of leave that can be rolled into the final benefit amount, or partial years of service. But even with the limitations built into the system, it is still helpful to get an approximation of what to expect.

This calculator cannot be used to estimate post-DROP benefits, disability, and early retirement or Marshal supplemental benefits. These calculations are complicated and must be calculated by a Retirement Analyst.

This calculator will not work with Internet Explorer. You will need to use another web browser such as Mozilla Firefox.

ADDRESS CHANGES

It is the "Authorized Representative's" responsibility to keep the retirement system informed of any address changes for active members. Make sure when an employee changes their address with your municipality that you also send the retirement system the change. This will eliminate returned mail when correspondence is sent to the member's home address.

LAMP DROP Accounts

MERS will be transferring members with DROP accounts at LAMP to Capital One to earn a higher interest rate. This transfer should be effective as of March 2016.

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HB 20 by Rep. Foil would place new employees of the 19th Judicial Court (other than judges or Clerks of Court) into the MERS system. The present law has those employees as members of LASERS.

HB 23 by Rep. Reynolds would allow the Board of Trustees to update procedures to streamline the election process for selecting Board members. An effort is being made to increase the participation of members in the election process. It is very important to have the members voices heard: PLEASE VOTE.

HB 34 by Rep. Reynolds clarifies the law that all mayors are members of MERS. This will remove any confusion concerning the existing law.

HB 37 by Rep. Jones makes the Treasurer and Commissioner of Administration voting members of the Board of Trustees and increases the minimum required creditable service for members to be qualified to run for the elected seats on the Board from 10 years of service to 12 years.

WIRE TRANSFER OF FUNDS & ELECTRONIC FILING OF MONTHLY CONTRIBUTIONS AVAILABLE

Employers did you know that you can wire transfer your monthly contributions directly to our bank account? If you would like to stop writing checks, you can wire transfer your monthly contributions directly from your bank account to the retirement system and just mail, fax, or email your report. All contribution reports can also be uploaded to an encrypted file to be emailed or to a CD to be mailed. Specifications for electronic filing of monthly contribution reports can be found on our website attached to the memo dated 1/19/2016.

All files containing social security numbers that are emailed to our office should be encrypted for privacy and safety. If you do upload your contribution files, remember you still need to complete the cover page with totals and certify amounts with the proper signature.

Call our office and we can help you with wire transfers and electronically reporting of monthly contributions. Both of these methods ensure accuracy when posting monies and salaries to all contributing members.



Board of Trustees

Clarence Fields,
Mayor, City of Pineville
Chairman

Mike Sands
Former Director of Civil
Service, City of Lafayette
Vice Chairman

Claire Sarradet,
Former Finance Director/City
of Port Allen

Ronnie Harris
Executive Director, LMA

Andrea Mahfouz
City Clerk, City of Westlake

Ms. Mary Vice
Town Clerk, Town of Vinton

Carroll Breaux,
Mayor, City of Springhill

Hon. Barrow Peacock,
Senator, Chair of Senate
Retirement Committee

Hon. Kevin Pearson,
Representative, Chair of
House Retirement Committee

Hon. John Kennedy,
Treasurer, State of Louisiana

Jay Dardenne,
Commissioner of
Administration

Warren D. Ponder
Acting Director, MERS

Susita Suire,
Retirement Benefits
Administrator

Nancy LaGarde,
Chief Financial Officer

Municipal Employees'
Retirement System
7937 Office Park Blvd
Baton Rouge, LA 70809

IMPORTANT REMINDERS

Destroy all forms you previously used. Current forms are on our website under "Forms" tab.

No contributions to be withheld on overtime. Regular, holiday, vacation, and sick earnings only. Do not withhold contributions on lump sum leave when a member is terminated or retires.

No contributions to be withheld on worker's compensation.

New Administration – complete Municipality update and authorization forms from website so that we can update our records, computer system, and website information.

Keep the retirement system updated with your current address.

We are on the Web!

See us at:

www.mersla.com