

# MERS MESSENGER

Volume 5

July 2016

## MERS Hires Executive Director

Congratulations to Warren Ponder on being selected as the new Executive Director for the Municipal Employees' Retirement System. After an extensive process with several great candidates and several rounds of interviews, the Trustees made the decision that Mr. Ponder was their unanimous choice to lead your retirement system. Along with policy changes and a new look, we feel confident about the future.

Mayor Clarence Fields, Chairman of the Board

## New Employee

Bonnie L. Phillips, CPA joined MERS in April 2016 as the Investment Accountant. Bonnie is a Certified Public Accountant in the state of Louisiana and a member of the LCPA. She attended Southeastern Louisiana University where she graduated Magna Cum Laude with a bachelor's degree in Accounting and minored in Management. She has worked in the accounting field for over 18 years. Bonnie is married to her high school sweetheart, Todd Phillips, and they have five children. Bonnie enjoys spending time with her family and friends.

## INSIDE THIS ISSUE

- 1 MERS Hires an Executive Director
- 1 New Employee
- 1 New Trustee Elected to the Board
- 1 New Rates & Reports
- 2 2016 Legislative Session
- 3 From the Director's Desk
- 4 Message to Clerks
- 5 Wire Transfer of Funds & Electronic filing of Monthly Contributions Available
- 5 Notification of the Death of a Member
- 5 Retirement Benefits Calculator Now on Website
- 6 Membership in MERS vs. MPRS or FRS
- 6 DROP Accounts
- 6 Message to Retirees
- 6 MERS Consultants
- 7 Important Reminders

## New Trustee Elected to the Board

The Board of Trustees for the MERS system welcomes Mayor Donald Villere as its newly elected Trustee. Mayor Villere is the Mayor of the City of Mandeville and is replacing long-time Board Member, Claire Sarradet.

The Board welcomes Mayor Villere and looks forward to working with him to make the system even better.

## New Rates & Reports

New employer rates are effective July 1, 2016. Please begin using the new forms and the following rates:

|        |        |
|--------|--------|
| Plan A | 22.75% |
| Plan B | 11.00% |

# 2016 Legislative Session

The 2016 Regular Session ended June 10, 2016 and immediately reconvened in an extraordinary session. MERS was not affected by this extra session but its Regular Session adopted the following:

## **MERS RETIREES THAT RETURN TO WORK**

**ACT 649** (House Bill No. 40 by Representative Reynolds) changes the system used to rehire retirees, and only affects those retirees who are first rehired after June 30, 2016. For retirees who are first rehired to work for a member employer on or after July 1, 2016, the employer, and employee, will pay the normal contributions into the system based on their earnings. The retiree shall not receive any additional service credit and shall not accrue any additional retirement benefit with MERS. Upon termination of reemployment, employee contributions paid since reemployment shall, upon application, be refunded to the retiree or transferred to another qualified plan (IRA) without interest. The system will retain the employer's contributions. All other restrictions remain in place concerning notifying the system and earnings limitations.

The act became effective as law on June 17, 2016.

## **NEW VOTING MEMBERS TO THE BOARD OF TRUSTEES**

**ACT 19** (House Bill No. 12 by Representative Pearson) makes the Treasurer and Commissioner of Administration full voting members of the Board of Trustees. The Treasurer and Commissioner (or their designees) were added to the Board in 2013, as non-voting members, this Act grants the authority and responsibility to the two members.

The act became effective as law on May 9, 2016.

## **BOARD OF TRUSTEE CHANGES**

**ACT 648** (House Bill No. 37 by Representative Jones and Senator Peacock) makes of number of changes to the Board. In order to qualify to run for the Board of Trustees a member must have 6 years of creditable service, which is reduced from the previously required 10 years. The Board members are now limited to two terms each, and provides that if a Board member has served a half term, then that member would be limited to running for only one more term. The system cannot pay for a Board member to attend more than one out of state conference per fiscal year, nor may the system pay for any conference or seminar that is not associated with a retirement system organization, nor may any member accept anything of value (including food and drinks) from any prohibited vendor, except at a conference. Lastly, the system must file with its annual report to the Legislature an itemized list of any reimbursements or expenses paid on behalf of a Board member.

The act becomes effective as law on August 1, 2016.

# From the Director's Desk

By Warren D. Ponder  
Executive Director

## **TO ALL MEMBERS:**

First and most importantly, let me assure you, your "Retirement" and "DROP" funds are safe even during volatile times in the stock market.

The financial news that Great Britain voted to leave the European Union first caused a sell-off which created large losses, then the markets quickly rebounded the next week. This volatility in the stock markets around the globe, is unsettling in the short run, but MERS did not panic and continued to stay invested.

In February, the Board of Trustees adopted a new asset allocation as recommended by Meketa Investment Group which greatly diversified the investments across many financial markets in many countries in order to reduce the risks associated with short term fluctuations in market values. This move occurred in February, but because of the nature of the investments, Meketa estimates it will take three years to fully implement. The process has begun and MERS should see improvements in returns next fiscal year. MERS Board and its financial consultants will continue to monitor the financial situation and will respond appropriately.

The MERS Board has also made many administrative changes over the past year. The staff has been divided into two departments: the retirement department is headed by Susita Suire, Retirement Benefits Administrator; the accounting department is headed by Nancy LaGarde, Chief Financial Officer. This division of responsibilities will increase efficiencies and allow greater control and supervision. These changes, as well as Board approved changes in the procedures are allowing greater transparency and will assure that all expenses incurred by MERS are prudent and necessary for the operations.

MERS staff will continue to work to make our system more "user friendly" and service oriented. Should any member have questions or comments or suggestions, please call me at 225-925-4810,

## MESSAGE TO CLERKS

If at any time you have any questions regarding retirement you are encouraged to call our office and speak to one of our Retirement Benefits Analysts, Joanna Jacob or Joycelyn Gunby.

### Contribution Reports

Effective immediately contribution reports received that are incorrect or incomplete will be returned along with your payment. When you have completed all corrections, send the corrected report with the correct payment back to our office for posting. You will not be deemed late if the original report was received by the 10<sup>th</sup>. Effective January 1, 2017 all reports will be deemed late if received after the 10<sup>th</sup> even if the original report was received on time.

Make sure your totals on the detail page (s) match the totals you enter on the cover page. Also, make sure your payroll software is deducting the correct percentage for **ALL** employees.

### MERS Administrative Training

Susita Suire, Retirement Benefits Administrator, will be holding a training workshop at the LA Municipal Clerks Institute's fall conference in Baton Rouge on Thursday, October 20<sup>th</sup> at 1:00 p.m. You are encouraged to ask questions or get direction on the proper procedures to perform your responsibilities with the retirement system and to ask questions.

### New Municipality Administration

Congratulations to all new administrative staff around the state. At our convenience please browse our website ([www.mersla.com](http://www.mersla.com)) for information on the retirement system. It is very important to complete the "Municipality Contact Designation" and "Municipality Information" forms so that MERS can update your municipality's information. Authorized Representatives must be designated by the Mayor. The retirement system need to know who is authorized to certify forms and information for your municipality. Forms received without proper authorization will not be processed.

### 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.

## 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.

## 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 1<sup>st</sup> 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.**

## MEMBERSHIP IN MERS VS. MPERS OR FRS

An employee hired that would be eligible to become a member of the Municipal Police Employees' Retirement System (MPERS) or Firefighters' Retirement System (FRS), but cannot due to age, must submit a letter from MPERS or FRS certifying such ineligibility with their enrollment form to MERS. The reason for this new procedure is to prevent problems when the member retires.

## DROP ACCOUNTS

All DROP funds have been transferred to a money market account at Capital One Bank. The interest rate as of May 31, 2016 is .50%.

## MESSAGE TO RETIREES

Please notify this office in writing if any of the following changes are made after retirement:

- Address Change
- Bank Account Change
- Death of Beneficiary

All benefit verifications must be requested in writing. You may fax or mail your written request or download the "Income Verification" form from our website ([www.mersla.com](http://www.mersla.com)). Phone calls will not be accepted as your request. This procedure is a security measure to protect your confidential information from theft.

## MERS CONSULTANTS

### Independent Audit Firm

The Board of Trustees has approved the hiring of a new audit firm, Hawthorn, Waymouth, & Carroll, L.L.P. to conduct the financial statement audit and employer allocations audit for fiscal year 2016. The audited financial statements will be available on our website in early January 2017. The GASB 68 report will be available on our website no later than March 31, 2017.

### Investment Consultant

Since May of 2013, Meketa Investment Group has provided monthly reports to the Board of Trustees regarding investment performance and asset allocation.

### Actuarial Services

G. S. Curran & Company, Ltd. serves as the System's actuary. The actuarial report is issued and posted on MERS' website in early January 2017. New employer contribution rates are published typically in March, after they have been approved by PRSAC.



## Board of Trustees

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Mayor, City of Pineville  
Chairman

Mike Sands  
Former Director of Civil  
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Vice Chairman

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Mayor, City of Mandeville

Ronnie Harris  
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Retirement Committee

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Representative, Chair of  
House Retirement Committee

Hon. John Kennedy,  
Treasurer, State of Louisiana

Jay Dardenne,  
Commissioner of  
Administration

Warren D. Ponder  
Executive 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](http://www.mersla.com)**