



October 2013
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MERS MESSENGER

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Municipal Employees'
Retirement System
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Welcome to the MERS Newsletter



Welcome to the new web page and the new "MERS MESSENGER" newsletter. The web page is in a new design and we hope that our members and employers will find the page more "user friendly". This issue of the Messenger is merely an introduction to the new format which we plan to

update three times a year, so please, check back often. We are using this newsletter approach to both educate our members and alert the membership to matters of concern to our organization. To that end, we ask for your input as to what issues, problems, concerns or other thoughts on the organization and what we can do to make it better.

The Municipal Employees' Retirement System of Louisiana (MERS) was created on January 1, 1955, and was placed

under the management authority of a Board of Trustees. The Board is made up of eleven members: six elected by the membership, the president of the Louisiana Municipal Association, the chairs of the House and Senate Retirement Committees, the Commissioner of Administration, and the state Treasurer. The newest members to the Board of Trustees are the Treasurer John Kennedy and Commissioner of Administration Kristy Nichols, both added as members on July 1, 2013.

see **WELCOME** page 4

MERS adds New Board Members

MERS Welcomes New Board Members. Two new members take seats and two new positions are added to the Board. Andrea Mahfouz was elected to serve a six

year term to the Board of Trustees. Andrea, a city clerk from the City of Westlake, was elected this spring.

Mayor Vernon Breland of the town of Sterlington

was elected president of the Louisiana Municipal Association and will sit on the Board for the next year.

see **BOARD MEMBERS**, page 5

Direct Deposit Available for All Members



MERS offers direct deposit for all its members. Any member of MERS may now complete the direct deposit form found on the MERS website and start having benefits deposited directly into a checking or savings account. This eliminates the wait for the mail and the drive to

the bank; the funds are in the account on the 1st business day of each month.

This year's hurricane season is almost at an end, and fortunately, Louisiana was spared a major storm, but other disasters, natural and manmade, can often

affect mail service and our members' ability to conduct banking business. As we have seen, hurricanes, tornadoes, sinkholes and pipeline explosions have disrupted the normal lives of hundreds of households.

see **DIRECT DEPOSIT**, page 5

MERS Needs a Few Good Addresses

A reminder to all members, if you have changed addresses since joining MERS, please complete a change of address form and send to MERS. MERS has hundreds of pieces of mail returned due to wrong addresses.

The June 30, 2013 statements recently went out to all active and inactive members. This statement

informs members of their



status, contributions paid, and service credit (eligibility with the system). It is very

important to keep MERS informed of any address changes, name changes, etc., so that your account with MERS is current. We have a large number of non-active members that are eligible to receive a benefit or a refund with incorrect addresses. If you have worked for one of our municipalities in the past and would like to know if you are eligible for a refund, please give us a call @ 225-925-4810.



A.G. Rules Employees must Contribute to Retirement

Attorney General Buddy Caldwell issued an opinion to the Parochial Employees' Retirement System that requires members to contribute to their retirement plan. The issue was whether the employer could contribute the employee's share, which was declared to be unlawful by A.G Opinion 13-0098. The A.G. found the language "{each member...shall contribute an amount equal to a percentage of his earnings...}" prohibited Jefferson Parish from paying the employee's share of the retirement contribution.

Only municipalities having specific authority to pay for its employees may do so, the remainder of MERS membership must share responsibility with their employers. This fiscal year from July 1, 2013 until June 30, 2014, Plan "A" employees pay 9.5% and the employers pay 18.75%, for Plan "B" the employee rate is 5% and employer is 9.5%.

PUT IT IN WRITING

MERS receives many requests, for different things, on a daily basis. ALL requests must be in writing. The following are a few examples:

1) **Address change**

If you move, do not assume that your employer will inform us, they probably will not. It is your responsibility. There is a "Personal History Update" form on our website you need to complete and fax or mail to our office.

2) **Change in beneficiary**

Any time you are requesting a change in beneficiary, whether choosing a totally different beneficiary or adding additional beneficiaries, you will need to complete a Personal History Update form. If you are adding more than one beneficiary, you will need to attach a second page with the names, addresses, social security numbers and dates of birth of each beneficiary. You will also need to indicate percentages each beneficiary receives.

3) **Change of banking information**

Should you change banks, or just get a new account number with the same bank, you will need to complete a new Electronic Deposit form and either mail or fax the form to our office along with a voided check.

4) **Contribution account balance**

MERS **WILL NOT** give this information over the phone. You will need to complete the Contribution Balance Request form available on our website, and either fax or mail to the MERS office.

5) **Verification of Income**

All requests for verifications, whether it is for the Social Security Administration, apartment/home procurement, or any other reason, must be requested in writing. This process takes at least 24 hours.

6) **Verification of Retirement account**

If you are going to refinance or buy a new home/car, you will need your account balance. If you are going through this process, please request your balance, and/or other information you may need pertaining to your retirement, at least a few days before you actually need it.



Continued Put It In Writing

7) Estimate requests

Please complete and mail the form called Retirement/DROP Estimate. Estimates take approximately 4 - 6 weeks to process.

8) DROP ending

If you participate in DROP and decide that, you are ready to retire, please complete the Retire from DROP Application. You may mail or fax this form, with accompanying documentation, to our office.

All requests must be signed and include the last four digits of your social security number.

WELCOME continued from page 1

MERS is a political subdivision created by the legislature and is considered a “statewide system”.

MERS has over 150 employer municipalities with approximately 11,000 member employees. Our newest member is the West Calcasieu Community Center, which was added on July 1, 2013. We are very proud to add this new member to the family of communities that make up our system. MERS is strictly a voluntary system. The employers are not required to join, but the towns and other employing entities voluntarily join MERS to provide a decent retirement for their employees. The membership of MERS earns 3% or 2% each year of their employment, and upon retirement the employee’s final average compensation is multiplied by the total percentage earned (up to 100%) and a monthly benefit is paid for life.

The latest “official valuation” of MERS is the actuarial report dated June 30, 2012, which shows that MERS has almost \$639 million in assets for Plan A (no Social Security participation), and approximately \$137 million in Plan B (in conjunction with Social Security). The valuation for the past fiscal year will be available in the next few months and will be official next year. The two plans are 90% funded for Plan A and 97% funded for Plan B.

We hope you enjoy this newsletter and hope that you find it informative. We invite and encourage your feedback, because this is your system and we are here to provide a service to you.

Bob Rust

BOARD MEMBERS continued from page 1

The position of President of the LMA is an ex-officio member of the Board of Trustees.

Act 208 of the 2013 Legislative Session added two new positions to the MERS Board of Trustees, the Commissioner of Administration Kristy Nichols, and State Treasurer John Kennedy. “It’s an honor that the Legislature appointed me to serve on the MERS Board. I look forward to working with my fellow board members to make sound investment and financial policy decisions that are in the best interest of municipal employees across our state,” Kennedy said. Commissioner Kristy Nichols added, “As more people begin to move toward retirement, there is no more critical issue facing our towns and cities than the need to adequately provide for those who have served with distinction throughout their careers. Our greatest challenge surrounds how this will be done without over-burdening the already tight budgets of municipalities to the point that critical services are threatened. I look forward to working with the MERS Board as we seek to advance these issues here in Louisiana.”

DIRECT DEPOSIT continued from page 2

If a member has signed up for direct deposit, their benefit check is deposited into their bank account even if the member cannot get to the mailbox or the bank.

MERS urges all members receiving a benefit check to please complete the form to start having the benefit checks deposited directly into your bank account.



**MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM OF LA (MERS)
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We are on the Web!

See us at:

www.mersla.com

