


**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
OF LOUISIANA**

**MEMORANDUM**

TO: ALL MUNICIPALITIES

FROM: WARREN D. PONDER, EXECUTIVE DIRECTOR 

RE: ACTS OF THE 2016 REGULAR SESSION OF THE LOUISIANA  
LEGISLATURE WHICH AFFECT THE MUNICIPAL EMPLOYEES'  
RETIREMENT SYSTEM

DATE: JUNE 27, 2016

**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.

Please call our office if you have questions concerning any of the changes discussed in this memorandum.