



MUNICIPAL EMPLOYEES'

RETIREMENT SYSTEM
OF LOUISIANA

MEMORANDUM

TO: ALL MUNICIPALITIES

FROM: WARREN D. PONDER, EXECUTIVE DIRECTOR *WDP*

RE: ACTS OF THE 2017 REGULAR SESSION OF THE LOUISIANA LEGISLATURE WHICH AFFECT THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

DATE: JULY 6, 2017

MERS RETIREE TO SERVE ON BOARD OF TRUSTEES

ACT 23 (House Bill 32 by Representative Pearson) creates a "retiree seat" on the Board of Trustees for MERS. An election will be called to fill the current vacancy on the Board of Trustees. To qualify, the candidate must be a retiree of MERS, complete the required education (offered by MERS staff at the office at a time TBD), and complete the nomination form. Any member of MERS active or retired can sign the nominating petition, but only retirees will be allowed to vote in that election.

The act became effective as law on June 3, 2017.

MERS RETIREES THAT RETURN TO WORK FULL-TIME

ACT 314 (House Bill 683 by Representative Sam Jones) creates a new opportunity for retirees to return to work full time to earn a supplemental benefit. After June 30, 2017, if a retiree returns to full time employment in a position that requires membership in MERS, the retiree's benefit is suspended and the employee re-enters the system as a contributing member. If the retiree continues to work for at least 12 months, the retiree earns a supplemental benefit. When final separation from service occurs, his original benefit will resume, and include a supplemental benefit based on the time worked and salary paid. If the retiree separates from service prior to the 12-month minimum, the retiree's contribution will be returned without interest. The employer shall pay its contribution the same as a regular employee.

The act became effective as law on June 30, 2017.

CORRECTS MEMBERSHIP ERRORS

ACT 285 (Senate Bill 8 by Senator Barrow Peacock) creates a method to correct a membership error when enrolling an employee. If an employee is enrolled in a wrong system, the member is transferred to the correct system and the system along with all contributions made by the employee and the employer. If there is a shortage of funds the employer is required to pay the actuarial cost of the difference. This law applies **ONLY** to errors in enrollment which occur on, or after, July 1, 2017.

The act becomes effective as law on June 30, 2017.

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