



MERS MESSENGER

Board of Trustees

- Phyllis McGraw,
Chair
City Clerk, Bossier City
- Susan Percle, Vice Chair
Retiree, City of Gretna
- Mayor Barney Arceneaux
City of Gonzales
- Ty Carlos
Executive Director, LCDA
- Mayor Rich Dupree
City of Pineville
- Mayor Rodney Grogan
City of Patterson
- Rep. Roy Adams
House Retirement
Committee
- Senator Valarie Hodges
Senate Retirement
Committee
- Treasurer John Fleming
State of Louisiana
- Commissioner Taylor Barras
Division of
Administration
- Mayor Derrick Johnson
LMA President

COVID/Hurricane/Emergency Pay

MERS recently discovered that a number of municipalities paid retirement contributions on special pay issued in the case of extra work performed during the COVID pandemic, after hurricanes, and in other emergency situations. These payments are not eligible for retirement contributions and MERS is requiring corrections to be made.

Only regular earnings are to be reported to MERS and are subject to retirement contributions.

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Trustee Positions

A seat for a six-year term for a non-elected official on the MERS Board of Trustees will be up for election this year. The seat is currently held by Phyllis McGraw, the Clerk for Bossier City. Ms. McGraw is eligible to seek another term.

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COVID/Hurricane/Emergency Pay, Continued

The following types of compensation are **not** considered regular earnings and are not eligible for retirement contributions:

- Overtime
- Special pay
- Disability payments
- Leave payments made at termination
- Car allowances
- Uniform allowances
- Worker's Compensation (Earnings while an employee is out on worker's comp or short-term disability are not reported to MERS.)

If you were the recipient of extra pay and retirement contributions were deducted please ask your employer to contact MERS. Employers are encouraged to call MERS with questions on permissible compensation to be reported. (Special rules apply to Marshals.) MERS refunds employee and employer contributions monthly when it is obvious that compensation was not eligible for retirement contributions. A letter explaining the reason for the refund will be sent to the employer with a copy to the employee. It is the responsibility of the employer to reimburse the employee contributions to the employee.

Please note that there are strict time limitations as to which employer contributions are eligible for refund. Usually only employer contributions made within the last year may be returned.

Trustee Positions, Continued



A partial term for an elected official will also be open for election. Barney Arceneaux has announced that he is resigning as Mayor of Gonzales to take the position of Director of the Louisiana Municipal Association. He therefore resigned from the MERS Board. There are five years remaining in his term.

The period for nominations will open May 1 and close by 4 p.m. on Wednesday, May 22. Candidates must have at least six years of service credit in MERS to run. Signatures of 25 active members of MERS are needed to qualify. The nominating petition form will be available on the MERS website, mersla.com.



Legislative Session

The 2024 session of the Louisiana Legislature started on March 11 and must adjourn by June 3. MERS is tracking the following pieces of legislation:

SB 1 (Price)

Systems Impacted: State and Statewide

This bill was requested by the retirement systems. It provides that for transfers between systems “employer contributions” means only those employer contributions that are actuarially required. This bill is supported by the MERS Board of Trustees. It has passed the Senate and been reported favorably by the House Retirement Committee. It is awaiting action by the House of Representatives.

SB 2 (Price)

Systems Impacted: MERS

This bill was requested by and supported by the MERS Board of Trustees. It provides that candidates for the elected official trustee positions on the MERS Board of Trustees must have four years of service credit, in place of the current six years. It has passed the Senate and been reported favorably by the House Retirement Committee. It is awaiting action by the House of Representatives.

SB 5 (Miguez)

Systems Impacted: State, Statewide, and Local

The bill requires fiduciaries for public retirement systems, including consultants and managers, to make investment decisions based solely on financial factors. It puts constraints on proxy voting. It provides that triple damages for violations can be pursued by the Attorney General. The MERS Board of Trustees opposes the bill as originally filed since it could limit investment choices.

SB 478 (Boudreaux)

Systems Impacted: MERS

Changes the time period from 10 to 20 years for Lafayette Consolidated Government to pay MERS for the liability created when positions are moved from MERS to the Parochial Employees’ Retirement System. The Board of Trustees has taken a neutral position on this bill. It has passed the Senate and is scheduled to be heard by the House Retirement Committee on May 1.

HB 22 (Adams)

Systems Impacted: MERS

This bill was requested by MERS to allow members to upgrade their accrual rate at the time of retirement, by paying the actuarial cost, if the member had transferred time from another public retirement system. Currently members are only allowed to upgrade their rate at the time of transfer. Because the Legislative Actuary concluded that there is an actuarial cost to this bill the MERS Board declined to pursue it.

HB 744 (Glorioso)

Systems Impacted: MERS

Provides that there will be no impact on the benefit of a retiree returning to work on a part-time basis. The MERS Board of Trustees opposes the bill because it will result in an actuarial cost to the system. In the House Retirement Committee, the bill was amended to only apply to members who retired with at least 30 years of service. It is scheduled to be heard by the House Representatives on April 30.

HB 902 (Melerine)

Systems Impacted: State, Statewide, and Local

Creates new rules as to the proxy voting of corporate shares owned by public retirement systems. The MERS Board of Trustees opposes the bill as originally filed since it could limit investment choices.

HCR 20 (Mike Johnson)

Asks Congress to reform or repeal the federal laws that offset Social Security benefits known as the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). It has passed the House of Representatives.



News for Active Members

Active Member Self Service

Did you know that as an active member of MERS, you can create your own retirement benefits estimate? There is a calculator on the Self Service portal of the MERS website that allows you to pull from your actual data to estimate your future benefits.

You will need an account on the MERS Member Self Service Portal. We encourage you to sign up for MERS Member Self Service with your personal email address. Using a work email address will be a problem when you retire and no longer have access to that email account.

By registering your own account, you help prevent fraudsters from trying to access your information.

To register, go to the MERS website, www.mersla.com, and click on Self Service Portal at the bottom of the homepage. Click on user registration to begin the registration process and locate your account with MERS.

For all members of MERS, the member self service portal gives you the opportunity to monitor your account and accomplish many tasks in a paperless capacity.

The active member online services include:

- Update Address and Contact Information
- Change Beneficiary
- View Membership History
- Estimates of Monthly Retirement Benefits/DROP Benefits
- Employee Contribution Verification Letter
- Annual Member Statements

Annual Statements

Annual Statements will be mailed to all active members in August. Statements reflect your Plan, your Tier, total service credit, your beneficiary, and the total employee contributions you have made to MERS.

Please be sure your address is current to receive your statement. You can make beneficiary and address changes via the Self Service Portal or through your employer.



News for Active Members, Continued

DROP Investments

What happens to your DROP account once your DROP period ends?

Whether you choose to remain in active service or retire and begin receiving your monthly retirement benefits, your DROP account will automatically be transferred to Empower Retirement at the end of your DROP period.

MERS has partnered with Empower Retirement to be able to provide you with more investment options to assist our members in planning for your future.

At no cost to our members, Empower has local retirement plan advisors who are available to meet with you one-on-one, virtually via phone, and/or video conference. Empower's team can help you stay on course to and through retirement by providing you with the personalized support and education you need based on your financial circumstances. During a meeting with their representative, you can discuss topics, including plan features and benefits, your savings goals, budgeting, investing, retirement readiness, withdrawal strategy, and more.

Empower Contact Information:

Empower Retirement National Client Services: (800) 937-7604
Service hours: Monday – Friday, 6 a.m. to 8 p.m. Mountain time

State of Louisiana Public Employees Deferred Compensation Plan/Empower:
9100 Bluebonnet Centre Boulevard, Suite 203
Baton Rouge, LA 70809
(225) 926-8082

Website: <https://louisianadcp.empower-retirement.com/>

Email Address: [**LouisianaDCP@empower.com**](mailto:LouisianaDCP@empower.com)

Service hours: Monday – Friday: 8 a.m. to 5 p.m. Central time



News for Retirees

Retiree Self Service Portal

Did you know that as a MERS retiree you can create and print your own Income Verification Letter? This is one of the many services available when you register your account. By registering your own account, you help prevent fraudsters from trying to access your information.

To register, go to the MERS website, www.mersla.com, and click on Self Service Portal at the bottom of the homepage. Click on user registration to begin the self registration process and locate your account with MERS.

The retiree online services include:

- Update Address & Contract Information
- Benefit Income Verification Letter
- Change Banking Direct Deposit Information
- Change federal income tax withholdings on W4-P form
- View last three months of benefit payments issued
- View/Print 1099s

State and Federal Taxes

When you filed your tax return this year did you find that you had too much money taken out of your MERS benefit payment? Not enough?

As a retiree, you can direct the amount of federal taxes deducted from your monthly pension payment. This is done through submitting a form W-4P. The form is available at mersla.com and in the Self Service Portal.

You are not required to pay state taxes on your MERS benefit. When completing your tax return, use Schedule E to claim your tax exemption. The Louisiana Department of Revenue provides this form.

Cost-of-Living Adjustments (COLAs)

COLAs funded by the retirement system are not guaranteed. When granted, COLAs must be funded for the lifetime of all retirees who will receive the adjustment.

MERS has a Funding Deposit Account that may be used to fund COLAs. Monies are deposited into the account when the employer contribution rate is set at a rate higher than the rate necessary to fund the system.

Since a COLA was granted in 2022, and the funding level of the system is less than 80%, current law provides that no COLA will be granted in 2024.



News for Retirees, Continued

Rehired Retirees

After you retire, you may decide that you want, or need, to go back to work. If you take a job with an employer who is not participating in MERS, there will be no impact to your MERS retirement benefit. This means you can work in the private sector or for a public employer, like the State or a Parish government, that is not a part of MERS.

However, if you want to return to work for your former employer or another municipality or entity that participates in MERS, there are some restrictions.

If you return to work on a part-time basis, less than 35 hours per week, you will continue to receive your retirement benefit. However, you must limit your part-time earnings. Your earnings limit is

based on your final average compensation when you retired and is adjusted for inflation each year. You should contact MERS to have your limit calculated. You will pay contributions to MERS during your part-time employment. You may apply for a refund of those employee contributions when you terminate your part-time employment.

Exception: If you become a part-time elected official after you retire from MERS, you are not subject to limits on earnings for that elected position and you do not pay contributions for those earnings.

If you return to work on a full-time basis with an employer that participates in MERS, you must suspend your retirement benefit and only receive your salary. You will

contribute to MERS and earn a supplemental retirement benefit if you work for more than a year. You will never receive the retirement benefits that were suspended when you returned to work. Your monthly retirement benefit will resume, with your supplemental benefit included, once you terminate your reemployment.

If you work full-time for less than a year, the contributions you paid to MERS will be refunded, upon your application for a refund. You will never receive the retirement benefits that were suspended during the term of your reemployment. Your monthly retirement benefit will resume once you terminate your reemployment.



News for Employers

Enrollments

All full-time employees (other than fire and police) must be enrolled in MERS as of their date of hire. Full-time means working on a regularly scheduled basis for an average of at least 35 hours per week.

An enrollment form, with a copy of the employee's Social Security card, must be submitted to MERS for each new employee.

New employees must complete the **Forfeiture of Benefits Attestation** form which should be held in the employee's personnel file. It is not sent to MERS.

Employees who do not contribute to Social Security must complete form **SSA-1945 Social Security Acknowledgement**. This form is maintained in the employee's personnel file and is not sent to MERS.

Status Change Sheets

When an employee changes their status during a month, please use a Status Change Sheet to notify MERS. Examples of a status change include termination, leave without pay, going on worker's compensation, and returning to work.

Insurance Deductions

MERS can deduct insurance premiums from retiree checks and remit those funds directly to employers. This option is convenient for both retirees and their former employers.

Retirees must complete the form entitled "Retiree Insurance Premium Deduction Authorization" and employers must file the "Employer Request to Withhold Insurance Premiums" to enroll in this process. All insurance deductions will be remitted to employers via ACH payments.

Employer Contribution Rates

The MERS Board of Trustees is pleased to announce that the Employer Contribution Rates for the July 1, 2024 to June 30, 2025 fiscal year have been lowered.

The new rates are:

Plan A – 28%

Plan B – 14%



News for Employers, Continued

Employer Portal

Contribution reports must be submitted via the Employer Portal by the tenth of each month. Be sure when submitting your monthly report that you receive a confirmation email.

To locate the link for monthly contribution reporting navigate to the Employer Tab on our website, **mersla.com**, and click on Contribution Reporting/Employer Portal.

Contribution payments are also due by the tenth of the month. Payments may be submitted through ACH, the preferred method, or by check.

When mailing a paper check for contributions it is not necessary to send a copy of your contribution report. The electronic report you submitted through the Employer Portal is sufficient. Remember when submitting the payroll file to be certain that you receive the confirmation email. This ensures the file was submitted successfully.

New Forms

We are continuing to update forms to make them more user friendly. If you have suggestions for changes, please let us know at lobby@mersla.com.

Be sure to print forms from our website as you need them.

**** Employer Portal Update – Review Previously Processed Reports****

After your monthly report has been posted by MERS Staff, you can view the report and it will be archived for two years. This gives you the ability to access these reports for your own use or if requested by your auditor.

IMPORTANT REMINDER

Upcoming Board Meetings

The MERS Board of Trustees meets regularly at 7937 Office Park Boulevard in Baton Rouge. Meetings typically start at 9 AM and are open to the public.

Meeting dates, agendas, and minutes are posted on the system's website, **mersla.com**.



Staff Spotlight

Recognizing the importance of the staff at MERS to the successful administration of the retirement system, this is the fourth in a series of articles spotlighting individual team members.

Christopher Saik Chief Investment Officer

Christopher Saik is the Chief Investment Officer (CIO) at MERS.

The MERS CIO is responsible for managing the system's \$1.2 billion portfolio. Along with the outside investment consultant hired by the Board of Trustees, the CIO makes recommendations about the best allocation of the system's assets. He also assists in hiring managers to help accomplish the investment goals set out by the Board. He updates the Board on manager and asset performance at each meeting.

Christopher began his service at MERS in 2016. He came to MERS from the Louisiana School Employees' Retirement System where he served as CIO for three years.

At both MERS and School Employees' Christopher has specialized in streamlining the investment portfolios. His efforts have improved performance and reduced fees. The progress made in the MERS investment portfolio is illustrated in this chart:



	June 30, 2015	June 30, 2023
Number of Strategies	52	16
% in Alternatives	43%	12%
% in Passive Strategies	15%	53%
Estimated Annual Management Fees (\$)	\$6.5 million	\$3.3 million
Estimated Annual Management Fees (%)	0.78%	0.30%

This fiscal year to date MERS has a 10% investment return. Returns vary from month to month and year to year. Christopher understands the importance of remaining steady and focusing on the long term so that system assets provide secure retirement benefits for the members of MERS.

Christopher has two Bachelor's degrees – a finance degree with a concentration in investments from LSU and an accounting degree from Southern Mississippi. He spent four years as an analyst in Hancock-Whitney's institutional investments division before joining the public retirement system arena.

MERS is lucky to have an internal Chief Investment Officer with Christopher's experience.

