



MERS MESSENGER

NEW TRUSTEE ELECTED TO THE BOARD

The Board of Trustees for the MERS system welcomed Donald Clause as its newly elected Trustee during the September 15th meeting. Mr. Clause is the Human Resources Director at the City of Thibodaux. Mr. Clause is replacing Trustee, Andrea Mahfouz, whose term ended in August.

Congratulations to Mr. Clause.

NEW PENSION ADMINISTRATION SOFTWARE

The implementation of the new pension administration software is going well. Everything is on schedule as of today and everyone's cooperation is appreciated.

CYBER SECURITY—FILE ENCRYPTION

MERS has purchased an account with Citrix FileShare that will allow you as employers to upload your contribution reports, enrollment forms, applications, etc. or anything with sensitive information such as social security numbers or bank account numbers over a secure server to our office. There is no need to encrypt your files, but if you are currently emailing encrypted files, you may continue to do so. The link to upload your files is: <https://mersla.sharefile.com/f/fo0909da-co7b-484f-a88e-251cccad0444> or you can call either Monica Guidry, Megan Campo, Lacey Weimer, or Joycelyn Gunby to email the link to you if you need to send any documents with sensitive information.

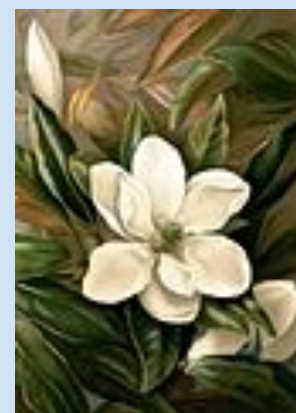
APPLICATIONS AND FORMS

All applications and forms should be downloaded from the MERS' website. Do not make copies for future use. These forms are updated periodically, and this office will only accept the most current applications and forms.



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ADMINISTRATIVE UPDATES

NEW EMPLOYER ADMINISTRATION

If your municipality has new administrative staff, at your convenience please browse our website

(www.mersla.com) for information on the retirement system. It is very important to complete the “Designation of Employer Representative” and “Employer Contact Information” forms so that MERS can update your information.

Authorized Representatives must be designated by the Mayor or Director. The retirement system needs to know who is authorized in your organization to certify forms and information. Forms received without proper authorization will not be processed.



MEMBER STATUS CHANGES

“Active Member Status Change” forms should be submitted no less than once a month. The method preferred by the retirement system is to submit this form with the monthly contribution report. The retirement system needs to be notified when a member terminates employment, goes out on worker’s compensation, FMLA, leave without pay, etc. as soon as possible so that their account is updated. This will eliminate numerous emails and phone calls at month end to research active members without contributions.

MERS RETIREES RETURNING TO WORK WITH A PARTICIPATING EMPLOYER

The Board of Trustees passed a policy at the regular Board meeting held on August 16, 2018 that restricts a retired member from returning to either part-time or full-time employment with an employer participating in MERS for fourteen (14) days from the retired member’s effective date of retirement. **This policy will be effective October 1, 2018.**

MERS RETIREES RETURNING TO WORK

If an employee retires with MERS is re-hired on either a part-time or full-time basis, it is both the retiree and the employer’s responsibility to notify the retirement system by completing the required forms to be submitted to the retirement system.

The retiree and the employer shall submit employee and employer contributions on their total gross earnings received from the 1st of the month through the last day of the month (not per pay period). The retirement system needs to be contacted **prior** to the retiree’s acceptance of the job offer to have their earnings limit calculated. Part-time retirees are subject to earnings limit and full-time retirees will have their benefit suspended during re-employment.

Part-time retirees will receive a refund of their post-retirement contributions at termination upon request. Full-time retirees will receive an additional retirement benefit if employed for twelve (12) months, or a refund of their post-retirement contributions. Their benefit will be reinstated upon termination.

TRAINING AND MEMBER PRESENTATIONS

If you are the person responsible for managing MERS retirement with your employer, training is available to help you learn what your responsibilities are and the procedures for performing these very important tasks.

Susita Suire, Benefits Administrator is available to travel to your office to train any staff member on the municipality’s responsibilities and procedures regarding the retirement system.

Ms. Suire can also give presentations to employees explaining their retirement benefits.

You can either call or email me to schedule these meetings.

MESSAGE TO THE CLERKS

EMAILED MEMOS

All memos received in the mail from this office are also emailed several days before. If you are not receiving these memos via email, you are not on the email group list. Send your email address to Susita Suire at susita@mersla.com to be added to the list.

ENROLLMENT FORMS

New enrollment packets are now available to download from our website. Discard any old forms that you may have.

Enrollment forms must be completed in their entirety and submitted with a **copy of the member's social security card**. Our office has been receiving multiple enrollment forms, but no social security cards.

Hire dates are so important to be completed for both the member, and for MERS when receiving contribution reports. There is no waiting period to begin contributing to MERS. First day of employment is the first day to begin contributing to MERS.

Please review all enrollment forms before submitting them to MERS for errors and/or blanks not completed. This will avoid phone calls and/or corrections. If you have any questions concerning how to complete and enrollment form properly, please call Joycelyn Gunby or Lacey Weimer for assistance at 225-925-4810 or 800-820-1137.

ACH PAYMENTS

MERS would like to encourage all employers to submit their monthly contributions electronically (ACH) into MERS bank account instead of mailing checks. The advantage of electronic deposits will eliminate late fees due to your staff having to wait until prepared checks are signed in enough time to mail them through the post office and get to MERS by the 10th of each month. Several employers have check signers that are not always in the office during this time, which delays payment. The postal service does not always deliver mail on a timely basis, especially during weeks with holidays. All late reports are assessed late fees, which is an additional expense to you as an employer.

All employers should be scanning and uploading their reports to MERS through ShareFile. If you sent your payment electronically, there would be no need to make copies and mail original reports.

The implementation of MERS' new pension software will have a portal for each employer to logon to prepare, upload, and submit all documents that you currently fax, mail, or upload to ShareFile. The portal will allow any employer to eliminate 90% – 100% of their current paper documents, envelopes, and postage. The new process will also eliminate most, if not all, errors before reports have been submitted. This means there should be less credits, and supplemental payments needed for corrections of errors.

Implementation of the new software should be complete by late summer or early fall of this year. Don't worry, every employer will be trained on the new portal. It will be much easier than the current procedures and will let you know if you are forgetting any paperwork.

If you would like to begin sending your contribution payments electronically, please email me at susita@mersla.com so that I can have our banking information sent to you or your payroll department.

WAGES AND EARNINGS

Contributions are to be withheld on regular earnings **only**.

Do not withhold contributions on overtime.

If an employee retires or terminates employment, do not withhold contributions on lump sum payments of accrued leave.

Do not withhold contributions on state supplemental pay unless approved by the retirement system.

Do not withhold contributions on workmen's compensation.

If an employee receives earnings other than regular wages, and you are not sure if it's eligible for retirement withholding, call or email one of our Retirement Benefits Analysts for verification. It is better to verify wages in question before withholding to avoid having to make corrections later. Wages are used to calculate retirement benefits. If a member enters DROP or retires and an error in wages are discovered, their benefits will have to be adjusted. This could possibly be a lower benefit and overpayments will have to be recovered by the retirement system.

FINANCE

Annual Reports

MERS Audit Report for June 30, 2019 is on the website at www.mersla.com. The report can be found on the homepage under "Annual Reports." Refer to pages 6-9 of the audit report for Management's Discussion and Analysis, which discusses financial highlights, overview of financial statements, and a financial analysis of the system.

MERS Actuarial Valuation for June 30, 2019 has been approved by PRSAC and is located on the website on the homepage under "Annual Reports."

The Employer Pension Report, GASB 68, and Information for Financial Reporting, GASB 67 and GASB 68, for June 30, 2019 is also available on MERS website on the homepage under "Annual Reports."

Empower Retirement Update

All DROP funds were transferred from Capital One successfully to Empower Retirement on September 4, 2018. Empower Retirement manages all DROP funds for members that have completed DROP. Empower Retirement offers a guaranteed interest-bearing account and self-directed funds (stocks and bonds).

For the 9-month period ending June 30, 2019, total interest earned on DROP accounts transferred to Empower Retirement was \$342,617. As compared to the 12-month period ending June 30, 2018, total interest earned on DROP accounts at Capital One was \$198,868.

DIRECTOR'S UPDATE

Warren D. Ponder, Executive Director

The 2020 Legislature convenes on March 9 at noon and adjourns no later than June 1 at 6:00 pm. This is an even numbered year meaning the legislators are not limited to fiscal matters. The MERS Board has sponsored five bills, of which four bills deal with technical changes. Senate Bill 7 does make a substantive change limiting the retroactive payment of benefits should a member who is eligible for a benefit delays in applying, in which case the retroactive benefit will be limited to 60 days. Senator Ed Price has been appointed as the new chairman of the Senate Retirement Committee and has agreed to author the MERS bills, for which we are grateful.

MERS continues to work on the improved pension software system and is on-track to go live by October 2020. Eventually, this system will have a "member" portal that allows the member to track their information. This improvement will provide greater in-sight and transparency into each member's account.

In the previous newsletter I informed the membership about the dismissal of the defendant in the "Fletcher Case" in Federal Court. Just as a brief reminder, MERS invested with Fletcher Asset Management Co. in 2008, along with Firefighters of La, and Firefighters of N.O. The money invested was misappropriated by Fletcher and was not properly reported by Citco as administrator of the fund. The Court dismissed the claim against Citco. This dismissal was appealed and was argued before the Court of Appeals in December, but no decision has been rendered as yet.

The Board has continued to divest of the old non-performing assets and has completed that task, but for one investment in Gainesville, Ga., consisting of raw land. The move by the Board to a more traditional asset allocation has improved the performance of the trust fund, but MERS still has ground to make up.

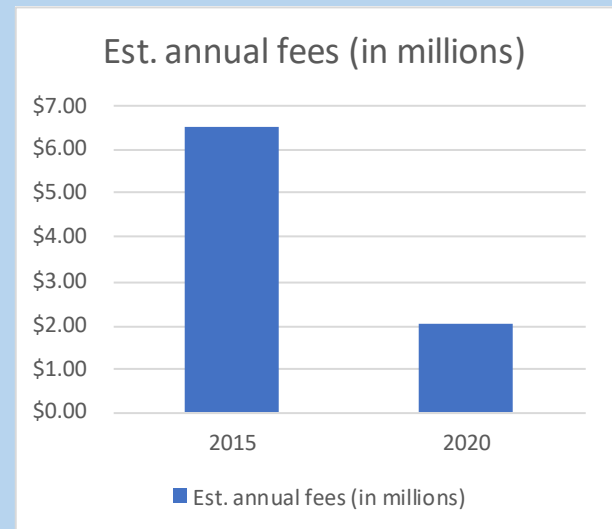
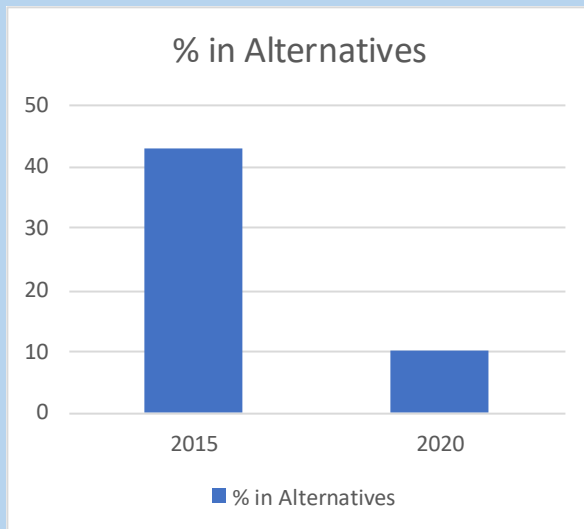
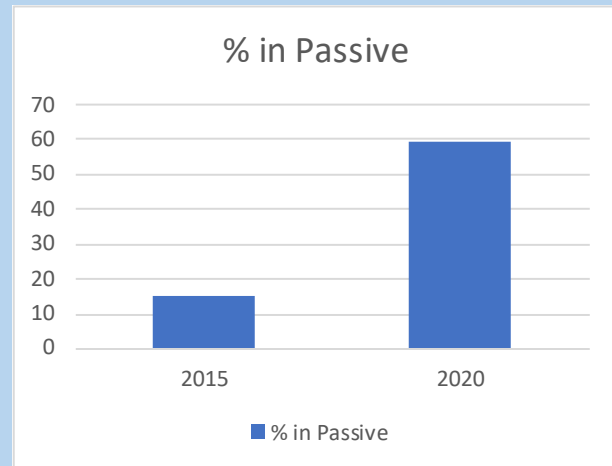
It has been a year and a half since the DROP account was moved to Empower and many participants are engaged in the "self-directed" option offered on their accounts. Just as a reminder to the membership, Bond funds as well as Equity funds are offered as well as the interest only account. Empower does offer information about those accounts and MERS encourages all members to educate themselves on the availability of the products offered.

Finally, just as a reminder, it is very important to keep MERS informed of a current address.

INVESTMENT UPDATE

Christopher Saik, Chief Investment Officer

As we head into a new decade, we should take a moment to review the progress MERS has made under new leadership from an investment perspective. Since fiscal year-end 2015, we have reduced the number of strategies in the investment portfolio by 65% while increasing our exposure to cost-effective passive investment strategies by nearly 400% and decreasing our alternative investments by 75%. Arguably the biggest effect that shows through in the portfolio from these changes is a reduction in annual management fees from an estimated 78 basis points to 25 basis points, a real savings of approximately \$4.5 million per year to the retirement system.



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Warren D. Ponder
Executive Director

Susita Suire
Benefits Administrator

Nancy LaGarde
Chief Financial Officer

Christopher Saik
Chief Investment Officer

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.

Municipal Employees' Retirement System
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