



# MERS MESSENGER

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- Susan Percle, Vice Chair  
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## Avoiding Fraud

Employees at MERS recently thwarted online fraudsters from hijacking online retiree accounts in MERS member self service portal. Quick thinking allowed a MERS staff member to recognize suspicious activity. The fraudster attempted to create a member account and have pension funds diverted to a debit card. A call to the phone number of the member on file confirmed they had not attempted to make the payment change.

You can help protect your funds by creating your own account as described on page 4:

The United States Department of Labor recommends creating your own retirement account as a protection against fraud. Some other suggestions include using strong and unique passwords, keeping personal contact information current, and being wary of free wi-fi. A complete list of online security tips can be found at this link. <https://www.dol.gov/agencies/ebsa/key-topics/retirement-benefits/cybersecurity>

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## **Investment Returns**

MERS experienced excellent investment returns for the fiscal year that ended June 30, 2023. The system closed the year with a 9.2% market gain. This performance ranked in the top 13% of all public plans with over \$1 billion in assets nationally.

## **Annual Audit and Actuarial Valuation**

MERS annual audit commenced 1n August. The Audit Report as of June 30, 2023, will be presented at the MERS Board Meeting on December 14, 2023. The Employer Pension Report (GASB 68) will be finalized by the beginning of February 2024. The reports will be posted on [www.mersla.com](http://www.mersla.com) under “Annual Reports.”

MERS annual actuarial valuation report for June 30, 2023, will also be posted to the website under “Annual Reports” after the Public Retirement Systems’ Actuarial Committee (PRSAC) Meeting in early 2024.

MERS would like to thank the employers and members that were selected to provide information to our auditors, Hawthorn, Waymouth, and Carroll, L.L.P.

## **Financial Highlights\* as of June 30, 2023**

MERS fiduciary net position restricted for pension benefits exceeded its liabilities as of June 30, 2023, by \$1.2 billion which represents a 10% increase from last year.

Total market value of investments (excluding Self-Directed DROP) at June 30, 2023, was \$1.1 billion, an increase of 9% from last year.

Net investment income of the System totaled \$90 million for June 30, 2023, compared to a net investment loss for June 30, 2022, an increase 175% from the prior year. The increase was primarily due to financial market returns.

Contributions to MERS by members, employers, ad valorem taxes and revenue sharing totaled \$120 million or a 16% increase from the prior year.

Pension benefits paid to retirees and beneficiaries totaled \$93 million, a 6% increase from the prior year.

\*Approximate numbers are used. Actual figures will be available in the annual reports posted in December at [mersla.com](http://mersla.com)





## Legislative Session

The 2024 session of the Louisiana Legislature is scheduled for March 11 through June 3. If any bills are filed impacting MERS that information will be included in the April 2024 MERS Messenger.

## LAPERS Conference

Trustees for MERS attended an intense educational seminar offered by the Louisiana Association of Public Employees' Retirement Systems (LAPERS) in New Orleans September 10-12. The seminar provided 13 of the 16 annually required hours of trustee education.

Trustees also had the opportunity to network with trustees and staff from other retirement systems in the State.

## Board of Trustees

Mayor Barney Arceneaux of Gonzales was re-elected without opposition to the MERS Board of Trustees. He was sworn in for a new six-year term at the August 2023 meeting of the Board of Trustees.

Phyllis McGraw was elected as Chair of the Board and Susan Percle was elected Vice Chair. Ms. McGraw is the Clerk of Bossier City and has been a member of the Board since 2018. Ms. Percle serves as the retiree on the Board. She was the Chief Administrative Officer for the City of Gretna while an active member of MERS and has been on the Board since 2017.



MERS staff celebrated Maris LeBlanc, Executive Director, for Boss's Day



# Member Self Service

Retirement education is critical, and the best way to stay informed about your retirement is to use 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 pose issues 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](http://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.

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 members online services include:**

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

## **The retirees online services include:**

- Update Address & Contact Information
- Benefit Income Verification Letter
- Change Banking Direct Deposit Information
- W4-P form available
- View last three months of benefit payments issued

A NEW feature now available for retirees is access to 1099 forms for the past three years. The member self service portal currently has 1099s available for 2022. The self service portal will archive and retain up to 3 of the most recent years going forward.



# News for Active Members

## Refunded Members

A person who has received a refund of contributions after termination from service may now create an account in the Member Self Service Portal to access their 1099 form. Members who refunded in the calendar year of 2022 now have access to self-register and obtain a copy of their 1099.

## DROP Accounts

When members complete the Deferred Retirement Option Plan (DROP), 100% of their funds are transferred to a third-party administrator, Empower Retirement. Empower Retirement offers these members self-directed investment options.

Account access is available at [LouisianaDCP.com](https://LouisianaDCP.com). Inquiries can be made at 800-937-7604.

Personal appointments may be scheduled by calling 225-926-8082.

# News for Retirees

## Address Updates

Retired members should contact MERS if they have moved. Tax forms will be mailed in January to the address currently on file. Address changes can be made in the Self Service Portal, as explained on page 4. Alternatively, members may use the form “Retiree/Survivor Update Form” found on our website.

## Tax Exemption for Retirement Benefits

All benefits received from MERS are exempt from Louisiana state income tax. When completing your Louisiana state tax return, you must complete Schedule E, using the code 05E. In the “Description Box for the Other Retirement Benefits” line, print Municipal Employees’ Retirement System of LA. You must also provide your or your spouse’s retirement date. If someone else is preparing your tax returns, let them know about this tax exemption.



# News for Employers

## Compensation Reported to MERS

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

The following types of compensation are **not** considered regular earnings:

- Overtime
- Disability payments
- Leave payments made at termination
- Car allowances
- Uniform allowances
- Worker's compensation (Do not report any earnings while an employee is out on worker's comp or short-term disability.)
- Lump sum leave payouts at year end

Call MERS if you have any questions on permissible compensation to be reported or if you need to make a change to a month already reported. (Special rules apply to Marshals.) MERS now 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.**

In the case of overpayment, employee contributions are always returned. Employer contributions are not refunded if the overpayment is more than a year old. Employer contributions made within the last year are returned only if allowed by IRS guidelines (For example, errors discovered within a month are returned. Errors more than a month old, but less than a year, are returned in the case of a mistake of fact.)

## Leave Conversion Option Available

MERS has an option for employers to convert unused leave to retirement credit when a member retires. The employee will receive a higher monthly benefit and the employer will pay an amount lower than the hourly rate for the leave. Choosing this option is an irrevocable decision for the employer and must be applied to all employees who retire. The employer must adopt a resolution to join this program. At an employee's retirement, the employer must certify to MERS the total number of days of annual and sick leave remaining unpaid on the last day of employment. The additional benefit is calculated at retirement and not upon entry into DROP. The employer is sent an invoice by MERS of the actuarial value of the leave that must be paid within 30 days.

Contact Lacey Weimer at 225-925-4810 or [lacey@mersla.com](mailto:lacey@mersla.com) for more information.



# News for Employers, Continued

## New Forms

MERS is in the process of updating the various forms used by employers and members. Updates will provide a more consistent look and make the forms easier to use. Have any suggestions for updates? Send an email to us at [lobby@mersla.com](mailto:lobby@mersla.com), with “form updates” in the subject line.

Because forms are subject to change, employers are encouraged to print forms as needed, rather than keeping stacks of forms on hand.

## LMA/Clerks Conferences

MERS had a booth staffed by Retirement Benefits Administrator Lacey Weimer at the LMA Conference held in Alexandria. She was happy to meet with members and answer their questions. Lacey and other staff members also attended the annual Clerks conference in Baton Rouge held October 23 - 26.

## 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.

## Timely Payments

Payments are due on the tenth of each month.

Timely payment of employer and employee contributions to MERS is critical for the financial stability of the retirement system. This also ensures that retirements and refunds are processed in a timely manner with no delay for the member.

Employers are strongly encouraged to sign up for electronic (ACH) payment of contributions to MERS.

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.



## Staff Spotlight

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

### **Nancy LaGarde, CPA, MBA, CGMA** **Chief Financial Officer**

Nancy LaGarde is the Chief Financial Officer for MERS, with responsibility for financial operations, financial policies, and internal controls. She also has responsibility for supervising MERS' Senior Accountant.

Nancy reports directly to the Board of Trustees on budget and audit issues. She ensures that the annual audit of the system runs smoothly, financial information is accurate, and that MERS complies with state laws dealing with finances and regulatory requirements.

All tax reporting is issued under Nancy's supervision including retiree and refunded members 1099-R forms. She is happy to speak to members who have questions about those forms. Nancy also assists MERS employers with questions regarding the annual GASB 68 Employer Pension report.

Nancy began her service at MERS in 2012. She came to MERS with many years of valuable experience as an internal auditor in the healthcare industry and for publicly traded banks. She also served as an external auditor with a Big Four accounting firm and took the lead role of the internal audit function of a large integrated health system.

Her undergraduate degree is in Accounting from North Carolina State University. She has a Master of Business Administration from LSU and holds certifications as a Certified Public Accountant and Chartered Global Management Accountant. Nancy is a member of the American Institute of Certified Public Accountants and the Louisiana State Society of CPAs.

In her personal time, Nancy enjoys traveling, spending time with her large extended family, and assisting animals that need her help, including MERS visiting cats.

She is a tremendous asset to MERS operations.



### **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](http://mersla.com).

