



MERS MESSENGER

Longtime Board Member Leaves the Board

Mary Vice, city clerk of Vinton Louisiana leaves her position on the Board of Trustees after serving two terms. Ms. Vice was elected and joined the Board in May of 2006 and served until August of 2018. Board members for MERS are limited to two terms. As a Board member she served during the financial crisis of 2008 as well as directing the system through a change in administration during 2015. Her leadership was invaluable.

Ms. Vice's service is appreciated and will be missed. Thank you.

NEW TRUSTEE ELECTED TO THE BOARD

The Board of Trustees for the MERS system welcomed Phyllis McGraw as its newly elected Trustee during the August 16th meeting. Ms. McGraw is the City Clerk at Bossier City. Ms. McGraw is replacing longtime Trustee, Mary Vice, whose term ended in August.

Congratulations to Ms. McGraw.

NEW EMPLOYER RATES - 7/1/18 TO 6/30/19

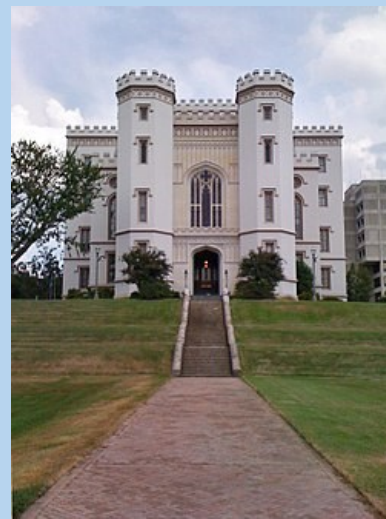
The Board of Trustees adopted the following employer rates to be effective July 1, 2018.

PLAN A	26.00%
PLAN B	14.00%

NEW WEBSITE

The new website (www.merlsa.com) for MERS is up and running. This site is full of information for active members, retirees, and employers. Any suggestions for information not currently on our website are welcome.

I suggest that all employers visit this site and make sure the information for your employer is correct.



INSIDE THIS ISSUE

- Staff Changes.....2
- Administrative Updates 2
- Message to the Clerks.... 3
- DROP 6
- Legislation 7
- Annual Reports..... 8
- Investments 8

STAFF CHANGES

Joanna Harvey will be retiring from MERS September 28. Joanna has served the MERS membership for 15 years. Thank you Joanna for your hard work and dedication to our members. You will be missed. Good luck with your future goals.

Welcome Lacey Weimer to the MERS family. Lacey will begin her career with MERS September 17th bringing with her 14 1/2 years of public retirement experience to fill the Retirement Analyst position. Lacey looks forward to meeting and working with all our employers and members. I hope everyone welcomes her with patience as she progresses in her position.

ADMINISTRATIVE UPDATES

EMPLOYEES CHANGING FROM FULL-TIME TO PART-TIME EMPLOYMENT

When a full-time employee contributing to MERS becomes a part-time employee, refunds of accumulated contributions are not allowed until the employee **TERMINATES** employment. Prior employees that were refunded their contributions due to becoming part-time employees were issued in error. This is effective immediately.

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 PLAN DESCRIPTION

Our Plan Description is currently being updated with all new laws and policies. As soon as it is completed, it will be uploaded to our website and all employers will be notified.

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.

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.

Continued on Page 3



MESSAGE TO THE CLERKS

ENROLLMENT FORMS

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

WAGES AND EARNINGS

Continued from Page 2

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.

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 "Municipality Contact Designation" and "Municipality Information" forms so that MERS can update your municipality's information.

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

REFUNDS OF ACCUMULATED CONTRIBUTIONS

ADDITIONAL DOCUMENTS REQUIRED

Effective **August 1, 2018**, a copy of the member's social security card and driver's license will be required to be submitted with refund applications for accumulated contributions. The processing of the member's refund will be delayed if these identification documents are not received with the application.

As a reminder, a voided check or "direct deposit authorization form" from their financial institution (this includes prepaid debit cards) is required to be submitted with the refund application.

These documents are to be submitted in addition to the MERS' "Refund Application". It is mandatory to complete, sign, and submit page three (3) of the application, "MERS Direct Deposit Authorization".

If submitting a bank issued "Direct Deposit Authorization Form", the following must be included:

- Bank Name
- Routing Number
- Account Number
- Checking or Savings account indicated

Do not send a copy of the actual prepaid debit card. The information on the card is not what is needed for electronically depositing funds.

The "Refund Application" is currently being updated, but until uploaded to the website, inform terminated employees requesting a refund of contributions their refund will be delayed if all required documents are not received by this office with their application.

CONTRIBUTION REPORTING

All contribution reports and checks received by our office with errors will be returned for correcting. This could possibly result in the municipality paying late fees. **It is very important that you review and proof your report, contribution amounts, and check amounts before sending these to our office.** Incorrect reporting or late reporting will delay any retirement benefits or refunds of contributions to your employees. Our office must have all final earnings and contributions before any member may retire or refund their contributions.

Continued on page 5

Continued from page 4

An important reminder to all municipalities:

- All full-time municipal employees (minimum of 35 hours per week) are mandated to contribute to the system.
- Employees of your city court and/or marshal offices are required to contribute retirement contributions on both their municipality earnings and their city court or marshal's earnings.
- Make sure you notify your City Court and Marshal offices of this requirement. Contact information from these offices may be submitted to our office to receive all communication correspondence emailed or mailed.

ACH PAYMENTS

MERS encourages employers to submit payments through ACH to the retirement system. By submitting employer and employee contributions through ACH, employers will be able to avoid delinquent fee charges as long as the ACH transmission is performed on or before the 10th of each month.

MERS also has the capabilities to debit your bank account for employer and employee contributions if your entity is not set up to send payments by ACH.

Contact Monica Guidry at 225-925-4810 or email monica@mersla.com for more information.



DEFERRED RETIREMENT OPTION PLAN (DROP)

All DROP funds were transferred successfully to Empower Retirement September 4, 2018. Empower Retirement will be managing all DROP funds for members that have completed DROP offering a guaranteed interest bearing account and select self-directed funds (stocks and bonds). All members will have online access to their accounts allowing the members to obtain current balances, initiate withdrawals, and manage their funds.

All laws and regulations governing the DROP program are still in effect and must be followed. Withdrawals are not allowed until a member terminates employment, but transferring some or all of their funds to any of the self-directed funds is allowed once the member has completed the DROP program and their funds have been transferred to Empower Retirement.

One major advantage of leaving your funds with Empower Retirement is the Louisiana State tax exemption. All withdrawals from your DROP account with Empower Retirement will be exempt from Louisiana State income taxes. If you transfer your DROP funds to another qualified account, IRA, etc., all withdrawals will be subject to both Federal and State income taxes.

After your DROP funds are transferred to Empower Retirement, members need to contact Empower's customer service at 800-701-8255, not MERS. MERS will no longer distribute any DROP funds to members.

In the case of a death or judgment, MERS will need to be contacted to further instruct Empower Retirement on how to distribute any funds, if applicable.



2018 LEGISLATIVE SESSION

The following are the Board sponsored bills authored by Rep. Kevin Pearson, Chairman of the House Committee on Retirement have passed the 2018 Regular Session:

MERS DEFINITION CHANGES

ACT 43 (House Bill 30 by Representative Pearson) 11:1732 (11) – “Disability” means a condition which in the determination of the board renders an employee permanently and totally disabled, by bodily injury or disease, leaving him incapable of any employment.

11:1732 (20) – “Minor child” means an unmarried child under the age of 18 years or child who had a disability at the time of the member’s death and who remains disabled, and “child” means the issue of a marriage of a member, the legally adopted child of a member, the natural child of a female member, or the child of a male member if a court of competent jurisdiction has made an order of filiation declaring the paternity of such a member for the child or the father has formally acknowledged the child.

EXTENDS DURATION OF DROP IF MEMBER HAS NO FULL-TIME EARNINGS

ACT 111 (House Bill 32 by Representative Pearson) R.S. 11:1763(E)(2) if employer contributions on behalf of a participant are suspended during the DROP participation period as a result of interruption of employment, benefit payments in the participant’s subaccount within the DROP shall be suspended until payment of employer contributions is restored, and the member’s participation period shall be extended by the number of months his benefit payments were suspended. In such a case, the participation period may exceed 3 calendar years, but shall not exceed 36 nonconsecutive months of participation.

PROVIDES FOR THE EMPLOYER TO REMIT UNFUNDED ACCRUED LIABILITY ON ELIMINATED POSITIONS OR CLASS OF POSITIONS

ACT 112 (House Bill 33 by Representative Pearson) 11:1733(F)(1)(b) – Notwithstanding any other provision of law, if an employer eliminates an employee position or class of positions covered by this system by contracting with a private entity for the work formerly done by employees in eliminated positions, the employer shall remit that portion of the unfunded accrued liability existing on June 30th immediately prior to the date of privatization which is attributable to the eliminated position or class of positions.

ALLOWS FOR SURVIVING SPOUSE TO ELECT IMMEDIATE BENEFIT WITHIN 90 DAYS OF APPLICATION IN LIEU OF DEFERRED BENEFIT

ACT 185 (House Bill 29 by Representative Pearson) Plan A

11:1785(A)(b) In order to receive the option provided for in Item (a)(ii) (immediate benefit) of the paragraph, a surviving spouse shall elect the option and notify the system of the election in writing within 90 days of the application for benefits; such election shall be final and irrevocable and shall be in lieu of eligibility for the benefit provided for the item (a)(i) (deferred benefit) of this paragraph.

Plan B

11:1805(A)(2) In order to receive the option provided for in Subparagraph (1)(b) (immediate benefit) of this Subsection, a surviving spouse shall elect the option and notify the system of the election in writing within 90 days of the application for benefits; such election shall be final and irrevocable and shall be in lieu of eligibility for the benefit provided for the in Subparagraph (1)(a) (deferred benefit) of this Subsection.

All Acts become effective July 1, 2018.

FINANCE UPDATE

Nancy LaGarde, Chief Financial Officer

MERS has implemented a new general ledger system for fiscal year 2019. The new general ledger system will enhance transparency and internal control over financial reporting.

MERS will also implement a new Pension Administration System to provide retirement plan information and transparency to members and employers. We anticipate the implementation of a new Pension Administration System to begin in fiscal year 2019.

The annual audit report will be on MERS website after the Board of Trustees December 2018 meeting.

INVESTMENT UPDATE

Christopher Saik, Chief Investment Officer

The first half of 2018 was a productive one from the perspective of MERS investments. With assistance from its chief investment officer and investment consultant, the board of trustees performed its annual review of the investment policy statement. The board voted to keep its asset allocation at its current ranges and continued working towards meeting these targets. The board of trustees was presented with a five-year progress report in March noting many of its accomplishments to improve the system such as cutting the number of investment strategies in half, reducing higher-priced less-liquid alternative investments by 75%, and reducing its annual management fees by two-thirds. The investment strategy of MERS takes a long-term time horizon to ensure the prudent investment of funds, and it will not be influenced by short-term market fluctuations.

Board of Trustees

Donald Villere, Chairman
Mayor, City of Mandeville

Andrea Mahfouz, Vice Chairman
City Clerk, City of Westlake

Mike Sands
Former Director of Civil Service,
City of Lafayette

Raymond Harris,
Former Mayor, City of Franklin

Phyllis McGraw
City Clerk, City of Bossier City

Susan Percle
Retiree, City of Gretna

Greg Jones,
Mayor, City of Crowley

Hon. Barrow Peacock, Senator,
Chair of Senate Retirement Com-
mittee

Hon. J. Kevin Pearson,
Representative, Chair of House
Retirement Committee

Hon. John M Schroder
Treasurer, State of Louisiana

Jay Dardenne
Commissioner of Administration

Executive Staff

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
7937 Office Park Boulevard
Baton Rouge, LA 70809-7606

Phone: 225-925-4810
Toll Free: 800-820-1137
Fax: 225-925-4816
www.mersla.com