



MUNICIPAL EMPLOYEES'

RETIREMENT SYSTEM
OF LOUISIANA

MEMORANDUM

TO: ALL MUNICIPALITIES

FROM: SUSITA SUIRE, RETIREMENT BENEFITS ADMINISTRATOR

RE: QUARTERLY UPDATE

DATE: MARCH 13, 2018

ENROLLMENT FORMS

Our office has been receiving incomplete enrollment forms or no enrollment forms at all for new employees and rehired employees. It is crucial that all information is complete and accurate, and submitted along with all proper documentation. Enrollment forms should be submitted before, or along with your monthly contribution report.

- a. An employee's date of hire is the date to enter as their "date of full-time employment". There is no probationary or waiting period to be enrolled in the retirement system. Withholding begins on their first day of employment.
- b. The employee's position/title must be exact. An employee's title will let MERS know if this is the correct retirement system for enrollment. Act 285 passed in the 2017 Legislative Session puts the burden on the employer for incorrectly enrolled members. This means that the municipality will have to cover any shortage of contributions to the correct retirement system.
- c. Copies of social security cards must be submitted with every enrollment form.
- d. If your municipality does not pay social security, SSA-1945, must be signed and submitted with the enrollment form. This explains the Government Pension Offset Provision and the Windfall Elimination Provision.
- e. Act 479 of the 2012 Legislative Session requires all employees hired or rehired on or after January 1, 2013 to sign a "Forfeiture of Benefits Attestation Form" to be signed and kept on file in the employee's personnel file.

CONVERSION OF UNUSED LEAVE TO RETIREMENT CREDIT

Act 999 was passed in the 2001 Legislative Session to allow the conversion of unused, unpaid annual and sick leave to retirement credit.

- a. In order to convert leave to retirement credit, your employer must adopt this option. Contact our office for suggested language that may be used in the form of a Resolution. This is an **IRREVOCABLE** election.
- b. The member's unused/unpaid leave at the time of retirement will be submitted to the retirement system by the employer. The cost is actuarially converted with payment made by the employer. This cost will be lower than the wages paid to your employees for their accrued leave at time of termination.
- c. Converted leave may not be used to become eligible to retire.
- d. Leave cannot be converted when entering DROP. The member must terminate employment and retire to convert leave.

If you want more information and examples of cost calculations, please contact our office.

TRAINING AND MEMBER PRESENTATIONS

- a. I am available to travel to your office to train any staff member on the municipality's responsibilities and procedures regarding the retirement system.
- b. I also give presentations to employees explaining their retirement benefits.

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

WAGES AND EARNINGS

- a. Contributions are to be withheld on regular earnings **only**.
- b. **Do not** withhold contributions on overtime.
- c. If an employee retires or terminates employment, do not withhold contributions on lump sum payments of accrued leave.
- d. Do not withhold contributions on state supplemental pay unless approved by the retirement system.
- e. 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 write to either Joanna Jacob or Joycelyn Gunby 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.

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.

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.

If anyone has any questions or concerns regarding this matter, please call our office at 225-925-4810 or 800-820-1137.

OUR OFFICE IS AVAILABLE TO ANSWER ALL QUESTIONS. THERE ARE NO INSIGNIFICANT QUESTIONS. OUR STAFF IS HERE TO HELP IN ANY WAY POSSIBLE. MERS' MAIN RESPONSIBILITY IS TO SERVICE OUR MEMBERSHIP AND ALL OUR MEMBERS ARE IMPORTANT TO US.