



MEMORANDUM

TO: ALL MEMBER EMPLOYERS
FROM: WARREN PONDER, DIRECTOR
RE: 2020 LEGISLATION
DATE: MARCH 12, 2020

There are several bills filed that affect MERS:

House Bill 15 by Representative Coussan - moves City of Lafayette new hires from MERS to the Parochial Employees' Retirement System. The current City of Lafayette employees will remain in MERS. When an employee terminates, that position will be placed in PERS and no further contributions will be paid to MERS.

The proposed law makes no provision for the City of Lafayette to pay its portion of the unfunded accrued liability, which is estimated to be approximately \$63 million as of June 30, 2019. The debt will then be paid by the remaining "Plan A" members resulting in an increase in employer contributions by an additional 4.89% of payroll.

House Bill 20 by Representative Schamerhorn – a constitutional amendment, if passed, will prohibit the use of public funds to pay retirement plan contributions or health insurance premiums of elected officials.

Senate Bill 1 by Senator Price – The system's actuary performs an experience study periodically for MERS to make sure the assumptions used to calculate the value of the system are reasonable. Currently this is required every three years, this bill will extend the time between studies to five years. This is Board sponsored and supported by the actuary.

Senate Bill 5 by Senator Price – allows MERS to deduct monthly insurance premiums for retirees. MERS is installing a new pension software system which will make this process automated and administratively possible. This is a Board sponsored bill.

Senate Bill 6 by Senator Price – clarifies terminology in the refund of contributions statute. If a member is reduced to a "part time position", this does not mean that the member is "terminated" and allowed to withdraw member contributions. This is a Board sponsored bill.

Senate Bill 7 by Senator Price – limits retroactive payments for delaying application for benefits to 60 days. This bill will need to be amended in committee to obtain the desired result. MERS wants to limit retroactive benefit payments to 60 days for those members who are eligible for a benefit upon their termination date but fail to apply for the benefit for more than 60 days. This is a Board sponsored bill.

If anyone has questions or wishes to discuss any of the legislation with me, please feel free to call me at (225) 925-4810 or (800) 820-1137.