



MERS MESSENGER

STAFF CHANGES

Congratulations to Warren Ponder on his retirement from MERS! Warren served as General Counsel and then Executive Director since 2013. MERS reached the \$1 billion threshold of assets under Warren’s watch.

Maris E. LeBlanc is now serving as Executive Director and General Counsel. She previously served as Deputy General Counsel for the Louisiana Ethics Administration, Executive Counsel to the Division of Administration, and Chief Operating Officer of the Louisiana State Employees’ Retirement System.

Welcome also to Lindsay Ledell. Lindsay started at MERS in late November 2020 and is already making important contributions to the agency as a Retirement Analyst.

TRUSTEE ELECTION

The term of the Retiree seat on the MERS Board of Trustees currently held by Susan Percle will end August 15, 2021. Any retired member of MERS is eligible to be a candidate for this position if nominated by at least ten active and/or retired members of the retirement system.

Nomination forms will be available on the MERS website or may be obtained by calling (225) 925-4810 or toll free (800) 820-1137, starting June 11, 2021.

Ballots will be mailed to retirees at their home address on file in early July and must be returned by July 30, 2021.

EMPLOYER CONTRIBUTION RATES

7/1/2021 to 6/30/2022

The Board of Trustees adopted the following contribution rates to be effective July 1, 2021:

Plan A - 29.50% Plan B - 15.50%

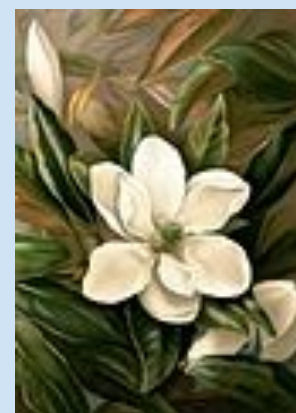
Employees in Plan A contribute 10% of their earnings.

Employees in Plan B contribute 5% of their earnings.



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ADMINISTRATIVE UPDATES

NEW EMPLOYER ADMINISTRATION

If your employer 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.



UPDATE BENEFICIARY INFORMATION

Active members are reminded to update beneficiary information at important life milestones.

For example, did you name your parents as your beneficiaries when you were hired? Are you now married? Do you have children? You may want to have your spouse or children named as your beneficiaries now.

Use the [Beneficiary Change Form](#) to make changes.

LEAVE CONVERSION OPTION AVAILABLE

MERS has an option for employers to convert unused leave to retirement credit when the member retires. This irrevocable decision passed by adopting a resolution is beneficial to both the employee and employer. You can offer an additional benefit to valuable employees that will most likely stay employed until retirement age and lower the amount of leave hours taken if allowed to convert these days to retirement credit. The employer must certify to the retirement system the total number of days remaining unpaid on the last day of employment. The additional benefit is calculated at retirement and not upon entry into the DROP program. If an employee enters DROP and continues to work, their additional benefit is not calculated until he/she terminates and retires. The employer is responsible for the payment of conversion to MERS, but the cost is much lower than paying a lump sum to the employee upon retirement.

Contact Susita Suire at 225-925-4810 or susita@mersla.com for more information.

ANNUAL CONTRIBUTION STATEMENTS

Annual contribution statements will be mailed out in July to all active members, so now is the time to make sure your current address is on file. Use the form [Active Member Information Changes](#) to update your address.

MESSAGE TO THE CLERKS

Making payments of employer and employee contributions to MERS electronically through an ACH transfer will help avoid delinquent fees. Payments are due by the 10th of each month. Contact Monica Guidry at 225-925-4810 or monica@mersla.com for assistance in setting up this payment system.

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. The 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 an enrollment form properly, please call Joycelyn Gunby or Lacey Weimer for assistance at 225-925-4810 or 800-820-1137.

UNCLAIMED PROPERTY

MERS will report on an annual basis the names and addresses of terminated or deceased members that have a remaining contribution balance to the Louisiana Treasurer's Office, Unclaimed Property Division. The Treasurer's office will only have the name, address, and dollar amount that is on file with MERS, not the actual funds. The member or beneficiary of a deceased member must contact this office to apply for a refund of the contributions.

PENSION ADMINISTRATION SOFTWARE

The Pension Pro software implemented by MERS in 2020 is working as intended. Employers are making effective use of the Employer Portal. For those employers who would like additional training on the use of the software, a webinar will be scheduled in May.

The next step to be implemented is an Employee Portal. This secure portal will allow members to log on to their own account and obtain estimates, contribution statements, beneficiary information, and more.

RETIREES - Louisiana State Tax

All benefits received from MERS are exempt from Louisiana state income tax. When completing your Louisiana state tax return, you must complete **Schedule E**, line 4D. The code is 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 that your MERS benefits are exempt from Louisiana State income tax.

FINANCE

Annual Reports

MERS Audit Report for June 30, 2020 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, 2020 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, 2020 is also available on MERS website on the homepage under “Annual Reports.”

Empower Retirement

Municipal Employees’ Retirement System of Louisiana (MERS) Self-Directed DROP Plan

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 self-directed investment options for members that have completed DROP. MERS’ Self-Directed Plan is a powerful tool that gives members the ability to manage funds so that they can reach their retirement dreams.

If you participate in DROP, once your funds are transferred to MERS Self-Directed DROP Plan, you will receive a personal identification number (PIN) letter from Empower Retirement. You will have access to your account 24 hours a day at **800-701-8255** or by logging on to **LouisianaDCP.com**. You will also receive a statement on a quarterly basis.

There are many advantages to remaining in MERS’ Self-Directed Plan. If you are approached by brokers or financial planners offering to manage your investments post-retirement, MERS encourages you to contact Empower Retirement to discuss these advantages to protect your retirement savings. Before making any kind of decision to move your account, be sure to compare all aspects and benefits available to you, particularly the exemption from state income tax. If you have any questions, please call Empower Retirement’s Baton Rouge office at **225-925-8082**.

Deferred Compensation Program

Public Employees in the State of Louisiana can choose to participate in the Louisiana Public Employees Deferred Compensation Plan (DCP). Your employer must be enrolled in the DCP for automatic payroll deductions. If your employer is not currently enrolled, request that your employer’s payroll department contact Empower Retirement.

This 457 Plan, administered by Empower Retirement, allows eligible employees to supplement their existing retirement/pension benefits by saving and investing before-tax and Roth after-tax dollars through voluntary salary contributions. When you contribute to the DCP, the amount of tax you pay is figured after your contribution, so you may pay less in taxes now if contributing pre-tax dollars or later if contributing Roth after-tax dollars. The amount you contribute will be automatically taken out of each paycheck and deposited in your 457 account.

Go online to **LouisiananDCP.com** and click on *Contact us* to locate your local Retirement Plan Advisor and schedule a meeting with an advisor in your area. You can also call **800-937-7604** and receive enrollment assistance or schedule a Retirement Readiness Review.

DIRECTOR'S UPDATE

Maris E. LeBlanc, Executive Director

I am happy and humbled to have taken over as the Executive Director and General Counsel of MERS. I look forward to meeting our members and the Mayors, Clerks, and staff of our participating employers. It is a privilege to work with the staff of MERS. We are available to answer any of your questions.

As Louisiana improves its situation as to the COVID-19 virus, MERS is now open to schedule appointments with members. Visitors to our office will be required to wear masks and our staff members will wear masks when working with you.

The 2021 Legislative Session started on April 12 and must end by June 10. Only one bill this session impacts MERS. Senate Bill 21, by Senator Robert Mills, was introduced at the request of MERS and at the suggestion of one of our employers. It would allow members who were furloughed or placed on leave without pay due to the COVID pandemic to purchase their lost service by paying only the employee and employer contributions. Normally a purchase of service credit would require the payment of interest in addition to the contributions or the payment of the actuarial cost of the service. As introduced, the bill would apply to service lost between April 1 and November 30, 2020, and would require payment to be made no later than December 31, 2021. The bill was approved by the Senate Retirement Committee and unanimously passed the Senate. It awaits action in the House of Representatives.

INVESTMENT UPDATE

Christopher Saik, Chief Investment Officer

The transition to a more traditional investment portfolio continues to develop. After 5 ½ years of progress, here is where MERS' portfolio stands:

| | June 30, 2015 | December 31, 2020 |
|----------------------------------|---------------|-------------------|
| Number of Strategies | 52 | 18 |
| % in Alternatives | 43% | 7% |
| % in Passive Strategies | 15% | 55% |
| Estimated Annual Management Fees | \$6.5 million | \$3.2 million |
| Estimated Annual Management Fees | 0.78% | 0.31% |

The number of strategies has been reduced by 65% including an over 80% reduction in high-fee, illiquid alternatives. The percentage of MERS' portfolio invested in passive strategies has registered a nearly 400% increase resulting in over \$3 million annual savings in estimated management fees – a 60% reduction.

These improvements not only enhance MERS' long-term financial stability, but they also contributed to MERS' assets under management crossing the \$1 billion threshold in November 2020.

Board of Trustees

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Mayor (retired), City of Mandeville

Susan Percle, Vice Chairman
Retiree, City of Gretna

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HR Director, City of Thibodaux

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Mayor, City of Abbeville

Barney Arceneaux
Mayor, City of Gonzales

Phyllis McGraw
City Clerk, City of Bossier City

Greg Jones,
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LMA Representative

Hon. Robert Mills, Senator,
Senate Retirement Committee

Hon. Lance Harris, Representative,
Chairman of House Retirement
Committee

Hon. John M. Schroder
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Jay Dardenne
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Executive Staff

Maris E. LeBlanc
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 are to be withheld on overtime. Regular, holiday, vacation, and sick earnings only are eligible for contributions. Do not withhold contributions on lump sum leave when a member is terminated or retires.

No contributions are 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