




**MUNICIPAL EMPLOYEES'**  
RETIREMENT SYSTEM  
OF LOUISIANA

**MEMORANDUM**

TO: ALL EMPLOYERS

FROM: WARREN D. PONDER, EXECUTIVE DIRECTOR 

RE: ACTS OF THE 2018 REGULAR SESSION OF THE LOUISIANA LEGISLATURE WHICH AFFECT THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

DATE: JUNE 14, 2018

**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 30<sup>th</sup> 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**

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.

Please call our office if you have questions concerning any of the changes discussed in this memorandum.