



MERS MESSENGER

Volume 6 August 2017

New Trustee Elected to the Board

The Board of Trustees for the MERS system welcomes Mayor Raymond Harris as its newly elected Trustee. Mayor Harris is the Mayor of the City of Franklin and is replacing Board Member, Mayor Clarence Fields.

The Board welcomes Mayor Harris and looks forward to working with him to make the system even better.

New Rates & Reports

New employer rates are effective July 1, 2017. Please begin using the new forms and the following rates:

Plan A 24.75%

Plan B 13.25%

ANNUAL CONTRIBUTION STATEMENTS

Annual contribution statements as of June 30, 2017, will be mailed to each member's home address during the last week in August. Please make sure our office has your correct mailing address. Notify us if you do not receive your statement by the end of September.

RETIRED MEMBER to be ELECTED to the BOARD of TRUSTEES

Legislation was passed to allow a retired member of MERS to become a Trustee of the Board. The following retirees have been nominated:

1. Dudley Dixon – Former Mayor – City of Westlake
2. Susan E. Percle – Former Chief Administrative Officer – City of Gretna
3. Bette Celia Sobel Vidrine – Former Environmental Quality Manager - Lafayette Consolidated Government
4. Joey Normand – Former Mayor - Town of Brusly
5. Jerry Coner – Councilman – City of Covington

Only retirees are eligible to vote for one of the above candidates. All retired members of MERS will be receiving a ballot along with bios on the candidates. Make sure you vote by the deadline. Ballots may only be mailed and must be received by 4:00 p.m. on Tuesday, September 5, 2017.

CHANGES AT MERS

By Warren Ponder
Executive Director

The only sense that is common in the long run, is the sense of change-and we all instinctively avoid it.

E. B. White (1899 - 1985)

MERS is changing. As I write this memo, MERS is conducting an election that will put a retiree on the Board of Trustees for the first time in the history of the system. Five very qualified, interested candidates are vying for the position. Only retired members of MERS will vote, but please, remember to cast your ballot. **IT IS IMPORTANT AND DOES MAKE A DIFFERENCE.**

As of July 1, 2017, retirees will, for the first time, be allowed to return to work with a MERS employer and earn additional benefits, under a law sponsored by Representative Sam Jones. If you are a retiree and are interested in pursuing this program, please contact our office for more information. Some restrictions do apply.

The MERS staff is considering a new pension software program that will eventually make the system more automated and easier to operate. When fully implemented, employers and members will have greater access to their information and more "self-help" will be available. Once the software is vetted, a proposal will be presented to the Board for approval, and the process to implement will begin.

The Board continues to move the investments to a more traditional allocation which was adopted by the Board 18 months ago. The transition was expected to take about three years, and MERS is ahead of schedule, but still has 15 -20% in legacy funds. The change is making a difference, as unofficially the system will realize a market value gain of over 8%, during fiscal year ending June 30, 2017.

MERS is also in the process of changing the format for our web page. We are striving to make it more user friendly and provide more usable information. We are working to make sure the transition is as painless as possible. Please visit us regularly at www.merlsa.com for information and updates.

Finally, we are working to get more information and news out to the membership. We want to be responsive to the membership and keep you up to date on happenings at the system. We are, after all, your system and we want you to know what we are doing to improve. We welcome your input and suggestions. Please feel free to call and let us know how we are doing.

If anyone has comments or suggestions, or wishes to discuss further, please feel free to contact me at warren@mersla.com or (225) 925-4810.

Legislation for 2017

ACT 23 (HB 32): Creates a “retiree seat” on the Board of Trustees for MERS. An election will be called to fill the current vacancy on the Board of Trustees. To qualify, the candidate must be a retiree of MERS, complete the required education (offered by MERS staff at the office at a time TBD), and complete the nomination form. Any member of MERS active or retired can sign the nominating petition, but only retirees will be allowed to vote in that election.

ACT 314 (HB 683): Creates a new opportunity for retirees to return to work full time, and earn a supplemental benefit. After June 30, 2017, if a retiree returns to full time employment in a position that requires membership in MERS, the retiree’s benefit is suspended and the employee re-enters the system as a contributing member. If the retiree continues to work for at least 12 months, the retiree earns a supplemental benefit. When final separation from service occurs, his original benefit will resume, and include a supplemental benefit based on the time worked and salary paid. If the retiree separates from service prior to the 12-month minimum, the retiree’s contribution will be returned without interest. The employer shall pay its contribution the same as a regular employee.

ACT 285 (SB 8): Creates a method to correct a membership error when enrolling an employee. If an employee is enrolled in a wrong system, the member is transferred to the correct system and the system along with all contributions made by the employee and the employer. If there is a shortage of funds the employer is required to pay the actuarial cost of the difference.

DROP ACCOUNTS

The DROP interest rate at Capital One as of July 31,2017, is .50%.

ENROLLMENT FORMS

Enrollment forms are being submitted without completing all mandatory blanks. 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.

Employee titles are also as important as the hire date. To prevent employers enrolling new employees in the wrong retirement system, employee titles are mandated. This will prevent problems after contributions have been submitted.

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 and enrollment form properly, please call Joanna Jacob or Joycelyn Gunby for assistance at 225-925-4810 or 800-820-1137.

MESSAGE TO RETIREES

Returning to Work **Part-Time** for a Participating Employer

- You may return to work part-time in a position covered by the retirement system after you retire.
- You will be required to pay contributions on your earnings during this reemployment if your first reemployment after retirement is on or after July 1, 2016.
- You will not receive any additional service credit or accrue any additional retirement benefit during your reemployment.
- If your monthly earnings from reemployment equal or exceed the difference between your monthly average final compensation and monthly retirement benefit, your monthly benefit will be reduced by the amount you earned in excess of the difference.
- You and your employer are legally required to report your reemployment with a participating employer to the retirement system.
- Upon termination of reemployment, employee contributions paid since reemployment shall, upon application, be refunded to you or transferred to another qualified plan (IRA) without interest.

Returning to Work **Full-Time** for a Participating Employer

- You may return to work full-time in a position covered by the retirement system after you retire.
- Your retirement benefit from MERS will be suspended.
- You will be required to pay contributions on your earnings during this reemployment.
- You will receive additional service credit and accrue an additional retirement benefit **if you remain employed for twelve (12) months or longer.**
- If you remain employed for less than twelve (12) months, upon termination of reemployment, employee contributions paid since reemployment shall, upon application, be refunded to you or transferred to another qualified plan (IRA) without interest.
- You and your employer are legally required to report your reemployment with a participating employer to the retirement system.

Account Changes

- You must notify the retirement system in writing with any of the following:
 - Address Change
 - Bank Account Change
 - Death of Beneficiary

Benefit Verifications

- All benefit income verifications must be requested in writing.
- There is an “Income Verification” form on the website that can be downloaded for this request.
www.mersla.com

Investments Update

The first half of 2017 was a productive time for the Municipal Employees’ Retirement System of Louisiana setting itself up for future success.

The Board of Trustees engagements include:

- executed its manager due diligence schedule
- continued to lower management fees
- attained and maintained policy range compliance for its new asset allocation
- reduced overweight exposure to hedge funds, non-core real estate, private equity, and natural resources while simultaneously increasing its exposure to investment-grade bonds and both domestic and international equities
- implemented an efficient cash management process

These actions have paid immediate dividends having already improved the retirement system’s performance. The Board of Trustees remains dedicated to strengthening the financial stability of the fund in cost-efficient ways.

MESSAGE TO CLERKS

If at any time you have any questions regarding retirement you are encouraged to call our office and speak to one of our Retirement Benefits Analysts, Joanna Jacob or Joycelyn Gunby.

Susita Suire is available for training on handling the retirement system at the municipality level or for presentations to your employees explaining their retirement benefits. Please call to schedule her to visit.

Contribution Reports

A reminder that contribution reports received that are incorrect or incomplete will be returned along with your payment. When you have completed all corrections, send the corrected report with the correct payment back to our office for posting. All reports will be deemed late if received after the 10th even if the original report was received on time.

Make sure your totals on the detail page (s) match the totals you enter on the cover page. Also, make sure your payroll software is deducting the correct percentage for **ALL** employees.

Effective July 1st your contribution reports should have the new rates submitted. If anyone has questions concerning the reports or electronic filing, please contact Monica Guidry at 225-925-4812.

New Municipality 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.

Address Changes

It is the “Authorized Representative’s” responsibility to keep the retirement system informed of any address changes for active members. Make sure when an employee changes their address with your municipality that you also send the retirement system the change. This will eliminate returned mail when correspondence is sent to the member’s home address.

Refund Applications

Refunds of contributions are eligible for payment after the employee has been terminated for thirty (30) days and all final earnings and contributions have been received by our office. This process will take 45-60 days. Please do not tell your terminated employees that they will receive their refunds in thirty (30) days.

If you use old refund applications, they will be returned and processing will be delayed. All forms on our website are current.

The employee must complete page 1 and 3 in its entirety. Current addresses and contact phone numbers must be entered and the application must be witnessed. Page 3 contains Direct Deposit information. Refunds are only deposited into accounts that are in the member’s name. Members cannot use an account in someone else’s name. If a debit card is used, a direct deposit form from the debit company must be used. A picture of the debit card is not sufficient and will delay processing.

The authorized representative for the municipality must complete page 2 with their certification of termination date and date of last paycheck.

If these applications are not completed correctly or if any information is missing, processing of the refund will be delayed.

Refunds are processed on or around the 5th and 20th of each month. Funds are deposited in your account the following business day after processing.

Requests for refund amounts must be made in writing, signed by the member, via fax, mail or email.

ARE YOU TIRED OF WAITING TO GET SIGNATURES ON CHECKS OR GETTING HIT WITH LATE FEES BECAUSE OF IT? WE CAN SAVE YOU TIME AND MONEY!!!!

Employers did you know that you can wire transfer your monthly contributions directly to our bank account? If you would like to stop writing checks, you can wire transfer your monthly contributions directly from your bank account to the retirement system and just mail, fax, or email your report. All contribution reports can also be uploaded to an encrypted file to be emailed or to a CD to be mailed. Specifications for electronic filing of monthly contribution reports can be found on our website attached to the memo dated 1/19/2016.

All files containing social security numbers that are emailed to our office should be encrypted for privacy and safety. If you do upload your contribution files, remember you still need to complete the cover page with totals and certify amounts with the proper signature.

Call Monica Guidry at 225-925-4812 for help with wire transfers and electronically reporting of monthly contributions. Both methods ensure accuracy when posting monies and salaries to all contributing members.

NOTIFICATION OF THE DEATH OF A MEMBER

It is very important that MERS is notified immediately of the death of a member whether that member is active, retired, or vested. If an active member deceases, the retirement system staff will review the member's account to calculate any survivor benefit or refund of contributions eligible to be paid to the last named beneficiary on file, minor children, surviving spouse, or estate. If a retired member deceases, the retirement system needs to cease retirement benefits to the retiree effective with the benefit payment due on the 1st of the month after death. The retiree's account will be reviewed to calculate what survivor benefits or if survivor benefits are payable to the beneficiary or estate. Any overpayment of a benefit to a deceased member must be recouped by the retirement system. A certified copy of a death certificate of the member is required by law to pay a survivor benefit or refund of contributions to a beneficiary

RETIREMENT BENEFITS CALCULATOR NOW ON WEBSITE

The retirement benefits calculator is now on the web page and members can calculate their benefits.

Be aware that this is merely a tool to use for retirement planning, and should not be relied upon for a final benefit. A member can now calculate an estimated benefit using basic information and whole years of work in order to get an idea of the amount of benefits the member can expect for retirement or to enter DROP. Many factors can affect the final benefit and are not included in the calculation, such as the amount of leave that can be rolled into the final benefit amount, or partial years of service. But even with the limitations built into the system, it is still helpful to get an approximation of what to expect.

This calculator cannot be used to estimate post-DROP benefits, disability, and early retirement or Marshal supplemental benefits. These calculations are complicated and must be calculated by a Retirement Analyst.

Our office is working on revising the calculator to so that any member in Tier II will be able to obtain an estimate of benefits. The tables and formulas for Tier II have not yet been implemented.

This calculator will not work with Internet Explorer. You will need to use another web browser such as Mozilla Firefox or Google Chrome.

EMPLOYEE HIGHLIGHT

Monica Guidry, Benefits Accountant

I've been employed with MERS for 13 years and work in the finance department as the Benefits Accountant. My job is to verify that contributions are received from the municipalities, prepare refund applications to be processed for former members, and reconciliation of bank accounts. These are just a few of my accounting duties. This is my first job in the retirement field and I find it very fascinating. In August, I implemented a new reporting system for monthly contribution reports that has worked great.

Each day I learn a little more and look forward to one day receiving my own retirement benefit each month. Until then, I will be at MERS doing the job that I love.

Board of Trustees

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City Clerk, City of Westlake

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of Lafayette

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Retirement Committee

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Jay Dardenne
Commissioner of Administration

Executive Staff

Warren D. Ponder
Executive Director

Susita Suire
Retirement 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.

WE ARE ON THE WEB!

www.mersla.com

Municipal Employees' Retirement System

7937 Office Park Boulevard

Baton Rouge, LA 70809

225-925-4810 or 800-820-1137