



MUNICIPAL EMPLOYEES'

RETIREMENT SYSTEM
OF LOUISIANA

MEMORANDUM

TO: ALL DROP PARTICIPANTS OF MERS

FROM: WARREN PONDER, DIRECTOR

DATE: JULY 20, 2018

MERS is expanding its options for all DROP participants to engage in self-directed investing of their DROP funds. Once a member completes depositing into a DROP account, those funds are transferred to a MERS account with Empower Retirement, then deposited in an account for each member.

If a member chooses to leave the money in the initial money market account, the member will earn approximately 1.30% return per year. No further action is necessary.

If a member wishes to engage in self-directed investing, then Empower Retirement will provide the necessary forms to allow this member that option. **IT IS VERY IMPORTANT TO REMEMBER; INVESTING INVOLVES RISK.** There is always a possibility of a market decline and a loss of value. The investment vehicles offered by Empower Retirement are large mutual funds which consists of investments in many different companies within each category, so a loss in one company does not translate into a decline of the whole investment.

The investment options available provide an opportunity for the member to diversify their holdings. Stocks, bonds, large companies and small companies, American companies, as well as international, and a real estate index are all offered as investment options. Experts generally recommend a diversified investment portfolio as a hedge against losses. In addition to these options, Empower Retirement offers "target date" investment funds designed to maximize returns based on a specific date.

Finally, Empower Retirement offers the opportunity for members to discuss planning with professionals.

MERS charges no fees on the DROP accounts, however, fees will be paid for administrative duties performed by Empower Retirement. For basic accounts without any self-directed investing, the fee will be .004% per year. Once a member enters self-directed investment, each mutual fund will charge a fee on money invested in individual fund. The fees are deducted from money invested, a separate payment is not required. If a member wants help with financial planning from a qualified professional, additional fees are charged. Members are urged to discuss the fees in advance of receiving any advice.

If anyone has questions, or wishes to discuss any matter, call 225-925-4810 or 800-820-1137.

****IMPORTANT DATES TO REMEMBER****

NO DROP WITHDRAWAL OR ROLLOVER REQUESTS RECEIVED AFTER AUGUST 21, 2018 WILL BE PROCESSED BY MERS. WITHDRAWALS AND ROLLOVERS RECEIVED BETWEEN JULY 25, 2018 AND AUGUST 21, 2018 WILL BE PROCESSED WITH AN EFFECTIVE DATE OF TUESDAY, SEPTEMBER 4, 2018 (1ST BUSINESS DAY OF MONTH).

ROLLOVERS MUST BE SUBMITTED WITH YOUR FINANCIAL INSTITUTION'S PAPERWORK BY THIS DATE, OR YOUR ROLLOVER WILL BE PROCESSED BY EMPOWER RETIREMENT AFTER SEPTEMBER 4, 2018.