



March 7, 2025

Maris LeBlanc, Executive Director
Municipal Employees' Retirement System
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809

Re: House Bill 8 of the 2025 Regular Session

Dear Maris:

The original version of House Bill 8 of the 2025 Regular Session by Representative Glorioso would allow a member of MERS with at least 5 years of creditable service who becomes employed in a position where he is no longer eligible for membership in MERS, but is eligible for membership in the Louisiana State Employees' Retirement System (LASERS) to remain a member of MERS by filing an irrevocable notice of election to remain in the system within 30 days after the effective date of employment.

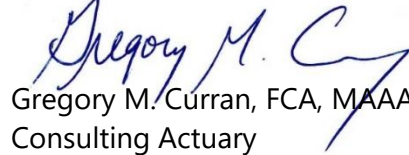
Section 2 of the bill further states that a person employed in a position covered by LASERS after December 31, 2024 and on or before the effective date of the Act shall have 30 days from the effective date of the Act to provide MERS with written notice of their intent to remain in MERS. Should an individual covered by this bill leave municipal employment prior to the passage of the bill and upon the effective date of the Act make the above election, there would be a break in their MERS service credit. Presumably such an individual would be enrolled in LASERS upon their date of covered employment and would cease membership in LASERS upon this election. This would leave them eligible to transfer any LASERS service into MERS after returning to membership in MERS.

In general, additional plan membership is a positive for MERS, but in this case, the cost or savings associated with this bill will depend heavily on the specifics related to the individual or individuals who make the election. Generally, if a member of MERS leaves employment with a municipality and accepts a job with the State of Louisiana, they are enrolled in LASERS. At that time, MERS could be responsible for transferring up to a sum equal to all employee and employer contributions made to MERS plus interest at the system's assumed rate of return. Reestablishing membership in MERS avoids the need for MERS to transfer these funds but also allows the employee to work toward retirement eligibility and/or vested status. Whether the member's accrued liability upon reentry into MERS will exceed the amount available to transfer will depend heavily on the facts and circumstances surrounding the individuals who make the election. Because historical employer rates have been affected by payments on the system's unfunded actuarial accrued liability, the amount available for transfer may often exceed the individual's accrued liability.

It is possible that this bill could increase or decrease costs based on the specific facts surrounding those who make the election to remain covered by MERS. Since we do not have a reasonable method of identifying individuals who might accept employment with the State of Louisiana in the future, we cannot produce a meaningful cost estimate. In the end, we do not believe that the bill will have a material impact on plan costs

Please let me know if you have any questions related to this bill.

Sincerely,

A handwritten signature in blue ink, reading "Gregory M. Curran". The signature is fluid and cursive, with a large, stylized "G" and "C".

Gregory M. Curran, FCA, MAAA, ASA
Consulting Actuary