MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA
PROPOSED BUDGET NARRATIVE FY 2026

BUDGET LINE ITEM	COMMENTS
Personnel Expenses	
Compensation	Increase based on approval of compensation changes by the Board at the May 22, 2025 meeting.
Employer Retirement	Increase is related to compensation changes approved by the Board at the May 22, 2025 meeting - calculated on full-time employee salaries. NOTE: Employer rate decreased from 28% to 27% for FY 2026.
Health Insurance	Decrease due to changes in employee and dependent coverage . Health insurance premiums typically increase in January of each year.
Federal Taxes (Medicare)	Increase due to approved changes in employee salaries. Calculated (1.45% employer portion- medicare for all employees & 6.2% employer portion- social security for part-time employees only)
Conversion of Leave/Incentive Pay Award	No change from prior fiscal year. No employee of MERS is currently eligible for retirement and conversion of leave. $5,000 for incentive award as allowed by the MERS Pay Policy (up to $5,000/employee at Executive Director's discretion).
Operating Expenses	
Building & Ground Maintenance	Increase due to change in pricing for waste services.
Office Equipment & Maintenance	Increase related to price increases of pension administration system hosting and support, Civic Plus website hosting, and Diligent subsription (formerly BoardPaq).
Office Expense	No change from prior year.
Telecommunications/Utilities	Increase related to water billing review.

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Insurance	Decrease from budgeted amount in prior fiscal year. However, most policy amounts were increased based on discussion with insurance brokerage company. 5% increase for property/commercial liability and worker's compensation policies, 3% increase for director & officer liability policies, 10% increase for flood policies and 10% increase for cyber security policy. 3 year crime policy renews on July 1, 2027 - there was no increase for this policy.
Professional Services	
Audit	Decrease of $3,500 for LLA SAUP procedures. Increase of $1,000 on financial statement audit. GASB 68 is the same as prior fiscal year.
Professional Services (Other)	Increase from prior fiscal year due to potential litigation with Lafayette and calculations of the LCG UAL.
Actuarial	No change from prior fiscal year.
Legal-Administrative	Increase related to estimation of case progression by attorney for Lafayette Consolidated Government and attorney for BREC vs EBR sheriffs legal case.
Travel Expenses	
Travel - Staff & Professional Development	Increase related to 2 staff members enrolling in MBA program.
Travel - Board Meetings & Conventions	No change from prior fiscal year.
Capital Budget	
Capital Projects	Capital projects for FY 2026 1. Office Building Generator: $225,000 2. Audio Equipment Board Room: $53,000