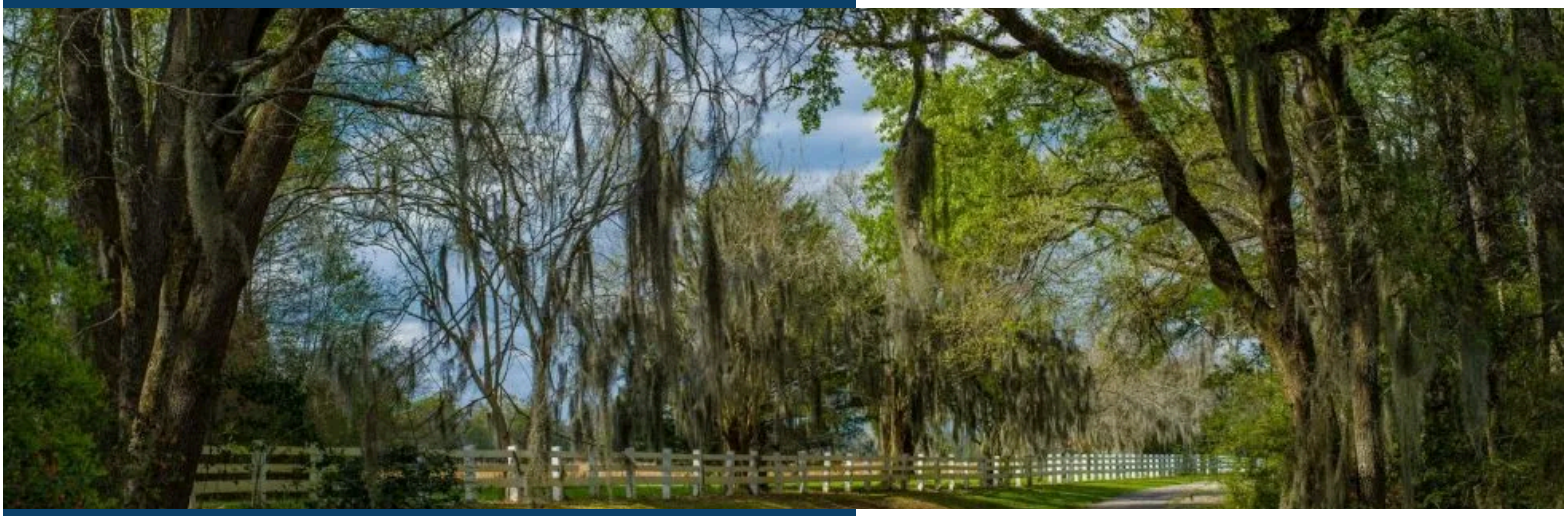
MERS MESSENGER

October 2024 | ISSUE 17



Board of Trustees

Mayor Scot Rhodes of Brusly was elected without opposition to the MERS Board of Trustees for a five-year partial term as an elected official.

Mayor Julius Alsandor of Opelousas was elected for a four-year partial term as an elected official.

Phyllis McGraw was re-elected to a six-year term as a non-elected official. She is the Clerk for the City of Bossier City.

Susan Percle was elected as Chair of the Board and Ty Carlos was elected Vice Chair.

Thanks to the members who cast a vote in these important elections! Voting was allowed via mail, phone, and online. Be sure and provide your personal email address to MERS so that you can receive a ballot via email in future elections. The ballot will be sent from our third party election vendor, using the address of help@yeselections.com.

This is your retirement system, and the Board of Trustees makes important decisions about it. Casting your vote allows you to play a role in the direction set by the board.

Board of Trustees

Susan Percle, Chair
Retiree, City of Gretna

Ty Carlos, Vice Chair
Executive Director, LCDA

Mayor Julius Alsandor
City of Opelousas

Phyllis McGraw
City Clerk, Bossier City

Mayor Scot Rhodes
Town of Brusly

Rep. Roy Daryl Adams
House Retirement Committee

Senator Valarie Hodges
Senate Retirement Committee

Treasurer John Fleming
State of Louisiana

Commissioner Taylor Barras
Division of Administration

Mayor Rick Allen
LMA President



Avoiding Fraud

The United States Department of Labor recommends creating your own retirement account as a protection against fraud. Some other suggestions include using strong and unique passwords, keeping personal contact information current, and being wary of free WI-FI.

To create your account at MERS, go to mersla.com and click on Self Service Portal.

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Investment Returns

MERS experienced excellent investment returns for the fiscal year that ended June 30, 2024. The system closed the year with an 11% market gain. A recent report from the Pensions & Investments publication shows the MERS return as #17 in a list of 64 public pension fund returns.

LAPERS Conference

The Louisiana Association of Public Employees' Retirement Systems (LAPERS) conducted its annual educational seminar in New Orleans September 8-10. Trustees for MERS were able to receive 12 of the 16 annually required hours of trustee education and had the opportunity to network with trustees and staff from other retirement systems in the State.



Mayor Arceneaux Changes Role

Gonzales Mayor Barney Arceneaux served as a member of the MERS Board of Trustees from November 2020, through April 2024. He resigned as Mayor and from the MERS Board to take the position of Executive Director of the Louisiana Municipal Association. His new role will allow him to continue to be a member of MERS and assist in its mission. Sincere thanks to Mayor Arceneaux for his service!

Legislative Session

The following pieces of legislation were passed in the 2024 Regular Session of the Legislature that impact MERS:

Act 46, effective June 30, 2024, clarifies that when a person transfers from one retirement system to another, the amount of employer contributions that should be transferred is only the amount of those contributions that were actuarially required.

In 2020, legislation was passed so that future hires in the Lafayette Consolidated Government would be enrolled in the Parochial Employees' Retirement System (PERS), rather than MERS. The liability created by this change was assessed against Lafayette and required to be paid in 10 years. **Act 360**, effective August 1, 2024, changes the time period for repayment from 10 to 20 years.

Act 48, effective June 30, 2024, provides that candidates for the elected official trustee positions on the MERS Board of Trustees must have four years of service credit, in place of the current six years.

Act 634, effective August 1, 2024, provides that there will be no earnings limit and no impact on benefits for part-time rehired retirees if a retiree is at least age 60, retired with at least 30 years of creditable service, and is working for less than 35 hours a week. This exception is set to expire on June 30, 2028.

House Concurrent Resolution 20, urges and requests Congress to reform or repeal the Windfall Elimination Provision and Government Pension Offset (WEP/GPO). These federal laws reduce Social Security benefits for a person who receives a public pension, like the one provided by MERS. Only Congress can change the impact of these offsets.

The 2025 session of the Louisiana Legislature is scheduled for April 14 through June 12. If any bills are filed impacting MERS, that information will be included in the April 2025 MERS Messenger.

Congratulations to our Board Members



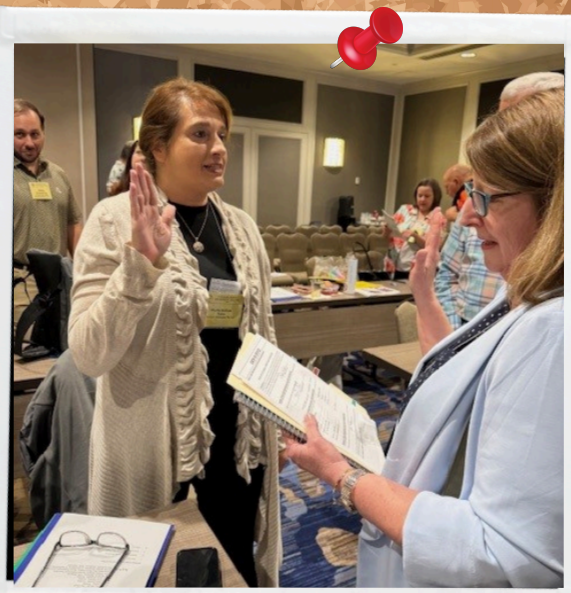
Barney Arceneaux Receiving Resolution from MERS



Mayor Julius Alsandor of Opelousas Taking the Oath of Office



Mayor Scot Rhodes of Brusly Taking the Oath of Office



Phyllis McGraw of Bossier City Taking the Oath of Office

Are you ready?



WHEN AM I ELIGIBLE TO RETIRE?

Plan A - Tier 1
25 years at any age
10 years at age 60

(Hired before 1/1/13)

Plan B - Tier 1
30 years at any age
10 years at age 60

(Hired before 1/1/13)

Plan A or **B - Tier 2**
30 years at age 55
10 years at age 62
7 years at age 67

(Hired after 1/1/13)

HOW IS MY BENEFIT CALCULATED?

Years of Service Credit
x
Final Average Compensation (FAC)
x
Accrual Rate (Plan A 3.0% or Plan B 2.0%)
=
Maximum Monthly Retirement Benefit

WHAT IS MY MONTHLY BENEFIT?

Calculate an estimate of your retirement benefits with our online calculator in the member self-service portal located at **www.mersla.com**

ACTIVE MEMBERS

Member Self Service

Retirement education is critical, and the best way to stay informed about your retirement is to use the MERS Member Self Service Portal. We encourage you to sign up for MERS Member Self Service with your personal email address. Using a work email address will pose issues when you retire and no longer have access to that email account.

By registering your own account, you help prevent fraudsters from trying to access your information.

To register, go to the MERS website, www.mersla.com, and click on Self Service Portal at the bottom of the homepage. Click on user registration to begin the self registration process and locate your account with MERS.

Online services include:

- Update Address & Contact Information
- Change Beneficiary
- View Membership History
- Estimates of Monthly Retirement Benefits/DROP Benefits
- Employee Contribution Verification Letter
- Annual Member Statements

Refunded Members

A person who has received a refund of contributions after termination from service may now create an account in the Member Self Service Portal to access their IRS 1099 form.

LMA/Clerks Conference

MERS had a booth staffed by Retirement Benefits Administrator Lacey Weimer at the LMA Conference held in Shreveport. She was happy to meet with members and answer their questions.

MERS staff members will also attend the annual Clerks conference in Baton Rouge scheduled for October.



RETIREES

Benefit Payments

Monthly benefits are paid to retirees on the first day of each month. Please be aware that when the first falls on a weekend or holiday, benefits may not be available until the first working day of the month. Your financial institution can let you know about their rules on availability of funds.



Address Changes

Retired members should contact MERS if they have moved. Tax forms will be mailed in January to the address currently on file. Address changes can be made in the Self Service Portal or by using the form "Personal Information Update Form."

Tax Exemption for Retirement Benefits

All benefits received from MERS are exempt from Louisiana state income tax. When completing your Louisiana state tax return, you must complete Schedule E, using the code 05E. In the "Description Box for the Other Retirement Benefits" line, print Municipal Employees' Retirement System of LA. You must also provide your or your spouse's retirement date. If someone else is preparing your tax returns, let them know about this tax exemption.

New Rules for Some Part-Time Rehired Retirees

Have you returned to work on a part-time basis (less than 35 hours a week) with a participating MERS employer after retirement? If so, you have been provided with the amount of income you are allowed to earn without reducing your monthly retirement benefit.

Due to the passage of Act 634 by the legislature this year, if you are at least age 60 and retired with at least 30 years of creditable service, you no longer have an earnings limit. This exception is set to expire on June 30, 2028.

You and your employer will continue to make contributions to MERS during your re-employment. Upon termination you may apply for a refund of your share of those contributions. Contributions from the employer are not refundable.

RETIREES

Retiree Self Service

Retirees are encouraged to register a self service account to access retirement information. By registering your own account, you help prevent fraudsters from trying to access your information.

To register, go to the MERS website, www.mersla.com, and click on Self Service Portal at the bottom of the homepage. Click on user registration to begin the self registration process and locate your account with MERS.

Online services include:

- Update Address & Contact Information
- Add an Email Address to Receive Ballots for Trustee Elections Electronically
- Print a Benefit Income Verification Letter
- Change Banking Direct Deposit Information
- W4-P form available to change withholdings
- View last three months of benefit payments issued
- Access 1099 tax forms for the past three years.

DROP ACCOUNTS

When members complete the Deferred Retirement Option Plan (DROP), 100% of their funds are transferred to a third-party administrator, Empower Retirement. Empower Retirement offers these members self-directed investment options.



Account access is available at LouisianaDCP.com. Inquiries can be made at 800-937-7604.

Personal appointments may be scheduled by calling 225-926-8082.

DROP funds are exempt from Louisiana state income tax while held at Empower.

Compensation Reported to MERS

Only regular earnings are to be reported to MERS and are subject to retirement contributions.
The following types of compensation are not considered regular earnings:

- Overtime
- Disability payments
- Leave payments made at termination
- Car allowances
- Uniform allowances
- Worker's compensation (Do not report any earnings while an employee is out on worker's comp or short-term disability.)



Call MERS if you have any questions on permissible compensation to be reported or if you need to make a change to a month already reported. (Special rules apply to Marshals.) MERS now refunds employee and employer contributions monthly when it is obvious that compensation was not eligible for retirement contributions. A letter explaining the reason for the refund will be sent to the employer with a copy to the employee. It is the responsibility of the employer to reimburse the employee contributions to the employee.

In the case of overpayment, employee contributions are always returned. Employer contributions are not refunded if the overpayment is more than a year old. Employer contributions made within the last year are returned only if allowed by IRS guidelines (For example, errors discovered within a month are returned. Errors more than a month old, but less than a year, are returned in the case of a mistake of fact.)

EMPLOYERS

Timely Payments

Payments are due on the tenth of each month.

Timely payment of employer and employee contributions to MERS is critical for the financial stability of the retirement system. This also ensures that retirements and refunds are processed in a timely manner with no delay for the member.



Employers are strongly encouraged to sign up for electronic (ACH) payment of contributions to MERS.

When mailing a paper check for contributions, it is not necessary to send a copy of your contribution report. The electronic report you submitted through the Employer Portal is sufficient. Remember when submitting the payroll file to be certain that you receive the confirmation email. This ensures the file was submitted successfully.

Insurance Deductions

MERS can deduct insurance premiums from retiree checks and remit those funds directly to employers. This option is convenient for both retirees and their former employers.

Retirees must complete the form entitled "Retiree Insurance Premium Deduction Authorization" and employers must file the "Employer Request to Withhold Insurance Premiums" to enroll in this process. All insurance deductions will be remitted to employers via ACH payments.

Leave Conversion Option Available

MERS has an option for employers to convert unused leave to retirement credit when a member retires. The employee will receive a higher monthly benefit and the employer will pay an amount lower than the hourly rate for the leave. Choosing this option is an irrevocable decision for the employer and must be applied to all employees who retire. The employer must adopt a resolution to join this program. At an employee's retirement, the employer must certify to MERS the total number of days of annual and sick leave remaining unpaid on the last day of employment. The additional benefit is calculated at retirement and not upon entry into DROP. The employer is sent an invoice by MERS of the actuarial value of the leave that must be paid within 30 days.

Contact Lacey Weimer at 225-925-4810 or lacey@mersla.com for more information.

Annual Audit and Actuarial Valuation

MERS annual audit commenced on July 30, 2024. The Audit Report as of June 30, 2024, will be presented at the MERS Board meeting on December 12, 2024. The Employer Pension Report (GASB 68) will be finalized by the beginning of February 2025. The reports will be posted on www.mersla.com under "Annual Reports."

MERS annual actuarial valuation report for June 30, 2024, will also be posted to the website under "Annual Reports" after the Public Retirement Systems' Actuarial Committee (PRSAC) meeting in early 2025.

MERS would like to thank the employers and members that were selected to provide information to our auditors, Hawthorn, Waymouth, and Carroll, L.L.P., for their cooperation.

Financial Highlights as of June 30, 2024

MERS fiduciary net position restricted for pension benefits exceeded its liabilities as of June 30, 2024, by $1,305,864,509 which represents an increase from last year of $124,639,487 or 11%.

Total market value of investments (excluding Self-Directed DROP) at June 30, 2024, was $1,205,236,795 as compared to $1,086,117,739 at June 30, 2023, which is an increase of $119,119,056 or 11%.

Net investment income of the System totaled $122,754,653 for June 30, 2024, compared to net investment income of $89,854,758 for June 30, 2023, an increase of $32,899,867 or 37%. The increase was primarily due to financial market returns.

Contributions to MERS by members, employers, ad valorem taxes and revenue sharing totaled $114,185,980, a decrease of $6,467,251 or (5%) from the prior year.

Pension benefits paid to retirees and beneficiaries totaled $95,457,241, an increase of $2,667,908 or 3% from the prior year.

These numbers are in draft form pending the final audit report that will be presented at the December 12, 2024, Board meeting.



Staff Spotlight

Recognizing the importance of the staff at MERS to the successful administration of the retirement system, this is the fifth in a series of articles spotlighting individual team members.

Lindsay Ledell
Senior Retirement Analyst

Lindsay Ledell is the Senior Retirement Analyst at MERS.



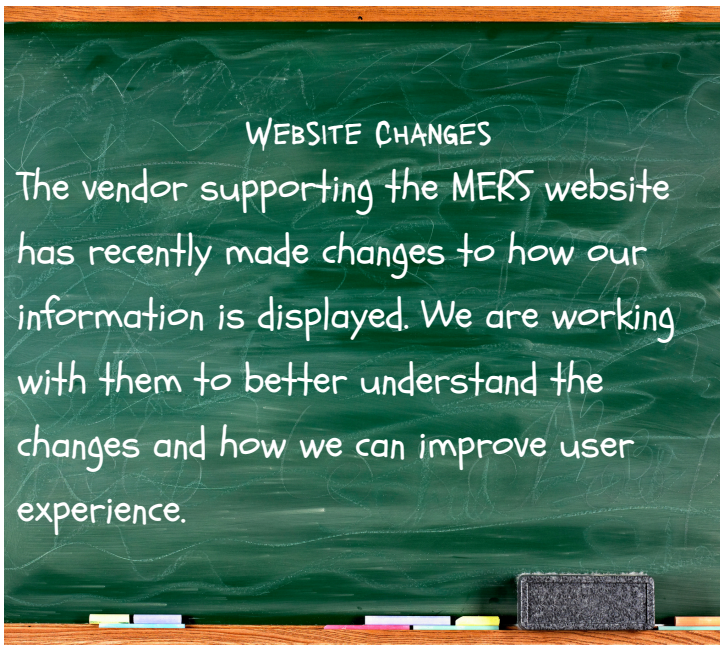
She started at MERS in 2020 as a Retirement Analyst and based on her stellar performance was promoted to Senior Retirement Analyst in early 2024.

Prior to joining MERS, Lindsay had more than five years of experience at the Sheriffs' Retirement System.

Lindsay has a Business Management degree from the University of Louisiana. She took the initiative to obtain her MBA from LSU-Shreveport by taking online classes at night while working at MERS.

As the point of contact for a number of employers at MERS, Lindsay expertly and patiently guides clerks and payroll personnel through the requirements to enroll members and report on their retirement contributions. In addition, she counsels members on the phone and in the office regarding retirement calculations and DROP estimates. She prepares correspondence regarding benefits, DROP accounts, and represents MERS at benefit fairs and conferences.

Lindsay is a conscientious and dedicated member of the MERS staff.



Upcoming Board Meetings

The MERS Board of Trustees meets regularly at 7937 Office Park Boulevard in Baton Rouge. Meetings typically start at 9 a.m. and are open to the public.

Meeting dates, agendas, and minutes are posted on the system's website, mersla.com.