

MERS Messenger

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Good News at MERS!

WEP/ GPO Repeal

The federal offsets to Social Security benefits for retirees who receive a public pension have been repealed. See page 2 for the details concerning the repeal of the WEP and GPO.

Contribution Rates

The Board of Trustees has lowered contribution rates for Employers starting July 1, 2025. In Plan A, the new rate will be 27% and for Plan B, the new rate will be 13.5%. See page 9 for details.

COLAS

Cost-of-Living Adjustments (COLAs) have been approved by the Board of Trustees for eligible retirees and beneficiaries. Details are on page 4.

Trustee Position

A seat for a six-year term for a non-elected official on the MERS Board of Trustees will be up for election this year. The seat is currently held by Ty Carlos, the Executive Director of the LCDA. Mr. Carlos is eligible to seek another term.

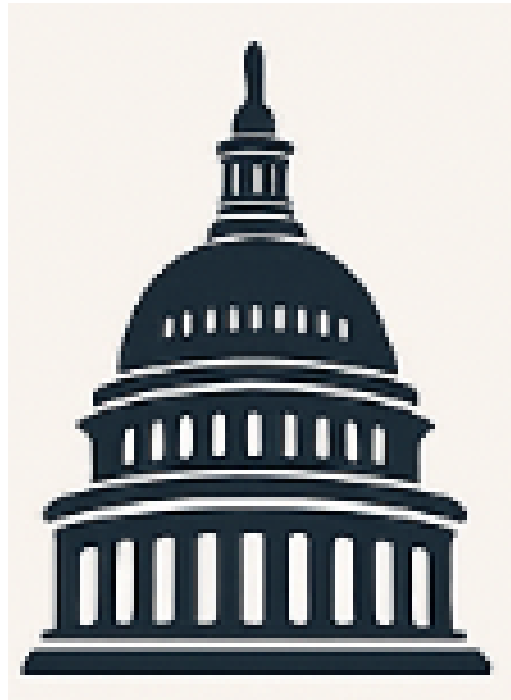
The period for nominations will open May 1, and close by 4 P.M. on Wednesday, May 28. Candidates must have at least six years of service credit in MERS to run. Signatures of 25 active members of MERS are needed to qualify. The [nominating petition form](#) is available on the MERS website, mersla.com.

WEP and GPO Repealed

Social Security Fairness Act Becomes Law

The U.S. Congress enacted legislation to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), the federal offsets to Social Security benefits. The repeal was through the “Social Security Fairness Act, H.R. 82.” President Biden signed the measure into law on January 5, 2025.

The House of Representatives voted in favor of the Act by a wide margin of 327 to 75 on November 12, 2024. The chief co-sponsor of the legislation was Louisiana Representative Garret Graves. It was approved in the Senate by a 76 to 20 margin after midnight on December 20, 2024.



The WEP and GPO had penalized public sector workers (or their spouses) who earned both a pension from employment that was not covered by Social Security and also earned a Social Security benefit.

The legislation is effective for all monthly payments made after December 2023. Although the Social Security Administration (SSA) had initially said it could take more than a year to implement the changes from this law, it started making lump sum payments in March 2025, and adjusting future benefit payments as of April 1, 2025. Complex cases may take longer to implement.

You can find details from SSA at this link: [Social Security](#)

Legislative Session

The 2025 session of the Louisiana Legislature began on April 14, and must adjourn by June 12. MERS is tracking the following pieces of legislation at session start:

House Bill 8 (Glorioso).

Systems Impacted: MERS and LASERS

This bill allows a member of MERS who leaves employment and accepts a position eligible for the Louisiana State Employees' Retirement System (LASERS) to retain membership in MERS. It applies to members with at least five years of service credit in MERS. The irrevocable selection must be made within 30 days of employment in the LASERS eligible position or within 30 days of the effective date of the law if employment was after December 31, 2024.

The MERS Board of Trustees is neutral on this bill.

Senate Bill 7 (Hodges).

Systems Impacted: State, Statewide, and Local

The bill requires fiduciaries for public retirement systems, including consultants and managers, to make investment decisions based solely on financial factors. It also puts constraints on proxy voting. Triple damages for violations can be pursued by the Attorney General.

The MERS Board of Trustees opposes the bill as originally filed.

News for Retirees

Cost-of-Living Adjustments (COLAs)

A 2% COLA has been approved for eligible retirees and beneficiaries in Plans A and B, starting July 1, 2025.

The retirement benefit must have been paid for at least one year for eligibility.

Funding Account

MERS has a Funding Deposit Account for each Plan that may be used to fund COLAs. Monies are deposited into the accounts when the employer contribution rate is set at a higher rate than the rate necessary to fund the system. The current account balances are sufficient to fund COLAs without being detrimental to the system.

Funding Level

The funding level of the system is also an important factor in determining when a COLA may be granted. The system's funding level, in both Plans A and B, is between 80% and 90%. A COLA is allowed if not granted in the prior two fiscal years with that funding level. Since the last COLA was in 2022, current law allows a COLA in 2025.

COLAs funded by the retirement system are not guaranteed. When granted, COLAs must be funded for the lifetime of all who will receive the adjustment.

Retiree Self Service Portal

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.

The retiree online services include:

- Update Address & Contact Information
- Benefit Income Verification Letter
- Change Banking Direct Deposit Information
- Change federal income tax withholdings on W4-P form
- View last three months of benefit payments issued
- View/ Print 1099s

Help prevent fraudsters from trying to access your retirement information by creating your own online account.

State and Federal Taxes

You are not required to pay state taxes on your MERS benefit. This exemption is not automatic; use Schedule E on the IT-540 Tax Form to claim it. Insert code O5E on line 4D of Schedule E. In the description box, print MERS and provide the retirement date.

As a retiree, you can direct the amount of federal taxes deducted from your monthly pension payment. This is done through submitting a form W-4P. The form is available at mersla.com and in the Self Service Portal.

Rehired Retirees

If you return to work for your former employer or another municipality or entity that participates in MERS, there are restrictions which vary depending on whether you are part-time or full-time.

Part-Time



If you return to work less than 35 hours per week, you will continue to receive your retirement benefit. However, you must limit your part-time earnings. Your earnings limit is based on your final average compensation when you retired and is adjusted for inflation each year. You should contact MERS to have your limit calculated.

Exceptions:

- If you are at least age 60 and retired with at least 30 years of creditable service, you do not have an earnings limit. This exception is set to expire on June 30, 2028.
- If you become a part-time elected official after you retire from MERS, you are not subject to limits on earnings for that elected position and you do not pay contributions for those earnings.



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.

Full-Time



If you return to work on a full-time basis with an employer that participates in MERS, you must suspend your retirement benefit and only receive your salary. You will contribute to MERS and earn a supplemental retirement benefit if you work for more than a year. You will never receive the retirement benefits that were suspended when you returned to work. Your monthly retirement benefit will resume, with your supplemental benefit included, once you terminate your reemployment.

If you work full-time for less than a year, the contributions you paid to MERS will be refunded, upon your application for a refund. You will never receive the retirement benefits that were suspended during the term of your reemployment. Your monthly retirement benefit will resume once you terminate your reemployment.

Rehired retiree restrictions do not apply if you take a job with an employer who is not participating in MERS. This means you can work in the private sector or for a public employer, like the State or a Parish government, that is not a part of MERS, with no impact to your MERS retirement benefit.

News for Actives



Annual Statements

Annual Statements will be mailed to all active members in August. Statements reflect your Plan, Tier, total service credit, beneficiary, and the total employee contributions you have made to MERS.

Please be sure your address is current to receive your statement. You can make beneficiary and address changes via the Self Service Portal or through your employer.

Active Member Self Service

Curious about your future retirement benefit amount? There is a calculator on the Self Service portal of the MERS website that allows you to pull from your actual data to estimate your future benefits.*

You will need an account on 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 be a problem when you retire and no longer have access to that email account.

The 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



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 registration process and locate your account with MERS.

*The calculator may give inaccurate results for members who have multiple sources of income, such as city court employees. Please contact MERS if you are in this category.

What is DROP?

The Deferred Retirement Option Program, or DROP, is an optional program administered by MERS in which you continue to work and earn a salary and accumulate retirement benefits in a savings nest egg on a tax-deferred basis. Your DROP account is separate from your regular monthly MERS retirement employee contribution account.

To be eligible for DROP, a member must be eligible for normal retirement. Upon entering the program, your monthly benefit is calculated and “frozen.” While continuing to work and receiving your salary, the benefit payment that you would have received had you retired is deposited into the DROP account each month you remain in DROP. You can participate in DROP for up to three years.

Is DROP the right choice for you?

Salary

Any salary increases you receive from promotions or job changes during DROP won't be included in your monthly benefit calculation. Your monthly benefit is calculated and “frozen” when you begin your DROP participation.

Service credit

Service credit is not earned during DROP. During your DROP participation you stop paying employee contributions, so you will not earn service credit to count toward years used for the calculation of your benefit. If you intend to continue working after your DROP participation period is over, you may not want to participate in DROP at all. By working longer without DROP, you can earn a higher monthly benefit by using all your years of service credit and increases in your salary in the calculation of your monthly benefit.

Planning

Participation in DROP requires some retirement planning and remember MERS is here to help! Our retirement analysts can assist you with estimates of monthly benefits with and without DROP. You can request an estimate of benefits from MERS by navigating to our website, clicking on Active Members - Forms - [Request for Retirement/DROP Estimate](#) OR You can utilize the Member Self Service Portal to calculate your future benefit as the site is preloaded with your personal information for the calculator!

Empower

After your DROP participation period ends, your account will be transferred to Empower Retirement. Empower Retirement is a plan provider that MERS has partnered with who can help you to maximize the benefit of your DROP account. Empower has local retirement plan advisors who are available to meet with you to provide personalized support for your retirement goals free of charge to our members. You can read more about Empower Retirement, <https://louisianadcp.empower-retirement.com>.

News for Employers

Employer Contribution Rates

The MERS Board of Trustees is pleased to announce that the Employer Contribution Rates for the July 1, 2025, to June 30, 2026, fiscal year have been lowered.

Plan A

The new rate will be 27%.
The current rate is 28%.

Plan B

The new rate will be 13.5%.
The current rate is 14%.

Please make arrangements to have your payroll software adjusted to reflect the new contribution rate for the first paycheck issued in July.

Employee contribution rates have not changed.

Overtime/Special Pay

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
- Special pay
- Emergency Pay
- Car allowances
- Disability payments
- Uniform allowances
- Leave payments made at termination
- 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. (Special rules apply to Marshals.) MERS 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.

There are strict time limitations as to which employer contributions are eligible for refund. Typically, only employer contributions made within the last year may be returned.

News for Employers

Enrollments

The Social Security Administration has updated form SSA-1945 "Social Security Acknowledgement" since the WEP and GPO have been repealed. This form must be signed by employees who do not contribute to Social Security. It is maintained in the employee's personnel file and is not sent to MERS.

All full-time employees (other than fire and police) must be enrolled in MERS as of their date of hire. There is no waiting or probationary period. Full-time means working on a regularly scheduled basis for an average of at least 35 hours per week.

An enrollment form, with a copy of the employee's Social Security card, must be submitted to MERS for each new employee.



New employees must complete the Forfeiture of Benefits Attestation form which should be held in the employee's personnel file. It is not sent to MERS.

Status Change Sheets



When an employee changes their status during a month, please use a Status Change Sheet to notify MERS. Examples of a status change include termination, leave without pay, going on worker's compensation, and returning to work.

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.



News for Employers

Employer Portal

Contribution reports must be submitted via the Employer Portal by the tenth of each month. Be sure when submitting your monthly report that you receive a confirmation email.



To locate the link for monthly contribution reporting navigate to the Employer Tab on our website, mersla.com, and click on Contribution Reporting/Employer Portal. Your monthly reports are archived and available for two years.

Contribution payments are also due by the tenth of the month. Payments may be submitted through ACH, the preferred method, or by check.



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.

New Forms

Be sure to print forms from our website as you need them so you will only use the most current version. If you have suggestions for changes to forms, please let us know at lobby@mersla.com.

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.

BOARD MEETING DATES:
Thursday, May 22, 2025
Thursday, June 26, 2025
Thursday, August 28, 2025
Thursday, October 16, 2025
Thursday, December 11, 2025

Staff Spotlight

In an ongoing effort to recognize the importance of the staff at MERS to the successful administration of the retirement system, this is the sixth in a series of articles spotlighting individual team members.

Employee Spotlight – Cory Duhe



Cory Duhe is a fairly new Retirement Analyst at MERS. Although only here since December, Cory is quickly learning his responsibilities and becoming an integral part of the MERS staff.

Cory has a degree in Finance from Southeastern Louisiana University.

Prior to joining MERS, he worked for a credit agency and in retail. The customer service skills he gained while in those positions allow him to effectively communicate with members and employers.

Cory assists clerks and payroll personnel in the enrollment process and in submitting reports on retirement contributions. He prepares correspondence and benefit estimates for members and counsels them on the phone and in the office, in addition to processing retirement applications. Cory is an enthusiastic addition to the MERS staff, and we look forward to his being here for many years to come.