

MERS Messenger

An Update for Active Members, Retirees, and Employers

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MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM
OF LOUISIANA

Upgrade for Employers!

Starting May 1, employers will have a new method of
paying retirement contributions. See page 2 for the
details!

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Contact Information

Municipal Employees' Retirement System of
Louisiana (MERSLA)

7937 Office Park Blvd. Baton Rouge, LA 70809
www.mersla.com | Phone: (225) 925-4810 | 1-800-820-1137

Employer Portal Upgrade Coming Soon

MERS is upgrading the Employer Portal to streamline how monthly retirement contributions are submitted. This upgrade brings MERS in line with proven, modern practices and reflects our commitment to improving efficiency and ensuring timely contribution processing.

Soon, employers will make payments directly through the portal—eliminating the need for paper checks and manual ACH payments through your bank.



To prepare, employers should submit updated information **form** as soon as possible.

Employers will have flexibility in managing portal access.
You may assign:

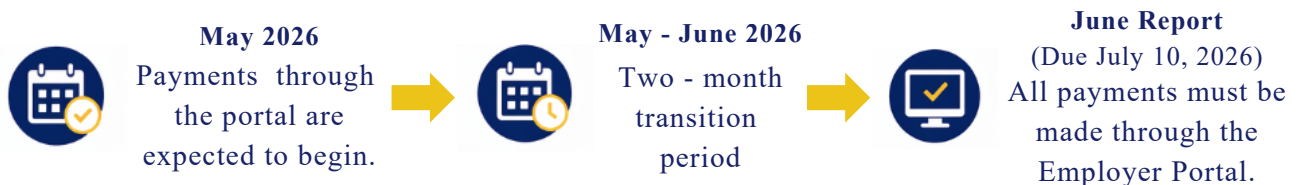
One user to handle
Contribution
File/Reporting, responsible
for submitting monthly
reports (this process
remains unchanged), and



A second user for
Payroll
Payment/Finance, who
will enter banking
information and submit
payments

————— If preferred, a single individual may
perform both roles. —————

Payments through the portal are expected to begin in May, followed by a two-month transition period. Beginning with the June report (due July 10, 2026), all payments must be made through the Employer Portal.



We look forward to supporting you through this transition and will continue to provide updates as implementation progresses.

Trustee Position

A seat for a six-year term for an elected official on the MERS Board of Trustees will be up for election this year. The seat is currently held by Mayor Jan-Scott Richard of Scott. Mayor Richard was appointed to fill a vacancy on the Board and has served since December 2024. He is eligible to seek this full term.



The period for nominations opened April 1 and closes by 4 p.m. on Thursday, April 30. 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.

Investment Update

By Christopher Saik, MERS Chief Investment Officer



The opening months of 2026 have been volatile. Stocks fell sharply in March on the back of global tensions and rising energy prices, then bounced back in April to recover much of what was lost. For a long-term investor like a public pension plan, stretches like this call for measured attention rather than a quick reaction.



MERS' fiscal year-to-date return was 6.8% as of March 31, 2026, in line with our long-term target and with one quarter of the fiscal year still to go.



That result reflects the benefits of a diversified portfolio, careful selection of our investment managers, and a governance process built to weather short-term ups and downs. Conditions today are unsettled, but company earnings have held up well and the outlook for profits continues to improve.



MERS' portfolio is well positioned for a range of outcomes, and our long-term plan remains on track.



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.

Meetings are open to the public

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



Preparing Our Members for Retirement



DID YOU KNOW?

MERS offers a variety of resources to help you support your employees as they plan for retirement—at every stage of their career.

Educational Seminars



MERS offers educational seminars designed to make retirement benefits easier to understand. These sessions can be tailored to fit your organization's needs.



You can invite your entire municipality to attend or focus on those getting closer to retirement—typically within five to seven years of eligibility. Or, you can simply open it up to anyone who wants to learn more.



During these seminars, we walk through important topics like benefit calculation formula, retirement eligibility, available retirement options, Deferred Retirement Option Plan (DROP), types of retirement, and even planning tips for employees early in their careers.



One-on-One Support and Benefit Fairs

MERS also offers one-on-one meetings for employees who want a more personalized look at their retirement. Members can meet with our retirement analysts in Baton Rouge or connect virtually through Microsoft Teams to receive individual explanations for their estimates of monthly benefits and ask questions specific to their situation.



We're also happy to participate in employer-sponsored benefits fairs, giving your employees direct access to MERS representatives who can provide guidance and answer questions on the spot.



For any of your educational needs, contact MERS to learn how we can support your organization.

www.mersla.com | Phone: (225) 925-4810 | 1-800-820-1137

Retirement Analyst Cory Duhe Speaks about the Benefits of MERS Outreach

At a recent retirement benefits fair in Natchitoches, LA, I had the opportunity to assist roughly two dozen individuals as they navigated a wide range of questions about their financial futures. The event brought together employees at different stages of their careers, from those just beginning to think about retirement planning to others who were on the cusp of retiring. This diversity made for meaningful conversations, as each person's concerns and goals were unique.



Throughout the day, I provided guidance on topics such as DROP, retirement requirements for Tier 1 & 2, and becoming vested. Many attendees were unsure about whether they were on track to meet their retirement goals.

I helped them understand how their retirement is calculated, the difference between Tier 1 and Tier 2, and the importance of getting an estimate early to ensure their retirement aligns with their financial goals, while also reassuring those who felt behind that there are still effective strategies they can implement.



By the end of the fair, I had connected with approximately two dozen attendees, each leaving with a better understanding of their options and next steps.

The experience was both rewarding and impactful, as I was able to help individuals feel more prepared and informed about an important stage of their lives. It also reinforced the value of accessible, one-on-one guidance when it comes to financial decision making.



In addition to answering technical questions, I found that many people simply needed clarity and confidence. Retirement planning can feel overwhelming, and having someone break down complex information into understandable steps made a noticeable difference.

I made an effort to listen carefully, tailor my responses to each person's situation, and provide practical, actionable advice.

Legislative Session



Senator Edward Price

Senate Bill 8 (Price)

Systems Impacted: MERS

Amends the definition of “employer” to include the LA Asset Management Pool (LAMP).

MERS Position: Neutral

Status: Passed the Senate



Senator Gary Carter

Senate Bill 22 (Carter)

Systems Impacted: MERS

Amends the definition of “employer” to include marshals or constables of city courts not otherwise eligible for membership in any other local, state, or statewide retirement system.

MERS Position: Neutral

Status: Passed the Senate



Representative Tony Bacala

House Bill 8 (Bacala)

Systems Impacted: State & Statewide

Changes the time period for authorizing legislative staff to attend executive sessions of retirement system meetings from one year to four years.

MERS Position: Neutral

Status: Passed the House

Senate Bill 16 (Price)

Systems Impacted: State & Statewide

Changes the educational requirements for retirement system trustees to require seven (rather than eight) hours of investments, two (rather than four) hours of actuarial science, and one (rather than two) hours of laws, rules, and regulations.

MERS Position: Support

Status: Passed the Senate

The 2026 session of the Louisiana Legislature began on March 9 and must adjourn by June 1. MERS is tracking a number of bills.



Representative Brian Glorioso

House Bill 21 (Glorioso)

Systems Impacted: MERS

As amended, replaces the term “municipality” with “participating employer” in various MERS statutes.

MERS Position: Neutral

Status: Passed the House



Senator Franklin Foil

Senate Resolution 22 (Foil)

Systems Impacted: State and Statewide

Requests that the Law Institute study and recommend legislation relative to the division of retirement benefits after divorce.

Status: Enrolled

Senate Bill 18 (Price)

Requested by MERS

Systems Impacted: MERS

Corrects the June 30, 2028, sunset provision to part-time rehired retiree income restrictions so that it only applies to retirees who are at least age 60 who retired with at least 30 years of creditable service.

MERS Position: Support

Status: Passed the Senate

News for Retirees

Understanding Federal Tax Withholding on Your Retirement Benefit

To change the amount of federal income tax withheld from your retirement benefit, complete IRS Form **W-4P** (Withholding Certificate for Periodic Pension or Annuity Payments).

This form allows you to tell the retirement system how much federal tax you would like withheld from your monthly benefit. You may choose a filing status, claim dependents, or request that an additional amount be withheld.



Once the form is received and processed, your withholding election will be applied to your future monthly payments.

Why You May Still See \$0 Withheld



From time to time, retirees contact our office after submitting a form to change their federal tax withholding and notice that no taxes are being withheld from their monthly benefit. This can be confusing, so we want to explain how federal withholding works for retirement benefits.

Federal withholding for pension payments works much like it does for a paycheck. The IRS tables consider things like your filing status and the amount of the payment. If the payment amount is below the level where taxes would normally be withheld, the result may still be \$0 withheld.



IMPORTANT: Even if you submit a W-4P requesting withholding, it is possible that no federal tax will be withheld.

If You Want Taxes Withheld Anyway



If you would still like federal tax withheld, you may request an **additional flat dollar amount** to be taken out of each monthly payment. This option is available on the W-4P form, in Step 4, on line (c) Extra Withholding.

State Taxes

Your MERS benefits are not subject to Louisiana state taxes. The exemption can be claimed on the Individual Tax Form, Schedule E, line 4D. The code is 05E. In the "Description Box for Other Retirement Benefits" line, print Municipal Employees' Retirement System of LA and provide date of retirement.



Questions?

For help updating your withholding election or obtaining a W-4P form, please contact our office.



Retirement staff cannot provide personal tax advice. If you have questions about how much tax you should withhold, please consult with a tax professional.

Cost-of-Living Adjustments (COLAs)

A COLA will not be paid this year.

A 2% COLA was paid on July 1, 2025, and the increase in benefit amounts due to that COLA will continue.

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.

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 funding level of the system is also an important factor in determining when a COLA may be granted. In its last valuation report, the actuary for MERS determined that 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 2025, current law does not allow a COLA in 2026.



Retiree Self Service Portal

The retiree online services include:



Change
federal income
tax withholdings
on W4-P form



Update
Address &
Contact
Information



View/
Print
1099s



Change
Banking
Direct Deposit
Information



Benefit
Income
Verification
Letter



View last
three months
of benefit
payments
issued



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

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.



Rehired Retirees



If you want to return to work for your former employer or another municipality or entity that participates in MERS, there are some restrictions.



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.



PART-TIME

If you return to work on a part-time basis, 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. You will pay contributions to MERS during your part-time employment. You may apply for a refund of those employee contributions when you terminate your part-time employment.

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.

Exceptions

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.

If you are at least age 60 and retired with at least 30 years of creditable service, you do not have an earnings limit for part-time service. This exception is set to expire on June 30, 2028.

Note: Current legislation could impact this exception.



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, your Tier, total service credit, your 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.



DROP Investments

Are you participating in the Deferred Retirement Option Program (DROP)? If so, your account is transferred to Empower Retirement when your participation period of up to 36 months ends. Empower is available to help you with your retirement financial planning. You can speak to a representative by phone or schedule a personal appointment. For account transactions and inquiries call (800) 937-7604. To schedule an appointment with a local retirement plan advisor, call (225) 926-8082.

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.



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 active member online services include:



Update
Address &
Contact
Information



View
Membership
History



Change
Beneficiary



Annual
Member
Statements



Employee
Contribution
Verification
Letter

Estimates of Monthly Retirement Benefits/DROP Benefits

News for Employers

Employer Contribution Rates



The MERS Board of Trustees is pleased to announce that the Employer Contribution Rates for the July 1, 2026, to June 30, 2027, fiscal year have been lowered.

JULY 1, 2026 – JUNE 30, 2027		
	NEW RATE	CURRENT RATE
PLAN A	26%	27%
PLAN B	12.5%	13.5%



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:



Uniform allowances



Car allowances



Disability payments



Overtime



Leave payments made at termination



Special pay



Worker's compensation

Do not report any earnings while an employee is out on worker's comp or short-term disability.

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.



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.

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.

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.



Employers must file the "Employer Request to Withhold Insurance Premiums" to enroll in this process.



Retirees must complete the form entitled "Retiree Insurance Premium Deduction Authorization"



This option is convenient for both retirees and their former employers.



All insurance deductions will be remitted to employers via ACH payments.

Spotlight on Susan Percle

In 2017, the Legislature added a retiree of MERS as a member of the Board of Trustees. The initial term of office for the retiree was set at four years and all subsequent terms would be six years.

Five candidates competed for the inaugural election of a retiree and Susan Percle was the top vote getter. She won decidedly in a run-off. In 2021, she was re-elected to the Board. Her term will end in 2027, and, due to term limits set by the legislature, she will not be eligible to seek re-election.



Ms. Percle began her public service with the City of Gretna in 1985. She retired with 25 years of service, 22 of which as the Chief Administrative Officer for the City.

When she qualified as a candidate for the MERS Board in 2017, she stated that her focus would be on seeking a well-diversified investment portfolio to ensure that the hard work of every member of MERS would be rewarded and to diligently work so that retirees would see a cost-of-living adjustment. At that time, a COLA had not been granted since 2009.

In 2021, Ms. Percle noted in her statement of candidacy that the Board had cut the number of investment strategies, ridding it of expensive and nonproductive strategies, and increased exposure to prudent investment strategies with lower fees. The Board's patience paid off, with assets surpassing the \$1 billion mark in November 2020 and continuing to grow.

Ms. Percle was an integral part of the improvement to the system's portfolio, asking insightful questions of the system's Chief Investment Officer and the consultants who advise the Board. Ms. Percle enhanced her understanding of investment opportunities by attending the annual conference hosted by the Louisiana Association of Public Employees' Retirement Systems (LAPERS) during each year of her service.

The improved standing of the system's investment portfolio and the increase in the funded level of the system allowed COLAs to be granted to retirees in 2022 and 2025. Funding for future COLAs is improving with the use of the Funding Deposit Accounts which receive funds from employer contributions set by the board in excess of the required minimum contributions, a mechanism supported by Ms. Percle.

Ms. Percle has been a conscientious and dependable member of the Board of Trustees. She has served as Vice Chair and Chair of the Board on several occasions and has served as a member of and Chair of board committees.

Ms. Percle has rarely missed a meeting. In 2025, she was surprised to learn that she needed triple heart bypass surgery. She only missed one meeting due to that event! Her steady hand and historical knowledge will be missed when her term ends in 2027.