

MERS Messenger

An Update for Active Members, Retirees, and Employers

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MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM
OF LOUISIANA



MERS Fund Reaches Record \$1.5 Billion!

See page 2 for the full details



New and Improved MERS Website!

See page 3 for the full details

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Contact Information

Municipal Employees' Retirement System of
Louisiana (MERSLA)

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Investment Returns



For the fiscal year that ended June 30, 2026, our retirement fund grew by 17.6% after fees. That added about \$233 million to the fund and brought its total value to more than \$1.5 billion, an all-time high. Our investments in U.S. stocks did the best, growing 33.2%. Our other investments, including bonds and real estate, grew at a slower but steady pace.

17.6%

Total Fund
Return after fees

\$233 M

Added to Fund
FY 2026

\$1.5 B+

Total Fund Value
all-time high

33.2%

U.S. Stocks
return

Award for Christopher Saik



Christopher J. "Chris" Saik, Chief Investment Officer of MERS, has been named the recipient of the Markets Group Strategy Award. Chris will accept the award at a forum in Charlotte, N.C.

The Strategy Award recognizes his leadership in transforming the fund's portfolio through a disciplined investment philosophy. By streamlining the portfolio around a cost-efficient approach, consistent and resilient returns across market cycles have been achieved.

When Chris joined MERS as its first Chief Investment Officer in late 2016, the System held approximately \$800 million in assets spread across a large number of strategies, many of them high-fee and underperforming. Working with the System's Board of Trustees and investment consultant Meketa Investment Group, Chris led a multi-year effort to simplify the portfolio: consolidating strategies, reducing complexity and cost, and concentrating the fund's capital where it could be deployed most efficiently. The changes have saved the System an estimated \$4 million in investment fees per year.

Under Chris' leadership, MERS assets have grown to more than \$1.5 billion, while the portfolio has become more transparent and more resilient through volatile markets.

Congratulations to Chris!

MERS Website Redesign

A redesign of the MERS website goes live on October 13. We hope you find it more user friendly! The goal is to make the information presented easier to find and the process to find it more intuitive.

If you spot any errors or have improvements to suggest, please let us know at lobby@mersla.com.



Audit Letters are Real!

Each year MERS is audited by an independent accounting firm. The audit firm sends letters to random groups of active members, retirees, and employers asking them to confirm that the payments made by and to MERS were accurately recorded by the retirement system. If you receive one of these letters, please reply by the deadline specified.



If you have concerns about the source of the letter, you can confirm its authenticity by contacting the accounting section at MERS at 1-800-820-1137. Or, you may contact our audit firm, HoganTaylor, at (225) 923-3000.

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.



LAPERS Conference

The Louisiana Association of Public Employees' Retirement Systems (LAPERS) conducted its annual educational seminar in New Orleans September 13-15. Executive Director Maris LeBlanc introduced the Chairs of the House and Senate Retirement Committees for the legislative panel and asked questions about upcoming issues.

Trustees for MERS had the opportunity to receive all of the 12 annually required hours of trustee education and networked with trustees and staff from other retirement systems in the State.



One of the topics discussed at the conference was Social Security and the fact that most public employees in Louisiana, including most of the participants in Plan A for MERS, do not participate in that program. When Social Security was originally created, employees of state and local governments were not allowed to join. Louisiana then chose to keep most public employees out of the program once joining became an option. To make a change now would be confusing and costly. The public retirement systems in Louisiana join with systems from other states without Social Security coverage to educate Congress on the risks of mandatory coverage.

Legislation Impacting MERS

The 2026 Regular Session of the Louisiana Legislature resulted in a number of changes that impact MERS.

Act 228

Act 228 modifies the exemption from earnings limits that currently applies to some part-time rehired retirees. Rehired retirees who are at least age 60 and who retired with at least 30 years of creditable service may remain in continuous service without earnings limits if they were re-hired on a part-time basis prior to July 1, 2026. All other part-time rehired retirees (other than elected officials) are subject to earnings limits.

Act 226

Act 226 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.

Act 278

Act 278 is technical. It replaces the term “municipality” with “participating employer” in various MERS statutes. It also creates a presumption that an elected official eligible to enroll in MERS is full-time unless there is a declaration that the position is part-time.

Act 221

Act 221 allows the LA Asset Management Pool (LAMP) to enroll its employees in MERS.

Act 406

Act 406 includes marshals or constables of city courts not otherwise eligible for membership in any other local, state, or statewide retirement systems as MERS employers.

Act 19

Act 19 changes the time period for authorizing legislative staff to attend executive sessions of retirement system meetings from one year to four years.

SR 22

SR 22 requests that the Law Institute study and recommend legislation relative to the division of retirement benefits after divorce.

The 2027 session of the Louisiana Legislature will begin on April 12 and must adjourn by June 10. Legislative sessions in odd numbered years are designed to focus on fiscal issues. However, legislators are allowed to file up to five bills that are not fiscal in nature. If legislation is introduced that would affect MERS, that information will be noted on the system’s website and included in the April 2027 newsletter.

News for Retirees

Cost-of-Living Adjustments (COLAs)

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 without being detrimental to the system.

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. State law dictates the frequency of COLAs. The funding level of the system is an important factor in determining when a COLA may be granted.

Once the system's annual actuarial valuation is received in December, more will be known about whether a COLA will be possible in 2027.

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

Did you know that MERS has received change of bank account requests for retirees that were not sent by the retirees? Because these requests looked "fishy" we contacted the retirees to verify the requested changes. We were happy that MERS prevented these unauthorized account changes!



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 Member Self Service Portal at the top of the homepage. Click on user registration to begin the self registration process and locate your account with MERS.



Benefit Payments

Monthly benefits are paid to retirees on the first day of each month. 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."

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. 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 if you were re-hired on a part-time basis before July 1, 2026 and have been continuously re-employed.



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.

Federal Taxes



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. You can make a change to your federal withholding at any time.

State Tax Exemption

All benefits received from MERS are exempt from Louisiana state income tax. When completing your Louisiana state tax return, you must complete Schedule E on the Individual Tax Return Form IT-540, 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 receiving a survivor's benefit. If someone else is preparing your tax returns, let them know about this tax exemption.



News for Actives

DROP Mistakes

The Deferred Retirement Option Plan (DROP) can be a great way to create a nest egg. It allows members eligible for retirement to stop making retirement contributions for up to a 36 month period and have a monthly payment made to a DROP account based on their monthly retirement benefit amount.

However, DROP is not the best choice for all members, particularly members who plan to continue working for a significant amount of time after their DROP participation window ends.

If you are considering DROP, please click on this article, [**Is DROP Right for you?**](#) It provides two examples of members who would have increased their retirement income by waiting to enter or not using DROP at all.

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.

Refunded Members

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



Active Member Self Service



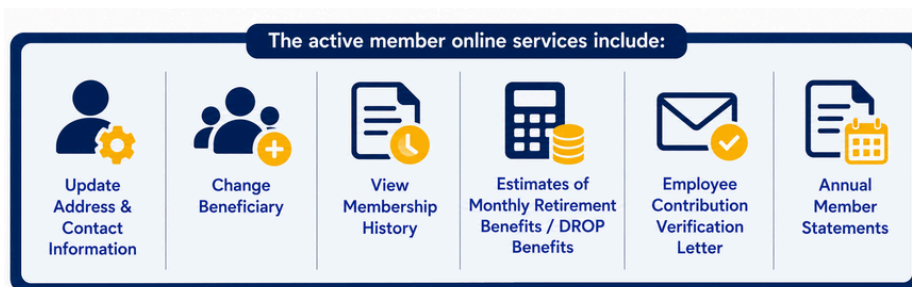
Curious about your future retirement benefit amount? There is a calculator on the Member Self Service Portal of the MERS website that allows you to pull from your actual data to estimate your future benefits. You should always use the 1st of a month as your date of retirement.



You will need an account on the 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 Member Self Service Portal at the top of the homepage. Click on user registration to begin the registration process and locate your account with MERS.

News for Employers

Payments via the Employer Portal



Thanks to all of you for adapting to our new payment portal! We know change can be intimidating but we were happy to see that this new method was well received.

Timely Payments

Payments are due on the tenth of each month. The payment portal has improved timely payments as we no longer are waiting for checks to arrive in the mail.

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.



Employer Contribution Rates

JULY 1, 2026 – JUNE 30, 2027		
	EMPLOYER	EMPLOYEE
PLAN A	26%	10%
PLAN B	12.5%	5%

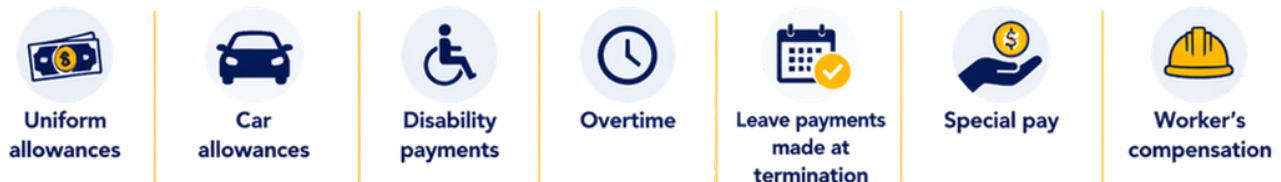
The Employer Contribution Rate for the July 1, 2026, to June 30, 2027, fiscal year is 26% for Plan A and 12.5% for Plan B. These rates are lower than the previous year.

Employee contribution rates remain at 10% for Plan A and 5% for Plan B.

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:



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 return due to mistakes in reporting. 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 issues a credit of employee and employer contributions monthly when it is obvious that compensation was not eligible for retirement contributions. A letter explaining the reason for the credit 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.

Enrollments

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.

LMA Conference in Monroe



Lacey Waguespack, Retirement Benefits Administrator, staffed the MERS booth at the LMA Conference held in Monroe. She enjoyed speaking with mayors and other municipal officials who stopped by to chat.

Executive Director Maris LeBlanc teamed up with representatives of the Municipal Police and Firefighters Retirement Systems to make a presentation to attendees about how the systems interact with municipalities.

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.



Leave without pay



Returning to work



Termination



Worker's compensation

Spotlight on Mayor Scot Rhodes

Mayor Scot Rhodes of the Town of Brusly in West Baton Rouge Parish has been a member of the Board of Trustees for MERS since June 2024. Mayor Rhodes stepped into the role by running without opposition to finish the term left vacant when Mayor Barney Arceneaux resigned from the Board to become Executive Director of the Louisiana Municipal Association.



Mayor Rhodes has been a resident of Brusly for over 50 years. He is currently serving his third term as mayor and previously served two terms as a member of the Town Council. He graduated from Brusly High School in 1983 and graduated from LSU in 1987 with a BS in Agribusiness and Agriculture Economics.

Serving as a Mayor of a “small and friendly town,” as Brusly describes itself, allows Mayor Rhodes to give voice to the unique concerns of small towns as employers participating in MERS.



When he decided to run for the MERS Board, Mayor Rhodes noted that his 30 years of experience in the banking industry would provide insight into the financial decisions needed to keep MERS on firm financial footing. That experience, coupled with his love for serving the people, have made him an informed and compassionate member of the Board of Trustees.