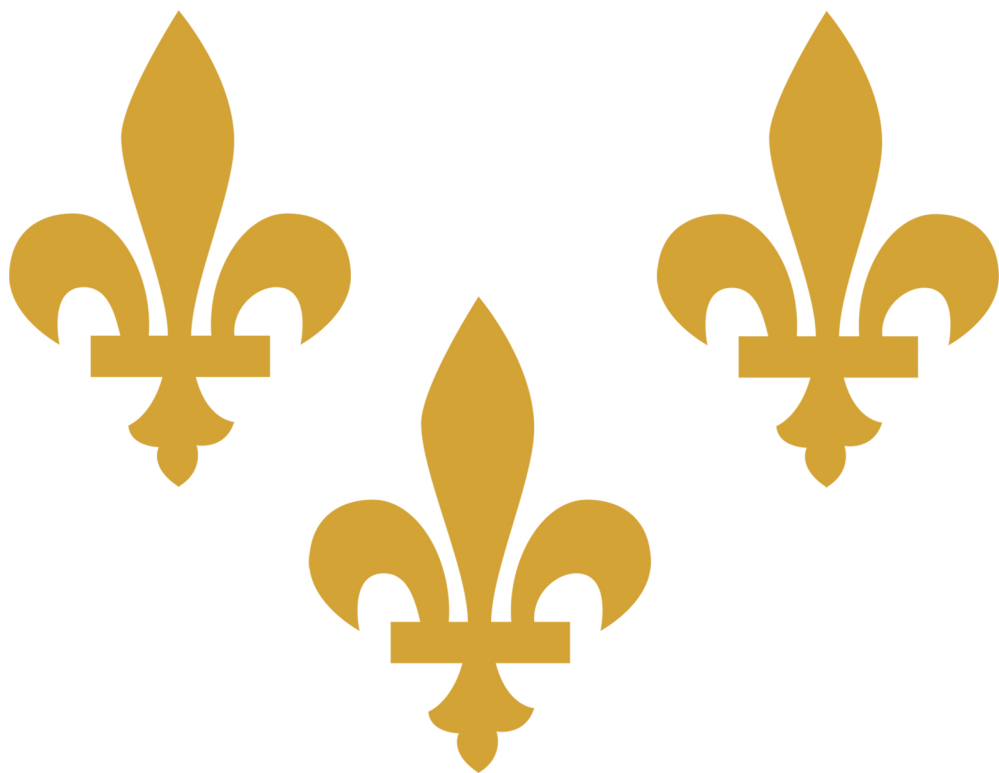


City of New Orleans

Municipal Employees' Retirement System



2018

Annual Retirement Benefits Guide

This handbook is produced by TSA Consulting Group, Inc. to provide accurate information with regard to the subject matter covered. It is not intended to be a substitute for qualified counsel. TSA Consulting Group, Inc. is not engaged in rendering legal, accounting or tax advice. If legal or other professional assistance is required, the services of a competent professional should be sought.

**Copyright © 2018
TSA Consulting Group, Inc.
15 Yacht Club Drive NE
Ft. Walton Beach, FL 32548
www.tsacg.com**

Letter to Members 2
Membership 4
Service Credit 5
Refunds and Service Transfers 7
Qualifications for Retirement 8

Calculations and Options 9
Pre-Retirement Things to Consider 10
DROP 11
Disability Retirement 14
Survivor Benefits 15

Personalized Benefits Statement 16
Fund Facts 18
Glossary 19
Estimated Monthly Benefits..... 20
Trustees and Retirement Staff 23
Notes 24





*LaToya Cantrell
Mayor*

BOARD OF TRUSTEES:
Dr. Edgar L. Chase, III, Chairman
Lisa M. Hudson , Vice Chairperson
Norman L. White, Treasurer
Courtney B. Bagneris , Trustee
Marina M. Kahn, Trustee

ADMINISTRATOR:
Jesse Evans, Jr., CPFIM
Director

Dear Members:

The City of New Orleans Employees' Retirement System, a defined benefit plan, was established July 1, 1947, for the purpose of providing retirement allowances and survivor benefits for municipal employees of the City of New Orleans and various other parochial and judicial employees. The system is administered by the Board of Trustees and a full-time staff.

As of December 31, 2017, the system included 2,716 active members, 1,920 retirees and 158 DROP participants, and 303 terminated vested members. The assets of the retirement system totaled approximately \$391 million as of December 31, 2017. These funds are held in a special trust account, separate and apart from other city funds, exclusively for the benefit of the system's members and beneficiaries. These funds are invested to yield the safest, yet highest possible returns.

This booklet contains general information to help you better understand your City of New Orleans employee pension plan and the benefits available to you. The booklet includes information regarding the following:

- Creditable service
- Refunds
- Transfer of service credit
- Minimum qualifications for service retirements
- Minimum qualifications for separation retirements
- How monthly pensions are calculated
- Regular retirement options
- Other important information regarding retirement
- DROP (Deferred Retirement Option Plan)
- Disability benefits
- Survivor benefits

By visiting our website at www.nola.gov/nomers, you will be able to register and log in to the **Retirement Options and Benefits (ROB)** platform and find your most recent personalized statement of benefits. This statement is provided annually to show information related to your creditable service and retirement benefits at year-end. The statement provides estimates of your benefits at various retirement dates and should assist you in planning your retirement. Please be advised that the information provided is based on projections and amounts may vary from the actual amounts generated from a thorough research of our records. Additionally, you will be able to simulate various retirement scenarios, including member and beneficiary benefit option estimates, additions of leave time and more.

Please review the statement and contact the Retirement System if you have questions regarding any of the information included.

Sincerely,

Jesse Evans, Jr.

Jesse Evans, Jr., CPFIM
Director

1300 Perdido Street
Suite 1E12 - City Hall
New Orleans, LA 70112
Phone: (504) 658-1850
Fax: (504) 658-1602

Membership in NOMERS is mandatory for all persons employed by the City of New Orleans unless any of the following apply:

- Part-time employees working less than half of the normal workweek (less than 17.5 hours of a thirty-five hour workweek or less than 20 hours of a forty hour workweek)
- Persons classified as emergency, temporary or transient employees.
- Persons with membership in another City sponsored pension plan (e.g., Firefighters' Pension and Relief Fund). Civilian employees of the Fire Department are required to become members of NOMERS if none of the exceptions are applicable.
- Persons with membership in another Louisiana retirement system which receives contributions from the City of New Orleans on behalf of the member (e.g., Municipal Police Employees' Retirement System). Civilian and non-commissioned personnel of the Police Department are required to become members of NOMERS if none of the exceptions are applicable.

The employees of the following agencies are also members of NOMERS:

- Orleans Parish Communication District
- Board of Liquidation
- District Attorney's Office (non attorneys only)
- Conveyances and Recorder of Mortgages
- Criminal District Court
- Civil District Court
- First City Court

All members must complete the Enrollment Application/Personal History (RS-1) and Beneficiary Designation (RS-2) forms when hired or rehired. Retirement forms are located on the website: www.nola.gov/nomers/

Notes

CREDITABLE SERVICE

Creditable service is service as an employee after the establishment of the retirement system and for which all required contributions have been received by the system. Creditable service may also include prior service and additional membership service due to the conversion of sick and/or annual leave.

Members contribute 6% of their earnable pay each payroll period. The employer also contributes a percentage of the member's earnable compensation to the retirement plan. The 2018 required employer contribution rate is 23.252%. Earnable compensation is the annual base earned compensation. Normally this equals a member's gross salary for a regular workweek (overtime is excluded in determining earnable compensation).

Members receive one (1) year of service credit for each full year of employment for which the required contributions are received by NOMERS. Service credit is not granted for periods of leave without pay (LWOP), transient employment, temporary employment or other periods for which contributions are not received. In some cases, members may arrange to purchase service credit as allowed by the City Code.

PURCHASE OF SERVICE CREDIT

Prior military service

Any actively contributing member with at least five (5) years creditable service with NOMERS may purchase a maximum of four (4) years of creditable service for time served on continuous active duty prior to beginning City employment. Additionally, the four year maximum limit may include credit for military service related to full-time active duty service exceeding five consecutive days which was performed after employment began. Also, duty which is not full-time active duty may be converted to creditable service. In no case shall more than one year of service be creditable for all service in one calendar year. The credit is available for honorably discharged members with service in any branch of the Armed Services of the United States including the National Guard and reserve forces. The cost is based on the person's beginning salary and an interest rate of four percent calculated from the date of hire. Please contact the Retirement System for more information.

Part-time service

Prior to 1989, persons employed part-time were not eligible to join NOMERS. Beginning in 1989, all persons, other than transient, temporary or emergency employees, working at least one-half of the normal workweek were required to become members of the Retirement System. If the required contributions were not received for the part-time service worked after 1988, the Retirement System must receive the employee's and employer's contributions along with the related interest calculated using a seven percent interest rate to allow credit for service.

Current members with at least ten (10) years of creditable service may purchase up to four (4) years of service credit for equivalent part-time service completed prior to 1989. The part-time service must be at least 50% of the normal workweek and the member must document the service dates, gross salary and number of hours worked per week. The member will be required to pay the employee's contributions and applicable interest.

PURCHASE OF SERVICE CREDIT, continued

Leave without pay

Leave without pay is considered hours that an employee did not work and did not receive pay. Members may purchase retirement credit for up to a maximum of one year of LWOP. Members are required to pay the employees' contributions and applicable interest only.

Transient/emergency service

A member with at least five (5) years of creditable service may be entitled to purchase up to ninety (90) days of service credit for service rendered to the City in a transient or emergency appointment. The uninterrupted, full-time appointment must immediately precede the member's service as a regular employee. The member will be required to pay the employee's contributions and applicable interest.

Periods for which no contributions are received

Members may receive credit for periods worked for which pay was received but contributions were not deducted and remitted to the Retirement System. In order to receive retirement credit, the retirement system must receive the employee and employer contributions along with the applicable interest.

Additional service credit

Members may be allowed additional service credit by converting accumulated annual and/or sick leave. The additional credit may be used to attain retirement eligibility. The annual and/or sick leave must be converted to retirement credit at the time of retirement. When a member terminates employment prior to retirement, the additional service credit may be used to qualify for a separation retirement. Members qualifying for a separation retirement at termination may also convert the balance of sick and/or annual leave to retirement credit in order to increase their creditable service. The leave may be converted at the rate of one month of service credit for each 21 days of accumulated leave.

Purchase of credit for previously noncreditable service

Prior to the adoption of Ordinance No. 021570, employees were prohibited from simultaneous membership in any Louisiana state or Louisiana statewide retirement system and the New Orleans Municipal Employees' Retirement System. The prohibition applied to persons with dual employment (i.e., two separate positions with separate employers). The Ordinance removed the prohibition against simultaneous membership in any State retirement system and NOMERS and accordingly allowed members to have two separate positions with two separate employers. Additionally, the City Code was amended to allow affected members who are presently contributing to NOMERS the option of purchasing service credit for the period that he/she would otherwise have been eligible to be a contributing member if not for the restriction noted above. The member is required to pay the employee's contributions and interest in order to purchase service credit for the period.

Refund of contributions

A member is entitled to a refund of his/her accumulated contributions and interest after terminating service with the City or a member agency. Members are not required to make an immediate decision to take a refund. Members may request a refund or he/she may allow the funds to remain on deposit for up to five years and earn interest during that period. A member may also rollover the funds into an IRA, an employer's 401(k) plan or another qualified plan. Funds that remain on deposit are available for transfer of service credit if the member is later employed by another public retirement system in the State of Louisiana. The plan does not allow hardship withdrawals.

Restoration of refunded service credit

If a refund is taken and the individual later returns to covered employment, the service credit may be restored with NOMERS if the refund amount is repaid along with applicable interest. The repayment may be accomplished by direct payment from the member, rollover of funds or pretax payroll deductions. Please contact NOMERS for details. Civil Service longevity status has no impact on retirement credit. Creditable service will only be granted for periods of contributions or periods of repayment of refunded contributions.

Transfer of service credit from another publicly funded retirement system in the State of Louisiana

Members with service credit in another public retirement system in Louisiana may apply for a transfer of service credit to NOMERS. If the funds transferred total less than the actuarial cost of the service credit transferred to NOMERS, the member has the option of accepting partial credit or paying the difference and receiving full credit. Please contact NOMERS for details.

Transfer of service credit to another publicly funded retirement system in the State of Louisiana

Persons who are members of another Louisiana state or Louisiana statewide retirement system may apply for a transfer of service credit to that system. A terminated member who elected to leave his/her contributions on deposit may apply to have the funds and service credit transferred to their current system. A person who has withdrawn his/her contributions from NOMERS may receive credit related to the withdrawn amount by repaying all contributions withdrawn plus allowable interest thereon to NOMERS and completing the transfer process. The service credit will be recognized for transfer purposes only. The repayment amount will be returned if the process is not completed within ninety days. It is in the member's best interest to request the transfer as soon as possible to avoid any delays in processing the member's retirement. Please contact NOMERS for details.

Reciprocity Agreement with the Sewerage and Water Board

Any current member previously employed by the Sewerage & Water Board may transfer service credit from the Sewerage & Water Board and receive credit with NOMERS for all creditable service transferred at no additional cost. Current employees of the Sewerage & Water Board have the same rights with respect to transfers from NOMERS. Members must apply directly to the former pension system to initiate the transfer. A member who has withdrawn his/her contributions from either system may receive credit related to the withdrawn amount by repaying all contributions withdrawn plus allowable interest thereon to the former system. The related service credit can then be transferred to his/her current system. It is in the member's best interest to request the transfer as soon as possible to avoid any delays in processing the member's retirement.

QUALIFICATIONS FOR RETIREMENT

Minimum qualifications for a service retirement (Members of the retirement system BEFORE January 1, 2018)

The minimum eligibility requirements for a service retirement are as follows:

- Five (5) years of service and sixty-five (65) years of age
- Ten (10) years of service and sixty years of age [A 3% reduction in the benefit allowance is assessed for each year under the age of sixty-two (62)]
- Thirty (30) years of service at any age (no reduction if under the age of 62)
- "Rule of 80" - Age plus years of service equal eighty [no reduction if under the age of sixty-two (62)]

Example - Age 55 with 25 years of service qualifies for "Rule of 80."

NOTE: Members electing "Rule of 80" retirements must apply all sick leave for retirement credit and are not eligible to participate in DROP.

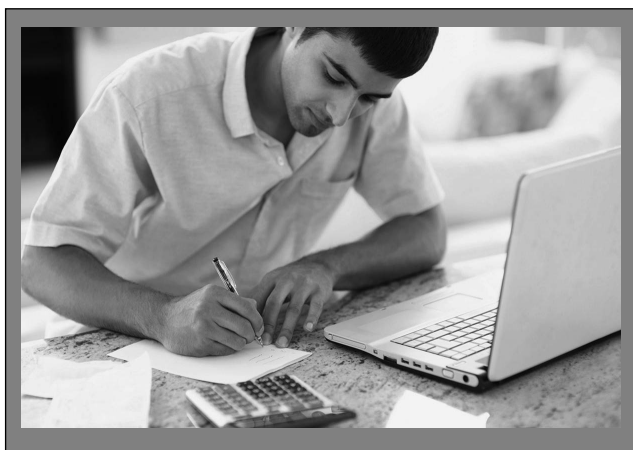
Minimum qualifications for a service retirement (Members of the retirement system on or AFTER January 1, 2018)

- Five (5) years of service and sixty-five (65) years of age
- Twenty (20) years of service and sixty-two (62) years of age
- Thirty (30) years of service at any age (no reduction of under age of 62)

Minimum qualifications for a separation retirement

A member who terminates with at least five (5) but less than ten (10) years of service may collect a pension at age sixty-five (65) with no reduction

A member who terminates with at least ten (10) years of service may collect a pension at age sixty (60). The member will incur a 3% reduction in the monthly allowance for each year under age sixty-two (62). There will be no increase in the base pension amount between the time of separation and submission of an application for retirement benefits. Age sixty-two (62) with twenty (20) years of service is required for those who become members of the retirement system on or after January 1, 2018.



HOW MONTHLY PENSIONS ARE CALCULATED

A member's retirement allowance is based on his/her average annual base earned compensation. This amount is calculated using the member's highest consecutive average sixty (60) months of eligible earnings. The average compensation is multiplied by the Board approved percentages as noted below:

NOTE: The maximum pension benefit is 100% of the average annual base compensation. For employees who become members of the retirement system on or after January 1, 2018, the percentage per year shall be 1.9% for all years of creditable service.

Example B:

\$1,000.00 average eligible earnings
30 years of service
 $25 \times 2.5\% = 62.5\%$
 $5 \times 4\% = \frac{20\%}{82.5\%}$
Total pension ($82.5\% \times \$1,000$) = \$825/ mo

Example A:

\$1,000.00 average eligible earnings
10 years of service
 $10 \times 2.5\% = 25\%$
Total pension ($25\% \times \$1,000$) = \$250/ mo

REGULAR RETIREMENT OPTIONS

Maximum

The member is entitled to receive the largest benefit available based on the retirement formula. If the member dies and has not received the total amount of his/her accumulated contributions and interest documented as of the retirement date, the designated beneficiary(ies) will receive the remaining contributions and interest in a lump sum. Monthly retirement payments are structured to deplete the member's contributions and interest in less than 2½ years. Therefore, no funds will normally be available for the beneficiary if the member dies after that time. The member may designate another beneficiary if the previous beneficiary predeceases the member.

Option 1

The member is entitled to receive a retirement allowance payable throughout life, which is slightly less than the maximum amount. If the member dies and has not received the total amount of his/her accumulated contributions and interest documented as of the retirement date, the designated beneficiary(ies) will receive the remaining contributions and interest in a lump sum. Monthly retirement payments are structured to deplete the member's contributions and interest in approximately 8 - 10 years. Therefore, no funds will normally be available for the beneficiary if the member dies after that time. The member may designate another beneficiary if the previous beneficiary predeceases the member.

Option 2

The member is entitled to receive a reduced retirement allowance payable throughout life. Upon the death of the member, the designated beneficiary will receive the same monthly benefit amount as the member, payable for life. If the beneficiary dies before the member, the monthly benefit amount will increase to the maximum amount the month after NOMERS is notified of the beneficiary's death. The member will not be allowed to designate another beneficiary under any circumstance.

Option 3

The member is entitled to receive a reduced retirement allowance payable throughout life. Upon the death of the member, the designated beneficiary will receive one-half of the monthly benefit amount payable for life. If the beneficiary dies before the member, the monthly benefit will increase to the maximum amount the month after NOMERS is notified of the beneficiary's death. The member will not be allowed to designate another beneficiary under any circumstance.

Option 4

The member is entitled to receive a retirement allowance payable for life with some other benefit payable to either the member or the designated beneficiary. The benefit shall be calculated by the Actuary based on the equivalent actuarial value of the member's retirement allowance. The Board of Trustees must approve this option.

****NOTE****

According to Louisiana law, pension benefits, including DROP funds received or accumulated during marriage, are community property. As such, an ex-spouse, regardless of the number of marriages or the length of marriage, may be entitled to a portion of the retirement benefit depending on the spouse's community property interest. If a member is legally married at any time during his / her employment and chooses a retirement option that does not provide the spouse at least 50 percent of the retirement benefit based on the spouse's community property interest, the spouse must sign a Spousal Consent to Waive Benefits form.

Pre-Retirement Things to Consider

Other important information

Before retiring, members should consider benefits for the long term. Members should consider the advantages and disadvantages of retiring early. Members choosing an early retirement may be granted a retirement allowance that is less than the maximum amount obtainable. However, the member will receive benefits for a longer period of time.

Upon written request, the staff of NOMERS will provide an estimate of retirement benefits to members that are within five years of retirement. Members should expect a response in approximately three (3) to six (6) months from the date of the request.

Members are advised to submit a written request for an estimate of their retirement benefits at least one (1) year prior to the retirement date. The request should include the anticipated retirement date, the spouse's or beneficiary's date of birth and the amount of sick and / or annual leave to be converted to retirement credit, if any.

Members should contact their department's personnel office in order to complete a retirement application. The department's HR staff will forward the application to NOMERS. Applications will not be accepted more than ninety (90) days or less than thirty (30) days prior to the effective date of retirement.

This booklet contains information based on Chapter 114 of the Code of the City of New Orleans. Every effort has been made to accurately reflect provisions of Chapter 114. The provisions of Chapter 114 will prevail when information in this booklet conflicts with Chapter 114.

The DROP provides a way for members who are eligible to retire to continue working while receiving a retirement benefit. Instead of receiving a pension allowance directly, the allowance is deposited in a special DROP account which is held by the Retirement System for the member. Once the member discontinues employment, he/she will begin receiving a monthly retirement allowance directly and may withdraw the money from the DROP account. Members may withdraw the money in a lump sum, in installments or rollover the funds into an IRA or qualified plan. Members may not enter DROP if their retirement is under the Rule of 80.

Advantages of DROP

The DROP offers an excellent opportunity for members to save money before employment ends. Another attractive feature is that DROP account funds, including interest earned, are not subject to federal income tax until the funds are withdrawn.

Disadvantages of DROP

Members no longer earn retirement credit. Retirement benefits are not adjusted due to salary increases, promotions received, or changes in job classification while participating in DROP.

Eligibility

A member must be eligible for a regular retirement option in order to participate in DROP. A member may participate in DROP for a period of no more than five (5) years and no more than three (3) years for those who became members of the retirement system on or after January 1, 2018. Members with service credit that was transferred to NOMERS may participate in DROP if the combined service credit meets the basic criteria for the regular retirement option selected.

DROP participation

Members should submit a DROP application to the Retirement System at least thirty (30) days and not more than ninety (90) days prior to the effective date of DROP participation. Once a member participates in DROP, he/she becomes a retiree and is no longer an active member of NOMERS. Contributions will not be deducted or accepted by NOMERS and the member will not earn additional service credit.

Members may cancel their DROP applications at any time prior to signing documents to enroll in DROP. Members may also terminate DROP participation at any time.

DROP participants continue employment with the City with no break in consecutive service and will have all the rights and responsibilities of other employees except those relating to retirement. The participants will be eligible for promotions and salary adjustments and may transfer to any other City agency which is affiliated with NOMERS. Participants will continue to earn leave as established for the position and any accumulated leave not previously converted to retirement credit may be used in accordance with the policies of the employer.

Leave conversion

Annual and sick leave accrued before DROP participation may be converted to retirement credit.

The DROP account

A member's DROP account earns interest during the participation period. The Board of Trustees annually specifies the DROP interest rate. As of January 1, 2013, all DROP deposits will be held in custody with the Louisiana Asset Management Pool (LAMP). Those deposits will earn the interest rate received by all LAMP deposits.

DROP Allowance

NOMERS will calculate the DROP allowance using the appropriate retirement formula as detailed in Section 114-127 of the City Code. The member must select a retirement option when he/she begins DROP participation. The retirement option selected may not be changed later.

The DROP benefit is calculated using the formula for the selected regular retirement option.

The monthly DROP benefit is credited to the participant's DROP account during the participation period. DROP participants are eligible for retiree cost of living increases and bonus payments which are granted to retirees during the participation period.

Salary adjustments received during the DROP participation period will not change the Final Average Compensation which was determined at the time the member began DROP participation.

DROP account withdrawals

DROP participants have access to the funds in their DROP accounts when employment with the City ends. The following options are available for the distribution of DROP funds:

- Lump-sum payment;
- Rollover of all or part to an IRA or other qualified plan;
- A series of 119 installment payments with interest earned on the unpaid balance (The payments are eligible for rollover);
- A series of payments other than 119 installment payments. Interest will not accrue on the unpaid balance.

Taxation of DROP funds

Funds deposited in a member's DROP account are subject to federal withholding when the funds are withdrawn. The State of Louisiana does not currently tax retirement benefits distributed by NOMERS. The Retirement System will withhold 20% of the DROP funds withdrawn as mandated by IRS rules. In addition, withdrawals prior to age 59½ are subject to a 10% early withdrawal penalty. However, under Internal Revenue Code Section 72(t), members who have separated from service are exempt from the penalty when funds are withdrawn during or after the year in which they reach age 55. See Section 72(t) for other possible exemptions. Members may also rollover the funds into an IRA or other qualified plan and avoid the penalty and the mandatory withholding. Members are advised to consult a tax advisor and/or investment professional for information regarding this matter.

Employment after DROP

Those employees completing DROP may continue employment with the City or designated agency after their DROP participation ends. The member will not receive a monthly retirement allowance and DROP funds may not be withdrawn unless the member terminates employment or is later employed at less than half-time.

Employee Contributions after DROP

Persons working less than thirty-five (35) hours per pay period for 35 hour workweek employees and less than (twenty) 20 hours per pay period for 40 hour workweek employees may not contribute to the Retirement System and are not granted service credit. Persons working more than half-time are required to resume contributions to the Retirement System and are not eligible for a retirement allowance. Anyone employed for at least one month after completing DROP will be eligible for a supplemental retirement benefit when employment is discontinued. Persons employed for less than one month after completing DROP will receive a refund of contributions when employment is discontinued and will not be eligible for a supplemental benefit.

Supplemental Retirement Benefit

A Supplemental Retirement Benefit is based on service credit earned by working after retirement or after DROP participation ends. A supplemental benefit allowance is paid in addition to the regular retirement allowance. The average salary used in the calculation is based on the salary earned during the supplemental period. The DROP participation period is not included in the calculation. Leave accumulated and not converted prior to DROP, during participation in DROP and during the supplemental period may be converted to supplemental retirement credit when employment is terminated.

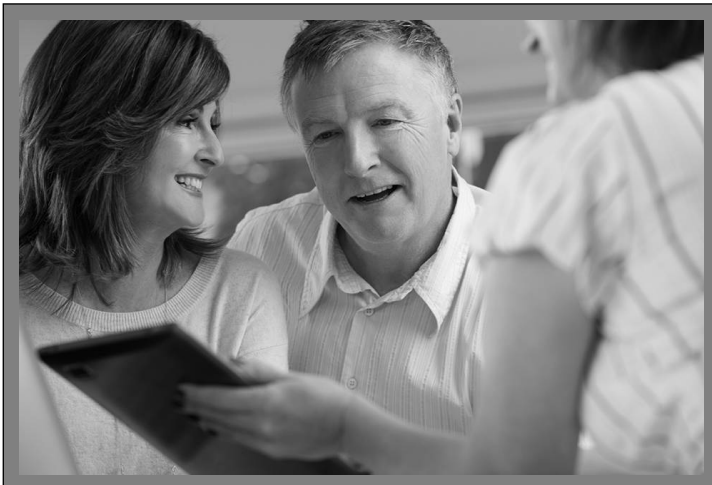
Death after DROP begins

DROP participants are in a retired status and beneficiaries are not entitled to the death benefit normally allowed to beneficiaries of active employees. In the event of a DROP participant's death, benefit payments will be paid to any named Retirement Beneficiary in accordance with the retirement option selected by the deceased participant and the laws governing inheritance and estate matters.

The named beneficiary can be changed if a Maximum or Option 1 retirement is selected and the beneficiary dies. If the named beneficiary of an Option 2 or Option 3 retirement dies while the participant is in DROP status, the participant's benefit will revert to the maximum benefit upon receipt of notification by the Retirement System.

Community Property

The DROP account is subject to Louisiana community property laws. In the case of divorce, death or marriage, the DROP account funds will be distributed in accordance with applicable state laws or judicial decree.



Accidental Disability

If a member is declared disabled as the result of an accident sustained while in the actual performance of duty, without willful negligence on his/her part, the member may be eligible for an accidental disability retirement allowance.

Upon retirement due to accidental disability, the member will receive a service retirement allowance, if eligible, or an accidental disability retirement allowance which is 65% of the member's earnings for the twelve (12) months preceding the accident. The retirement allowance will be offset by any payments received from Workers' Compensation. No survivor benefits will be payable upon the death of the member. The beneficiary may be entitled to a death benefit which consists of the remaining employee contributions and interest.

Ordinary Disability

If a member has at least ten (10) years of service and is declared disabled, he/she may be eligible for an ordinary disability retirement.

Upon retirement due to ordinary disability, the member will receive a service retirement if eligible or a disability benefit that will equal 75% of the service allowance that the member would have earned had he/she worked until age sixty-five (65). No survivor benefits will be payable upon the death of the member. The beneficiary may be entitled to a death benefit which consists of the remaining employee contributions and interest.

Other Disability Retirement Information

- All applications for disability retirements shall be submitted by contributing members along with a report from the member's physician certifying that the member's disability totally incapacitates the member from further performance of his/her normal duties.
- Members will be required to undergo a medical examination once each year during the first five years after retirement and once every three years thereafter until age sixty (60). The results of the medical examination will be reported to NOMERS and the physician will certify the status of the member's disability.
- Members considered able to pursue gainful employment will be restored to their previous position or a similar position.
- A member's benefit allowance will be discontinued if the member does not submit to the required medical examination or if the member is no longer disabled and declines suitable employment.
- Disability retirees are required to report their income from other sources annually. Failure to comply with this requirement will result in the discontinuance of the member's benefit allowance.

Survivor benefits

The beneficiaries of active members with less than three years of service are eligible to receive a refund of the member's contributions and interest in the event of the member's death. If the member has three or more years of service at the date of death, the beneficiary will also receive an additional amount equal to 25% of the member's preceding year's base earnings plus 5% for each full year in excess of three (3) years. The additional amount is limited to 100% of the member's salary for the previous year. The additional amount is not payable if the member's death occurs before he/she obtains three (3) full years of service. See the "Ordinary Death Benefit Calculation" below.

Ordinary Death Benefit Calculation	
<i>EXAMPLE:</i>	
<i>Base Salary for year preceding Death.....</i>	<i>\$10,000.00</i>
<i>Number of years of service.....</i>	<i>10 years</i>
<i>Contributions + Interest</i>	<i>\$ 369.52</i>
<i>25% for 1st three (3) years of service.....</i>	<i>25%</i>
<i>5% for each year after 3 years (5% x 7).....</i>	<i>35%</i>
<i>Total.....</i>	<i>60%</i>
<i>Base Salary.....</i>	<i>\$10,000.00</i>
	<i>x 60%</i>
	<i>\$ 6,000.00</i>
<i>Plus contributions and interest.....</i>	<i>+ 369.52</i>
<i>Total Death Benefit.....</i>	<i>\$ 6,369.52</i>

A spouse named as the beneficiary of an active member may elect a lump sum benefit or an Option 2 allowance if the active member was eligible for a retirement allowance at the time of death. The allowance is based on years of service credit, compensation, the member's age and the beneficiary's age.

A spouse named as beneficiary of an active member who was age fifty-five (55) or older with ten (10) or more years and not eligible to retire at the time of death, may choose a lump-sum benefit or an actuarially reduced monthly benefit which ends when the spouse becomes eligible for Social Security benefits. Also, a spouse named as the beneficiary of an active member who was under age fifty-five (55) with at least twenty (20) years of service at the time of death may choose a lump-sum benefit or an actuarially reduced monthly benefit which ends when the spouse becomes eligible for Social Security benefits. The surviving spouse who elects the reduced monthly benefit shall not be entitled to a refund of the accumulated contributions of the deceased member nor the additional lump sum benefit.

Beneficiary designation

Active members should ensure accurate, up-to-date beneficiary information is recorded in their files. Normally retirees may not change their designated beneficiary after retirement or after DROP participation begins. In the event of the death of the beneficiary the retiree may designate another beneficiary if the Maximum or Option 1 retirement allowance was selected. Although death benefits may be subject to estate taxes, in many cases death benefits can pass to beneficiaries free of any estate taxes. If the beneficiary predeceases the member, the death benefit will be paid to the member's estate, which may also be subject to estate taxes.

City of New Orleans Employees' Retirement System Statement of Projected Benefits as of December 31, 2017

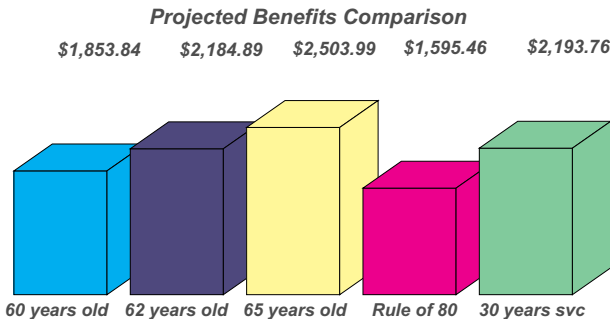
Employee Name:	Sally Sample
Social Security Number:	xxx-xx-8477
Date of Hire:	03/03/2003
Date of Birth:	05/18/1971
Current Age as of 12/31/17:	45
Estimated Service From Hire Date:	13.53
Service Purchased or Transferred:	0.00
Total Estimated Current Service:	13.53
Prior Year End Annual Salary:	\$31,909.16
Accumulated Contributions and Interest:	\$22,857.71

Projected Retirement Benefits

If you continue employment at the above current year end salary, your estimated monthly retirement benefit will be:

60 years old (as of	05/18/2031	) with a benefit of	\$1,853.84	per month.
62 years old (as of	05/18/2033	) with a benefit of	\$2,184.89	per month.
65 years old (as of	05/18/2036	) with a benefit of	\$2,503.99	per month.
Rule of 80 (as of	06/05/2027	) with a benefit of	\$1,595.46	per month.
30 Yrs Svc (as of	06/21/2033	) with a benefit of	\$2,193.76	per month.

If you should terminate employment and leave your accumulated contributions on deposit, you now have an estimated accrued benefit **\$897.45** per month, which would be payable at age **62**, or as early as **60** with a 3% reduction for each year under age **62**.



Projected Pre-Retirement Death and Disability Benefits

Your estimated (pre-retirement) death benefits are a lump sum payment of **\$23,931.87** plus the return of your accumulated contributions of **\$22,857.71**. If you die and have an eligible surviving spouse, under certain circumstances your spouse may elect a reduced monthly benefit in lieu of the above. After you retire, your spouse will be eligible for a monthly benefit upon your death only if you elect (at retirement) an optional annuity with spousal benefits.

Should you become disabled, your estimated ordinary disability benefit would be **\$1,877.99** per month, with a reduction of **\$48.00** per month if eligible for Social Security. Disability must be approved by the Board of Trustees. Upon subsequent death of a disabled member, survivors receive the balance of your accumulated contributions, if any.

If you terminate your employment, the above pre-retirement death and disability benefits do not apply. If you are NOT eligible for a future retirement benefit, you may withdraw your accumulated contributions. If you are eligible for a future retirement benefit, you may leave your contributions on deposit, or you may withdraw your contributions with subsequent forfeiture of any retirement benefits.

Upon completion of an application for retirement, it may take 60 to 90 days after your retirement date before you receive your first retirement benefit. Benefit are paid by direct posit on the first business day of the month. Statements of direct deposit are processed by JP Morgan.

****Note****

The projection listed above is an estimate of a benefit you MAY receive, provided you satisfy certain assumptions and conditions. There is no guarantee that you will satisfy these assumptions and conditions and accordingly, there is no guarantee that you will actually receive the estimated benefits. The conditions and assumptions used to compute your estimated benefits include the following:

- You will remain employed by the City of New Orleans.
- Your earnings will remain at the current level until you retire.
- You will contribute to the system until you retire.
- You have no additional breaks in service.

Your estimated creditable service does not include any accumulated sick or annual leave and may not include all transferred or purchased service credit. Additionally, your creditable service may be reduced by any periods of non-contribution (i.e., LWOP). If the information used in the projections differ from information in your records, please notify the Retirement Office. The staff will thoroughly review our records to calculate your retirement allowance when your retirement application is submitted.

**City of New Orleans
Municipal Employees'
Retirement System**

**1300 Perdido Street
Suite 1E12 - City Hall
New Orleans, LA 70112**

**Phone: (504) 658-1850
Fax: (504) 658-1602
retirement@nola.gov**

**Actuary: Conefry & Co.
Auditor: Luther Speight & Co.
Custodian: JP Morgan**

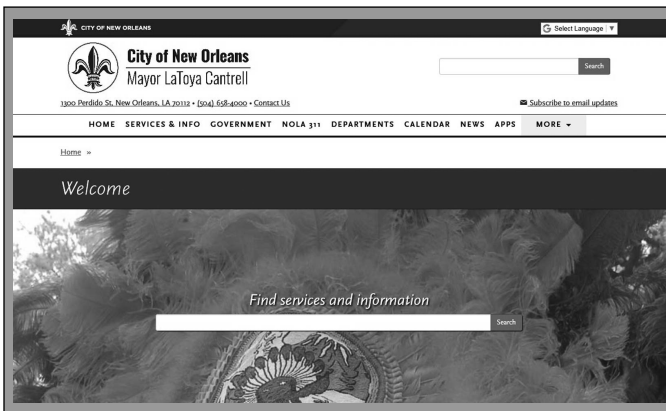
**Numbers of Members:
Active - 2,716
Retired - 1,920
DROP - 158
Terminated Vested - 303**

Investment Consultant: AndCo Consulting

Total Assets: \$391,827,316 as of 12/31/17

Website for the City of New Orleans

www.nola.gov



Accumulated Contributions - Total of contributions paid into the fund along with interest earned.

Defined Benefit Plan - NOMERS is a defined benefit plan that is an employer-sponsored retirement plan under which members are guaranteed a lifetime benefit at retirement if they meet certain age and/or service requirements. The benefit amount is based on age, length of service, and final average compensation. Guaranteed member benefits are prefunded by contributions made by the employer, employee, and investment earnings. The plan sponsor (employer) must ensure that sufficient money is available to pay all promised benefits to current and future retirees and their eligible beneficiaries.

Designated Beneficiary - The person named by the member to receive benefits payable upon the member's death.



DROP Account - A special account credited with DROP benefits during the period of participation. The account earns interest until DROP participation is completed.

DROP - Deferred Retirement Option Plan - A program under which a member retires but continues to work as a regular employee. The member's monthly benefit allowance is deposited into a special account and the member continues to work and receive his/her normal compensation.

Earnable Compensation - The gross salary members earn each pay period for a normal work week (overtime is not included).

LWOP - Leave without pay

NOMERS - New Orleans Municipal Employees' Retirement System

Table A

**Estimated Maximum Monthly Benefits for
30 Years or More of Service**

EXAMPLES OF ESTIMATED MAXIMUM MONTHLY BENEFITS							
TABLE A: 30 YEARS OR MORE OF SERVICE							
AVERAGE	YEARS OF SERVICE /RETIREMENT PERCENTAGE						
MONTHLY	30	31	32	33	34	35	36
SALARY	82.50%	86.50%	90.50%	94.50%	98.50%	100.00%	100.00%
1,550.00	1,278.75	1,340.75	1,402.75	1,464.75	1,526.75	1,550.00	1,550.00
1,750.00	1,443.75	1,513.75	1,583.75	1,653.75	1,723.75	1,750.00	1,750.00
1,950.00	1,608.75	1,686.75	1,764.75	1,842.75	1,920.75	1,950.00	1,950.00
2,150.00	1,773.75	1,859.75	1,945.75	2,031.75	2,117.75	2,150.00	2,150.00
2,350.00	1,938.75	2,032.75	2,126.75	2,220.75	2,314.75	2,350.00	2,350.00
2,550.00	2,103.75	2,205.75	2,307.75	2,409.75	2,511.75	2,550.00	2,550.00
2,750.00	2,268.75	2,378.75	2,488.75	2,598.75	2,708.75	2,750.00	2,750.00
2,950.00	2,433.75	2,551.75	2,669.75	2,787.75	2,905.75	2,950.00	2,950.00
3,150.00	2,598.75	2,724.75	2,850.75	2,976.75	3,102.75	3,150.00	3,150.00
3,350.00	2,763.75	2,897.75	3,031.75	3,165.75	3,299.75	3,350.00	3,350.00
3,550.00	2,928.75	3,070.75	3,212.75	3,354.75	3,496.75	3,550.00	3,550.00
3,750.00	3,093.75	3,243.75	3,393.75	3,543.75	3,693.75	3,750.00	3,750.00
3,950.00	3,258.75	3,416.75	3,574.75	3,732.75	3,890.75	3,950.00	3,950.00
4,150.00	3,423.75	3,589.75	3,755.75	3,921.75	4,087.75	4,150.00	4,150.00
4,350.00	3,588.75	3,762.75	3,936.75	4,110.75	4,284.75	4,350.00	4,350.00
4,550.00	3,753.75	3,935.75	4,117.75	4,299.75	4,481.75	4,550.00	4,550.00
4,750.00	3,918.75	4,108.75	4,298.75	4,488.75	4,678.75	4,750.00	4,750.00
4,950.00	4,083.75	4,281.75	4,479.75	4,677.75	4,875.75	4,950.00	4,950.00
5,150.00	4,248.75	4,454.75	4,660.75	4,866.75	5,072.75	5,150.00	5,150.00
5,350.00	4,413.75	4,627.75	4,841.75	5,055.75	5,269.75	5,350.00	5,350.00
5,550.00	4,578.75	4,800.75	5,022.75	5,244.75	5,466.75	5,550.00	5,550.00
5,750.00	4,743.75	4,973.75	5,203.75	5,433.75	5,663.75	5,750.00	5,750.00
5,950.00	4,908.75	5,146.75	5,384.75	5,622.75	5,860.75	5,950.00	5,950.00
6,150.00	5,073.75	5,319.75	5,565.75	5,811.75	6,057.75	6,150.00	6,150.00

Person with at least 30 years are eligible to enter DROP. Average monthly salary = 60 months average Base Salary

Table B

**Estimated Maximum Monthly Benefits for
Rule of 80 Retirement**

EXAMPLES OF ESTIMATED MAXIMUM MONTHLY BENEFITS									
TABLE B: RULE OF 80									
YEARS OF SERVICE /RETIREMENT PERCENTAGE									
Service Yrs.	20	21	22	23	24	25	26	27	28
Min. Age	60	59	58	57	56	55	54	53	52
Avg. Mo. Salary	50.00%	52.50%	55.00%	57.50%	60.00%	62.50%	66.50%	70.50%	75.00%
1,550.00	775.00	813.75	852.50	891.25	930.00	968.75	1,030.75	1,092.75	1,154.75
1,750.00	875.00	918.75	962.50	1,006.25	1,050.00	1,093.75	1,163.75	1,233.75	1,303.75
1,950.00	975.00	1,023.75	1,072.50	1,121.25	1,170.00	1,218.75	1,296.75	1,374.75	1,452.75
2,150.00	1,075.00	1,128.75	1,182.50	1,236.25	1,290.00	1,343.75	1,429.75	1,515.75	1,601.75
2,350.00	1,175.00	1,233.75	1,292.50	1,351.25	1,410.00	1,468.75	1,562.75	1,656.75	1,750.75
2,550.00	1,275.00	1,338.75	1,402.50	1,466.25	1,530.00	1,593.75	1,695.75	1,797.75	1,899.75
2,750.00	1,375.00	1,443.75	1,512.50	1,581.25	1,650.00	1,718.75	1,828.75	1,938.75	2,048.75
2,950.00	1,475.00	1,548.75	1,622.50	1,696.25	1,770.00	1,843.75	1,961.75	2,079.75	2,197.75
3,150.00	1,575.00	1,653.75	1,732.50	1,811.25	1,890.00	1,968.75	2,094.75	2,220.75	2,346.75
3,350.00	1,675.00	1,758.75	1,842.50	1,926.25	2,010.00	2,093.75	2,227.75	2,361.75	2,495.75
3,550.00	1,775.00	1,863.75	1,952.50	2,041.25	2,130.00	2,218.75	2,360.75	2,502.75	2,644.75
3,750.00	1,875.00	1,968.75	2,062.50	2,156.25	2,250.00	2,343.75	2,493.75	2,643.75	2,793.75
3,950.00	1,975.00	2,073.75	2,172.50	2,271.25	2,370.00	2,468.75	2,626.75	2,784.75	2,942.75
4,150.00	2,075.00	2,178.75	2,282.50	2,386.25	2,490.00	2,593.75	2,759.75	2,925.75	3,091.75
4,350.00	2,175.00	2,283.75	2,392.50	2,501.25	2,610.00	2,718.75	2,892.75	3,066.75	3,241.75
4,550.00	2,275.00	2,388.75	2,502.50	2,616.25	2,730.00	2,843.75	3,025.75	3,207.75	3,387.75
4,750.00	2,375.00	2,493.75	2,612.50	2,731.25	2,850.00	2,968.75	3,158.75	3,348.75	3,527.75
4,950.00	2,475.00	2,598.75	2,722.50	2,846.25	2,970.00	3,093.75	3,291.75	3,489.75	3,671.75
5,150.00	2,575.00	2,703.75	2,832.50	2,961.25	3,090.00	3,218.75	3,424.75	3,630.75	3,811.75
5,350.00	2,675.00	2,808.75	2,942.50	3,076.25	3,210.00	3,343.75	3,557.75	3,771.75	3,951.75
5,550.00	2,775.00	2,913.75	3,052.50	3,191.25	3,330.00	3,468.75	3,690.75	3,912.75	4,091.75
5,750.00	2,875.00	3,018.75	3,162.50	3,306.25	3,450.00	3,593.75	3,823.75	4,053.75	4,231.75
5,950.00	2,975.00	3,123.75	3,272.50	3,421.25	3,570.00	3,718.75	3,956.75	4,194.75	4,371.75
6,150.00	3,075.00	3,228.75	3,382.50	3,536.25	3,690.00	3,843.75	4,089.75	4,335.75	4,511.75
Average monthly salary = 60 months average Base Salary. Not eligible for DROP; must convert all sick leave									
Members may NOT enter DROP under the Rule of 80.									

Table C

**Estimated Maximum Monthly Benefits for
Age 60 with at Least 10 Years of Service or
65 with at Least 5 Years of Service or**

EXAMPLES OF ESTIMATED MAXIMUM MONTHLY BENEFITS										
TABLE C: AGE 60 WITH AT LEAST 10 YEARS OF SERVICE OR 65 WITH AT LEAST 5 YEARS OF SERVICE										
	YEARS OF SERVICE /RETIREMENT PERCENTAGE									
Service Yrs.	5	9	10	10	15	15	20	20	25	25
Min. Age	65	65	60	62	60	62	60	60*	60	60*
Avg. Mo. Salary	12.50%	22.50%	23.50%	25.00%	35.25%	37.50%	47.00%	50.00%	58.75%	62.50%
1,550.00	193.75	348.75	364.25	387.50	546.38	581.25	728.50	775.00	910.63	968.75
1,750.00	218.75	393.75	411.25	437.50	616.88	656.25	822.50	875.00	1,028.13	1,093.75
1,950.00	243.75	438.75	458.25	487.50	687.38	731.25	916.50	975.00	1,145.63	1,218.75
2,150.00	268.75	483.75	505.25	537.50	757.88	806.25	1,010.50	1,075.00	1,263.13	1,343.75
2,350.00	293.75	528.75	552.25	587.50	828.38	881.25	1,104.50	1,175.00	1,380.63	1,468.75
2,550.00	318.75	573.75	599.25	637.50	898.88	956.25	1,198.50	1,275.00	1,498.13	1,593.75
2,750.00	343.75	618.75	646.25	687.50	969.38	1,031.25	1,292.50	1,375.00	1,615.63	1,718.75
2,950.00	368.75	663.75	693.25	737.50	1,039.88	1,106.25	1,386.50	1,475.00	1,733.13	1,843.75
3,150.00	393.75	708.75	740.25	787.50	1,110.38	1,181.25	1,480.50	1,575.00	1,850.63	1,968.75
3,350.00	418.75	753.75	787.25	837.50	1,180.88	1,256.25	1,574.50	1,675.00	1,968.13	2,093.75
3,550.00	443.75	798.75	834.25	887.50	1,251.38	1,331.25	1,668.50	1,775.00	2,085.63	2,218.75
3,750.00	468.75	843.75	881.25	937.50	1,321.88	1,406.25	1,762.50	1,875.00	2,203.13	2,343.75
3,950.00	493.75	888.75	928.25	987.50	1,392.38	1,481.25	1,856.50	1,975.00	2,320.63	2,468.75
4,150.00	518.75	933.75	975.25	1,037.50	1,462.88	1,556.25	1,950.50	2,075.00	2,438.13	2,593.75
4,350.00	543.75	978.75	1,022.25	1,087.50	1,533.38	1,631.25	2,044.50	2,175.00	2,555.63	2,718.75
4,550.00	568.75	1,023.75	1,069.25	1,137.50	1,603.88	1,706.25	2,138.50	2,275.00	2,673.13	2,843.75
4,750.00	593.75	1,068.75	1,116.25	1,187.50	1,674.38	1,781.25	2,232.50	2,375.00	2,790.63	2,968.75
4,950.00	618.75	1,113.75	1,163.25	1,237.50	1,744.88	1,856.25	2,326.50	2,475.00	2,908.13	3,093.75
5,150.00	643.75	1,158.75	1,210.25	1,287.50	1,815.38	1,931.25	2,420.50	2,575.00	3,025.63	3,218.75
5,350.00	668.75	1,203.75	1,257.25	1,337.50	1,885.88	2,006.25	2,514.50	2,675.00	3,143.13	3,343.75
5,550.00	693.75	1,248.75	1,304.25	1,387.50	1,956.38	2,081.25	2,608.50	2,775.00	3,260.63	3,468.75
5,750.00	718.75	1,293.75	1,351.25	1,437.50	2,026.88	2,156.25	2,702.50	2,875.00	3,378.13	3,593.75
5,950.00	743.75	1,338.75	1,398.25	1,487.50	2,097.38	2,231.25	2,796.50	2,975.00	3,495.63	3,718.75
6,150.00	768.75	1,383.75	1,445.25	1,537.50	2,167.88	2,306.25	2,890.50	3,075.00	3,613.13	3,843.75
Average monthly salary = 60 months average Base Salary.										
*No Reduction if age 62 or retiring under the Rule of 80 and not entering DROP.										
Members may NOT enter DROP under the Rule of 80.										

***City of New Orleans
Municipal Employees'
Retirement System***

Executive Staff

**Mr. Jesse Evans, Jr., Director
Ms. Patrice Vaughn, Chief Accountant**

Administrative Staff

**Ms. Janet Easterling, Administrative Support Supervisor
Ms. Shirley Taylor, Analyst
Ms. Shawn Augustine, Accountant
Ms. Brenda Johnson, Accountant
Mr. Gary Waggenpack, Accountant**

Board of Trustees

**Dr. Edgar L. Chase III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Mr. Norman L. White, Treasurer
Ms. Courtney B. Bagneris, Active Employee Representative
Ms. Marina M. Kahn, Retiree Representative**

**Our staff is available to counsel you and answer any questions
you may have regarding NOMERS retirement benefits.**

