

associations.” The enabling legislation required all member associations to obtain alternative insurance or liquidate. Of the 103 associations initially insured by MDIFC, 100 have received federal insurance, have been acquired by a federally insured institution, have converted to a mortgage company or a credit union, or have voluntarily liquidated. Three institutions are currently in receivership. As of December 31, 1989, depositors of all insured accounts at the associations in receivership were paid in full.

As successor to MSSIC, MDIFC assumed approximately \$189,000,000 in assets of MSSIC. In addition, the State has made available to MDIFC approximately \$396,000,000 (\$55,000,000 from direct general fund appropriations, \$241,000,000 from general fund appropriations to the State Reserve Fund designated for the use of MDIFC, and a \$100,000,000 transfer from the Transportation Trust Fund). To date, MDIFC has expended approximately \$576,000,000 to facilitate the acquisition of certain savings and loan associations by other financial institutions, to fund payments to depositors of associations in receivership, to settle Internal Revenue Service tax claims, and to settle litigation. In addition, MDIFC has recovered \$115,000,000 from depositor distributions and the general fund has received \$45,000,000 in recoveries from litigation and the \$71,200,000 balance remaining in the Dedicated Purpose Account of the State Reserve Fund was not required and therefore reverted June 1, 1990. Through June 30, 1993, MDIFC has remitted to the general fund \$92,000,000 received as distributions from receiverships.

Additionally, MDIFC and MSSIC are parties to numerous lawsuits. Furthermore, there may be additional future litigation involving MDIFC. Management believes that the allowance for estimated insurance losses remaining as of June 30, 1993, of \$316,981,000, will be sufficient to provide for MDIFC’s ultimate liability after liquidation of the remaining assets of the three institutions in receivership, after adjudication of the numerous lawsuits and upon completion of MDIFC’s operations.

17. Retirement and Pension Systems:

Maryland State Retirement and Pension Systems (System):

The State contributes to the Maryland State Retirement and Pension Systems (System), an agent multiple-employer public employee retirement system established by the State to provide pension benefits for State employees (other than employees covered by the Mass Transit Administration Pension Plan described later) and employees of 105 participating municipal corporations within the State. Additionally, the System provides benefits for the University of Maryland Medical System (a private, nonprofit, nonstock corporation), the Maryland Automobile Insurance Fund, and the Injured Workers’ Insurance Fund (none of which are within the State’s reporting entity). The non-State entities that participate within the System receive separate actuarial valuations in order to determine their respective funding rates and actuarial liabilities. Retirement benefits are paid from the State System’s pooled assets rather than from assets relating to a particular plan participant. The System is considered part of the State’s financial reporting entity and is included in the State’s financial statements as a Pension Trust Fund. For the year ended June 30, 1993, excluding the participating municipalities, the covered payroll was \$4,542,599,000 and the State’s total payroll was \$4,632,170,000.

Plan Description:

The System, which is administered in accordance with Article 73B of the Annotated Code of Maryland, consists of the following systems which are managed by the Board of Trustees for the System. All retirement and pension systems discussed herein are included in the System. All State employees and employees of the participating municipalities are covered by the systems.

“Retirement Systems”—retirement programs for substantially all State employees, teachers, State police and judges who are not members of the State Pension System.

“Pension Systems”—retirement programs for employees and teachers hired after January 1, 1980, and prior employees who have elected to transfer from the Retirement Systems.