

## JOINT RESOLUTIONS

No. 1

(House Joint Resolution 3)

Joint Resolution regarding interest rates credited to the accounts of members of the State Teachers' Retirement System, State Employees' Retirement System and State Police Retirement System and calling upon the Boards of Trustees of the respective systems to make a study and present recommendations to the General Assembly.

WHEREAS, The Committee on Taxation and Fiscal Matters of the Legislative Council has conducted a study of the State Teachers' Retirement System, State Employees' Retirement System and State Police Retirement System as requested under the terms of Joint Resolution 10 of the 1957 General Assembly; and

WHEREAS, The Committee in its report has commented upon the disparity between the rate of interest earned by the funds of the several systems and the rate of interest credited to the accounts of members thereof; and

WHEREAS, In order to avoid additional subsidy of the interest rate credited to member accounts the 1955 General Assembly enacted legislation reducing the interest rate to be credited from 4% to 3%, such reduction applicable only to new members of the systems: and

WHEREAS, The actual yield on the investments of the funds should increase and the retirement systems should be reorganized in order to accomplish this objective; and

WHEREAS, It is hoped that the actual yield will soon exceed the 3% interest now credited to certain members' accounts; and

WHEREAS, As a general principle on a long range basis, equity for both members and the State is best served when the rate of interest credited is approximately the same as the actual rate of interest earned; now, therefore, be it

*Resolved by the General Assembly of Maryland, That the Boards of Trustees of the State Teachers' Retirement System, State Employees' Retirement System and State Police Retirement System be and they are hereby requested to study ~~this question and make recommendations to the General Assembly of Maryland as to the best way of achieving this general objective at such a time as the actual average yield reaches 3.5%.~~ AND TO MAKE A REPORT*

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.