

CHAPTER 27

(House Bill 1)

AN ACT to repeal and re-enact, with amendments, Section 10(2) of Article 73B of the Annotated Code of Maryland (1951 Edition), title "Pensions", Section 104(12) of Article 77 of said Code, title "Public Education", sub-title "Teachers Retirement System", and Section 54(2) of Article 88B of said Code, title "State Police", sub-title "State Police Retirement System", relating generally to the rate of interest to be allowed on certain contributions made by members of the State Employees Retirement System, the State Teachers Retirement System, and the State Police Retirement System.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 10(2) of Article 73B of the Annotated Code of Maryland (1951 Edition), title "Pensions", Section 104(12) of Article 77 of said Code, title "Public Education", sub-title "Teachers Retirement System", and Section 54(2) of Article 88B of said Code, title "State Police", sub-title "State Police Retirement System", be and they are hereby repealed and re-enacted, with amendments, to read as follows:

10.

(2). The Board of Trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the Expense Fund. The amounts so allowed shall be due and payable to said funds, and shall be annually credited thereto by the Board of Trustees from interest and other earnings on the moneys of the retirement system. Any additional amount required to meet the interest on the funds of the retirement system shall be paid by the State, and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the State.

Regular interest shall mean such per centum rate to be compounded annually as shall be determined by the Board of Trustees to be equitable, in its judgment, to both the employees and the taxpayers of the State, after taking into consideration the actual interest earnings of the system for the preceding years and of the probable earnings of the system to be made in the future. Such rates shall be limited to a minimum of three per centum and a maximum of four per centum **]**, with the latter rate applicable during the first year after the date of establishment. **]** *for members who became such on or before June 30, 1955, and shall be limited to a maximum of three per centum for members becoming such on and after July 1, 1955.*

104.

(12) "Regular Interest" shall mean interest at the rate of four per centum per annum compounded annually *for members who be-*

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.