

the granting of interest on the contributions of members in active service.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 1 (12) and Section 13 (2) of Article 73B of the Annotated Code of Maryland (1957 Edition and 1960 Supplement), title "Pensions", sub-title "In General", be and is hereby repealed and re-enacted, with amendments, to read as follows:

1.

(12) "Regular Interest" *for the Annuity Savings Fund* shall mean interest at ~~such~~ the rate ~~as may be set from time to time by the Board of Trustees in accordance with Section 13, Sub-section (2) of this Article.~~ of four per centum per annum compounded annually for members who became such on or before June 30, 1955; and for all other members shall mean interest at a rate per centum per annum compounded annually as may be set from time to time by the Board with a minimum rate of three per centum per annum and a maximum rate of four per centum per annum. "Regular Interest" for the Annuity Reserve Fund, the Pension Accumulation Fund and the Pension Reserve Fund shall mean interest at such rate as may be set from time to time by the Board of Trustees in accordance with Section 13, Sub-section (2) of this Article, as amended from time to time. NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, THE RATE OF INTEREST CREDITED IN THE ANNUITY SAVINGS FUND TO THE ACCOUNTS OF ACTIVE MEMBERS WHO BECAME SUCH ON OR AFTER JULY 1, 1955, SHALL NOT EXCEED THREE PER CENTUM PER ANNUM, UNLESS THE ACTUAL AVERAGE YIELD ON THE INVESTMENTS OF THAT FUND FOR THE SAME PERIOD HAS EXCEEDED THE RATE OF THREE PER CENTUM PER ANNUM TO THE SAME EXTENT AS CREDITED; PROVIDED, FURTHER, THAT THE MAXIMUM INTEREST RATE CREDITED SHALL REMAIN FOUR PER CENTUM PER ANNUM.

13.

(2) Allowance of Interest—~~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 earn-

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.