

Savings Fund to the [Annuity Reserve] ACCUMULATION Fund.

(2) [The Annuity Reserve Fund shall be the fund in which shall be held the reserves on all annuities in force and from which shall be paid all annuities and all benefits in lieu of annuities, payable as provided in this subtitle. Should a beneficiary retired on account of disability be restored to membership, his annuity reserve shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund and credited to his individual account therein.

(3) (a) The [Pension] Accumulation Fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by the State and from which shall be paid ALL RETIREMENT ALLOWANCES AND the lump sum death benefits payable from said contributions. Contributions to and payments from the [Pension] Accumulation Fund shall be made as follows:

(b) On account of each member there shall be paid annually in the [Pension] Accumulation Fund by the State for the preceding fiscal year an amount equal to a certain percentage of the annual earnable compensation of each member to be known as the "normal contribution," and an additional amount equal to a percentage of his annual earnable compensation to be known as the "accrued liability contribution." The rates per centum of such contributions shall be fixed on the basis of the liabilities of the Retirement System as shown by actuarial valuation. [Until the first valuation the normal contribution shall be six and ninety-nine hundredths per centum, and the accrued liability contribution shall be four and thirty-five hundredths per centum, of the annual earnable compensation of all members.]

(c) On the basis of regular interest and of such mortality and other tables as shall be adopted by the board of trustees, the actuary engaged by the board to make each valuation required by this subtitle, during the period over which the "accrued liability contribution" is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the earnable compensation of the average new entrant, which if contributed on the basis of compensation of such new entrant throughout his entire period of active service would be sufficient to provide for the payment of any death benefit or pension payable on his account. The rate per centum so determined shall be known as the "normal contribution" rate. After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the rate per centum of the earnable compensation of all members obtained by deducting from the total liabilities of the [Pension] Accumulation Fund the amount of the funds in hand to the credit of that fund and dividing the remainder by one per centum of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the board of trustees, and regular interest. The normal rate of contribution shall be determined by the actuary after each valuation.

(d) Immediately succeeding the [first] valuation AS OF JUNE 30, 1973, the actuary engaged by the board of trustees shall compute the rate per centum of the total annual earnable compensation of all members which is equivalent to [four] FIVE per centum of the amount of the total pension and death benefit liability on account of all members and beneficiaries which is not dischargeable by the aforesaid normal contribution made on account of such members during the remainder of their active service. The rate per centum originally so determined shall be known as the "accrued liability contribution" rate.