

Annual Pension Cost and Net Pension Obligation:

Three-Year Historical Trend Information for the System is as follows (amounts expressed in thousands).

Plan	Annual Pension Cost Fiscal Year Ending June 30,		
	1998	1997	1996
Teachers' Retirement and Pension System.....	\$496,020	\$502,424	\$479,007
Employees' Retirement and Pension System.....	212,306	208,821	165,055
State Police Retirement System.....	8,841	10,918	11,801
Judges' Retirement System.....	13,292	12,931	12,361
Natural Resources Law Enforcement Officers Pension System.....	4,373	4,237	4,085
Municipal Corp. Law Enforcement Officers and Fire Fighters Pension System.....	956	927	709

Percentage of Annual Pension Cost Contributed

The State contributed 100% of the annual pension cost for each of the fiscal years ending June 30, 1998, 1997 and 1996 for each of the six plans listed above.

Net Pension Obligation

The State's net pension obligation was zero as of June 30, 1998, 1997 and 1996 for each of the six plans listed. In addition, there was no transition liability determined in accordance with GASB Statement No. 27.

The fiscal year 1998 annual pension cost and net pension obligations were determined as a part of an actuarial valuation as of June 30, 1998. The significant actuarial assumptions listed below were used for all plans.

Valuation method.....	Aggregate Entry Age Normal
Cost method of valuing assets.....	Smoothing (difference in experienced and assumed return)
Rate of return on investments.....	7.5%
Rate of salary increase.....	Varies
Projected inflation rate.....	5.0%
Postretirement benefit increase.....	Varies
Amortization method.....	Level Percent of Payroll
Remaining amortization period.....	22 years as of June 30, 1998
Status of period (Open or Closed).....	Closed

Mass Transit Administration Pension Plan (Plan):

The Plan is a single employer non-contributory plan which covers all Mass Transit Administration (Administration) employees covered by a collective bargaining agreement and all those management employees who were employed by the Baltimore Transit Company. In addition, employees who enter the management group as a result of a transfer from a position covered by a collective bargaining agreement maintain their participation. For the year ended June 30, 1998, the Administration's covered payroll was \$98,914,000 and, its total payroll was \$99,094,000. The Plan is administered and funded in compliance with the collective bargaining agreements which established the Plan. Separate statements for the Plan are not issued.

Plan Description:

The Plan provides retirement (normal and early), death and disability benefits. Members may retire with full benefits at age 65 with five years of credited service or age 52 with 30 years of credited service. The annual normal retirement benefit is 1.3% of final average compensation multiplied by credited service, with minimum and maximum benefit limitations. Participants are fully vested after five years of credited service.

As of June 30, 1998, membership in the Plan includes 912 retirees and beneficiaries currently receiving benefits, 320 terminated members entitled to, but not yet receiving benefits and 2,658 current active members.

There were no investments in loans to or leases with parties related to the Plan. In addition, no investment in any one organization constituted 5.0% or more of the net plan assets available for pension benefits.

Summary of Significant Accounting Policies:

As a part of the Pension Trust Fund, the accounts of the Plan, including benefits and refunds, are maintained using the accrual basis of accounting. Fair value of the investments by the Plan is determined by the State Retirement and Pension System of Maryland based on published securities data.