

Additionally, as a result of the matters discussed above, MDIFC and MSSIC are parties to several lawsuits, including one by a former member savings and loan association in an effort to obtain the return of its capital deposits and capital notes aggregating approximately \$82 million. The plaintiff also seeks to determine the powers of MDIFC to manage and disburse monies credited to its reserve and insurance funds. In the opinion of the Attorney General, if the association were to prevail, MDIFC's resources for paying insured losses of depositors at its insured associations would be seriously depleted.

A condensed balance sheet of MDIFC as of June 30, 1985 is as follows (amounts expressed in thousands):

Assets:	
Cash and investments	\$248,397
Loans and notes receivable	51,215
Other assets	229
	<u>\$299,841</u>
Liabilities:	
Estimated loss on insured savings deposits	\$325,100
Capital notes	88,862
Notes payable	12,000
Deferred federal income taxes	25,282
Other liabilities	8,300
	<u>459,544</u>
Deficiency in Assets:	
Capital deposits by members	144,224
Deficit	<u>(303,927)</u>
	<u>(159,703)</u>
	<u>\$299,841</u>

A copy of the audited financial statements of MDIFC are on file at the Office of the Comptroller of the Treasury.

As of June 30, 1985, 92 savings and loan associations, with savings deposits of \$4.0 billion, were members of MDIFC and as of October 31, 1985, there were 67 associations with deposits of \$2.0 billion remaining.

15. Retirement and Pension Systems:

As of June 30, 1985, the State of Maryland had employee retirement and pension programs as follows:

“Retirement Systems” – for employees, teachers and State police – retirement programs for substantially all State employees, teachers and State police who are not members of the State Pension Systems.

“Pension Systems” – for employees and teachers – retirement programs for employees and teachers hired after January 1, 1980, and prior employees who have elected to transfer from the Retirement Systems.

“Judges’ Pension System” – a retirement program for State judges.

“Mass Transit Administration Pension Plan” – a retirement program for certain employees of the Mass Transit Administration.

All Retirement and Pension Systems, other than the Mass Transit Administration Pension Plan, are jointly contributory. Employee contributions are established at fixed percentages of total employee compensation, except for the Pension Systems where employee contributions are established at fixed percentages of employee compensation in excess of the F.I.C.A. taxable wage base. The Mass Transit Administration Pension Plan is a pay-as-you-go plan and requires no employee contributions.

The consulting actuary for the retirement and pension systems, other than the Mass Transit Administration Pension Plan, prepared valuations as of June 30, 1984, using the unit credit actuarial cost method. Retirement costs for 1985 on this basis aggregated approximately \$383,500,000 for governmental fund types and \$51,375,000 for the higher education fund, including amortization of unfunded liabilities over 40 years and interest thereon. Such amortization is being calculated using the straight-line method which began in fiscal year 1981.

The consulting actuary for the Mass Transit Administration Pension Plan prepared a valuation as of June 30, 1985, using the entry age normal cost method. Retirement costs for 1985 on this basis aggregated approximately \$3,500,000 for governmental fund types, including amortization of unfunded liabilities over 30 years.