

As of June 30, 1993, membership (excluding participating municipalities) in the System consisted of the following:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them:	
Retirement Systems .....	49,452
Pension Systems .....	28,872
Current employees:	
Vested:	
Retirement Systems .....	35,966
Pension Systems .....	69,184
Nonvested:	
Retirement Systems .....	2,610
Pension Systems .....	32,570
Total members .....	218,654

The System provides retirement, death and disability benefits in accordance with State statutes. Vesting begins after completing 5 years of service. A member terminating employment before attaining retirement age but after completing 5 years of service, becomes eligible for a vested retirement allowance provided the member lives to age 60 (age 62 for the Pension Systems, age 50 for State Police) and does not withdraw his or her accumulated contributions. Members of the Retirement System may retire with full benefits after attaining the age of 60, or after completing 30 years of service credit regardless of age. A member of the Pension Systems may retire with full benefits after completing 30 years of service credit regardless of age, or at age 62 or older with specified years of service credit. State Police members may retire with full benefits after attaining age 50, or after completing 25 years of service credit regardless of age.

The annual benefit for Retirement System members is equal to 1/55 of a member's high three-year average salary multiplied by the number of years of service credit. A member may retire with reduced benefits after completing 25 years of service, regardless of age. A member of the Pension System shall receive upon retirement an annual service retirement allowance equal to .8% of the member's high three-consecutive-year average salary multiplied by the number of years of service credit, with a provision for additional benefits for compensation earned in excess of the Social Security wage base. A member may retire with reduced benefits after attaining age 55 and completing 15 years of service. The annual retirement allowance for a State Police member is equal to 1/45 of a member's high three-year average salary multiplied by each year of service up to 25 years, plus 1/90 of the member's high three-year average salary multiplied by each year of service in excess of 25 years. The retirement allowance of retired members of the Systems is subject to annual adjustments to reflect increases in cost of living, not exceed the growth in the Consumer Price Index.

Members of the Employees' and Teachers' Retirement Systems are required to contribute to the System a fixed percentage of their regular salaries and wages (e.g. 7%). Members of the Pension Systems are required to contribute to the System 5% of their regular salaries and wages which exceed the social security wage base. State Police members are required to contribute 8% of their regular salaries and wages to the System. All contributions are deducted from each member's salary and wage payments and are remitted to the System on a regular, periodic basis.

The State, the University of Maryland Medical System, the Maryland Automobile Insurance Fund, the Injured Workers' Insurance Fund and the participating municipal corporations make all employer contributions to the System. In addition, the State of Maryland, which is a non-employer contributor to the Teachers' Retirement and Pension Systems, makes virtually all of the non-employee contributions to the Teachers' Systems. All contributions to the System are made in amounts required by State statutes.

No investment of the System in any one organization represented 5% or more of the net assets available for pension benefits. There were no investments in, loans to, or leases with parties related to the System.

#### *Funding Status and Progress:*

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the System as described below.