

The contribution requirements of the System members and the State are established and may be amended by the Board of Trustees for the System. During 1999, the State's and its participating political subdivisions made their required contributions totaling \$693,353,000 which was 10.85% of covered payroll. The State makes non-employer contributions to the System for local school system teachers. The covered payroll amount includes amounts for employees for whom the State pays retirement benefits, but does not pay the payroll. As of June 30, 1999, 1998 and 1997 the State had made all required contributions, and thus as of June 30, 1999, 1998 and 1997 the State did not have a net pension obligation.

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 Ended June 30,		
	1999	1998	1997
Teachers' Retirement and Pension System.....	\$460,592	\$496,020	\$502,424
Employees' Retirement and Pension System	199,879	212,306	208,821
State Police Retirement System	8,270	8,841	10,918
Judges' Retirement System	15,215	13,292	12,931
Natural Resources Law Enforcement Officers Pension System	8,360	4,373	4,237
Municipal Corp. Law Enforcement Officers and Fire Fighters Pension System	1,037	956	927

Percentage of Annual Pension Cost Contributed

The State contributed 100% of the annual pension cost for each of the fiscal years ending June 30, 1999, 1998 and 1997 for each of the six plans listed above.

Net Pension Obligation

The State's net pension obligation was zero as of June 30, 1999, 1998 and 1997 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 1999 annual pension cost and net pension obligations were determined as a part of an actuarial valuation as of June 30, 1999. 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	8.0%
Rate of salary increase	Varies
Projected inflation rate.....	5.0%
Post retirement benefit increase	Varies
Amortization method	Level Percent of Payroll
Remaining amortization period	21 years as of June 30, 1999
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, 1999, the Administration's covered payroll was \$104,569,000 and, its total payroll was \$105,118,000. 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, 1999, membership in the Plan includes 894 retirees and beneficiaries currently receiving benefits, 304 terminated members entitled to, but not yet receiving benefits and 2,637 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.