

*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, 2000, the Administration's covered and total payroll was \$102,923,000. 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, 2000, membership in the Plan includes 1,032 retirees and beneficiaries currently receiving benefits, 337 terminated members entitled to, but not yet receiving benefits and 2,547 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.

*Funding Policy:*

The Administration's required contributions are based on actuarial valuations. The entry age normal cost method is the actuarial cost method used to determine the employer's contribution rates and the actuarial accrued liability. All administrative costs of the Plan are paid by the Plan.

Employer contributions to the Plan totaling \$13,721,000 (13.3% of covered payroll) for fiscal year 2000 were made in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of June 30, 1999. This amount consisted of \$2,406,000 normal cost and \$11,315,000 amortization of the actuarial accrued liability (2.3% and 11.0%, respectively, of covered payroll).

The liquidation period for the actuarial accrued liabilities (as provided by law) is 19 years from June 30, 2000. Significant