

combined with the amount in the fund to provide the pensions and other benefits payable out of the fund during the year then current.

(f) The accrued liability contribution shall be discontinued as soon as the accumulated reserve in the Pension Accumulation Fund shall equal the present value, as actuarially computed and approved by the Board of Trustees, of the total liability of such fund less the present value, computed on the basis of the normal contribution rate then in force, of the prospective normal contributions to be received on account of persons who are at that time members.

(g) All pensions, and benefits in lieu thereof, with the exception of those payable on account of members who receive no prior service allowance, and all lump sum death benefits on account of death in active service payable from contributions of the State of Maryland shall be paid from the Pension Accumulation Fund.

(h) Upon the retirement of a member not entitled to credit for prior service, an amount equal to his pension reserve shall be transferred from the Pension Accumulation Fund to the Pension Reserve Fund.

(4) PENSION RESERVE FUND

(a) The Pension Reserve Fund shall be the fund in which shall be held the reserves on all pensions granted to members not entitled to credit for prior service and from which such pensions and benefits in lieu thereof shall be paid. Should such a beneficiary retired on account of disability be restored to active service with a compensation not less than his average final compensation at the time of his last retirement the pension reserve thereon shall be transferred from the Pension Reserve Fund to the Pension Accumulation Fund. Should the pension of such a disability beneficiary be reduced as a result of an increase in his earning capacity the amount of the annual reduction in his pension shall be paid annually into the Pension Accumulation Fund during the period of such reduction.

(5) EXPENSE FUND

The Expense Fund shall be the fund to which shall be credited all money provided by the State of Maryland to pay the administration expenses of the retirement system, and from which shall be paid all the expenses necessary in connection with the administration and operation of the system. Annually the Board of Trustees shall estimate the amount of money not in excess of three-tenths of one per centum of the payroll of