

power to invest and re-invest such funds, subject to all the terms, conditions, limitations and restrictions imposed by the law of Maryland upon domestic life insurance companies in the making and disposing of their investments; and subject to like terms, conditions, limitations and restrictions, said trustees shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any moneys belonging to said funds.

(2) The Board of Trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the Expense Fund. The amounts so allowed shall be due and payable to said funds, and shall be annually credited thereto by the Board of Trustees from interest and other earnings on the moneys of the retirement system. Any additional amount required to meet the interest on the funds of the retirement system shall be paid by the State, and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the State.

Regular interest shall mean such per centum rate to be compounded annually as shall be determined by the Board of Trustees to be equitable, in its judgment, to both the employees and taxpayers of the State, after taking into consideration the actual interest earnings of the system for the preceding years and of the probable earnings of the system to be made in the future. Such rate shall be limited to a minimum of three per centum and a maximum of four per centum, with the latter rate applicable during the first year after the date of establishment.

(3) The State Treasurer shall be the custodian of the several funds. All payments from said funds shall be made by him or by a Deputy Treasurer, only upon vouchers signed by two persons designated by the Board of Trustees. A duly attested copy of a resolution of the Board of Trustees designating such persons and bearing on its face specimen signatures of such persons shall be filed with the Treasurer as his authority for making payments upon such vouchers. No voucher shall be drawn unless it has previously been authorized by resolutions of the Board of Trustees.

(4) For the purpose of meeting disbursements for pensions, annuities, and other payments, there may be kept available cash, not exceeding ten per centum of the total amount in the several funds of the retirement system, on deposit in one or more banks or trust companies in the State of Maryland, organized under the laws of the State of Maryland, or of the United States, provided that the sum on deposit in any one