

53. (Method of Financing.) All of the assets of the retirement system shall be credited, according to the purpose for which they are held, among five funds, namely, the Annuity Savings Fund, the Annuity Reserve Fund, the Pension Accumulation Fund, the Pension Reserve Fund, and the Expense Fund.

(1) ANNUITY SAVINGS FUND

(a) The Annuity Savings Fund shall be a fund in which shall be accumulated contributions deducted from the compensation of members to provide for their annuities. Upon the basis of such tables as the Board of Trustees shall adopt and regular interest, the actuary of the retirement system shall determine for each member the proportion of earnable compensation which when deducted from each payment of his prospective compensation, earnable prior to his attainment of the age of 55 and accumulated at regular interest until his attainment of said age, shall be computed to provide at that time an annuity equal to the pension to which he will be entitled at that age on account of his service as a member. Such proportion of compensation shall be computed to remain constant and shall, with respect to members who become employees prior to the date of establishment, be determined upon the basis of his age on July 1, 1949, less his years of prior service, provided the age so computed shall not be greater than the age of 54.

(b) The proportion so computed for a member of the age of 54 shall be applied to a member who attains a greater age before he becomes a member of the retirement system. The Board of Trustees shall certify to the head of the department, and the head of the department shall cause to be deducted from the salary of each member on each and every payroll of such department for each and every payroll period, the proportion of earnable compensation of each member so computed. In determining the amount earnable by a member in a payroll period, the Board of Trustees may consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one per centum of the annual compensation upon the basis of which such deduction is to be made.