

shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund.

(2) ANNUITY RESERVE FUND

The Annuity Reserve Fund shall be the fund in which shall be held the reserves on all annuities in force and from which shall be paid all annuities and all benefits in lieu of annuities, payable as provided in this subtitle. Should a beneficiary retired on account of disability be restored to membership, his annuity reserve shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund and credited to his individual account therein.

(3) PENSION ACCUMULATION FUND

(a) The Pension Accumulation Fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by the State and from which shall be paid all pensions and other benefits on account of members with prior service credit and the lump sum death benefits for all members payable from said contributions. Contributions to and payment from the Pension Accumulation Fund shall be made as follows:

(b) On account of each member there shall be paid annually into the Pension Accumulation Fund by the State for the preceding fiscal year an amount equal to a certain percentage of the annual earnable compensation of each member to be known as the "normal contribution", and an additional amount equal to a percentage of his annual earnable compensation to be known as the "accrued liability contribution". The rates per centum of such contributions shall be fixed on the basis of the liabilities of the retirement system as shown by actuarial valuation. Until the first valuation the normal contribution shall be six and ninety-nine hundredths per centum, and the accrued liability contribution shall be four and thirty-five hundredths per centum, of the annual earnable compensation of all members.

(c) On the basis of regular interest and of such mortality and other tables as shall be adopted by the Board of Trustees, the actuary engaged by the Board to make each valuation required by this subtitle, during the period over which the "accrued liability contribution" is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the earnable compensation of the average new entrant, which if contributed on the basis of