

the Annotated Code of Maryland (1957 Edition), title "Public Education", sub-title "Teachers' Retirement System", to provide that all pensions be paid from the Pension Reserve Fund, and relating to the reserves for payments of pensions and other benefits to retired members of the Teachers' Retirement System.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sub-sections (3) (a), (3) (g), (3) (h) and ~~(4) (a)~~ (4) of Section 116 of Article 77 of the Annotated Code of Maryland (1957 Edition), title "Public Education", sub-title "Teachers' Retirement System", be and the same are hereby repealed and re-enacted, with amendments, to read as follows:

116. (Method of Financing)

(3)

(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 of Maryland 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 the said contributions. Contributions to and payments from the Pension Accumulation Fund shall be made as follows:

(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)

~~(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.

SEC. 2. *And be it further enacted,* That this Act shall take effect on June 1, 1958.

Approved March 6, 1958.