

14.

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) (a) The Annuity Savings Fund shall be a fund in which shall be accumulated contributions 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] *an interest rate of four per centum per annum compounded annually*, 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 60 and accumulated at [regular interest] *interest of four per centum per annum compounded annually* 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] *one one-hundred and fortieth of his average final compensation for each year of service as a member*. Such proportion of compensation shall be computed to remain constant.

(3) (d) Immediately succeeding the [first] valuation *as of June 30, 1969*, the actuary engaged by the board of trustees shall compute the rate per centum of the total ~~amount~~ ANNUAL earnable compensation of all members which is equivalent to four per centum of the amount of the total pension and death benefit liability on account of all members and beneficiaries which is not dischargeable by the funds in hand and the aforesaid normal contribution made on account of such members during the remainder of their active service. The rate per centum [originally] so determined shall be known as the "accrued liability contribution" rate.

26.

(b) Each participating municipal corporation shall make a special accrued liability contribution on account of its approval of the participation of its officers and employees in the Employees' Retirement System of the State, which contribution shall be determined by an actuarial valuation of the accrued liability on account of the officers and employees of such participating municipal corporation who elected to become members in the same manner as the accrued liability rate was originally determined for State employees. This special accrued liability contribution, subject to such adjustment as may be necessary on account of any additional prior service credits awarded to officers or employees of such participating municipal corporation, shall be payable in lieu of the accrued liability contribution payable on account of other employees in the system. The expense of making such initial valuation shall be assessed against and paid by the participating municipal corporation on whose account it is necessary. Notwithstanding the foregoing, the unfunded accrued liability of each participating municipal corporation on March 31, 1960, shall be set as its pro rata share of the unfunded accrued liability of all participating municipal corporations as shown by the actuarial valuation as of March 31, 1960; and on and after July 1, 1960, the annual accrued liability contribution of each participating municipal corporation shall be the flat annual payment