

CHAPTER 407

(Senate Bill 151)

AN ACT to repeal and re-enact, with amendments, Sections 108(12), 113 (2) (a), (b), (c) and (e) (1), ~~113 (4A)~~, ~~113 (4B)~~, 113 (4), 115 (2), 116 (1) (a) and 116 (3) (d) of Article 77 of the Annotated Code of Maryland (1965 Replacement Volume and 1968 Supplement), title "Public Education," subtitle "Teachers' Certificates, Salaries and Pensions," subheading "Teachers' Retirement System," to provide for a change in interest rate and a change in benefit rate upon retirement.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 108 (12), 113 (2) (a), (b), (c), and (e) (1), ~~113 (4A)~~, ~~113 (4B)~~, 113(4), 115 (2), 116 (1) (a), and 116 (3) (d) of Article 77 of the Annotated Code of Maryland (1965 Replacement Volume and 1968 Supplement), title "Public Education," subtitle "Teachers' Certificates, Salaries and Pensions," subheading "Teachers' Retirement System," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

108.

(12) "Regular interest" for the Annuity Savings Fund shall mean interest [at the rate of four per centum per annum compounded annually for members who became such on or before June 30, 1955; and for all other members shall mean interest] at a rate per centum per annum compounded annually as may be set from time to time by the board with a minimum rate of three per centum per annum and a maximum rate of four per centum per annum. "Regular interest" for the Annuity Reserve Fund, the Pension Accumulation Fund and the Pension Reserve Fund shall mean interest at such rate *or rates* as may be set from time to time by the board of trustees in accordance with Section 115, subsection (2) of this article, as amended from time to time. [Notwithstanding any provision of this section to the contrary, the rate of interest credited in the Annuity Savings Fund to the accounts of active members who became such on or after July 1, 1955, shall not exceed three per centum per annum, unless the actual average yield on the investments of that fund for the same period has exceeded the rate of three per centum per annum to the same extent as credited; provided, further, that the maximum interest rate credited shall remain four per centum per annum.]

As to any member who after June 1, 1958, leaves, and is no longer in active service as a teacher, the rate or regular interest credited to the member's accumulated contributions from the time of his leaving shall be three per centum.

113.

(2) Upon retirement for service a member shall receive a service retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement; and

(b) A pension [in addition to his annuity] which shall be equal to one one-hundred and [fortieth] *twentieth* of his average final