

required to meet the interest on the funds of the retirement system shall be paid by the State of Maryland, and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the State of Maryland.]

198.

All of the assets of the retirement system shall be credited according to the purpose for which they are held to one of [five] THREE 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 an interest rate of four per centum per annum compounded annually, the actuary of the retirement system shall determine for each member WHO SHALL HAVE BECOME A MEMBER PRIOR TO JULY 1, 1973 the proportion of compensation which, when deducted from each payment of his prospective earnable annual compensation prior to his attainment of age 60 and accumulated at interest of four per centum per annum compounded annually, until his attainment of such age shall be computed to provide at that time an annuity equal to 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. HOWEVER, COMMENCING AS OF JULY 1, 1973, THE PROPORTION OF COMPENSATION PAYABLE BY ANY MEMBER AS OF JUNE 30, 1973 SHALL BE THE LESSER OF (I) THE PROPORTION SO DETERMINED, OR (II) FIVE PER CENTUM OF HIS EARNABLE COMPENSATION; AND THE PROPORTION OF COMPENSATION PAYABLE BY ANY PERSON WHO BECOMES A MEMBER AFTER JUNE 30, 1973 SHALL BE FIVE PER CENTUM OF HIS EARNABLE COMPENSATION.

(b) [The proportion so computed for a member age 59 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 superintendent of schools of each county, and the superintendent of schools of each county shall cause to be deducted from the salary of each member on each and every payroll of such county, for each and every payroll period the proportion of earnable compensation of each member so computed. [The superintendent of schools of any county shall not have any deduction made for annuity purposes from the compensation of a member who elects not to contribute if he has attained age 60 and has completed thirty-five years of service.] 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 a teacher 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.

(c) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation, and payment of salary or compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment,