

(6) "Medical board" shall mean the board of physicians provided for in § 196 of this article.

(7) "Service" shall mean service as a teacher as described in subsection (3) of this section and paid for by the State of Maryland.

(8) "Prior service" shall mean service rendered prior to the date of establishment of the retirement system for which credit is allowable under § 194 of this article.

(9) "Membership service" shall mean service as a teacher rendered while a member of the retirement system.

(10) "Creditable service" shall mean "prior service" plus "membership service" for which credit is allowable as provided in § 194 of this article.

(11) "Beneficiary" shall mean any person in receipt of a pension, an annuity, a retirement allowance or other benefit as provided by this subtitle.

(12) "Regular interest" for the Annuity Savings Fund 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 PURPOSES OF THE ACTUARIAL VALUATIONS [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 § 197, subsection (2) of this article, as amended from time to time.

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.

(13) "Accumulated contributions" shall mean the sum of all the amounts deducted from the compensation of a member and credited to his individual account in the Annuity Savings Fund together with regular interest thereon as provided in § 198 of this article.

(14) "Earnable compensation" shall mean the full rate of the compensation that would be payable to a teacher if he worked the full normal working time.

(15) "Average final compensation" shall mean the average annual earnable compensation of a teacher for the three years of service as a teacher during which his earnable compensation was highest, or if he had less than three years of service, then his average earnable compensation for his total service. Effective July 1, 1971, the provisions of this subsection shall be applicable to members who retired after July 1, 1970, as well as to those members who retire on or after July 1, 1971. Effective July 1, 1972, the provisions of this subsection shall be applicable to those members who retired on or prior to July 1, 1970.

In the determination of average final compensation, any extraordinary salary increase in the last year prior to retirement shall be excluded, and the board of trustees by a rule of general application shall determine what constitutes an extraordinary salary increase.

(16) "Annuity" shall mean payments for life derived from the accumulated contributions of a member. All annuities shall be payable in equal monthly installments.