

(i) (J) The board of trustees may in its discretion adopt a generally accepted method of writing up the book value of the common stock portion of the assets held by the retirement system, provided that the annual amount of any such write-up shall not exceed 3 per centum of the total book value of the common stocks held as of the determination date of the write-up. One half of the amount of any such write-up shall be offset against the employer contributions otherwise payable hereunder and, notwithstanding any other provision of this article, the other half shall be accumulated in a special account under the [Pension] Accumulation Fund to be used to provide all or part of the cost of benefit improvements.

(4) The Pension Reserve Fund shall be the fund in which shall be held the reserves on all pensions granted to members 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.

(5) (3) The Expense Fund shall be the fund to which shall be credited all money provided by the State of Maryland to pay the administration expenses of the retirement system, and from which shall be paid all the expenses necessary in connection with the administration and operation of the system. Annually the board of trustees shall estimate the amount of money not in excess of three tenths of one per centum of the payroll of members which shall be deemed necessary to be paid into the Expense Fund during the ensuing year to provide for the expense of operation of the retirement system and such amount shall be paid to the Expense Fund for this purpose.

(6) (4) (a) On or before the first day of November next preceding each regular meeting of the General Assembly of Maryland the board of trustees shall certify the State Superintendent of Schools, the amounts which will become due and payable during the year next following each of the funds of the retirement system together with a statement of the percentage of the payroll of all members, which is equivalent to the total amount. To this amount the State Superintendent of Schools shall add an amount equal to such percentage of the payroll of teachers who are members of local retirement funds in the cities and counties of the State, who are excluded from membership in this retirement system as provided in § 192 of this article, but (until June 30, 1969), not in excess of the percentage certified for this retirement system, as such respective cities or counties may have contributed during the biennium preceding, to their own retirement or pension system on account of their teachers, which latter amount shall be paid to such cities and counties; and beginning on July 1, 1969, as is determined by the actuary of this retirement system on the basis of an actuarial valuation of the cost to such subdivision of funding the same benefits as are provided under this retirement system, which latter amount shall be paid to such cities and counties; the amounts thus ascertained shall be included by the State Superintendent of Schools in his budget estimate and shall be included in the budget bill which is submitted to the General Assembly.

The State Superintendent of Schools shall certify one quarter of the amount so ascertained for the year to the State Comptroller on or before the last day of December, February, May and September. The Comptroller shall on or before the first day of January, March, June and October draw a warrant or warrants on the Treasurer of the State of Maryland for the respective amounts due the State