

## 14.

All of the assets of the retirement system shall be credited, according to the purpose for which they are held, [among five] TO ONE OF THREE funds, namely the Annuity Savings Fund, the [Annuity Reserve]ACCUMULATION 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 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 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 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 of the age of 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 head of each department, and the head of each department shall cause to be deducted from the salary of each member on each and every payroll of such department for each payroll period, the proportion of earnable compensation of each member so computed, except that the percentage rate of contribution of any member who was contributing prior to July 1, 1947, on the basis of retirement at age 65 shall not be changed unless the member elects to contribute on the basis of retirement at age 60 and makes retroactive contributions with accrued interest accounting from July 1, 1947, to and including the date he elects to contribute on the basis of retirement at age 60. But the head of any department shall not have any deduction made for annuity purposes from the compensation of a member who elects not to contribute if he has attained the age of 60 and has completed thirty 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 an employee 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 herein and shall receipt for his full salary or compensation; and