

(g) All RETIREMENT ALLOWANCES AND ALL lump sum death benefits on account of death in active service payable from contributions of the State, shall be paid from the [Pension] Accumulation Fund.

(h) [Upon the retirement of a member, an amount equal to his pension reserve shall be transferred from the Pension Accumulation Fund to the Pension Reserve Fund] ALL INTEREST AND DIVIDENDS EARNED ON THE FUNDS OF THE RETIREMENT SYSTEM SHALL BE CREDITED TO THE ACCUMULATION FUND. THE AMOUNTS NEEDED TO ALLOW REGULAR INTEREST ON THE RESERVES IN THE ANNUITY SAVINGS FUND SHALL BE TRANSFERRED TO SAID FUND IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE FROM THE ACCUMULATION FUND.

(i) [The board of trustees may in its discretion transfer to and from the Pension Accumulation Fund the amount of any surplus or deficit which may develop in the reserve held in the Annuity Reserve Fund or the Pension Reserve Fund] SHOULD A BENEFICIARY RETIRED ON ACCOUNT OF DISABILITY BE RESTORED TO MEMBERSHIP, HIS ANNUITY RESERVE SHALL BE TRANSFERRED TO THE ANNUITY SAVINGS FUND AND CREDITED TO HIS INDIVIDUAL ACCOUNTS THEREIN.

(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] Pension Reserve Fund. 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 a beneficiary retired on account of disability be restored to membership, his pension reserve shall be transferred from the Pension Reserve Fund to the Pension Accumulation Fund. Should the pension of 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 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. Biennially 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 years 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) 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 to the Governor the amounts which will become due and payable during the biennium next following to each of the funds of the retirement system. The amount thus ascertained shall be included in the budget bill which is submitted to the General Assembly.