

by an increased rate of contribution an amount equal to the total amount which he previously withdrew therefrom as provided in this subtitle, or any part thereof; or any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity, which, together with his prospective retirement allowance, will provide for him a total retirement allowance not in excess of two-thirds of his average final compensation at age 60 or after 30 years of creditable service, whichever would first occur. In addition to the contributions hereinbefore provided, subject to such conditions as may be established by the board of trustees, any member may, in accordance with a contract with his employer, have further contributions at a fixed percentage of 2 percent or more, but not to exceed 20 percent of his compensation made on his account, either by a reduction in his salary, or in lieu of an increase in his compensation. The cost of administering annuities OR CUSTODIAL ACCOUNTS qualifying under § 403 (b) of the Internal Revenue Code, as amended from time to time, shall be provided from the funds invested in such annuities OR CUSTODIAL ACCOUNTS. Nothing in this section shall preclude the consideration and adoption by a local board of education of a similar plan qualifying under § 403 (b) of the Internal Revenue Code as amended from time to time, through a commercial insurance carrier, OR THROUGH A CUSTODIAL ACCOUNT WITH INVESTMENTS IN REGULATED INVESTMENT COMPANY STOCK AS CONTEMPLATED BY SECTION 403(B), and prior to entering into an agreement with the board of trustees of the State Teachers' Retirement System, a county board of education shall consider a proposal of at least one commercial insurance carrier AND AT LEAST ONE SPONSOR OF A CUSTODIAL ACCOUNT. THIS SECTION DOES NOT PRECLUDE A MEMBER FROM DIRECTING THE STATE TEACHERS' RETIREMENT SYSTEM TO TRANSFER HIS MONIES UNDER SECTION 403(B) OF THE INTERNAL REVENUE CODE, AS AMENDED FROM TIME TO TIME, UNDER THE STATE TEACHERS' RETIREMENT SYSTEM TO A COMMERCIAL PLAN OR CUSTODIAL ACCOUNT ADOPTED BY A LOCAL BOARD OF EDUCATION. ~~The criteria for choosing a plan shall be the same for both the State Teachers' Retirement System and the commercial plans.~~ THE CRITERIA FOR CHOOSING A PLAN SHALL BE THE SAME FOR THE STATE TEACHERS' RETIREMENT SYSTEM, A COMMERCIAL PLAN, AND A CUSTODIAL ACCOUNT. Such additional amounts so deposited shall become a part of his accumulated contributions except in the case of retirement, when they shall be treated as excess contributions returnable to the member in cash or as an annuity of equivalent actuarial value. The accumulated contributions of the member withdrawn by him, or paid to his estate or to his designated beneficiary in event of his death as provided in this subtitle, shall be paid from the Annuity Savings Fund. Upon the retirement of a member his accumulated contributions shall be transferred from the Annuity Savings Fund to the Accumulation Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1978.