

(B) CONTRIBUTIONS SHALL BE MADE ON AND AFTER THE DATE OF ESTABLISHMENT AT THE RATE OF 5 PERCENT OF THE PART OF THE MEMBER'S EARNABLE COMPENSATION THAT IS IN EXCESS OF THE TAXABLE WAGE BASE FOR EACH YEAR. EACH OF THE AMOUNTS SHALL BE:

(I) DEDUCTED UNTIL THE MEMBER RETIRES OR OTHERWISE WITHDRAWS FROM SERVICE;

(II) PAID INTO THE ANNUITY SAVINGS FUND;
AND

(III) CREDITED TO THE INDIVIDUAL ACCOUNT OF THE MEMBER.

(C) EVERY MEMBER SHALL BE DEEMED TO CONSENT TO THE DEDUCTIONS MADE AND PROVIDED HEREIN AND SHALL RECEIVE FOR HIS FULL COMPENSATION, AND PAYMENT OF COMPENSATION LESS SUCH DEDUCTION SHALL BE A FULL AND COMPLETE DISCHARGE AND ACQUITTANCE OF ALL CLAIMS AND DEMANDS WHATSOEVER FOR THE SERVICES RENDERED BY SUCH PERSON DURING THE PERIOD COVERED BY SUCH PAYMENT. ANY COUNTY SCHOOL SYSTEM, OR INSTITUTION THAT FAILS TO PAY TO THIS PENSION SYSTEM THE DEDUCTIONS FROM THE COMPENSATION OF ITS EMPLOYEES ON THE DATE THE EMPLOYEES ARE PAID SHALL BE LIABLE FOR A PENALTY OF 10 PERCENT OF THE AMOUNTS DUE. HOWEVER, THE SECRETARY OF THE BOARD MAY ALLOW A GRACE PERIOD NOT TO EXCEED 10 ADDITIONAL CALENDAR DAYS. ALL AMOUNTS DUE AND UNPAID ON THE DATE OF PAYMENT SHALL ALSO BEAR INTEREST AT THE RATE OF 10 PERCENT A YEAR UNTIL THE DATE OF PAYMENT. THE STATE COMPTROLLER, IF NOTIFIED BY THE SECRETARY THAT A DELINQUENCY EXISTS, IMMEDIATELY SHALL EXERCISE THE RIGHT OF SETOFF AGAINST ANY MONEY DUE OR TO BECOME DUE TO THE DELINQUENT SCHOOL SYSTEM OR INSTITUTION.

(D) SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES, IN ADDITION TO THE CONTRIBUTIONS DEDUCTED FROM EARNABLE COMPENSATION AS HEREINBEFORE PROVIDED 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 THAT, 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 THE AGE OF 62. IN ADDITION TO THE CONTRIBUTIONS HEREINBEFORE PROVIDED, SUBJECT TO THE CONDITIONS ESTABLISHED BY THE BOARD OF TRUSTEES, ANY ELIGIBLE MEMBER, IN ACCORDANCE WITH A CONTRACT WITH HIS EMPLOYER, MAY 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 INSTEAD OF AN INCREASE IN HIS COMPENSATION. THE COST OF ADMINISTERING ANNUITIES THAT QUALIFY UNDER § 403(B) OF THE INTERNAL REVENUE CODE, AS AMENDED FROM TIME TO TIME, SHALL BE PROVIDED FROM THE FUNDS INVESTED IN THESE ANNUITIES. THIS SECTION DOES NOT PROHIBIT A LOCAL BOARD OF EDUCATION FROM ADOPTING A SIMILAR PLAN THAT