

next following the date of the election and shall constitute a waiver of all rights and benefits provided by the Teachers' Retirement System, except as otherwise provided.

(4) No election by an eligible employee of an optional retirement program shall be effective unless it is accompanied by an appropriate application, where required, for the issuance of a contract or contracts under the program.

(e) The State shall contribute on behalf of each participant in the optional retirement program [the amount which it would have been required to allocate and contribute to the Teachers' Retirement System for each participant as a member of the Teachers' Retirement System, except the amounts contributed in accordance with §§ 86(2)(d)(1) and 86A of this article. However, in no event shall the contribution be less than 5 percent of each participant's earnable compensation] 5.84 PERCENT OF EACH PARTICIPANT'S ANNUAL EARNABLE COMPENSATION. Each participant shall contribute the amount which he would have been required to contribute as a member of the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS. Contributions authorized or required by the provisions of this subsection on behalf of each participant may be made by payroll deduction or by a reduction in salary in accordance with the provisions of § 403(b) of the United States Internal Revenue Code. Payment of contributions shall be made by the appropriate governing board to the designated company for the benefit of each participant. In the event of a qualified employee participating in an optional retirement program whose compensation is paid from special and/or federal funds, the State's contribution to such optional retirement program shall be paid from the special and/or federal funds.

(f) Any eligible employee who is a member of the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS of the State of Maryland at the time he elects to participate in an optional retirement program established pursuant to this section shall be deemed to be a person who discontinues service in the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS on the effective date of the election for the purpose of determining his eligibility for immediate vested rights and benefits in the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS. However, any such person shall not withdraw his accumulated contributions in the Annuity Savings Fund as long as he continues in the employment of a State institution whose employees are eligible for membership in the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS. These benefits shall be computed only on the basis of years of service otherwise creditable to him as a contributing member of the Teachers' Retirement System OR THE PENSION SYSTEM FOR THE TEACHERS.