

SELF INSURANCE FOR THIS PURPOSE, IN WHOLE OR IN PART, UNDER TERMS AND CONDITIONS SATISFACTORY TO THE STATE TREASURER. IF THE STATE FAILS TO PROVIDE ADEQUATE INSURANCE COVERAGE OR IF THE STATE FAILS TO PROVIDE INDEMNIFICATION UNDER THIS SECTION, A FIDUCIARY MAY NOT BE REQUIRED TO PAY AMOUNTS ATTRIBUTABLE TO LIABILITY DESCRIBED IN THIS SECTION BECAUSE THE STATE FAILED TO PROVIDE THE INDEMNIFICATION.

150. METHOD OF FINANCING.

ALL OF THE ASSETS OF THIS PENSION SYSTEM SHALL BE CREDITED, ACCORDING TO THE PURPOSE FOR WHICH THEY ARE HELD, TO THE FOLLOWING FUNDS:

- (I) THE ANNUITY SAVINGS FUND;
- (II) THE ACCUMULATION FUND; OR
- (III) THE EXPENSE FUND.

(1) (A) THE ANNUITY SAVINGS FUND SHALL BE THE FUND IN WHICH CONTRIBUTIONS DEDUCTED FROM THE COMPENSATION OF MEMBERS TOGETHER WITH ANY AMOUNTS TRANSFERRED THERETO FROM THE ANNUITY SAVINGS FUND OF THE RETIREMENT SYSTEM SHALL BE ACCUMULATED. THE AMOUNTS TRANSFERRED SHALL BE ALLOCATED BETWEEN REGULAR AND ADDITIONAL CONTRIBUTIONS. ON HIS RETIREMENT OR OTHER WITHDRAWAL FROM SERVICE ON THE BASIS OF WHICH A RETIREMENT ALLOWANCE IS PAYABLE, THE MEMBER'S ADDITIONAL CONTRIBUTIONS, WITH INTEREST, SHALL BE PAID AS AN ADDITIONAL ALLOWANCE EQUAL TO AN ANNUITY THAT IS THE ACTUARIAL EQUIVALENT OF THIS AMOUNT, IN THE SAME MANNER AS THE BENEFIT OTHERWISE PAYABLE UNDER THIS PENSION SYSTEM.

(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