

110.

(e) The State shall contribute on behalf of each participant in the optional retirement program [5.84 percent or a percent equal to the State's contribution rate to the Pension System for the Teachers of the State of Maryland, whichever is greater,] 7.25 PERCENT of each participant's annual earnable compensation. 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.

122.

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; and
- (iii) The Expense Fund.

(2) (a) The Accumulation Fund shall be the fund in which shall be accumulated all reserves for the payment of all allowances and other benefits payable from contributions made by the State, any amounts transferred thereto from the Accumulation Fund of the retirement system, amounts transferred from the Annuity Savings Fund, and from which shall be paid all benefits payable under this system other than those payable from the Annuity Savings Fund.

[(b) Each year, on account of each member, the State shall pay into the Accumulation Fund an amount at least equal to a certain percentage of the annual earnable compensation of the member, to be known as the "normal contribution," and an additional amount equal to a certain percentage of his annual earnable compensation, to be known as the "accrued liability contribution." The rates percent of these contributions shall be fixed on the basis of the liabilities of this pension system as shown by actuarial valuation.]

[(c) On the basis of interest and the mortality and service tables adopted by the board of trustees, immediately after making each actuarial valuation, the actuary shall determine the "normal contribution" on account of each member, net of employee contributions, on the basis of the accrued