

OF TRUSTEES THE AMOUNT OF THE DEDUCTIONS FROM THE COMPENSATION OF OFFICERS AND EMPLOYEES MADE IN ACCORDANCE WITH SECTION 14(1)(C) AND SECTION 122(1)(C) OF THIS ARTICLE. ANY PARTICIPATING MUNICIPAL CORPORATION THAT FAILS TO PAY THE AMOUNTS CERTIFIED UNDER THIS SECTION WITHIN THE TIME REQUIRED BY LAW IS 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 ALSO SHALL BEAR INTEREST AT THE RATE OF 10 PERCENT A YEAR UNTIL THE DATE OF PAYMENT. THE STATE COMPTROLLER, ON NOTIFICATION 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 PARTICIPATING MUNICIPAL CORPORATION.

(H) ON RECEIPT OF THE PAYMENTS FROM THE TREASURER OR OTHER OFFICER OF EACH PARTICIPATING MUNICIPAL CORPORATION, THE CUSTODIAN OF THE FUNDS OF THIS PENSION SYSTEM FOR EMPLOYEES OF THE STATE, SHALL CREDIT THESE AMOUNTS TO THE APPROPRIATE FUND OR ACCOUNT OF THE MARYLAND STATE RETIREMENT AND PENSION SYSTEMS.

168.

(A) THE LEGISLATIVE BODY OF ANY MUNICIPAL CORPORATION WHOSE EMPLOYEES ARE MEMBERS OF THE EMPLOYEES' RETIREMENT OR EMPLOYEES' PENSION SYSTEMS MAY WITHDRAW ITS EMPLOYEES WHO CONSENT TO THE WITHDRAWAL, AND TRANSFER THESE EMPLOYEES TO A LOCAL RETIREMENT SYSTEM ESTABLISHED BY THE MUNICIPAL CORPORATION. THE WITHDRAWAL AND TRANSFERAL SHALL BECOME EFFECTIVE ONLY AT THE END OF THE FISCAL YEAR, NAMELY, JUNE 30.

(B) AS OF THE DATE OF WITHDRAWAL, THE AMOUNT OF THE ACCUMULATED CONTRIBUTIONS OF THE WITHDRAWING EMPLOYEES OF THE MUNICIPAL CORPORATION SHALL BE TRANSFERRED TO THE ADMINISTRATIVE BOARD OF THE LOCAL RETIREMENT SYSTEM AND CREDITED TO THE ACCOUNT OF ITS EMPLOYEES. THE AMOUNT OF THE TOTAL RESERVES IN THE EMPLOYEES' RETIREMENT AND PENSION SYSTEMS AS A RESULT OF THE PREVIOUS CONTRIBUTIONS OF THE MUNICIPAL CORPORATION SHALL BE DETERMINED BY THE ACTUARY AS OF THE EFFECTIVE DATE OF TRANSFER. THE PORTION OF SUCH RESERVE WHICH IS ALLOCABLE TO THE WITHDRAWING EMPLOYEES OF THE MUNICIPAL CORPORATION SHALL BE TRANSFERRED TO THE ADMINISTRATIVE BOARD OF THE LOCAL RETIREMENT SYSTEM. THE ALLOCABLE PORTION OF THE RESERVES SO DETERMINED BY THE ACTUARY SHALL BE PAID TO THE ADMINISTRATIVE BOARD OF THE LOCAL RETIREMENT SYSTEM TO BE HELD IN TRUST TO PROVIDE RETIREMENT BENEFITS FOR THE EMPLOYEES WHO ARE TRANSFERRED TO THE LOCAL RETIREMENT SYSTEM. ON AND AFTER THE EFFECTIVE DATE OF THE ESTABLISHMENT OF THE LOCAL RETIREMENT SYSTEM BY THE MUNICIPAL CORPORATION, THE MUNICIPAL CORPORATION AND ITS EMPLOYEES MAY NOT BE REQUIRED TO MAKE ANY FURTHER CONTRIBUTIONS TO THE EMPLOYEES' RETIREMENT AND PENSION SYSTEMS FOR THE EMPLOYEES WHO ELECT TO WITHDRAW FROM THE SYSTEMS. ANY MUNICIPAL CORPORATION THAT WITHDRAWS ITS EMPLOYEES FROM THE EMPLOYEES' RETIREMENT AND PENSION SYSTEMS AS PROVIDED IN THIS SECTION, OR THAT REENTERS ITS EMPLOYEES INTO THE SYSTEMS AFTER HAVING WITHDRAWN THEM, SHALL PAY ALL ADMINISTRATIVE COSTS INVOLVED IN THE WITHDRAWAL OR REENTRY.