

(II) AFTER JANUARY 1, 1989, THE STATE OR OTHER APPROVED EMPLOYER OF THE MEMBER SHALL PICK UP THE MEMBER CONTRIBUTIONS REQUIRED UNDER PARAGRAPH (A) OF THIS SUBSECTION FOR SERVICE RENDERED BY THE MEMBER FROM JANUARY 1, 1989.

(III) THE CONTRIBUTIONS PICKED UP UNDER ITEM (II) OF THIS PARAGRAPH SHALL:

1. BE TREATED AS EMPLOYER CONTRIBUTIONS IN DETERMINING TAX TREATMENT UNDER SECTION 414(H)(2) OF THE INTERNAL REVENUE CODE, AS AMENDED;

2. BE IMPLEMENTED BY A REDUCTION, EQUAL TO THE AMOUNT OF THE PICKUP, OF THE COMPENSATION OF EACH MEMBER REQUIRED TO MAKE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND UNDER THIS SUBSECTION AND MAY NOT BE INCLUDED AS GROSS INCOME OF THE MEMBER UNTIL THE PICKUP AMOUNTS ARE DISTRIBUTED OR MADE AVAILABLE TO THE MEMBER;

3. BE PAID BY THE STATE OR OTHER APPROVED EMPLOYER FROM THE SAME SOURCE OF FUNDS USED IN PAYING COMPENSATION TO THE MEMBER; AND

4. BE TREATED FOR ALL PURPOSES OF THIS ARTICLE IN THE SAME MANNER AND TO THE SAME EXTENT AS CONTRIBUTIONS MADE BY A MEMBER PRIOR TO JANUARY 1, 1989.

111.

In this subtitle the following words have the meanings indicated.

(12) "Accumulated contributions" means the sum of all [the amounts deducted from the compensation of a member and] REGULAR CONTRIBUTIONS OF A MEMBER AND PICKUP CONTRIBUTIONS OF A MEMBER, PROVIDED FOR IN § 122(1)(F) OF THIS ARTICLE, THAT ARE credited to his individual account in the Annuity Savings Fund, together with the regular interest on it.

(13) "Earnable compensation" means the normal monthly compensation paid to an employee for working the normal time in the employee's position and that is equal to one-twelfth of the employee's annual salary rate, INCLUDING THE MONTHLY PICKUP CONTRIBUTION PROVIDED FOR IN § 122(1)(F) OF THIS ARTICLE.

(21) "REGULAR CONTRIBUTIONS" MEANS THE AMOUNTS DEDUCTED FROM THE COMPENSATION OF A MEMBER AND CREDITED TO THE MEMBER'S INDIVIDUAL ACCOUNT IN THE ANNUITY SAVINGS FUND PRIOR TO JANUARY 1, 1989.

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