

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.

Article 88B - State Police

49.

The following words and phrases as used in this subtitle, unless a different meaning is plainly required by the context shall have the following meanings:

(13) "Accumulated contributions" shall mean 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 § 56(1)(G), THAT ARE credited to his individual account in the Annuity Savings Fund, together with regular interest thereon, as provided in § 56 of this subtitle.

(14) "Earnable compensation" means the normal monthly compensation payable to an employee for working the normal time for 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 § 56(1)(G) OF THIS ARTICLE.

(23) "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.

56.

All of the assets of the retirement system shall be credited, according to the purpose for which they are held, among three funds, namely, the Annuity Savings Fund, the Accumulation Fund, and the Expense Fund.