

AGGREGATE ANNUAL EARNABLE COMPENSATION OF THE PARTICIPATING GOVERNMENTAL UNIT AS OF JULY 1, 1995, THE PARTICIPATING GOVERNMENTAL UNIT MAY LIQUIDATE THE DEFICIT OVER A 40-YEAR TERM BEGINNING AS OF JULY 1, 1995.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, WITH THE CONCURRENCE OF THE BOARD OF TRUSTEES, A PARTICIPATING GOVERNMENTAL UNIT MAY PREPAY ALL OR A PORTION OF THE DEFICIT.

(II) A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTS TO PREPAY A PORTION OF THE DEFICIT:

1. MAY NOT PREPAY LESS THAN THE GREATER OF \$100,000 OR 10% OF THE OUTSTANDING BALANCE OF THE DEFICIT AS OF THE PAYMENT DATE;

2. MAY NOT MAKE MORE THAN 2 ADDITIONAL PAYMENTS DURING ANY FISCAL YEAR; AND

3. SHALL BE LIABLE FOR PAYMENT OF THE EXPENSES INCURRED BY THE AGENCY FOR THE ACTUARY TO RECALCULATE THE ANNUAL DEFICIT PAYMENTS REQUIRED UNDER § 21-305(B)(2)(IV) OF THIS SUBTITLE.

(D) ON THE RECOMMENDATION OF THE ACTUARY, THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS THAT ARE NECESSARY TO CARRY OUT THIS SECTION, AND THAT SET FORTH THE AMOUNT OF ANY SURPLUS OR DEFICIT ALLOCABLE TO A PARTICIPATING GOVERNMENTAL UNIT AS OF JUNE 30, 1995.

21-305.5.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(2) "ACTIVE PARTICIPANT FUNDING RATIO" MEANS THE RATIO DETERMINED BY THE ACTUARY AS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION.

(3) "COMPLEMENT OF THE ACTIVE PARTICIPANT FUNDING RATIO" IS A RATIO EQUAL TO 1 MINUS THE ACTIVE PARTICIPANT FUNDING RATIO.

(4) "EMPLOYEES' SYSTEMS" MEANS THE EMPLOYEES' PENSION SYSTEM AND THE EMPLOYEES' RETIREMENT SYSTEM.

(5) "TRANSITION AMOUNT" MEANS THE AMOUNT DETERMINED BY THE ACTUARY AS PROVIDED UNDER SUBSECTION (G) OF THIS SECTION.

(B) THIS SECTION APPLIES ONLY TO A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTS TO WITHDRAW FROM PARTICIPATION IN THE EMPLOYEES' SYSTEMS AND TRANSFER TO A LOCAL PENSION SYSTEM ALL EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT WHO CONSENT TO THE WITHDRAWAL.

(C) (1) ON AND AFTER THE DATE OF A PARTICIPATING GOVERNMENTAL UNIT'S WITHDRAWAL FROM THE EMPLOYEES' SYSTEMS UNDER § 31-302(A)(1) OF