

3. FOR STATE MEMBERS OF THE TEACHERS' PENSION SYSTEM AND TEACHERS' RETIREMENT SYSTEM, THE TEACHERS' SYSTEMS CONTRIBUTION RATE DETERMINED UNDER SUBSECTION (F) OF THIS SECTION.

(2) The amount determined under paragraph (1) of this subsection for each State system shall be based on an actuarial determination of the amounts that are required to preserve the integrity of the funds of the several systems using:

- (i) the entry-age actuarial cost method; and
- (ii) actuarial assumptions adopted by the Board of Trustees.

(3) For the purpose of making the determinations required under this section:

(i) the Employees' Retirement System [and], the Employees' Pension System, THE CORRECTIONAL OFFICERS' SYSTEM, AND THE LEGISLATIVE PENSION PLAN shall be considered together as one State system; and

(ii) the Teachers' Retirement System and the Teachers' Pension System shall be considered together as one State system.

(c) (1) As part of each actuarial valuation, the actuary shall determine the normal contributions, net of member contributions, on account of the State members of each State system.

(2) For each State system, the normal contribution rate equals the fraction that has:

(i) as its numerator, the sum of the normal contributions determined under this subsection; and

(ii) as its denominator, the aggregate annual earnable compensation of the State members of the State system.

(d) Beginning July 1, 2001, each year the Board of Trustees shall set contribution rates for each State system that shall amortize:

(1) all unfunded liabilities or surpluses accrued as of June 30, 2000, over 20 years; and

(2) any new unfunded liabilities or surpluses that have accrued from July 1 of the preceding fiscal year over 25 years to reflect:

- (i) experience gains and losses;
- (ii) the effect of changes in actuarial assumptions; and
- (iii) the effect of legislation effective on or after July 1, 2001.

(3) If the accrued liability is increased by legislation that provides for early retirement of State employees, the additional liability shall be funded over a period of 5 years beginning on: