account adopted by a local board of education; and generally relating to the State Teachers' Retirement System.

BY repealing and reenacting, with amendments,

Article 73B - Pensions
Section 89(1)(d)
Annotated Code of Maryland
(1978 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 73B - Pensions

89.

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

(1) (d) In addition to the contributions deducted from compensation as hereinbefore provided, subject to the approval of the board of trustees, any member may redeposit in the Annuity Savings Fund by a single payment or by an increased rate of contribution an amount equal to the total amount which he previously withdrew therefrom as provided in this subtitle, or any part thereof; or any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity, which, together with his prospective retirement allowance, will provide for him a total retirement allowance not in excess of two thirds of his average final compensation at age 60 or after 30 years of creditable service, whichever would first occur. In addition to the contributions hereinbefore provided, subject to such conditions as may be established by the board of trustees, any member may, in accordance with a contract with his employer, have further contributions at a fixed percentage of 2 percent or more, but not to exceed 20 percent of his compensation made on his account, either by a reduction in his salary, or in lieu of an increase in his compensation. The cost of administering annuities [or custodial accounts] qualifying under § 403 (b) of the Internal Revenue Code, as amended from time to time, shall be provided from the funds invested in such annuities [or custodial accounts]. Nothing in this section shall preclude the consideration and adoption by a local board of education of a similar plan qualifying under § 403 (b) of the Internal Revenue Code as amended from time to time, through a commercial insurance carrier~~[~~, or through a custodial account with investments in regulated investment company stock as contemplated by Section 403(b)~~]~~, and prior to