§ 518. Pension reserve fund. The pension reserve fund shall be the fund from which shall be paid the pensions to new entrants on account of which reserves shall be transferred from the pension accumulation fund. Should any disability pension payable from said fund be canceled, the pension reserve thereon shall thereupon be transferred from the pension reserve fund to the pension accumulation fund. Should the pension of a disability beneficiary be reduced as a result of an increase in his earning capacity, the amount of the annual reduction in his pension shall be paid annually into the pension accumulation fund during the period of such reduction.