§ 4606. Reserves. (a) A system shall, except to the extent that its benefits are reinsured by an insurance company authorized to transact such business in this state, create and maintain reserves, calculated to be adequate to cover the liabilities on account of benefits payable under its contracts, by-laws, or declaration of trust.

(b) The calculation shall be made on the basis of mortality, disability, and other experience tables based on reliable experience for such or a similar group of employees and approved by the superintendent, and of interest at a rate which is approved by the superintendent and is not in excess of the maximum rate permitted to domestic life insurance companies under section four thousand two hundred seventeen of this chapter for the valuation of group annuities, for all participating employees in the system upon application by the system and a showing that such rate can be supported by the income from the investments of the system.

(c) The reserves required in respect of service rendered or benefits granted prior to the date of organization or creation of such system under this chapter may be accumulated on a basis calculated to produce a balance between the actuarial present value of the assets and of the liabilities of the system within a period of not exceeding thirty years from the date of the incorporation or creation thereunder.