§ 4607. Exemption from taxation; trusts; higher education loans. (a) The property of a system, the portion of wages or salary of an employee deducted or to be deducted, the right of an employee to a pension benefit, and all his rights in the funds of the system, shall be exempt from taxation and from the operation of any law relating to bankruptcy or insolvency, except as provided in section four thousand six hundred eight of this article and subject to the provisions of section three thousand two hundred twelve of this chapter.

(b) No trust created pursuant to this article shall be deemed invalid as violating any existing laws against perpetuities or suspension of the power of alienation of title to property; and the income arising from any property, real or personal, held in such trust may be permitted to accumulate until the fund shall be sufficient in the opinion of its trustee or trustees to accomplish the purposes of such trust.

(c) Any system may lend money to any of its participating employees or their children, who are attending or planning to attend college, to assist them in meeting their expenses of higher education, where such loans are guaranteed by the New York higher education services corporation in accordance with the provisions of article fourteen of the education law. In such cases no further security for the repayment of such loans shall be required of the borrowers by such system.