

year by a physician or physicians designated by the board of trustees, his allowance may be discontinued until his withdrawal of such refusal, and should his refusal continue for one year, all his rights in and to his pension may be revoked by the board of trustees.

[(a) Should the medical board report and certify to the board of trustees that such disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference between his retirement allowance and his average final compensation plus \$3,000, and should the board of trustees concur in such report then the amount of his pension shall be reduced to an amount which together with his annuity and the amount earnable by him, shall equal the amount of his average final compensation plus \$3,000. Should his earning capacity be later changed, the amount of his pension may be further modified; provided, that the new pension shall not exceed the amount of the pension originally granted nor an amount, which, when added to the amount earnable by the beneficiary together with his annuity, equals the amount of his average final compensation plus \$3,000. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he was retired shall not become a member of the retirement system. The allowed earnings of a disability pensioner shall be determined by the difference between his retirement allowance at the time of his retirement and his average final compensation.]

(b) (I) IN THIS PARAGRAPH, "RETIREMENT ALLOWANCE" MEANS THE ALLOWANCE PAYABLE WITHOUT OPTIONAL MODIFICATION AS PROVIDED IN SUBSECTION (8) OF THIS SECTION.

(II) IF THE MEDICAL BOARD REPORTS AND CERTIFIES TO THE BOARD OF TRUSTEES THAT ANY ORDINARY DISABILITY BENEFICIARY UNDER THE AGE OF 60 IS ENGAGED IN OR IS ABLE TO ENGAGE IN A GAINFUL OCCUPATION PAYING MORE THAN THE DIFFERENCE BETWEEN THE BENEFICIARY'S RETIREMENT ALLOWANCE AT THE TIME OF RETIREMENT AND THE BENEFICIARY'S AVERAGE FINAL COMPENSATION PLUS \$5,000, AND IF THE BOARD OF TRUSTEES CONCURS IN THE REPORT, THEN THE AMOUNT OF THE BENEFICIARY'S PENSION SHALL BE REDUCED.

(III) IF THE ORDINARY DISABILITY BENEFICIARY'S EARNING CAPACITY IS LATER CHANGED, THE AMOUNT OF THE BENEFICIARY'S PENSION MAY BE FURTHER MODIFIED, PROVIDED THAT THE NEW PENSION MAY NOT EXCEED THE AMOUNT OF THE PENSION ORIGINALLY GRANTED.

(IV) THE AMOUNT OF THE PENSION REDUCTION REQUIRED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH AND ALLOWED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH SHALL BE ONE DOLLAR FOR EVERY TWO DOLLARS BY WHICH THE BENEFICIARY'S CURRENT COMPENSATION EXCEEDS THE LIMITATION PROVIDED UNDER THIS PARAGRAPH.

(V) THE PENSION REDUCTION REQUIRED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH AND ALLOWED UNDER