

(18) AN ALLOWANCE SHALL BE REDUCED BY THE AMOUNT OF ANY WORKMEN'S COMPENSATION BENEFITS PAID OR PAYABLE AFTER THE EFFECTIVE DATE OF RETIREMENT ON ACCOUNT OF AN ACCIDENTAL PERSONAL INJURY OR OCCUPATIONAL DISEASE THAT ARISES OUT OF AND IN THE COURSE OF THE RETIRED MEMBER'S EMPLOYMENT BY THE STATE OR PARTICIPATING EMPLOYER, IF THE WORKMEN'S COMPENSATION BENEFITS ARE PAID OR PAYABLE FOR A PERIOD DURING WHICH AN ALLOWANCE IS PAID OR PAYABLE AND IF THE REDUCED ALLOWANCE IS NOT LESS THAN THE MEMBER'S ANNUITY. THIS PROVISION APPLIES TO BOTH THE RETIRED MEMBER AND ANY BENEFICIARY DESIGNATED UNDER ANY OPTION AS PROVIDED UNDER SUBSECTION (12)(A) OF THIS SECTION.

118. ADJUSTMENT OF RETIREMENT ALLOWANCE.

(1) EACH FISCAL YEAR, EACH RETIRED MEMBER'S RETIREMENT ALLOWANCE, EXCLUSIVE OF ANY ADDITIONAL VOLUNTARY ANNUITY, SHALL BE ADJUSTED AS PROVIDED IN THIS SECTION.

(2) (A) EACH RETIRED MEMBER SHALL HAVE A BASE WHICH SHALL BE EITHER THE CONSUMER PRICE INDEX U. S. CITY AVERAGE -- ALL URBAN CONSUMERS FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH HE WAS LAST EMPLOYED, OR THE SIMILAR CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR WHICH PRECEDED THE LAST RETIREMENT ALLOWANCE ADJUSTMENT, WHICHEVER IS LATER, EXCEPT THAT AS TO ANY MEMBER WHO DEFERRED HIS RETIREMENT IN ACCORDANCE WITH § 117(15) OF THIS SUBTITLE, THE BASE SHALL BE EITHER THE CONSUMER PRICE INDEX U. S. CITY AVERAGE -- ALL URBAN CONSUMERS FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH HE BECAME 62 YEARS OLD, OR THE SIMILAR CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR WHICH PRECEDED THE LAST RETIREMENT ALLOWANCE ADJUSTMENT, WHICHEVER IS LATER.

(B) THE CONSUMER PRICE INDEX TO BE USED FOR THE FISCAL YEAR IN WHICH THE RETIREMENT ALLOWANCE IS PAYABLE SHALL BE THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR.

(C) THE ADJUSTMENT IN RETIREMENT ALLOWANCE FOR THE FISCAL YEAR IN WHICH THE RETIREMENT ALLOWANCE IS PAYABLE SHALL BE THE INITIAL ANNUAL RATE OF RETIREMENT ALLOWANCE MULTIPLIED BY THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IN PARAGRAPH (B) OF THIS SUBSECTION FROM THE CONSUMER PRICE INDEX IN PARAGRAPH (A) OF THIS SUBSECTION.

(D) THE ADJUSTMENT PROVIDED FOR IN PARAGRAPH (C) OF THIS SUBSECTION MAY NOT EXCEED 3 PERCENT OF THE INITIAL ANNUAL RATE OF RETIREMENT ALLOWANCE.

(E) THE TOTAL RETIREMENT ALLOWANCE PAYABLE TO EACH MEMBER IN ANY FISCAL YEAR SHALL BE THE SUM OF:

(I) THE MEMBER'S INITIAL ANNUAL RATE OF RETIREMENT ALLOWANCE;