

29-405. THE ADJUSTMENT GENERALLY.

EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL ADJUST EACH ALLOWANCE AS PROVIDED IN THIS PART II.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, §§ 4-413(a), 5-412(a), 8-405(a)(1), and 10-221(a)(1).

Defined terms: "Allowance" § 20-101  
"Board of Trustees" § 20-101

29-406. COMPUTATION OF ADJUSTMENT.

(A) IN GENERAL.

SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE COST-OF-LIVING ADJUSTMENT MADE UNDER THIS PART II EQUALS THE INITIAL ALLOWANCE MULTIPLIED BY A FRACTION THAT HAS:

(1) AS ITS NUMERATOR, THE AMOUNT OBTAINED BY SUBTRACTING THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR FROM THE BASE YEAR CONSUMER PRICE INDEX DESCRIBED IN SUBSECTION (B) OF THIS SECTION; AND

(2) AS ITS DENOMINATOR, THE BASE YEAR CONSUMER PRICE INDEX DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(B) BASE YEAR.

THE BASE YEAR CONSUMER PRICE INDEX REFERRED TO IN SUBSECTION (A) OF THIS SECTION EQUALS THE LATER OF:

(1) THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR THAT PRECEDED THE LAST ADJUSTMENT; OR

(2) (I) FOR A RETIREE, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE RETIREE WAS LAST EMPLOYED AS A MEMBER; OR

(II) FOR A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE IN ACCORDANCE WITH § 29-303 OF THIS ARTICLE, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE FORMER MEMBER BECAME 62 YEARS OLD.

(C) LIMIT ON ADJUSTMENT.

THE COST-OF-LIVING ADJUSTMENT UNDER THIS SECTION MAY NOT EXCEED 3% OF THE INITIAL ALLOWANCE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, §§ 4-413(b)(1) through (4), 5-412(b)(1) through (4), 8-405(a)(2) through (5), and 10-221(a)(2) through (5).