

2. 1.5 percent of the member's average final compensation that exceeds the social security integration level; and

(ii) If a member has less than 30 years of creditable service and is less than 62 years old, the member's retirement allowance computed under subparagraph (i) of this paragraph shall be:

1. Reduced by the lesser of 0.5% for each month by which the member's date of retirement precedes the date the member would be 62 years old or 42%; and

2. Increased by the lesser of 18% or the amount of the reduction under sub-subparagraph 1 of this subparagraph;

(III) IF A MEMBER'S RETIREMENT IS DEFERRED UNDER SECTION 8 OR 9 OF THIS ACT, THE MEMBER SHALL RECEIVE THE GREATER OF A SERVICE RETIREMENT ALLOWANCE COMPUTED UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH AS OF THE RETIREMENT DATE OR A SERVICE RETIREMENT ALLOWANCE THAT IS EQUAL TO THE SUM OF THE MEMBER'S CREDITABLE SERVICE AS OF OCTOBER 1, 1996 AND THE ADDITIONAL CREDIT DESCRIBED IN PARAGRAPH (7) OF THIS SECTION OF THIS ACT AS OF OCTOBER 1, 1996:

1. MULTIPLIED BY 0.8 PERCENT OF THE MEMBER'S AVERAGE FINAL COMPENSATION THAT IS NOT IN EXCESS OF THE SOCIAL SECURITY INTEGRATION LEVEL THAT IS IN EFFECT ON OCTOBER 1, 1996;

2. MULTIPLIED BY 1.5 PERCENT OF THE MEMBER'S AVERAGE FINAL COMPENSATION THAT EXCEEDS THE SOCIAL SECURITY INTEGRATION LEVEL THAT IS IN EFFECT ON OCTOBER 1, 1996; AND

3. IF, AS OF OCTOBER 1, 1996, THE MEMBER HAS LESS THAN 30 YEARS OF CREDITABLE SERVICE AND IS LESS THAN 62 YEARS OLD, THE MEMBER'S RETIREMENT ALLOWANCE COMPUTED UNDER ITEMS 1 AND 2 OF THIS SUBPARAGRAPH SHALL BE:

A. REDUCED BY THE LESSER OF 0.5% FOR EACH MONTH BY WHICH OCTOBER 1, 1996 PRECEDES THE DATE THE MEMBER WOULD BE 62 YEARS OLD OR 42%; AND

B. INCREASED BY THE LESSER OF 18% OR THE AMOUNT OF THE REDUCTION UNDER ITEM A OF THIS ITEM;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed retroactively and shall be applied to and interpreted to affect the computation of a retirement allowance for any member of the Employees' Pension System whose retirement was deferred under Chapter 353, § 8 or § 9, of the Acts of 1996.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1997.

Approved April 29, 1997.