

(1) AN ALLOWANCE TO THE EXTENT THAT IT EXCEEDS THE DOLLAR LIMIT ON AN ANNUAL BENEFIT ESTABLISHED FROM TIME TO TIME UNDER § 415(B) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS ADOPTED THEREUNDER; AND

(2) THE CONTRIBUTIONS AND OTHER ADDITIONS TO ANY DEFINED CONTRIBUTION PLAN MAINTAINED BY THE BOARD OF TRUSTEES TO THE EXTENT THAT THEY EXCEED THE LIMIT ON ANNUAL ADDITIONS ESTABLISHED FROM TIME TO TIME UNDER § 415(C) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS ADOPTED THEREUNDER.

(C) (1) THE DOLLAR LIMIT ON AN ANNUAL BENEFIT IS THE AMOUNT SET FORTH IN § 415(B) OF THE INTERNAL REVENUE CODE, AS ADJUSTED BY THE COMMISSIONER OF INTERNAL REVENUE UNDER § 415(D) OF THE INTERNAL REVENUE CODE AS OF JANUARY 1 OF EACH CALENDAR YEAR.

(2) THE DOLLAR LIMIT FOR A CALENDAR YEAR APPLIES TO A STATE SYSTEM'S FISCAL YEAR ENDING WITHIN THAT CALENDAR YEAR.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE AGENCY SHALL PAY A PARTICIPANT WHOSE ALLOWANCE WAS REDUCED UNDER SUBSECTION (B) OF THIS SECTION ANY POSTRETIREMENT ADJUSTMENT IF PAYMENT OF THE POSTRETIREMENT ADJUSTMENT DOES NOT EXCEED THE DOLLAR LIMIT ON BENEFITS.

(2) THE POSTRETIREMENT ADJUSTMENT MAY NOT EXCEED A PARTICIPANT'S BASIC ALLOWANCE AS INCREASED BY ANY POSTRETIREMENT ADJUSTMENTS ALLOWABLE UNDER THE APPLICABLE STATE SYSTEM.

(E) IF AN INDIVIDUAL PARTICIPATES IN ANY OTHER RETIREMENT OR PENSION SYSTEM THAT MUST BE AGGREGATED WITH THE STATE SYSTEM ADMINISTERED BY THE BOARD OF TRUSTEES, THE INDIVIDUAL'S ANNUAL BENEFIT ACCRUAL OR ANNUAL ADDITION SHALL FIRST BE REDUCED BY THE OTHER RETIREMENT OR PENSION SYSTEM TO THE EXTENT NECESSARY TO COMPLY WITH THE REQUIREMENTS OF § 415 OF THE INTERNAL REVENUE CODE AND THE REGULATIONS ADOPTED THEREUNDER BEFORE ANY REDUCTION IS MADE BY THE BOARD OF TRUSTEES.

~~(E)~~ (F) (1) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO IS A MEMBER OF A STATE SYSTEM ON OR BEFORE JUNE 30, 1999.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE AGENCY MAY NOT ALLOW A MEMBER TO PURCHASE PRIOR SERVICE CREDIT OTHER THAN IN ACCORDANCE WITH THE LIMITATIONS AND CONDITIONS SET FORTH IN § 415(N) OF THE INTERNAL REVENUE CODE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1999.

Approved April 27, 1999.