

(I) THE INDIVIDUAL'S CURRENT EMPLOYER IS A PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS THE SAME PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED ALLOWANCE; OR

(II) A WHOSE THE INDIVIDUAL'S CURRENT EMPLOYER IS ANY UNIT OF STATE GOVERNMENT THAT IS THE SAME UNIT OF STATE GOVERNMENT THAT EMPLOYED THE INDIVIDUAL AND WHOSE THE INDIVIDUAL'S EMPLOYER AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT; OR

(III) THE INDIVIDUAL BECOMES REEMPLOYED WITHIN 12 MONTHS OF RECEIVING AN EARLY SERVICE RETIREMENT ALLOWANCE UNDER § 22-402 OF THIS SUBTITLE.

(2) THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL:

(I) THE AMOUNT BY WHICH THE SUM OF THE INDIVIDUAL'S INITIAL ANNUAL BASIC ALLOWANCE AND THE INDIVIDUAL'S ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO COMPUTE THE BASIC ALLOWANCE; OR

(II) FOR A RETIREE WHO RETIRED UNDER THE WORKFORCE REDUCTION ACT (CHAPTER 353 OF THE ACTS OF 1996), THE AMOUNT BY WHICH THE SUM OF THE RETIREE'S ANNUAL COMPENSATION AND THE RETIREE'S ANNUAL BASIC ALLOWANCE AT THE TIME OF RETIREMENT, INCLUDING THE INCENTIVE PROVIDED BY THE WORKFORCE REDUCTION ACT, EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO COMPUTE THE BASIC ALLOWANCE.

(3) A REDUCTION OF AN EARLY SERVICE RETIREMENT ALLOWANCE UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION SHALL BE APPLIED ONLY UNTIL THE INDIVIDUAL HAS RECEIVED AN ALLOWANCE FOR 12 MONTHS.

[(1)] (4) This subsection EXCEPT FOR AN INDIVIDUAL WHOSE ALLOWANCE IS SUBJECT TO A REDUCTION AS PROVIDED UNDER PARAGRAPHS (1)(I) AND (3) OF THIS SUBSECTION, THE REDUCTION OF AN ALLOWANCE UNDER THIS SUBSECTION does not apply to:

- (i) an individual who has been retired for more than 10 years;
- (ii) an individual whose average final compensation was less than \$10,000 and who is reemployed on a temporary or contractual basis;
- (iii) an individual who is serving in an elected position as an official of a participating governmental unit or as a constitutional officer for a county that is a participating governmental unit;
- (iv) a retiree of the Teachers' Retirement System;