

(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 OR AN EARLY VESTED ALLOWANCE UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION SHALL BE APPLIED ONLY UNTIL THE INDIVIDUAL HAS RECEIVED AN ALLOWANCE FOR 12 MONTHS.

[(1)] (2) (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 whose average final compensation was less than \$10,000 and who is reemployed on a temporary or contractual basis;

(ii) 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;

(iii) a retiree of the Teachers' Pension System who:

1. is or has been certified to teach in the State;

2. has verification of satisfactory or better performance in the last assignment prior to retirement;

3. based on the retired teacher's qualifications, has been appointed in accordance with § 4-103 of the Education Article;

4. ~~A. retired with a normal service retirement allowance under § 23-401 of this article; or~~

~~B. retired with an early service retirement allowance under § 23-402 of this article and has been retired for at least 12 months;~~

~~5. 4. subject to item 6 5 of this item is employed as:~~

~~A. a substitute classroom teacher or substitute teacher mentor in a public school that has been recommended for reconstitution, or has been~~