

(C) COMPENSATION PAID TO A COVERED EMPLOYEE UNDER THIS PART V OF THIS SUBTITLE IS SUBJECT TO AN ANNUAL COST OF LIVING ADJUSTMENT IF THE EMPLOYER, COUNTY, OR MUNICIPAL CORPORATION CHOOSES TO PROVIDE AN ADJUSTMENT.

(D) ON OR BEFORE JUNE 30 OF EACH YEAR, THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT SHALL DETERMINE AND REPORT TO THE COMMISSION THE RATE OF CHANGE IN THE CONSUMER PRICE INDEX IN THE PRECEDING CALENDAR YEAR, USING AS THE CONSUMER PRICE INDEX THE LOWER OF:

(1) THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, ALL ITEM INDEX) PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE WASHINGTON, D.C.-BALTIMORE CMSA; OR

(2) THE UNITED STATES CITY AVERAGE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, ALL ITEM INDEX).

(E) ON OR BEFORE JULY 31 OF EACH YEAR, THE COMMISSION SHALL PUBLISH THE AMOUNT OF THE COST OF LIVING ADJUSTMENT THAT SHALL BECOME EFFECTIVE ON JANUARY 1 OF THE FOLLOWING YEAR.

(F) THE COMPENSATION PAYABLE TO A COVERED EMPLOYEE UNDER THIS PART V OF THIS SUBTITLE MAY BE ADJUSTED BY:

(1) MULTIPLYING THE INITIAL RATE OF COMPENSATION BY THE COST OF LIVING ADJUSTMENT; AND

(2) ADDING THE PRODUCT TO THE COMPENSATION, AS ADJUSTED, PAID DURING THE PRIOR YEAR.

(G) (1) IF A COVERED EMPLOYEE WHO IS ENTITLED TO COMPENSATION UNDER THIS PART V OF THIS SUBTITLE ALSO RECEIVES FEDERAL SOCIAL SECURITY DISABILITY INSURANCE BENEFITS, THE ADJUSTED ANNUAL COMPENSATION PAID SHALL BE REDUCED TO THE EXTENT NECESSARY TO AVOID A DIMINUTION OF THE FEDERAL SOCIAL SECURITY DISABILITY INSURANCE BENEFITS.

(2) IF FEDERAL SOCIAL SECURITY LAW ON DISABILITY INSURANCE BENEFITS NO LONGER IMPOSES A DIMINUTION IN THE PAYMENT OF THE ADJUSTMENT IN COMPENSATION, PAYMENTS OF COMPENSATION SHALL BE MADE TO THE FULL EXTENT ALLOWED UNDER THIS SECTION.