

LATER THAN JANUARY 1, 1985, OF THE ELECTION ON FORMS PROVIDED BY THE SYSTEM. A MEMBER WHO IS NOT IN SERVICE ON JULY 1, 1984, BUT WHO IS ELIGIBLE TO RETURN TO SERVICE IN THE SYSTEM SHALL HAVE 90 DAYS FROM THE DATE OF RETURN TO SERVICE TO SELECT THE OPTION PROVIDED IN THIS SECTION.

(2) THE EXECUTIVE DIRECTOR OF THE STATE RETIREMENT AGENCY MAY ACCEPT AN ELECTION UNDER THIS SUBSECTION FILED BY A MEMBER AFTER JANUARY 1, 1985, OR AFTER THE EXPIRATION OF 90 DAYS FROM RETURN TO SERVICE UPON RECEIPT OF SATISFACTORY PROOF OF GOOD CAUSE FOR DELAY. FAILURE TO RECEIVE NOTICE OR INABILITY TO RESPOND TO NOTICE SHALL CONSTITUTE GOOD CAUSE.

(D) COMPUTATION. — A MEMBER WHO SELECTS THE ALLOWANCE AS PROVIDED IN THIS SECTION SHALL RECEIVE AN ALLOWANCE FOR ALL CREDITABLE SERVICE AS FOLLOWS:

(1) FOR SERVICE RETIREMENT AS PROVIDED BY § 2-401(B) OF THIS SUBTITLE;

(2) FOR EARLY RETIREMENT FOR SERVICE AS PROVIDED BY § 2-402(B) OF THIS SUBTITLE;

(3) FOR RETIREMENT FOR ORDINARY DISABILITY AS PROVIDED BY § 2-404(A) OF THIS SUBTITLE; AND

(4) FOR RETIREMENT FOR ACCIDENTAL DISABILITY AS PROVIDED BY § 2-404(B) OF THIS SUBTITLE.

(E) ADJUSTMENTS. — A MEMBER WHO SELECTS THE ALLOWANCE AS PROVIDED IN THIS SECTION SHALL HAVE THE ALLOWANCE ADJUSTED AS FOLLOWS:

(1) FOR ALL FISCAL YEARS BEGINNING THE SECOND JULY 1 FOLLOWING THE DAY PRECEDING THE MEMBER'S DATE OF RETIREMENT, THE ALLOWANCE PAID FOR THE YEAR, EXCLUSIVE OF ANY ADDITIONAL VOLUNTARY ANNUITY, SHALL BE EQUAL TO THE ALLOWANCE FOR THE PRIOR FISCAL YEAR ADJUSTED BY THE PROPORTIONATE ADJUSTMENT IN THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 IN THE PRECEDING FISCAL YEAR AS COMPARED TO THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 IN THE SECOND PRECEDING FISCAL YEAR;

(2) THE ADJUSTMENT PROVIDED FOR IN PARAGRAPH (1) OF THIS SUBSECTION SHALL NOT EXCEED 5 PERCENT OF THE ANNUAL RATE OF ALLOWANCE PAID DURING THE PRIOR FISCAL YEAR;

(3) FOR PURPOSES OF THIS SUBSECTION, CONSUMER PRICE INDEX SHALL MEAN THE CONSUMER PRICE INDEX, U.S. CITY AVERAGE — ALL URBAN CONSUMERS AS OF DECEMBER 31 AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR;