

4-413. COST-OF-LIVING ADJUSTMENT OF ALLOWANCE.

(A) EACH FISCAL YEAR, EACH RETIREE'S ALLOWANCE, EXCLUSIVE OF ANY ADDITIONAL VOLUNTARY ANNUITY, SHALL BE ADJUSTED AS PROVIDED IN THIS SECTION.

(B) (1) EACH RETIREE SHALL HAVE A BASE WHICH SHALL BE EITHER THE CONSUMER PRICE INDEX U.S. CITY AVERAGE — ALL URBAN CONSUMERS FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE RETIREE WAS LAST EMPLOYED, OR THE SIMILAR CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR WHICH PRECEDED THE LAST RETIREMENT ALLOWANCE ADJUSTMENT, WHICHEVER IS LATER FOR ANY FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE IN ACCORDANCE WITH § 4-415 OF THIS SUBTITLE, THE BASE SHALL BE EITHER THE CONSUMER PRICE INDEX U.S. CITY AVERAGE — ALL URBAN CONSUMERS FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE FORMER MEMBER BECAME 62 YEARS OLD, OR THE SIMILAR CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR WHICH PRECEDED THE LAST ALLOWANCE ADJUSTMENT, WHICHEVER IS LATER.

(2) THE CONSUMER PRICE INDEX TO BE USED FOR THE FISCAL YEAR IN WHICH THE ALLOWANCE IS PAYABLE SHALL BE THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR.

(3) THE ADJUSTMENT IN ALLOWANCE FOR THE FISCAL YEAR IN WHICH THE ALLOWANCE IS PAYABLE SHALL BE THE INITIAL ANNUAL RATE OF ALLOWANCE MULTIPLIED BY THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IN PARAGRAPH (2) OF THIS SUBSECTION FROM THE CONSUMER PRICE INDEX IN PARAGRAPH (1) OF THIS SUBSECTION.

(4) THE ADJUSTMENT PROVIDED FOR IN PARAGRAPH (3) OF THIS SUBSECTION MAY NOT EXCEED 3 PERCENT OF THE INITIAL ANNUAL RATE OF ALLOWANCE.

(5) THE TOTAL ALLOWANCE PAYABLE TO EACH MEMBER IN ANY FISCAL YEAR SHALL BE THE SUM OF:

(I) THE MEMBER'S INITIAL ANNUAL RATE OF ALLOWANCE;

(II) ALL PRIOR ADJUSTMENTS IN ALLOWANCE GRANTED;

(III) THE ADJUSTMENT IN ALLOWANCE PROVIDED FOR UNDER PARAGRAPH (3) OF THIS SUBSECTION; AND

(IV) ANY ADDITIONAL VOLUNTARY ANNUITY.