The addition of this section is based on an administrative interpretation of former § 156(e) that the provision of the Employees' Retirement System on the return of accumulated contributions applies to this retirement system.

7–407. OPTIONAL BENEFITS.

(A) (1) INSTEAD OF THE ALLOWANCES PAYABLE UNDER THIS TITLE, A MEMBER MAY ELECT A REDUCED ALLOWANCE OF EQUIVALENT ACTUARIAL VALUE IN ONE OF THE OPTIONAL FORMS PROVIDED IN SUBSECTION (B)(2) OF THIS SECTION.

(2) THE ELECTION OF THE OPTION SHALL BE:

(I) MADE BEFORE THE FIRST PAYMENT OF THE ALLOWANCE NORMALLY BECOMES DUE;

(II) MADE ON A FORM PROVIDED FOR THAT PURPOSE; AND

(III) FILED WITH THE BOARD OF TRUSTEES.

(3) IF A MEMBER DIES BEFORE THE EFFECTIVE DATE OF RETIREMENT, THE ELECTION SHALL BE VOID AND OF NO EFFECT, AND THE BENEFITS PAYABLE ON THE MEMBER'S ACCOUNT SHALL BE THE SAME AS THOUGH THE ELECTION HAD NOT BEEN FILED.

(4) A MEMBER WHO HAS ELECTED AN OPTIONAL BENEFIT MAY CHANGE THE ELECTION BY DUE NOTICE TO THE BOARD OF TRUSTEES, BUT A CHANGE MAY NOT BE MADE AFTER THE FIRST PAYMENT OF THE ALLOWANCE NORMALLY BECOMES DUE.

(B) (1) IN THIS SUBSECTION, "DESIGNATED BENEFICIARY" MEANS THE PERSON THE RETIREE HAS NOMINATED BY A WRITTEN DESIGNATION THAT HAS BEEN DULY ACKNOWLEDGED AND FILED WITH THE BOARD OF TRUSTEES.

(2) THE OPTIONS THAT A MEMBER MAY ELECT UNDER SUBSECTION (A) OF THIS SECTION ARE:

(I) OPTION 1. IF A RETIREE WHO HAS ELECTED THIS OPTION DIES BEFORE THE RETIREE HAS RECEIVED IN PAYMENTS THE PRESENT VALUE OF THE RETIREE'S ALLOWANCE AT THE TIME OF RETIREMENT, THE BALANCE SHALL BE PAID TO THE RETIREE'S DESIGNATED BENEFICIARY OR, IF THERE IS NO DESIGNATED BENEFICIARY, TO THE RETIREE'S ESTATE;

(II) OPTION 2. ON THE DEATH OF A RETIREE WHO HAS ELECTED THIS OPTION, THE RETIREE'S REDUCED ALLOWANCE SHALL BE CONTINUED THROUGHOUT THE LIFE OF AND PAID TO THE RETIREE'S DESIGNATED BENEFICIARY;