

In subsection (b)(1) of this section, the clause "who at the time of retirement does not have a spouse or child who would be entitled to a benefit under subsection (a) of this section" is added to clarify that a member of this pension system may not elect an optional benefit if the member's spouse or child is eligible for survivor's benefits. When the optional benefits were authorized for members of this pension system under Ch. 590 of the Acts of 1990, it was not specified how they were to work in relation to the survivor's benefits. This added clause conforms this provision more closely to the similar provision for the State Police Retirement System under § 6-409 of this article. The State Police Retirement System is the only other system that allows a benefit for a surviving spouse or children.

The changes in subsections (b)(2) through (4) and (c) of this section conform this section to the revised provision concerning optional benefits under § 4-409 of this article.

8-405. COST-OF-LIVING ADJUSTMENT OF ALLOWANCE.

(A) (1) EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C) OF THIS SECTION, EACH FISCAL YEAR, EACH RETIREE'S ALLOWANCE, EXCLUSIVE OF ANY ADDITIONAL VOLUNTARY ANNUITY, SHALL BE ADJUSTED AS PROVIDED IN THIS SECTION.

(2) 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 ALLOWANCE ADJUSTMENT, WHICHEVER IS LATER. FOR ANY FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE IN ACCORDANCE WITH § 8-409 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.

(3) 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.

(4) 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 (3) OF THIS SUBSECTION FROM THE CONSUMER PRICE INDEX IN PARAGRAPH (2) OF THIS SUBSECTION.