

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

(6) 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 (4) OF THIS SUBSECTION; AND

(IV) ANY ADDITIONAL VOLUNTARY ANNUITY.

(7) THE ALLOWANCE OF A SURVIVING BENEFICIARY OF A MEMBER OR A RETIREE SHALL, WHEN AND IF PAYABLE, BE ADJUSTED IN THE SAME MANNER AS PROVIDED IN THIS SECTION.

COMMITTEE NOTE: This subsection is new language that is derived from the revised provision concerning cost-of-living adjustments for the Pension System for Employees under § 4-413 of this article (former Art. 73B, § 118). The new language is added to replace the former cross-reference.

(B) (1) THIS SUBSECTION APPLIES TO RETIREES WHO:

(I) TRANSFERRED TO THIS PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

(II) HAD ELECTED TO RECEIVE BENEFITS IN ACCORDANCE WITH § 2-415 OF THIS ARTICLE.

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

(3) (I) EACH RETIREE SHALL HAVE A BASE WHICH SHALL BE THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE RETIREE WAS LAST EMPLOYED, EXCEPT THAT AS TO ANY MEMBER WHO ELECTED A VESTED ALLOWANCE IN ACCORDANCE WITH THE PROVISIONS OF § 8-409 OF THIS SUBTITLE, THE BASE SHALL BE THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE MEMBER ATTAINED THE AGE OF 60.

(II) 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.