

2. increased by the lesser of 18% or the amount of the reduction under subparagraph 1 of this paragraph.

(iii) If a member's retirement is delayed under Section 7 of this Act, the member shall receive the greater of a service retirement allowance computed under paragraphs (i) and (ii) of this subsection as of the retirement date or a service retirement allowance that is equal to the sum of the member's creditable service as of October 1, 1998 and the additional credit described in subsection ~~(4)~~ (5) of this section as of October 1, 1998:

1. multiplied by 0.8% of the member's average final compensation that is not in excess of the Social Security integration level that is in effect on October 1, 1998;

2. multiplied by 1.5% of the member's average final compensation that exceeds the Social Security integration level that is in effect on October 1, 1998; and

3. if, as of October 1, 1998, the member has less than 30 years of ~~creditable~~ eligible service and is less than 62 years old, the member's retirement allowance computed under items 1 and 2 of this paragraph shall be:

A. reduced by the lesser of 0.5% for each month by which October 1, 1998 precedes the date the member would be 62 years old or 42%; and

B. increased by the lesser of 18% or the amount of the reduction under item A of this item.

~~(7)~~ (8) The Board of Trustees:

(i) may adopt regulations to carry out this section; and

(ii) may not accept an application for retirement under this section of the Act that:

1. is filed with the State Retirement Agency after 5:00 p.m. on August 31, 1998; or

2. is other than the SRA130-98, entitled Application to Retire with Incentive.

~~(8)~~ (9) A member who retires under this section may not receive a basic allowance that exceeds the member's average final compensation.

~~(9)~~ (10) Except as provided in subsection ~~(10)~~ (11) of this section, if the member dies prior to the effective date of retirement, an application to retire in accordance with the provisions of this section shall be void and of no effect, and the benefits payable on the member's account shall be computed as if the application had not been filed.

~~(10)~~ (11) Notwithstanding any other provision of law, if an employee whose effective retirement date is delayed under Section 7 of this Act dies before the effective date of retirement, the employee's designated beneficiary shall have the