(iii) At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (b) of this section.

(b) Election to receive reduced survivor allowance.

(1) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(2) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

12. Optional allowances.

(a) In general. Instead of the retirement allowance and survivor allowance provided under this Item 3A, at retirement, a member may elect another benefit in one of the optional forms set forth in subsection (c) of this section.

(b) Option requirements.

(1) Each optional form of benefit shall be certified by the actuary for the Board of Trustees to be of equivalent actuarial value to the allowance payable to the retiree and the retiree's beneficiary.

(2) For an optional form of allowance providing for payment to a designated beneficiary for life, the designated beneficiary must be an individual.

(c) Description of options.

(1) At retirement, the options that a member may elect include one of the optional forms of benefits described in this subsection.

(2) Option A is a level payment plan. Under Option A, when the retiree dies, the Board of Trustees shall pay the retiree's reduced allowance:

(i) To the retiree's surviving spouse for life; or

(ii) If there is no surviving spouse, to the retiree's designated beneficiary for the designated beneficiary's life.