

Sec. 7-448-3. Amount of reduced retirement salary payable to employee if election of optional retirement salary approved

(a) The reduced retirement salary payable to the employee shall be a percentage of the retirement salary that would have been payable if an optional form of retirement salary had not been elected. In the case of (1) an employee not participating in social security or (2) an employee who retires or dies while entitled to social security old age insurance benefits, as a result of municipal service, and whose spouse has attained the age at which such spouse would be eligible for a social security survivor's benefit, the percentage shall be uniform. Otherwise there shall be two such percentages. The first shall be the same as if the employee were not participating in social security and shall apply (1) to the total retirement salary that would have been payable to the employee prior to the age at which the employee would become eligible for social security old age benefits and prior to his qualifying for social security disability insurance benefits and (2) to that part of the retirement salary that would have been payable thereafter arising from base salary in excess of the amount on which social security taxes were payable, if an optional form of retirement salary had not been elected. The second percentage shall apply to the remainder of the retirement salary that would have been so payable. The first and second percentages will be so computed that the resulting reduced retirement salary shall be the actuarial equivalent, as determined by the retirement commission, of the retirement salary that would be payable were it not for the election of this option. In the case of a retired or deceased employee participating in social security who had attained the age at which the employee would be eligible for social security old age benefits or would have attained such age if living, prior to August 1, 1961, and whose spouse had not attained the age at which such spouse would be eligible for a social security survivor's benefit prior to such date, a new second percentage shall be appropriately calculated. If an employee, after becoming entitled to social security disability insurance benefits, ceases to be so entitled before the age at which he would become eligible for social security old age insurance benefits, the first percentage will again apply and the second percentage shall be appropriately recalculated.

(b) If the spouse has died before the first date on which the spouse would have been entitled to a retirement salary if the employee had died on such date, the employee (on retirement) shall be entitled to the same retirement salary as if an optional form of retirement salary had not been elected. If the spouse had died between such date and the commencement of the employee's retirement salary, the employee's retirement salary shall not be reduced by a greater amount or amounts (in dollars per year) than the reductions that would have been made if he had retired just before his spouse's death.

(Effective January 31, 1979)