

## Chapter 14

**GOVERNMENT EMPLOYEES' RETIREMENT FUND****Sections:****7.1442 Retirement payments.****7.1442 Retirement payments.**

(a) Each member shall receive an annual service retirement annuity on retirement equal to 2 percent of the average annual salary of the member multiplied by his total years of service up to a maximum of 30 years. Effective immediately and payable from October 1, 2004, as applicable, the annual service retirement annuity is increased to allow for a two (2) percent increase for all retirees who have retired on, or prior to September 30, 2004. This increase shall not apply to retirees who have retired on, or after October 1, 2004.

(b) Service retirement annuities shall be payable in equal monthly installments, rounded to the nearest dollar, as life annuities, and shall not be increased, decreased, revoked, or repealed except for error, or except where specifically otherwise provided.

(c) The first payment of a life annuity shall be made pro rata for the fraction of a month elapsing between the date of retirement and the end of that month. The last payment shall be made as of the date of death.

(d) Instead of an annuity payable for the life of a retired member, the member may elect to receive a lesser retirement annuity during his lifetime but with all or a portion of that annuity continued to a contingent annuitant designated by the member at the time of retirement. The amount of the lesser annuity elected is determined by the Board so that the value of that annuity at the time of retirement will be the same as the value of the life annuity otherwise payable without an election. The election may not be permitted by the Board unless the value at retirement of expected monthly annuity payments during the life of the retired member is no less than one-half the value of the life annuity otherwise payable without such an election.

(e) Should a member who is eligible for early retirement as provided by 7.1441 retire, the amount of his retirement annuity is determined in the same manner as described, but then reduced by one-fourth of one percent multiplied by the number of completed months in the period which begins at the date of early retirement and ends at the date when the member first would be eligible to retire with an unreduced retirement annuity.

(f) Should a member who is eligible for vested retirement as provided by section 7.1441 retire, the amount of his retirement annuity is determined in the same manner as described for early retirement in 7.1442(e), but then reduced in addition by one-fourth of one percent multiplied by the number of completed months in the period which begins at the date of termination and ends at the date of the member's fifty-fifth birthday, subject to maximum additional deduction of 15 percent. The annuity so determined, that is normal retirement annuity less deduction for early retirement and additional deduction as calculated above, will be paid to retiree or beneficiary.

(g) Should a member retire after attaining age 65, the amount of his retirement annuity is determined as described, but is additionally increased by one-fourth of one

percent multiplied by the number of completed months in the period which begins on the date of the member's sixty-fifth birthday and ends on the member's retirement date.

(h) Not less often than once every 2 years the board recommends to the Governor, for proposal to the Legislature, that service and medical retirement annuities currently payable to retired members and other annuitants be increased or not. These recommendations by the Board are made after due consideration by the Board of current conditions, and are accompanied by a statement of the cost of any proposed increase as certified by the actuary.

(i) In addition to service retirement annuities paid under terms of subsections (a), (e) and (g) above, an additional retirement incentive benefit will be paid in accordance with the following terms and conditions:

(1) Eligibility is limited to those active members age 55 or over with ten or more years of service who are currently eligible for retirement or early retirement, and who complete application for retirement within ninety (90) days of the effective date of this act.

(2) An annual incentive benefit equal to \$100.00 per year of service, up to a maximum of 30 years, will be paid on a prorated monthly basis as a supplement to the service retirement annuity until the retiree reaches the age of 62, or for a minimum period of five years.

(3) Reemployment by the government, in any capacity, will result in termination of the retirement incentive supplement and loss of eligibility for such benefits.

(4) Supplemental incentive benefits will not be considered in determining the amount of contingent annuities or for future increases authorized under subsections (a), (d) and (h) above.

**History:** 1971, PL 12-29 §§ 12, 25; amd 1979, PL 16-24 § 1; 1981, PL 17-28 § 8; amd 1983; PL 18-12 § 1; amd 1985, PL 19-15 § 3; amd 1987, PL 20-10 § 1; 1989, PL 21-22; 1991 PL 22-13 § 1; 1991, PL 22-4 § 1; 1993 PL 23-1 § 1, 23-6 § 1; 1995 PL 24-7 § 1; 1998 PL 25-21 § 1; 2000, PL 26-18; amd 2002, PL 27-26, amd 2004, PL 28-23; 2006, PL 29-27.

**Amendments:** 1979 Subsection (d): added.  
1983 Subsection (a) amended to increase retirement annuities.  
1985 Subsection (C): deleted "retire early" and added "who is eligible for early retirement" and "retire".  
Subsection (f): added.  
Subsection (g): relettered from former subsection (f).  
Subsection (h): relettered from former subsection (g).  
1987 Subsection (a): added annual service retirement annuity increases beginning October 1, 1986.

**Reviser's Comment:** Section 1 of PL 16-32 provided: "Notwithstanding 7.1442, a person who is now qualified or after the effective day of this act, qualifies for a service retirement annuity under 7.1401 et seq. shall receive no less than \$50 a month."

Section 2 of PL 29-27 provided: "Because of the urgent financial needs of our retired employees, it is deemed appropriate for this act to become effective immediately upon passage by the Legislature and approval by the Governor."

**Research Guide:** For a definition of average annual salary. see 7.1403 of this title.