§ 528. Pensions-providing-for-increased-take-home-pay.

1. Notwithstanding any other provision of law to the contrary,

a. beginning with the payroll period the first day of which is nearest to April first, nineteen hundred sixty, and ending with the payroll period immediately prior to that the first day of which is nearest to April first, nineteen hundred seventy, the contribution of each member of the retirement system who is a teacher within the provisions of subdivision four of section five hundred one of this article in the employ of the state of New York shall be reduced by five per centum of the compensation paid such member, and

b. beginning with the payroll period the first day of which is nearest to April first, nineteen hundred sixty-four, and ending with the payroll period immediately prior to that the first day of which is nearest to April first, nineteen hundred seventy, the contribution of each member of the retirement system who is a teacher within the provisions of subdivision four of section five hundred one of this article in the employ of the state of New York shall be reduced by an additional three per centum of the compensation paid such member, and

c. beginning with the payroll period the first day of which is nearest to April first, nineteen hundred sixty-six, and ending with the payroll period immediately prior to that the first day of which is nearest to April first, nineteen hundred seventy, the contribution of each member of the retirement system who is a teacher within the provisions of subdivision four of section five hundred one of this article in the employ of the state of New York whose rate of contribution is in excess of eight per centum shall be suspended.

Where a member's rate of contribution is less than the per centum by which his contribution is reduced, such rate shall be discontinued. A member whose rate of contribution shall be reduced pursuant to the provisions of this subdivision shall be deemed to have elected to have his rate so reduced unless he files an election pursuant to the provisions of subdivision two of this section.

2. Any member whose rate of contribution is reduced pursuant to the provisions of subdivision one of this section may by a written notice, duly acknowledged and filed with the retirement board within one year after such reduction or within one year after he last became a member, whichever is later, elect to make an additional contribution in addition to other contributions otherwise allowed in this article equal to the amount of such reduction. One year or more after the filing of such notice a member may withdraw such election by filing a written notice duly acknowledged and filed with the retirement board.

3. For the period of time as the provisions of this section shall be in effect, contributions for each member of the system whose rate of contribution is reduced by virtue of the provisions of subdivision one of this section shall be made to the pension accumulation fund by the state of New York in the same manner and at the same time as other contributions made by the state as employer of members of the retirement system at a rate fixed by the actuary which shall be computed to be sufficient to provide pensions-providing-for-increased-take-home-pay and other benefits which become payable on account of members in the employ of the state. The actuary engaged by the retirement board shall compute an additional contribution to be known as the "special deficiency contribution to provide a reserve-for-increased-take-home-pay." The amount of the reserve-for-increased-take-home-pay shall be the present value of that per centum of the member's compensation by which his contribution is reduced, or would otherwise be reduced if his rate of contribution equaled or exceeded eight per centum, during the period for which his rate of contribution was reduced as provided in subdivision one, plus regular and additional interest thereon to the date that pension and other benefits become payable.

4. Upon retirement a member whose rate of contribution shall be reduced pursuant to the provisions of subdivision one of this section will receive, in addition to the annuity and other pension benefits provided by this article, a pension which is the actuarial equivalent of the reserve-for-increased-take-home-pay to which he may be entitled, if any.

5. In addition to the return of accumulated contributions and the death benefit provided by the provisions of section five hundred twelve of this article, upon the death of a member who died before the effective date of his retirement and was in service upon which his membership was based when he died or was on the payroll in such service and paid within a period of twelve months prior to his death and had not been otherwise gainfully employed since he ceased to be on such payroll, and provided further, he had credit for one or more years of service while actually a member, then the reserve-for-increased-take-home-pay attributable to such member shall be paid in the same manner and at the same time as the death benefit is paid by reason of such member's membership in the retirement system.

6. The reserve-for-increased-take-home-pay shall be a portion of the pension accumulation fund and upon the retirement of a new entrant an amount equal to the reserve-for-increased-take-home-pay for such member shall be transferred from the pension accumulation fund to the pension reserve fund.

7. If a person has been a member of the retirement system and contributions have been made by the state as his employer to provide a reserve-for-increased-take-home-pay and such person has ceased to be a member of the system and upon rejoining the retirement system claims credit for such period, the member shall not be required to pay for such years of service as a contribution shall have been made by the state for pensions-providing-for-increased-take-home-pay pursuant to the provisions of this section.

8. Commencing with the payroll period the first day of which is nearest to April first, nineteen hundred sixty-one, the provisions of this section shall not apply to any member for any period or periods during which he ceases or has ceased contributing toward retirement pursuant to subdivision one of section five hundred sixteen of this article, provided, however, that such member shall receive credit pursuant to this section for such period or periods for which he contributes or has contributed toward retirement.