§ 532-a. Cost-of-living adjustment. a. A cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age sixty-two and have been retired for five years; (ii) all pensioners who have attained age fifty-five and have been retired for ten years; (iii) all disability pensioners regardless of age who have been retired for five years; and (iv) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

b. Said cost-of-living adjustment shall be a percentage of the annual retirement allowance otherwise payable, computed without optional modification, excluding any annuity derived from voluntary contributions made by members, except those made pursuant to elections under subdivision one of section five hundred eleven-a or paragraph c of subdivision three of section five hundred sixteen of this article, but including any benefit derived from subdivision f of this section and any prior year's cost-of-living adjustment derived from this section. Said percentage is set forth in subdivision d of this section.

c. Said cost-of-living adjustment shall be computed on a base benefit amount not to exceed eighteen thousand dollars of the annual retirement allowance defined in subdivision b of this section.

d. The percentage referred to in this section shall be determined annually by reference to the consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, for each applicable calendar year. Said percentage shall equal fifty percent of the annual inflation, as determined from the increase in the consumer price index in the one year period ending on the March thirty-first prior to the cost-of-living adjustment effective on the ensuing September first. Said percentage shall then be rounded up to the next higher one-tenth of one percent and shall not exceed three percent nor be less than one percent.

e. Said cost-of-living adjustment shall be payable in monthly installments and shall take effect September first of each year commencing with a payment for the month of September, two thousand one,

or, if later, as soon as practicable after the retired member first becomes eligible to receive the benefits provided pursuant to paragraph a of this section.

f. Commencing September first, two thousand, all retired members who have retired prior to the calendar year nineteen hundred ninety-seven and who meet the eligibility criteria set forth in subdivision a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said adjusted benefit shall be equal to a percentage of the change in consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, measured from the year of retirement through calendar year nineteen hundred ninety-seven according to the following schedule:

Year of retirement	Percentage
1968 through 1996	50%
1966 and 1967	55%
1965	60%
1964	65%
1963	70%
1962	80%
1961	90%
prior to 1961	100%

Said adjusted benefit shall be computed on a base benefit amount not to exceed eighteen thousand dollars of the retirement allowance otherwise payable, computed without optional modification excluding any annuity derived from voluntary contributions made by members, except those made pursuant to elections under subdivision one of section five hundred eleven-a or paragraph c of subdivision three of section five hundred sixteen of this article. Any benefits received pursuant to this subdivision shall be in lieu of any benefits received pursuant to section five hundred thirty-two of this article, unless such benefits are in excess of those provided by this section, in which case such benefits shall be paid by the retirement system pursuant to such provision.

g. Notwithstanding any other provision of law, the surviving spouse of

a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be fifty percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand, or (ii) the month following the death of the deceased retired member, whichever is later.

h. The benefits provided pursuant to this section shall be in lieu of the benefits presently provided by section five hundred ten or article four or six of the retirement and social security law unless such benefits are in excess of those provided by this section, in which case such benefits shall be paid by the retirement system pursuant to such provision.

i. The liability created by this section shall be funded through the normal rate of contribution in accordance with subparagraph two of paragraph f of subdivision two of section five hundred seventeen of this article.