§ 537. Lump sum payment of de minimis service retirement benefit. Notwithstanding any other law to the contrary, a member of the retirement system who is entitled to receive a retirement allowance, other than for disability, pursuant to this article or pursuant to article eleven or fifteen of the retirement and social security law, which retirement allowance prior to optional modification is twenty-four hundred dollars per annum or less, may elect at retirement to receive, in lieu of such retirement allowance, a lump sum payment which has been certified by the actuary to be of actuarial equivalent value to such retirement allowance and approved by the retirement board. Such lump sum shall be calculated using the interest rate on thirty year United States treasury bonds as of January first of the calendar year in which the retirement becomes effective. Upon payment of such lump sum, any and all obligations of the retirement system to such member shall be totally discharged. Commencing January first, two thousand four, the interest rate on ten year United States treasury obligations as of January first of the calendar year in which the retirement becomes effective shall be used. Commencing January first, two thousand sixteen, the average annual interest rate on ten year United States treasury obligations for the days during the calendar year that precedes the calendar year in which the retirement becomes effective shall be used.