§ 1100. Lump sum option at retirement. Certain eligible members of the New York state and local police and fire retirement system, and sheriffs, undersheriffs, deputy sheriffs and correction officers, who are employed in a county which makes an election pursuant to this section, may elect an optional form of retirement pursuant to the terms of this article that provides for a partial lump sum at retirement with a reduced service retirement allowance as hereinafter provided:

1. To be eligible, a member must retire with a service retirement benefit under a plan that allows retirement at twenty or twenty-five years of service, regardless of age. In addition, the member must have been eligible to retire with a service retirement benefit for at least one year prior to the actual date of retirement.

2. An eligible member may elect to receive a lump sum and a smaller annual retirement allowance. Such lump sum shall not be eligible for any cost-of-living adjustments paid pursuant to section three hundred seventy-eight-a of this chapter.

a. Any member who files for retirement after being eligible to retire for one year may elect to receive a five percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

b. Any member who files for retirement after being eligible to retire for two years may elect to receive a ten percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

c. Any member who files for retirement after being eligible to retire for three years may elect to receive a fifteen percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

d. Any member who files for retirement after being eligible to retire for four years may elect to receive a twenty percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time

of retirement.

e. Any member who files for retirement after being eligible to retire for five years may elect to receive a twenty-five percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

3. The smaller annual retirement allowance remaining after receipt of the lump sum shall be determined by the actuary using mortality tables and interest rates determined for this purpose and in effect on the date of retirement.

4. Any lump sum paid pursuant to this article is subject to withholding as required by the internal revenue service and such lump sum may be rolled over as otherwise permitted by the internal revenue code.

5. The comptroller shall promulgate rules and regulations to implement the provisions of this article.