§ 138-b. Use of annuity contributions to pay old-age and survivors insurance contributions. 1. Where a retirement system or plan provides retirement allowances consisting of separate pensions and separate annuities, each member thereof whose position is also covered by old-age and survivors insurance pursuant to this article and each member thereof whose wages in a position entitling him to membership in such retirement system or plan are subject to the tax imposed by the federal insurance contribution act shall have the privilege, by written notice filed as prescribed by the head of such system or plan, of decreasing his annuity contribution to the system or plan by not to exceed the amounts required to pay his contributions for such old-age and survivors insurance coverage or by not to exceed the amounts required to pay the tax, if any, imposed upon him pursuant to the federal insurance contribution act, including, in each case, retroactive coverage where it is provided. Where and during such period of time that a member's rate of contribution is reduced because his employer contributes toward pensions-providing-for-increased-take-home-pay pursuant to section seventy-a of this chapter or a similar provision of law, the privilege provided by this section shall be available only to the extent of annuity contributions which the member is still required to make to the retirement system or plan.

2. No pension otherwise payable by such a retirement system or plan shall be increased by reason of any such reduction in annuity contributions.

3. The head of each such system or plan shall have power, by rule and regulation, to prescribe terms and conditions for the exercise, withdrawal and re-exercise of such privilege. Such rules and regulations shall be in the best interests of such system or plan and of the affected employees and for the protection of the efficient operation and management of the system or plan.