§ 370-a. Pensions-for-increased-take-home-pay. a. Beginning with a payroll period commencing as specified by a participating employer electing to contribute pursuant to the provisions of this section the contribution of each member of the police and fire retirement system in the employ of such a participating employer, exclusive of any increase thereof pursuant to subdivision i of section three hundred twenty-one of this chapter or of any reduction thereof pursuant to subdivision one of section one hundred thirty-eight-b of article three of this chapter, shall be reduced by five per centum of the compensation of such member. Beginning with a payroll period commencing as specified by a participating employer, specifically electing, as provided in subdivision c of this section, to contribute at the higher rate pursuant to the provisions of this section the contribution of each member of the retirement system in the employ of such a participating employer, exclusive of any increase thereof pursuant to subdivision i of section twenty-one of this chapter or of any reduction thereof pursuant to subdivision one of section one hundred thirty-eight-b of this chapter, shall be reduced by an additional three per centum of the compensation of such member. Where a member's rate of contribution as so qualified is less than the per centum by which his contribution is reduced, such rate shall be discontinued. Such a reduction or discontinuance, as the case may be, shall:

1. Be subject to waiver by the member as provided in subdivision j of section three hundred twenty-one of this article, as added by this act, and

2. Take precedence over the member's privilege under subdivision one of section one hundred thirty-eight-b of article three of this chapter, to decrease his annuity contribution for the purpose of paying his contributions for old-age, survivors, and disability insurance coverage of the tax imposed upon him pursuant to the federal insurance contributions act.

aa. Beginning with a payroll period commencing on or after such date, as specified by a participating employer electing to contribute pursuant to the provisions of this subdivision, the contribution of each member

of the retirement system in the employ of such a participating employer, whose rate of contribution is in excess of eight per centum, exclusive of any increase thereof pursuant to subdivision i of section three hundred twenty-one of this chapter or of any reduction thereof pursuant to subdivision one of section one hundred thirty-eight-b of this chapter or subdivision a of this section, shall be suspended. In the case of a participating employer any member may by written notice duly acknowledged and filed with the comptroller beginning with the payroll period commencing on or after such date as specified by a participating employer within one year after the effective date of this act or within one year after he last became a member, whichever is later, elect to waive the suspension of his contributions provided by this subdivision. One year or more after the filing thereof, a member may withdraw any such waiver by written notice duly acknowledged and filed with the comptroller. Where a member makes an election to waive the suspension of his contributions as herein provided, he shall contribute to the retirement system as otherwise provided in this chapter. The foregoing provisions of this subdivision shall be inapplicable as to any participating employers other than those who had filed a resolution prior to April first, nineteen hundred sixty-seven, to participate thereunder.

b. For such period of time as the provisions of subdivision a and subdivision aa of this section shall be in effect, contributions shall be made to the pension accumulation fund by or on account of the state and each such participating employer, as provided in sections three hundred sixteen, three hundred seventeen and three hundred forty-two of this article, at a rate fixed by the actuary which shall be computed to be sufficient to provide death benefits and pensions-providing-for-increased-take-home-pay which are or may become payable on account of members in the employ of the state or of such a participating employer. Such a benefit or pension shall be based on a reserve-for-increased-take-home-pay which shall be equivalent to the per centum of the member's compensation during such period by which his contribution is reduced, or would otherwise be reduced if his rate of contribution equaled or exceeded eight per centum, pursuant to subdivision a of this section, plus in the case of any member in the

employ of the state or of any employee of a participating employer who has elected to participate pursuant to the provisions of this section whose rate of contribution before any reduction as provided in subdivision a of this section exceeds eight per centum, the per centum of his compensation during such period by which his contribution is suspended pursuant to subdivision aa, plus regular interest thereon. Commencing with the payroll period 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 upon completion of years of service or attainment of specified age pursuant to the provisions of any section 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.

c. By the adoption, filing and approval, where required, of a resolution in the manner, provided by sections three hundred thirty or three hundred thirty-one of this article, as the case may be, a participating employer may elect to make contributions to the pension accumulation fund pursuant to this section for the purpose of providing death benefits and pensions-providing-for-increased-take-home-pay. Such resolution shall specify the first payroll period after the date of such filing for which reductions shall be made pursuant to subdivision a of this section in the contributions of members in its employ and the per centum of their compensation by which their contributions shall be reduced, which shall be five per centum unless eight per centum is specifically elected.

d. In the case of persons who last became members on or after July first, nineteen hundred seventy-three, the provisions of this section shall apply only until the payroll period immediately prior to that the first day of which is nearest to July first, nineteen hundred seventy-four.