§ 514. Options. a. A member, or if he or she is an incompetent, the member's spouse or the committee of such member's property, may elect to receive the actuarial equivalent of the retirement allowance at the time of retirement, in the form of a smaller retirement allowance payable to such member for life and one of the following optional settlements:

Option one. Upon the member's death, a retirement allowance in an amount equal to that paid to the member shall be paid for life to the beneficiary so designated.

Option two. Upon the member's death, a retirement allowance of ninety percent or less (measured in increments of not less than ten percent) of the amount paid to such member shall be paid for life to the beneficiary so designated.

Option three. A five-year certain option under which payment is made to the member for life but is guaranteed for a minimum of five years following retirement.

Option four. A ten-year certain option under which payment is made to the member for life but is guaranteed for a minimum of ten years following retirement.

Option five. Upon the member's death, a retirement allowance in an amount equal to fifty percent or one hundred percent of that paid to the member shall be paid for life to such person as he shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement. Upon the death, prior to the death of the member, of said person so nominated, the member shall begin receiving, in lieu of the allowance then payable, an allowance equal in amount to that which would have been payable if no optional modification of the retirement allowance were in effect.

a-1. A member of the New York state and local employees' retirement system or the New York state and local police and fire retirement system who retires pursuant to the provisions of this article, may elect, in lieu of the options set forth in subdivision a of this section, the

following optional settlement:

Alternative Option. The actuarial equivalent of the member's retirement allowance at the time of retirement, in the form of a smaller retirement allowance payable to such members for life and some other benefit or benefits paid either to the member or to such person or persons as he shall nominate, provided such other benefit or benefits, together with such smaller allowance, shall be certified by the actuary of such retirement system to be of equivalent actuarial value to his retirement allowance and shall be approved by the head of such retirement system and provided further that nothing herein shall require such retirement system to pay a benefit in violation of paragraph nine of subsection a of section four hundred one of the Internal Revenue Code of 1986, as amended, 26 U.S.C. § 401(a)(9).

b. Upon attainment of early retirement age or age sixty-two, if earlier, a member who has not terminated employment or who is not receiving service retirement, disability or vested benefits may elect a survivor annuity under option one or option two to be payable on such member's death during the period commencing with attainment of early retirement age or age sixty-two, if earlier, and ending upon (i) the attainment of normal retirement age or (ii) the date upon which service retirement or deferred vested benefits commence, if earlier or later than normal retirement age. In the event of an election hereunder, the benefits payable to the member or the member's survivor shall be actuarially reduced to reflect the cost of the survivor annuity elected. Such survivor annuity shall be paid in lieu of any other death benefit available, unless such death benefit is greater than such survivor annuity, in which event the applicable death benefit shall be paid in lieu of the survivor benefit hereunder.

c. No option hereunder shall be permitted whereby the member would receive less than fifty percent of the pension reserve during such member's life expectancy. Provided, however, the preceding sentence shall not apply if the surviving beneficiary is the member's spouse.

** d. Notwithstanding any other provision of this article, an option selection previously filed by a member or retired member subject to the

provisions of this section may be changed no later than thirty days following the date of payability of his or her retirement allowance. A retired member who has been retired for disability may change an option selection previously filed no later than (1) thirty days following the date on which such member's application for disability retirement was approved by the retirement board or (2) thirty days following the date on which such retiree was retired for disability, whichever is later.

** NB There are 2 sb d's

** d. Notwithstanding any other provision of this article, an option selection previously filed by a member or retired member of the New York city teachers' retirement system or the New York city board of education retirement system subject to the provisions of this section may be changed no later than thirty days following the date of payability of his or her retirement allowance. A retired member who has been retired for disability may change an option selection previously filed no later than (1) thirty days following the date on which such member's application for disability retirement was approved by the retirement board or (2) thirty days following the date on which such retiree was retired for disability, whichever date is later.

** NB There are 2 sb d's