§ 79. Cafeteria plans. To the extent permitted by section one hundred twenty-five of the internal revenue code and any regulations adopted pursuant thereto, any salary reduction elected by an employee who is a participant in either the New York state employees' retirement system or the New York state teachers' retirement system under a cafeteria plan or flexible benefit plan shall be considered part of annual compensation for the purpose of computing employer and employee retirement plan contributions and for computing retirement benefits.