

BILL ANALYSIS

Senate Research Center
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H.B. 258
By: Pickett (Madla)
Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Currently, large retirement systems such as the Employees Retirement System of Texas have adequate procedures in place to verify annuity payments are correct. Smaller public retirement systems and independent pension funds of firefighters and police officers do not. As proposed, H.B. 258 sets a three-year limit on reimbursement sought from recipients of public retirement systems and firefighter and police officer pension funds, with the exclusion of cases of fraud and prior agreements.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 802, Government Code, by adding Section 802.1024, as follows:

Sec. 802.1024. CORRECTION OF ERRORS. (a) Requires the governing body of the retirement system, except as provided by Subsection (b), if an error in the records of a public retirement system results in a person receiving more or less money than the person is entitled to receive under this subtitle, to correct the error and so far as practicable adjust any future payments so that the actuarial equivalent of the benefit to which the person is entitled is paid. Authorizes the governing body of the system, if no future payments are due, to recover the overpayment in any manner that would be permitted for the collection of any other debt.

(b) Provides that except as provided by Subsection (c), a public retirement system:

(1) may correct the overpayment of benefits to a person entitled to receive payments from the system by the method described by Subsection (a) only for an overpayment made during the three years preceding the date the governing body of the system discovers or discovered the overpayment; and

(2) may not recover from the recipient any overpayment made more than three years before the discovery of the overpayment.

(c) Provides that Subsection (b) does not apply to an overpayment a reasonable person should know the person is not entitled to receive.

SECTION 2. Amends Article 6243n, V.T.C.S., to make a conforming change.

SECTION 3. Amends Article 6243n-1, V.T.C.S., to make a conforming change.

SECTION 4. Amends Article 6243o, V.T.C.S., to make a conforming change.

SECTION 5. Provides that this Act applies to an underpayment or overpayment of benefits by a public retirement system made by the governing body of the system regardless of whether the underpayment or overpayment was made before the effective date of this Act, except that it does not apply to an overpayment that has been resolved by agreement made before the effective date of this Act between the governing body of a public retirement system and the recipient of the overpayment.

SECTION 6. Effective date: upon passage or September 1, 2003.