

By: Pickett

H.B. No. 258

A BILL TO BE ENTITLED

AN ACT

1
2 relating to correcting errors in the distribution of benefits by a
3 public retirement system.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 802, Government Code, is
6 amended by adding Section 802.1024 to read as follows:

7 Sec. 802.1024. CORRECTION OF ERRORS. (a) Except as
8 provided by Subsection (b), if an error in the records of a public
9 retirement system results in a person receiving more or less money
10 than the person is entitled to receive under this subtitle, the
11 governing body of the retirement system shall correct the error and
12 so far as practicable adjust future payments so that the actuarial
13 equivalent of the benefit to which the person is entitled is paid.

14 (b) A public retirement system may correct the overpayment
15 of benefits to a person entitled to receive payments from the system
16 by the method described by Subsection (a) only for an overpayment
17 made during the two years preceding the date the governing body of
18 the system discovers the overpayment. A public retirement system
19 may not recover from the recipient any overpayment made more than
20 two years before the discovery of the overpayment.

21 SECTION 2. Section 12(b), Chapter 451, Acts of the 72nd
22 Legislature, Regular Session, 1991 (Article 6243n, Vernon's Texas
23 Civil Statutes), is amended to read as follows:

24 (b) If any change or error in the records of the retirement

1 system is discovered or results in any member, surviving spouse, or
2 beneficiary receiving from the retirement system more or less than
3 the member, surviving spouse, or beneficiary would have been
4 entitled to receive had the records been correct, the retirement
5 board shall have the power to correct such error. Except as
6 provided by Section 802.1024, Government Code, the retirement
7 system shall, ~~and~~ as far as possible, ~~to~~ adjust the payments in
8 such a manner that the actuarial equivalent of the benefits to which
9 the member, surviving spouse, or beneficiary was correctly entitled
10 shall be paid.

11 SECTION 3. Section 10.02, Chapter 452, Acts of the 72nd
12 Legislature, Regular Session, 1991 (Article 6243n-1, Vernon's
13 Texas Civil Statutes), is amended to read as follows:

14 Sec. 10.02. CORRECTION OF ERRORS. If any change or error
15 in the records of the police retirement system should be discovered
16 or should result in any member, retired member, surviving spouse,
17 or beneficiary receiving from the police retirement system more or
18 less than such member, retired member, surviving spouse, or
19 beneficiary would have been entitled to receive had the records
20 been correct, the police retirement board shall have the power to
21 correct such error. Except as provided by Section 802.1024,
22 Government Code, the retirement system shall, ~~and~~ as far as
23 possible, ~~to~~ adjust the payments so that the actuarial equivalent
24 of the benefits to which the member, retired member, surviving
25 spouse, or beneficiary was correctly entitled shall be paid.

26 SECTION 4. Section 3.03(d), Chapter 824, Acts of the 73rd
27 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas

1 Civil Statutes), is amended to read as follows:

2 (d) Except as provided by Section 802.1024, Government
3 Code, the [~~The~~] board may reduce the amount of a benefit to which a
4 retiree or beneficiary is otherwise entitled in order to reimburse
5 the fund for an overpayment or incorrect payment of benefits to the
6 retiree or beneficiary.

7 SECTION 5. This Act applies only to an underpayment or
8 overpayment of benefits by a public retirement system that is made
9 by the governing body of the system on or after the effective date
10 of this Act. An underpayment or overpayment made before the
11 effective date of this Act is governed by the law as it existed
12 immediately before the effective date of this Act, and the former
13 law is continued in effect for that purpose.

14 SECTION 6. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2003.