

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 269

(Senator Jones-Rodwell)(Chair, Joint Committee on Pensions)

Budget and Taxation

Appropriations

State Retirement and Pension System - Correction of Errors in Benefits

This bill requires the Board of Trustees of the State Retirement and Pension System (SRPS) to correct any errors, not just errors in its records, that result in a retiree or beneficiary receiving a benefit that is different from the benefit to which the retiree or beneficiary is entitled. It also requires the board to adjust any *future* payments that result from any error, but the requirement does not apply to recovering any previous overpayments made to a retiree or beneficiary.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None. The bill is technical in nature and does not affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: If, because of an error in SRPS records, a retiree or beneficiary receives a retirement allowance that differs from the benefit to which the retiree or beneficiary is entitled, the Board of Trustees must correct the error and, to the extent practicable, adjust future payments to provide the proper benefit. If the error results in an overpayment to a retiree or beneficiary, the board is authorized, but is not required, to recover the amount of the overpayment. If, at the board's request, the retiree or beneficiary does not refund

the overpayment, SRPS may adjust future monthly benefits of an individual who received improper payments to recover the amount owed. The bill does not alter the board's authority to recover previous overpayments, only to correct future payments to a retiree or a beneficiary due to an error.

Additional Information

Prior Introductions: None.

Cross File: HB 376 (Delegate Griffith)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): Maryland State Retirement Agency, Department of Legislative Services

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mc/rhh

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