
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 895

Session of
1987

INTRODUCED BY NOYE, BELFANTI, REBER, LEH, JACKSON, TELEK,
TRELLO, GODSHALL AND BUNT, MARCH 17, 1987

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 17, 1987

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing for limitations on recovery
3 of overpayments.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 5954 of Title 71 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 5954. Fraud and adjustment of errors.

9 (a) Penalty for fraud.--Any person who shall knowingly make
10 any false statement or shall falsify or permit to be falsified
11 any record or records of this system in any attempt to defraud
12 the system as a result of such act shall be guilty of a
13 misdemeanor of the second degree.

14 (b) Adjustment of errors.--Should any change or mistake in
15 records result in any member, beneficiary or survivor annuitant
16 receiving from the system more or less than he would have been
17 entitled to receive had the records been correct, then
18 regardless of the intentional or unintentional nature of the

1 error and upon the discovery of such error, the board shall
2 correct the error and so far as practicable shall adjust the
3 payments which may be made for and to such person in such a
4 manner that the actuarial equivalent of the benefit to which he
5 was correctly entitled shall be paid.

6 (c) Limitation on recovery of overpayments.--Notwithstanding
7 subsection (b), in those instances in which a change or mistake
8 in records results in any member, beneficiary or survivor
9 annuitant receiving more than he would have been entitled to
10 receive had the records been correct, the board shall, in
11 correcting the error and making actuarial adjustments in future
12 payments to the individual or in computing a lump sum repayment,
13 base such correction, adjustment or computation solely on the
14 overpayments made in the three-year period immediately preceding
15 the discovery of the error. This subsection shall not apply in
16 those instances wherein the member, beneficiary or survivor
17 annuitant receiving the overpayment is convicted of fraud under
18 subsection (a).

19 Section 2. This act shall apply to errors discovered during
20 calendar year 1985 and each year thereafter.

21 Section 3. This act shall take effect immediately.