

**RCW 41.50.130 Correction of retirement systems' records—
Adjustment in payment of benefits—Limitations. (Effective until
January 1, 2025.)** (1) The director may at any time correct errors
appearing in the records of the retirement systems listed in RCW
41.50.030. Should any error in such records result in any member,
beneficiary, or other person or entity receiving more or less than he
or she would have been entitled to had the records been correct, the
director, subject to the conditions set forth in this section, shall
adjust the payment in such a manner that the benefit to which such
member, beneficiary, or other person or entity was correctly entitled
shall be paid in accordance with the following:

(a) In the case of underpayments to a member or beneficiary, the
retirement system shall correct all future payments from the point of
error detection, and shall compute the additional payment due for the
allowable prior period which shall be paid in a lump sum by the
appropriate retirement system.

(b) In the case of overpayments to a retiree or other
beneficiary, the retirement system shall adjust the payment so that
the retiree or beneficiary receives the benefit to which he or she is
correctly entitled. The retiree or beneficiary shall either repay the
overpayment in a lump sum within ninety days of notification or, if he
or she is entitled to a continuing benefit, elect to have that benefit
actuarially reduced by an amount equal to the overpayment. The retiree
or beneficiary is not responsible for repaying the overpayment if the
employer is liable under RCW 41.50.139.

(c) In the case of overpayments to a person or entity other than
a member or beneficiary, the overpayment shall constitute a debt from
the person or entity to the department, recovery of which shall not be
barred by laches or statute of limitations.

(2) Except in the case of actual fraud, in the case of
overpayments to a member or beneficiary, the benefits shall be
adjusted to reflect only the amount of overpayments made within three
years of discovery of the error, notwithstanding any provision to the
contrary in chapter 4.16 RCW.

(3) Except in the case of actual fraud, no monthly benefit shall
be reduced by more than fifty percent of the member's or beneficiary's
corrected benefit. Any overpayment not recovered due to the inability
to actuarially reduce a member's benefit due to: (a) The provisions of
this subsection; or (b) the fact that the retiree's monthly retirement
allowance is less than the monthly payment required to effectuate an
actuarial reduction, shall constitute a claim against the estate of a
member, beneficiary, or other person or entity in receipt of an
overpayment.

(4) Except as provided in subsection (2) of this section,
obligations of employers or members until paid to the department shall
constitute a debt from the employer or member to the department,
recovery of which shall not be barred by laches or statutes of
limitation. [1997 c 254 s 15; 1994 c 177 s 3; 1987 c 490 s 1; 1982 c
13 s 1.]

Intent—Construction—Application—1997 c 254: See notes following
RCW 41.26.490.

Findings—1994 c 177: See note following RCW 41.50.125.

RCW 41.50.130 Correction of retirement systems' records—

Adjustment in payment of benefits—Limitations. (Effective January 1, 2025.) (1) The director may at any time correct errors appearing in the records of the retirement systems listed in RCW 41.50.030. Should any error in such records result in any member, beneficiary, or other person or entity receiving more or less than he or she would have been entitled to had the records been correct, the director, subject to the conditions set forth in this section, shall adjust the payment in such a manner that the benefit to which such member, beneficiary, or other person or entity was correctly entitled shall be paid in accordance with the following:

(a) In the case of underpayments to a member or beneficiary, the retirement system shall correct all future payments from the point of error detection, and shall compute the additional payment due for the allowable prior period which shall be paid in a lump sum by the appropriate retirement system.

(b) In the case of overpayments to a retiree or other beneficiary, the retirement system shall adjust the payment so that the retiree or beneficiary receives the benefit to which he or she is correctly entitled. The retiree or beneficiary shall either repay the overpayment in a lump sum within ninety days of notification or, if he or she is entitled to a continuing benefit, elect to have that benefit actuarially reduced by an amount equal to the overpayment. The retiree or beneficiary is not responsible for repaying the overpayment if the employer is liable under RCW 41.50.139 or 41.26.570.

(c) In the case of overpayments to a person or entity other than a member or beneficiary, the overpayment shall constitute a debt from the person or entity to the department, recovery of which shall not be barred by laches or statute of limitations.

(2) Except in the case of actual fraud or overpayments under RCW 41.26.570, in the case of overpayments to a member or beneficiary, the benefits shall be adjusted to reflect only the amount of overpayments made within three years of discovery of the error, notwithstanding any provision to the contrary in chapter 4.16 RCW.

(3) Except in the case of actual fraud, no monthly benefit shall be reduced by more than fifty percent of the member's or beneficiary's corrected benefit. Any overpayment not recovered due to the inability to actuarially reduce a member's benefit due to: (a) The provisions of this subsection; or (b) the fact that the retiree's monthly retirement allowance is less than the monthly payment required to effectuate an actuarial reduction, shall constitute a claim against the estate of a member, beneficiary, or other person or entity in receipt of an overpayment.

(4) Except as provided in subsection (2) of this section, obligations of employers or members until paid to the department shall constitute a debt from the employer or member to the department, recovery of which shall not be barred by laches or statutes of limitation. [2024 c 304 s 301; 1997 c 254 s 15; 1994 c 177 s 3; 1987 c 490 s 1; 1982 c 13 s 1.]

Effective date—2024 c 304 ss 301 and 302: See note following RCW 41.26.570.

Intent—Construction—Application—1997 c 254: See notes following RCW 41.26.490.

Findings—1994 c 177: See note following RCW 41.50.125.