AMENDMENT TO RULES COMMITTEE

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OFFERED BY MR. GARAMENDI OF CALIFORNIA

Add at the end of subtitle A of title VI the following:

SEC. ___. FORGIVENESS OR OFFSET OF OVERPAYMENT OF
RETIRED PAY PAID TO A JOINT ACCOUNT
FOR A PERIOD AFTER THE DEATH OF THE
RETIRED MEMBER OF THE ARMED FORCES.

(a) WHEN PAYMENT DEPOSITED TO JOINT AC-
COUNT.—Section 2771 of title 10, United States Code, is
amended by adding at the end the following new sub-
section:

“(e) In the case of overpayment of retired or retainer
pay, arising from payment of such retired or retainer pay
for any period after the date of the death of a recipient
through the last day of the month in which such death
occurs, if such payment is electronically deposited in an
accredited financial institution to a joint account bearing
the name of the decedent and another individual who is
the decedent’s designated beneficiary under subsection
(a)(1), the Secretary of Defense—

“(1) if the decedent is an individual to whom
section 1448 of this title applies, shall elect to—
“(A) forgive the overpayment on behalf of
the United States; or
“(B) offset the overpayment pursuant to
section 1450(n) of this title; or
“(2) if the decedent is not an individual to
whom section 1448 of this title applies, shall forgive
the overpayment on behalf of the United States.”.

(b) COORDINATION WITH SURVIVOR BENEFIT
PLAN.—Section 1450 of title 10, United States Code, is
amended—

(1) in subsection (a), by inserting “, or that ap-
plies under subsection (n)” after “under subsection
(j)”; and

(2) by adding at the end the following new sub-
section:

“(n) SPECIAL RULE IN CASE OF CERTAIN FINAL RE-
TIRED PAY OVERPAYMENT.—In a case described in sec-
tion 2771(e) of this title, if the individual described in that
subsection other than the decedent is the beneficiary of
the decedent under the Plan, each of the first 12 pay-
ments, following the death of the decedent, of the annuity
payable to the decedent’s beneficiary under the Plan, shall
be reduced by one-twelfth of such overpayment.”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply with respect to payments made to
persons who die on or after the date of the enactment of this Act.