AMENDMENT TO
RULES COMMITTEE PRINT 117–54
OFFERED BY MR. GARAMENDI OF CALIFORNIA

At the end of subtitle C of title VI, insert 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 ACCOUNT.—Section 2771 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(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 subsection (n)(2) of section 1450 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 applies under subsection (n)” after “under subsection (j)”; and

(2) by adding at the end the following new subsection:

“(n) Special Rule in Case of Certain Final Retired Pay Overpayment.—In a case described in section 2771(e)(1)(B) 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 payments, 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.