**Section 1650.595 Overpayments**

a) When the System determines benefits, except for an impermissible refund as defined in Section 1650.240, have been paid erroneously in an amount greater than $50 to a member, annuitant or beneficiary (recipient), the System shall record such overpayment as an accounts receivable and make demand upon the recipient for the amount due.

b) Interest shall accrue on overpayments at the rate of 0.83% per month beginning on the first day of the month following 30 days from the date of notification to the recipient of the overpayment.

c) The System shall use its best efforts to ensure repayment of overpayments within 36 months after such overpayment.

d) If the recipient of an overpayment fails to repay the amount due plus any applicable interest within 36 months, the System will collect any amount plus applicable interest outstanding at the time the recipient next receives a benefit from the System by withholding 10% of the recipient's gross payment, if a periodic payment, including any reciprocal system payments, or 100% if a lump sum payment.

e) The System shall retain the option to refer any debt due the System to the Attorney General, the Debt Collection Board, the Comptroller's Offset System, or private collection agencies at any time it deems appropriate.

(Source: Added at 22 Ill. Reg. 7243, effective April 9, 1998)