



**STATE OF NEW JERSEY**

In the Matter of A.R., Department of  
the Treasury

**FINAL ADMINISTRATIVE ACTION  
OF THE CHAIR/  
CHIEF EXECUTIVE OFFICER  
CIVIL SERVICE COMMISSION**

CSC Docket No. 2025-2673

Request for Waiver of Repayment of  
Salary Overpayment

**ISSUED: March 5, 2026 (HS)**

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The Department of the Treasury (Treasury), on behalf of A.R., Investigator 3 Taxation, requests a waiver of repayment of a salary overpayment pursuant to *N.J.S.A. 11A:3-7*, which provides that when an employee has erroneously received a salary overpayment, repayment may be waived based on a review of the case.

On appeal, Treasury explains that military leaves are processed by its Leave Management Unit, which receives only a few such leave requests per year, and extended military leaves are unusual. Under *N.J.S.A. 38A:4-4* and *N.J.A.C. 4A:6-1.11*, employees are entitled to up to 90 work days of paid military leave per calendar year for active duty service. Beyond this period, they may be eligible for differential pay under an Executive Order. Treasury indicates that, upon a review of records, it found that A.R. received full salary payment following the 90-day period resulting in an overpayment that occurred between June 1, 2024 and December 31, 2024 and that was not discovered until January 8, 2025. A.R. was overpaid \$19,645.96. A.R. was ineligible for differential pay since his military pay exceeded his State salary.

A.R. indicates that while he was deployed overseas to an active combat zone, there were several major renovations, some of which required immediate attention, that his spouse used his paychecks to pay for believing them to be accurate and rightfully earned. The following is a breakdown of costs due to a shower leak:

Replacement of basement water boiler	\$1,990.00
Bathroom plumbing leak repair	\$5,111.52
Bathroom and shower tile removal and new installation labor	\$4,819.00
Floor and shower tiles	\$1,246.00
Replacement of ceiling sheetrock and repainting	\$7,311.52

Additional expenses were for the following home improvements:

Replacement of gutters and fascia, including labor	\$5,161.31
Landscaping gravel stones replacement	\$5,000.00

A.R. further indicates that his spouse utilized his funds to pay for a trip to Paris for herself and their child in connection with the child's membership in a dance competition league. This trip cost \$5,430.29. Additionally, on June 25, 2025, he paid off the balance of property taxes due on his parents' home, \$9,959.17, when his father was diagnosed with leukemia. Further, A.R. states that he is seeking treatment for service-connected post-traumatic stress disorder (PTSD) with the U.S. Department of Veterans Affairs, and this salary overpayment has caused him psychological stress.

## CONCLUSION

*N.J.A.C.* 4A:3-4.21 provides, in pertinent part:

- (a) The Civil Service Commission may waive, in whole or in part, the repayment of an erroneous salary overpayment, or may adjust the repayment schedule based on consideration of the following factors:
1. The circumstances and amount of the overpayment were such that an employee could reasonably have been unaware of the error;
  2. The overpayment resulted from a specific administrative error, and was not due to mere delay in processing a change in pay status;
  3. The terms of the repayment schedule would result in economic hardship to the employee.

It is well settled that all of the factors outlined in *N.J.A.C.* 4A:3-4.21 must be satisfied to successfully obtain a waiver of the repayment obligation. Thus, in *In the Matter of Thomas Micai v. Commissioner of Department of Personnel, State of New*

*Jersey*, Docket No. A-5053-91T5 (App. Div., July 15, 1993), the Superior Court of New Jersey, Appellate Division, affirmed the Commissioner of Personnel's decision to deny a request for waiver of repayment of salary overpayment, finding that, although the appellant had established that the overpayment was the result of an administrative error, he failed to show that enforcement of the repayment would create economic hardship.

Treasury requests a waiver of the salary overpayment as it argues that the circumstances of the overpayment were such that A.R. could reasonably have been unaware of the overpayment and repayment would result in economic hardship to him. Moreover, the record reflects that the overpayment was the result of an administrative error. Although the record clearly shows that an administrative error resulted in the salary overpayment, A.R. cannot benefit from the error, as he was not entitled to the higher compensation, unless he can satisfy the other conditions presented above. *See e.g., Cipriano v. Department of Civil Service*, 151 N.J. Super. 86 (App. Div. 1977); *O'Malley v. Department of Energy*, 109 N.J. 309 (1987); *HIP of New Jersey v. New Jersey Department of Banking and Insurance*, 309 N.J. Super. 538 (App. Div. 1998) (No vested or other rights are accorded by an administrative error). In that regard, it was reasonable for A.R. to have been unaware of the error as he was on active military duty deployed to a combat area while the overpayment was accumulating. However, he cannot meet the economic hardship factor as discussed below.

A.R. focuses on various lump sum expenses that were incurred during his leave. While many of these expenses stemmed from a home emergency, a leak, others did not. These non-emergent expenses included \$10,161.31 spent on home improvement and \$5,430.29 spent on a trip to Paris, and the inclusion of these types of expenses undercuts the claim of economic hardship. A.R. also chose to spend \$9,959.17 paying his parents' property taxes. While commendable, this also undercuts the claim of economic hardship as he chose to make this payment in June 2025, at which time the instant salary overpayment issue was known. While A.R.'s statements concerning his PTSD and the psychological stress this matter has caused him are deserving of sympathy, the applicable standard is one of economic, not psychological or mental, hardship. Further, A.R. did not provide any information as to monthly income and expenses. Additionally, Treasury has not set any repayment schedule. Consequently, it cannot be demonstrated that the amount he would be required to pay per bi-weekly pay period would create a hardship to him.

Thus, since A.R. cannot satisfy all three factors in *N.J.A.C. 4A:3-4.21*, he is not eligible for a waiver of the repayment obligation. The parties are, however, encouraged to set a reasonable and, if necessary, lenient repayment schedule.

**ORDER**

Therefore, it is ordered that this request be denied.

This is the final administrative determination in this matter. Any further review should be pursued in a judicial forum.

DECISION RENDERED ON  
THE 4<sup>TH</sup> DAY OF MARCH, 2026



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Allison Chris Myers  
Chair/Chief Executive Officer  
Civil Service Commission

Inquiries  
and  
Correspondence

Dulce A. Sulit-Villamor  
Director  
Division of Appeals and Regulatory Affairs  
Civil Service Commission  
Written Record Appeals Unit  
P.O. Box 312  
Trenton, New Jersey 08625-0312

c: A.R.  
Antoinette Sargent  
Division of Human Resource Information Services  
Records Center