



**STATE OF NEW JERSEY**

In the Matter of P█████ H█████,  
Department of the Treasury

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

CSC Docket No. 2025-2820

Request for Waiver of Repayment of  
Salary Overpayment

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

The Department of the Treasury (Treasury), on behalf of P█████ H█████, Supervising Special Agent, 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 H█████ 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. H█████ was overpaid \$57,489.66.<sup>1</sup>

H█████ indicates that the overpayment was incurred during his active duty overseas deployment to a designated combat zone. He explains that, as the sole provider for his household, he has monthly net income of \$5,477.02 and monthly household expenses of \$5,281.75, including \$125.00 in “[m]iscellaneous [e]xpenses,” leaving minimal monthly discretionary income of \$195.27. H█████ also states that he

<sup>1</sup> Treasury also indicates that H█████ is owed a retroactive payment for 250 days at \$19.39/day.

is enrolled in a Master of Business Administration (MBA) program, which brings additional educational expenses. In a supplemental submission, H[REDACTED] explains that at his salary of \$129,816.80,<sup>2</sup> the overpayment amount represents approximately 80% of his net annual income.<sup>3</sup>

## 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 overpayments were such that H[REDACTED] 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, H[REDACTED] cannot benefit from the error, as he was

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<sup>2</sup> H[REDACTED]'s salary since increased to \$139,759.69.

<sup>3</sup> While H[REDACTED] requests that his financial information remain confidential and excluded from the public record, a final administrative decision is considered public record, *see N.J.A.C.* 4A:1-2.2(c)1, and the employee's financial information necessarily must be discussed in a salary overpayment matter.

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 H[REDACTED] 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.

Although H[REDACTED] asserts that repayment would result in economic hardship to him, his salary has increased to \$139,759.69. Based on the figures provided, his monthly net income is exceeding his monthly household expenses. Further, those expenses include \$125.00 in “[m]iscellaneous [e]xpenses,” and it is not clear if these are essential expenses. H[REDACTED] provided no specifics regarding his MBA educational expenses. Treasury also indicates that H[REDACTED] is owed a retroactive payment. Additionally, Treasury has not set any repayment schedule. Consequently, it cannot be demonstrated that, given H[REDACTED]’s level of current compensation, the amount he would be required to pay per bi-weekly pay period would create a hardship to him.

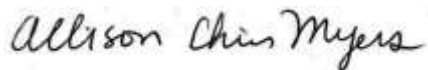
Thus, since H[REDACTED] cannot satisfy all three factors in *N.J.A.C. 4A:3-4.21*, he is not eligible for a waiver of the repayment obligation. The parties are, however, encouraged to set a reasonable and, if necessary, lenient repayment schedule.

### 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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