STATE OF NEW JERSEY

In the Matter of Iris Vazquez,
Department of Human Services,
Central Office

CSC Docket No. 2025-2611

FINAL ADMINISTRATIVE ACTION OF THE CIVIL SERVICE COMMISSION

Back Pay and Enforcement

ISSUED: October 15, 2025 **(SLK)**

Iris Vazquez, a Manager 2, Human Resources with the Department of Human Services, represented by Kevin D. Jarvis, Esq. and Matthew B. Madsen, Esq., request enforcement and a calculation of back pay.

By way of background, Vazquez had been a State employee since August 2011 and a Department of Human Services employee since November 2017. As of November 24, 2018, her annual salary was $80,103.47. Thereafter, Vazquez was issued a Final Notice of Disciplinary Action indicating that she had resigned not in good standing, effective January 2, 2019. Vazquez appealed to the Civil Service Commission (Commission) and the matter was transmitted to the Office of Administrative Law (OAL) as a contested case. During her separation, Vazquez collected unemployment insurance and earned various employment income. Vazquez calculates her net lost wages after mitigation as approximately $80,963.26. Subsequently, the parties entered a settlement modifying the resignation not in good standing to an eight working day suspension. Further, this suspension was to be recorded as having already been served by Vazquez from January 22, 2019, through January 31, 2019, and the time between January 2, 2019, through January 21, 2019, was recorded as an authorized leave of absence. The back pay award period was set as February 1, 2019, through the date she returned to work. Regarding the back pay award amount, the settlement stated:

> 9. Out of the amount of back pay that remains following mitigation, Appellant shall receive gross back pay in the amount of no more than twenty-seven thousand dollars ($27,000), minus the usual deductions and withholdings. Any remaining back pay accumulated during the calculation period will remain with Respondent.

The Commission acknowledged the settlement on September 1, 2021. Vazquez returned to work on October 25, 2021. Further, on or around February 18, 2022, Vazquez received a check in the amount of $2,576.22.[1]

In her request, Vazquez asserts that the appointing authority has refused to pay her the remaining $24,423.78 of the $27,000 agreed upon. Further, she claims that the appointing authority improperly deducted $100 per pay period for purported medical insurance costs for a prolonged period. Vazquez presents that these actions compelled her to file a claim in Superior Court. Thereafter, the Judge directed that the matter be referred to the OAL. However, the OAL indicated that it only had jurisdiction if the matter was transmitted by the Commission, which led to the current matter.

Vazquez argues that she is entitled to the full $27,000. She indicates that after mitigation, her back pay was at least $80,963.26. However, pursuant to the settlement, the back pay award maximum was $27,000. She believes that that appointing authority's refusal to compensate her more than $2,576.22 is a breach of the settlement. Further, Vazquez reiterates her claim that the appointing authority repeatedly deducted $100 per pay period for purported medical insurance contribution costs, which was not a term of the settlement, and covered a period during which she was not employed and could not obtain medical benefits from the State. She states that it appears that the appointing authority is asserting that the $100 deductions are owed to pay medical contributions costs covering the time between her separation from employment and her return to work. However, Vazquez emphasizes that she did not receive coverage from the State's insurance plan during this time nor was medical insurance costs raised at any point during the settlement discussions. She argues that it would be unjust to deduct monies from her paycheck toward a plan from which she never received any benefit.

Vazquez asserts that the appointing authority improperly incorporated a reimbursement of unemployment benefits into the $27,000 award. She states that the appointing authority contends that the award must be reduced by reimbursement for its costs relating to unemployment benefits to the Department of Labor and Workforce Development. However, under *N.J.S.A.* 43:21-5(b), benefits only need to be returned for any week of unemployment for which the individual is subsequently compensated by the employer. Therefore, Vazquez presents that her $56,068 in unemployment benefits were accounted for in the $100,321.92 in mitigation (which

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[1] The background was developed from Vazquez's initial appeal submission.

also includes income earned during the back pay time) resulting in $80,963.26 in back pay which she would have been entitled to if not for the $27,000 limit, and she is not "double dipping" if she received the full $27,000.

Vazquez also contends that the appointing authority improperly deducted pension contributions from the back pay award. She asserts that the "usual deductions and withholdings" as indicated in the settlement were for State, federal, and local income taxes and payroll taxes. Vazquez claims that it would be wholly unreasonable to interpret the settlement to include pension contributions as part of "usual deductions and withholdings" upon which the parties agreed. She insists that any contributions to her pension should have been paid by the appointing authority as part of the parties' deal to limit the back pay award to $27,000.

Vazquez requests that the Commission order the appointing authority to comply with the settlement; direct it to pay her $24,432.78; direct it to reimburse her for the $100 deductions each pay period for purported medical costs and to cease and desist from further $100 deductions; require it to pay for her attorney fees and costs; and grant her other relief that the Commission deems just and proper.

In response, the appointing authority, represented by Achchana Ranasinghe, Deputy Attorney General, asserts that Vazquez has misinterpreted the settlement. It presents that throughout the settlement discussions, the appellant indicated that she wanted pension credit for the entire time she was out of work. Therefore, the appointing authority indicates that the settlement was drafted to incorporate this desire. Specifically, it provides that the settlement indicated that Vazquez would receive gross back pay of no more than $27,000 "minus the usual deductions and withholdings." Therefore, the appointing authority asserts that Vazquez cannot meet her burden to demonstrate that it failed to comply with the settlement as it complied with the explicit terms, it acted in good faith by accommodating her stated interest in receiving pension credit for the entirety of the separation time, and she cannot receive pension credit without paying for it.

Regarding the pension benefits, the appointing authority indicates that the Office of the Attorney General (OAG) informed both parties that the Division of Pensions and Benefits makes independent decisions regarding pension eligibility and the OAG could not approve of any settlement containing provisions that referenced pension credits directly. Moreover, it provides that the OAG informed the parties that no pension or seniority time could be credited for periods during which an employee is not compensated by their employer. Therefore, the appointing authority states that the settlement was drafted without using the word "pension" and it proposed that Vazquez received an amount of gross back pay "minus the usual deductions and withholdings." It emphasizes that as pension deductions have always been deemed "usual deductions and withholdings," it saw this as a way for Vazquez to receive the pension credits that she sought without explicitly mentioning pension.

Further, since pension credits would be taken out of back pay, this settlement would comply with the rules governing pensions. The appointing authority presents that given that Vazquez would be returning to her job in consideration to settle, the parties agreed to limit her gross back pay to a $27,000 maximum. However, it reiterates that if the back pay award was limited to a certain period, Vazquez's pension credit would be limited instead of the entire time that she missed. It states that Vazquez received a check in the net amount of $2,576.22 after deducting $18,273.94 for the pension deductions, $1,218.26 for "Cont. Ins.," $319.50 for Medicare, $114.75 for U.I.C., $37.80 T.D.I, $37.80 for F.L.I., $1,674 for F.I.C.A., $1,919.73 for federal income tax, and $756 for State income tax from the gross amount of $27,000.[2]

The appointing authority further argues that the request should be denied as Vazquez cannot demonstrate that it failed to comply with the settlement. It states that it fully complied by reinstating Vazquez to her title with all step increments and across-the-board salary increases that she would have been entitled to if she had not been separated from employment. Further, it indicates that it paid her net back pay as agreed. The appointing authority presents rules that govern pensions and states that pensions deductions are regularly deducted from gross income on pay stubs for State employees. Additionally, it states that it acted in good faith to accommodate Vazquez' stated interest in receiving pension credits for the entirety of the time missed. It emphasizes that Vazquez cannot receive pension credit without making pension contributions as established by statutes and regulations. Therefore, the appointing authority states that if Vazquez asserts that she should not have pension credits deducted from her gross back pay award, then she should not receive pension credit. It indicates that there was never an agreement that the appointing authority would pay Vazquez's pension contributions, and she has not cited any authority that would allow it to do so.

The appointing authority asserts that Vazquez's allegation regarding a purportedly incorrect $100 monthly payroll deduction should have no bearing on the present matter. It states that to the extent of the $100 alleged deduction is improper, and it may turn out to be a deduction owed under the law, the present request to enforce a settlement is not the proper avenue to address it. The appointing authority highlights Vazquez's certification where she stated that "these $100 per pay period deductions were not part of the agreement or otherwise raised during settlement discussions." It asserts that if these deductions were neither part of the settlement nor otherwise raised during settlement discussions, then their purported presence or absence is not relevant to a request to enforce that settlement based on whether it sufficiently complied.

[2] The total amounts reported as deducted equals $24,351.78, which subtracted from $27,000 leaves $2,648.22. The $72 difference between the amount Vazquez received and that amount is unexplained in the record. Absent explanation, the Commission assumes that the deducted amounts reported either contained a typographic or transpositional error accounting for that difference.

In reply, Vazquez addresses the appointing authority's alleged inaccurate representation that she "did not pursue resolutions of her claims further" on multiple occasions leading to the dismissal of her claims in the Superior Court. She claims that the appointing authority failed to acknowledge its failure to cooperate in April 2023. Additionally, Vazquez states that she has not failed to "take any action" as the appointing authority alleges.

CONCLUSION

N.J.A.C. 4A:2-6.2(e), in conjunction with *N.J.A.C.* 4A:2-2.10(a), in pertinent part, provide that where a resignation not in good standing has been modified, the Commission shall award back pay.[3]

N.J.A.C. 4A:2-2.10(d) provides, in pertinent part, back pay shall include additional amounts expended by the employee to maintain his or health insurance coverage during the period of improper suspension or removal.

N.J.A.C. 4A:2-2.10(d)2 provides that the award of back pay shall be reduced by the amount of taxes, social security payments, dues, pension payment, and any other sums normally withheld.

In this matter, the parties reached a settlement where, among other terms, Vazquez was to "receive gross back pay in the amount of no more than twenty-seven thousand dollars ($27,000), minus the usual deductions and withholdings." Therefore, although Vazquez is requesting that she receive the full amount of $27,000, a plain reading of this provision indicates that she should net something less than $27,000 as she is to receive $27,000 ***minus*** the usual deductions and withholding.

Notwithstanding Vazquez's assertion that she should receive the full $27,000, she acknowledges that it was appropriate for the appointing authority to deduct State and federal income taxes as well as Social Security, Medicare and similar payroll deductions from the net payment that she received. These deductions were appropriate under the terms of the settlement and under *N.J.A.C.* 4A:2-2.10(d)2. As such, there is no basis to order the appointing authority to pay Vazquez $24,432.78 as requested.[4]

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[3] In this matter, Vazquez's resignation not in good standing was modified based on a settlement between the parties and not by the Commission. Further, it was the parties who determined the back pay award and not the Commission. However, the provisions of *N.J.A.C.* 4A:2-2.10 *et seq.* are properly utilized to define the disputed terms of the back pay award.

[4] Vazquez contends that the appointing authority's net back pay award improperly included reimbursement for unemployment benefits. However, the record is unclear as to what Vazquez is referencing as there is no indication that the $27,000 gross amount was reduced by any unemployment benefits that Vazquez collected.

Concerning pension deductions, Vazquez argues that it was inappropriate for the appointing authority to deduct $18,273.94 from the $27,000 gross amount as it is not a "usual deduction and withholding." Further, to the extent that a contribution needs to be made so that she receives pension credit for time during the separation period, she asserts that such contribution should be made by the appointing authority. However, the Commission finds that Vazquez's argument is unpersuasive as *N.J.A.C.* 4A:2-2.10(d)2 explicitly indicates that a pension payment shall reduce a back pay award as a "sum normally withheld." Additionally, there is nothing in the record to dispute the appointing authority's claim that Vazquez sought pension credit for the separation period. Moreover, there is nothing in the settlement that would indicate that the parties' intention was that the appointing authority pay Vazquez's contribution for the time she sought pension credit.

Referring to health insurance, the record indicates that based on the settlement, the back pay award period was February 1, 2019, through October 24, 2021, before Vazquez was reinstated on October 25, 2021. Under *N.J.A.C.* 4A:2-2.10(d), back pay shall include additional amounts expended by the employee to maintain his or health insurance coverage during the period of improper suspension or removal. Therefore, while the record is unclear as to how much, if any, the appointing authority deducted from the back pay award or other payroll deductions for Vazquez's to maintain health insurance coverage during the back pay award period,[5] to the extent that such deductions were made, Vazquez shall be reimbursed for such improper deductions.

Regarding Vazquez's request that an order of non-compliance be issued against the appointing authority, the record indicates that the appointing authority substantially complied with the settlement and there is no indication that it has acted in bad faith. Accordingly, there is no basis for such an order or an award of attorney fees.

ORDER

Therefore, it is ordered that Iriz Vazquez's requests for back pay in the amount of $24,423.78, enforcement, and attorney fees be denied. Her request for health insurance premiums reimbursement be remanded to the appointed authority to be addressed as described herein.

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[5] The appointing authority indicates that it deducted $1,218.26 for "Cont. Ins." If this stands for continuing Vazquez's health insurance, the amount deducted for coverage during the back pay award period shall be reimbursed to Vazquez. Vazquez also alleges that there were $100 per pay period deductions. The record is unclear if this is something separate or if this is included in that amount. However, if there were additional amounts that were or continue to be deducted for Vazquez's maintaining health insurance during the back pay award period, these amounts shall be reimbursed as well.

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

DECISION RENDERED BY THE
CIVIL SERVICE COMMISSION ON
THE 15TH DAY OF OCTOBER, 2025

Allison Chris Myers

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Chairperson
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