B-019

In the Matter of J.K.,
Department of Corrections

CSC Docket No. 2025-795

STATE OF NEW JERSEY

FINAL ADMINISTRATIVE ACTION OF THE CIVIL SERVICE COMMISSION

Salary Overpayment

ISSUED: September 2, 2026 **(JET)**

J.K., a Correctional Police Lieutenant with the Department of Corrections, requests a waiver of repayment of a salary overpayment.

By way of background, the appellant was promoted from the position of Correctional Police Sergeant to Correctional Police Lieutenant, effective February 12, 2022. At the time, employee agreements for Correctional Police Lieutenants and Correctional Police Sergeants were being negotiated by the appointing authority. The union representing Correctional Police Sergeants, the New Jersey Law Enforcement Supervisors Association, settled its negotiation for its employee agreement prior to when the New Jersey Superior Officer's Association (NJSOA), the union representing Correctional Police Lieutenants, settled its negotiations for its employee agreement. Thereafter, in a July 24, 2023 notice from the appointing authority to the appellant, it stated that as a result of retroactive salary increases implemented from the resolution of the most recent NJSOA contract, his promotion from Correctional Police Sergent to Correctional Police Lieutenant had been recalculated. The notice advised that this recalculation resulted in his promotional salary being adjusted from Step 6 $97,960.68 to Step 4 $96,694.72.[1] The notice further advised that effective July 1,

[1] The appointing authority indicates that the new collective negotiations agreements changed the salary step for the appellant. *See N.J.A.C.* 4A:3-4.9(a).

2023, the appellant's salary had been adjusted to 108,125.11 Step 6. Additionally, the notice advised the appellant that this salary calculation was retroactive to the date he was promoted, February 12, 2022. Therefore, he was advised that he was overpaid since that date, and the estimated amount of overpayment was $9,711.20, which did not include overtime worked during this period. The appellant's repayment schedule, which he signed on September 27, 2024, also advised that he was additionally overpaid $1,291.29 due to overtime. Therefore, the total overpayment amount was $11,002.49.[2]

In his request for waiver of salary overpayment, which was postmarked October 10, 2024, the appellant indicates that in July 2023, he was advised that he had been overpaid by the State. He states that he only recently met with a representative of the State who informed him that he would be required to repay the overpayment over the course of 36 pay periods. The appellant emphasizes that he was unaware of the error as it involved both retroactive pay increases as part of a newly negotiated CNA that was not completed until over a year after the expiration of the prior agreement, as well as his simultaneous promotional from Correctional Police Sergeant to Correctional Police Lieutenant. Moreover, the appellant states that the methodology for calculating wage increases is different in the CNA for Correctional Police Sergeants than in the CNA Correctional Police Lieutenants, which he claims only added to the confusion of the correct promotional increase that he should have received. Additionally, the appellant states that he never received a notice with either his retroactive pay or promotional increase informing him that he was having his pay adjusted for these reasons, the basis for the adjustments or the amounts of the adjustments. He asserts that the absence of any notice along with the combination of a promotional increase and retroactive salary increases left him unaware that the pay had been inaccurately calculated by the State. Also, the appellant emphasizes that the overpayment was caused by an administrative error by the State, which it does not deny.

The appellant argues that he would experience an economic hardship if he is required to repay the overpayment. He maintains that he is the primary source of income for his family; he is in a Chapter 13 bankruptcy that requires a monthly payment of $1,556; his daughter is starting beauty school which costs $400 a month; and he has a payment arrangement with the Internal Revenue Service (IRS) to pay $250 a month totaling $5,000. In support, the appellant provides a "Cosmetology

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[2] The appellant agreed to repay $269.76 a month with respect to the straight salary overpayment, and $53.80 a month with respect to the overtime overpayment. The appointing authority initially indicated that the Lieutenants' Union filed a grievance with the Public Employment Relations Commission and all agreements remained with the Governor's Office of Employee Relations for final approval and authorization for the repayments to begin. However, the appointing authority now indicates that the union has withdrawn the matter from the Public Employment Relations Commission, and the appellant's repayment is no longer being held in abeyance. The appointing authority confirms that $323.56 is currently being deducted from the appellant's pay per pay period, and as of July 15, 2026, he has a remaining balance due of $7,766.89.

Estimated Payment Worksheet" for Shore Beauty School;[3] a letter dated December 31, 2023 from the IRS indicating that he has requested a payment plan;[4] and a letter dated December 14, 2018 from his bankruptcy attorneys.

In response, the appointing authority maintains that the appellant has not shown that he would experience a financial hardship if he is required to repay the overpayment amount. Specifically, the appointing authority asserts that the appellant has not provided an accounting of his total monthly income and expenses, and without such information, it cannot be determined that he would experience an economic hardship. The appointing authority adds that the bankruptcy repayment plan was to last for a period of 60 months and should have concluded sometime in 2023. Moreover, the appointing authority states that the appellant was notified that an overpayment had occurred and repayment was sought since at least July 28, 2023 when repayment plans were scheduled to begin.

CONCLUSION

N.J.A.C. 4A:2-1.1(b) provides that unless a different time period is stated, an appeal must be filed within 20 days after either the appellant has notice or should reasonably have known of the decision, situation, or action being appealed.

N.J.A.C. 4A:3-4.21 Salary overpayments: State service, provides as follows:

(a) The [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.

Initially, it is noted that the appellant's appeal is untimely as he was advised that he was overpaid in July 2023 but did not file a request for a waiver of the salary

[3] The worksheet does not indicate that his daughter is actually enrolled in the school, or that he is paying the tuition as outline in the worksheet.
[4] The letter indicates that the appellant would be responsible for paying $250 a month on the 28th of each month; however, it does not indicate any other information.

overpayment until October 2024. While the July 28, 2023 notice to the appellant did not specifically advise the appellant of his appeal rights, the notice did advise that he was overpaid. Further, the appellant was advised to contact the Human Resource Manager who sent him the communication if he had any questions. Therefore, as of that date, the appellant knew, or should have reasonably known, that he was going to be required to repay the overpayment amount, and he should have appealed within 20 days if he wished to appeal the repayment due to economic hardship. *See N.J.A.C.* 4A:2-1.1(b). Moreover, as indicated below, as the terms of the repayment schedule would not result in an economic hardship to the appellant, there is no good cause to relax the rules to effectuate the purposes of Title 11A, New Jersey Statues. *See N.J.A.C.* 4A:1-1.2(c).

Regarding the merits, it is well settled that **all** factors outlined in *N.J.A.C.* 4A:3-4.21 must be satisfied to successfully obtain a waiver of the repayment obligation. In the instant matter, the appellant argues that he was unaware of the salary overpayment of $11,002.49 since he did not receive notice with either his retroactive pay or promotional increase informing him that he was having his pay adjusted for those reasons, the basis for the adjustments or the amount of the adjustments. He asserts that the absence of any notice along with the combination of a promotional increase and retroactive salary increases left him unaware that the pay had been inaccurately calculated by the State. Further, he claims that he would experience an economic hardship if he were required to repay the salary overpayment amount. The appointing authority argues that the appellant has not provided sufficient documentation to show an accounting of his expenses, and as such, there is no evidence that he would experience a financial hardship if required to repay the salary overpayment amount. Moreover, the appellant already agreed to a repayment plan, which he signed on September 27, 2024, which is after his bankruptcy and IRS repayment plans were instituted.[5] Therefore, even assuming the appellant was unaware of the salary overpayment at the times he received the overpayment, he has not shown that repayment, especially if based upon a reasonable repayment schedule which he already agreed to while knowing about his bankruptcy and IRS repayment plans, would result in economic hardship. In this regard, the appellant has failed to present any substantive evidence in support of his arguments that he is experiencing such a hardship. *See In the Matter of Yvette Waugh, et al. (Commissioner of Personnel, decided October 25, 1996)* (Lack of documentation in support of claimed economic hardships did not warrant waiver of salary overpayment for employees erroneously awarded salary at the fourth step of the salary range). Finally, it is also noted that the appellant's current salary is $138,853.18, which is further evidence that it would not be economic hardship for the appellant to repay the appointing authority via the agreed upon repayment plan, which he has already begun.

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[5] The Cosmetology Estimated Payment Worksheet that the appellant's submits is dated October 7, 2024, which is shortly after he agreed to the repayment plan with the appointing authority. The record is unclear if the appellant went forward with a repayment plan concerning his daughter's schooling.

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 BY THE
CIVIL SERVICE COMMISSION ON
THE 2ND DAY OF SEPTEMBER, 2026

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