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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **14231-24 L.P.**

AGENCY DKT. NO. **C268122020 (UNION COUNTY DIVISION OF SOC. SVCS.)**

Petitioner challenges the Respondent Agency's claim for recovery of Work First New Jersey/Temporary Assistance for Needy Families ("WFNJ/TANF"), and Supplemental Nutrition Assistance Program ("SNAP"), benefits. The Agency asserts that Petitioner failed to accurately report his earned income, thereby causing Petitioner to receive overissuances of benefits to which he was not entitled beginning August 2023. Because Petitioner requested a fair hearing, the matter was transmitted to the Office of Administrative Law ("OAL"). On January 17, 2025, the Honorable Andrew M. Baron, Administrative Law Judge ("ALJ"), held the plenary hearing, took testimony, and admitted documents into evidence. On September 15, 2025 the ALJ issued an Initial Decision affirming the overissuance, opining that the Agency should have exercised its legal authority to compromise the amount of the claim, and ordering that the monthly amount Petitioner is paying on the claim, be revisited to reduce same as the amount poses a hardship to Petitioner.

No Exceptions to the Initial Decision were filed.

As Assistant Commissioner, Division of Family Development ("DFD"), Department of Human Services, I have considered the ALJ's Initial Decision and following an independent review of the record, I hereby MODIFY the ALJ's Initial Decision, MODIFY the Agency's determination, and REMAND to the Agency, based on the discussion below.

SNAP is designed to promote the general welfare and to safeguard the health and well-being of the population by raising the levels of nutrition among low-income households. In the instance of an overpayment of SNAP benefits, the Agency must recoup the overissuance. See N.J.A.C. 10:87-11.20. One type of overpayment which is subject to recoupment is one which results from "a misunderstanding or unintended error on the part of the household" receiving benefits, called an "Inadvertent Household Error" ("IHE"). See N.J.A.C. 10:87-11.20(e)(2). Repayment of overissuances may be sought for amounts going back six years prior to the time that the Agency becomes aware of the overpayment. See N.J.A.C. 10:87-11.20(f)(1)(i).

Similarly, under the WFNJ regulations, a recipient is required to satisfy any repayment obligation pursuant to state or Federal law governing public assistance. See N.J.A.C. 10:90-2.2(a)(7). An overpayment of WFNJ benefits, including Emergency Assistance benefits, is subject to recoupment, "regardless of fault, including overpayments caused by administrative action or inaction[.]" See N.J.A.C. 10:90-3.21(a)(1).

In accordance with N.J.A.C. 10:87-9.5(a), SNAP households must report changes which occur within the certification period and affect a household's eligibility or benefit allotment amount within 10 days the change is known to the household. Similarly, new employment is to be reported within 10 days of the date of the household member's first pay. See N.J.A.C. 10:87-9.5(b).



Pursuant to N.J.A.C. 10:90-3.11(e), "WFNJ assistance units shall be required to report any change in unearned income and circumstances that could affect eligibility and the benefit amount as soon as possible to the county or municipal agency, but in no event later than 10 calendar days of the date the change happened or in the case of new earnings no later than 10 days from the date of receipt of the first paycheck."

In this Initial Decision, the ALJ cites to caselaw and refers to regulatory authority, specifically, N.J.S.A. 30:4D-1 et. seq., related to Medicaid benefits, and makes reference to the Commissioner's powers arising under the New Jersey Medical Assistance and Health Services Act. See Initial Decision at 4-5. However, as the instant matter involves SNAP and WFNJ benefits, N.J.A.C. 10:87-1.1 et seq. and N.J.A.C. 10:90-1.1 et seq. are the relevant, controlling authority, and therefore, my findings and conclusions are based on that regulatory authority.

Here, the record reflects that Petitioner applied for WFNJ/TANF and SNAP benefits during July 2023, at which time he did not provide any employer or earned income information. See Initial Decision at 2-3. Petitioner never reported that he began employment, nor the amount of income earned, to the Agency until March 2024 when his case was due for recertification. See Initial Decision at 3. During March 2024, the Agency determined that Petitioner had been overissued WFNJ/TANF and SNAP benefits in excess of \$12,000, due to his failure to report earned income. Ibid. At the time of the hearing, Petitioner testified that he had entered into a repayment plan with the Agency, whereby he was repaying \$100 per month but that the total amount of the repayment constituted a hardship. Ibid.

The ALJ concludes that the overpayments should stand. See Initial Decision at 5-6. I agree. However, the ALJ opines that the Agency should have compromised the amount due and owing, such that Petitioner would have a reduced monthly payment from what he is currently paying. Ibid. Pursuant to regulatory authority, only the Agency may compromise a claim, or any portion of a claim, if it can reasonably determine that household's economic circumstances dictate that the claim will not be paid in three years. See N.J.A.C. 10:87-11.20(m); see also 7 C.F.R. 273.18(e)(7). Additionally, the Agency may compromise a portion of a claim, but only if the individual meets the financial criteria, namely, if the current household monthly gross income is less than 200 percent of the Federal Poverty Level. See DFD Claims Management Plan, p. 10 (revised October, 2021). Similarly, regulatory authority allows the Agency "with the consent and approval of DFD to compromise and settle any claim for repayment of WFNJ benefits Primary consideration shall be given to whether or not release of additional funds will promote the goal of self-sufficiency, if this consideration is appropriate under the circumstances.").

Accordingly, I am remanding this matter back to the Agency with the following instructions. The Agency shall consider whether Respondent's claim, or any portion of the claim, is eligible for a compromise. Thereafter, the Agency shall provide a Notice Regarding Eligibility for Compromise of SNAP Claim (NJ SNAP-909) form to Respondent. In determining Respondent's eligibility for a claim compromise, the Agency shall refer to all applicable regulatory authority, and the DFD Claims Management Plan. Upon the Agency's request, Respondent shall promptly provide to the Agency, all current household financial information, including, but not limited to, the household's current monthly gross income. If, as a result of this reevaluation for claim compromise, Petitioner is deemed eligible for same, the monthly repayment amount shall be adjusted accordingly. If it is determined that no part of the full claim may be compromised, the current repayment amount shall stand. The Initial Decision and the Agency determination are both modified to reflect these findings.

Based on the foregoing, I ORDER and direct the Agency to continue to recoup the overissuances.

By way of comment, in accordance with applicable regulatory authority, in cases involving SNAP benefits, a fair hearing, Initial Decision, and Final Decision are all to be completed within 60 days from the receipt of an individual's request for a fair hearing. See 7 C.F.R. § 273.15(c)(1). With this time frame in mind, it should also be noted that Initial Decisions in SNAP cases are to be issued within 14 days from the date of the hearing before the ALJ. See N.J.A.C. 1:10-18.1(b).

Accordingly, the Initial Decision in this matter is MODIFIED, the Agency's determination is MODIFIED, and the matter is REMANDED to the Agency, as outlined above.

Officially approved final version. October 15, 2025

Natasha Johnson
Assistant Commissioner

