

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



December 29, 2014

CSS LETTER: 14-11

ALL IV-D DIRECTORS  
 ALL COUNTY ADMINISTRATIVE OFFICERS  
 ALL BOARDS OF SUPERVISORS

<u>Reason for this Transmittal</u>
<input type="checkbox"/> State Law, Regulation and/or Change
<input type="checkbox"/> Federal Law, Regulation and/or Change
<input type="checkbox"/> Court Order or Settlement Change
<input type="checkbox"/> Clarification requested by One or More Counties
<input checked="" type="checkbox"/> Initiated by DCSS

SUBJECT: CALCULATION OF INTEREST ON INSTALLMENTS

The purpose of this letter is to confirm the Department of Child Support Services policy regarding calculation of interest on installments. This letter supersedes Family Support Division (FSD) Letter 92-15, dated July 1, 1992 and does not change methods currently used to calculate interest on unpaid installments.

**Calculation of Interest**

FSD Letter 92-15 provided instruction that interest be assessed on the amount of the unpaid installment, rather than on the total amount of arrears. This letter clarifies that, pursuant to Family Code Section 155, only the initial support order shall be considered an installment judgment. This is true whether the initial support order is temporary or final, whether or not the order is contained in a judgment.

After the initial support order is made, interest should accrue on each late or missed payment.

Any support order made subsequent to the initial support order that addresses the support arrears shall not be considered an installment judgment pursuant to Code of Civil Procedure Section 685.020(b). When the amount of arrears is set in a court order, interest accrues on the principal balance owed, even if a monthly arrears payment is ordered.

The Statewide Policies Manual Section 5000, Financial Management, has been updated to reflect the clarification of Family Code Section 155 presented in this letter.

For instructions and information on how interest is calculated, please refer to the Quick Reference Guide: Creating and Updating Case Accounts.

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If you have any questions, please contact the Policy & Program Branch at (916) 464-5883.

Sincerely,

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VICKIE K. CONTRERAS  
Deputy Director  
Child Support Services Division