

ALASKA COURT SYSTEM
OFFICE OF THE ADMINISTRATIVE DIRECTOR
ADMINISTRATIVE BULLETIN NO. 68
(Amended November 25, 2003)

TO: ALL HOLDERS OF ADMINISTRATION BULLETIN SETS:

All Justices	All Magistrates
All Judges	Senior Staff
Area Court Administrators	Court Analysts
Clerk of the Appellate Courts	
Rural Court Training Assistants	
All Clerks of Court	
Law Libraries at Anchorage, Fairbanks, Juneau & Ketchikan	

SUBJECT: Calculation of Interest on Judgments and Allocation of Payments to Costs, Interest, and Principal

This policy is being issued under the authority granted to the administrative director by Administrative Rule 1(d).

1. Date to Which Interest Must Be Calculated

Interest on judgments will be calculated to whichever one of the following dates applies:

- a. Date the court receives payment directly from a debtor, either in person or by mail.
- b. Date a creditor receives payment directly from a debtor, either in person or by mail.
- c. When money is seized by writ of execution, the date will be:
 - (1) October 15 of the year the money was seized if (a) the money was seized from a debtor's permanent fund dividend and (b) the money was included in one of the "batch" payments made by the PFD Division to the court system. When a clerk issues a PFD writ, interest should be calculated to October 15 of the year in which the writ will first be served on the PFD Division. A PFD writ served by a process server does not need to be reissued each year.
 - (2) The date on the PFD Distribution Report if the money was seized from a debtor's permanent fund dividend and the money was not included in one of the "batch" payments to the court system.
 - (3) The date on the check to the court if the money was garnished from the debtor's wages.

(4) In all other cases, the date that the notice of levy was served, as indicated on the return of service.

d. The date property other than money is seized by writ of execution, as indicated on the return of service.

2. No Compound Interest

Interest will be calculated only on the balance due on the original judgment, not including postjudgment costs or interest. Compound interest is prohibited. See *Alyeska v. Anderson*, 669 P.2d 956 (Alaska 1983) (postjudgment interest) and *In Re Estate of Gregory*, 487 P.2d 59, 63-64 (Alaska 1971) (prejudgment interest).

3. Allocation of Payments.

When a payment on a judgment is received, the payment must be applied in the following order:

- a. Postjudgment costs.
- b. Postjudgment interest.
- c. Balance due on original judgment.

4. Formula for Calculating Interest.

The formula for calculating postjudgment interest is: Balance Due on Original Judgment Amount x Interest Rate ÷ 365 x Number of Days Since Interest Was Last Calculated = the Amount of Interest Due for That Period.

November 25, 2003
Date

Stephanie J. Cole
Administrative Director

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