



LEVERAGING TXDOCS' DELINQUENT SUPPORT CALCULATOR

INTRODUCTION

TXdocs provides a convenient way to track and calculate delinquent child support payments using the Delinquent Support Calculator found in Practice Tools. In this document, we will explain how the amounts are calculated and why you can be confident in the approach utilized by TXdocs.

EXECUTIVE SUMMARY

When calculating the [*Texas-mandated 6% interest](#) on child support arrears, two common approaches are utilized:

- Interest applied daily.
- Interest applied monthly (at end-of-month).

TXdocs' Delinquent Support Calculator applies interest daily.

The Texas Attorney General applies the interest monthly.

The Issue: Depending on the date on which a payment affecting arrears is made, the amount of accrued interest calculated can vary between the two approaches, resulting in reported figures that do not align.

COMPARISON

Calculation Method	TXdocs Method: Daily	AG Method: End-of-Month
Delinquent Amount	\$500	\$500
Delinquent Date	8/1/2023	8/1/2023
Date of Affecting Payment	11/15/2023	11/15/2023
Days/Months	107 Days	3 Months
6% Interest Applied	\$8.79	\$7.50
Difference	\$1.29	

Why TXdocs' Utilizes Daily Interest Calculations: Applying interest daily fully satisfies the stipulation in the Family Code that interest is to accrue, [“...from the date the support is delinquent until the date the support is paid....”](#) Additionally, calculating interest daily is the most fair and neutral approach for obligee and obligor alike.



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DETAILED EXPLANATION

There are two common methods for calculating interest owed on delinquent child support:

1. Calculate the accrued interest owed daily, applying the formula:
 - Interest = delinquent amount X interest rate X number of days from accrual start date to a payment affecting the delinquent amount / number of days in the given year.
2. Calculate the accrued interest owed per month, applying the formula:
 - Interest = delinquent amount X interest rate / number of months in the year X number of months from the accrual start date to a payment affecting the delinquent amount.

TXdocs utilizes the first method and calculates accrued interest daily.

The Attorney General's Office utilizes the second method, calculating accrued interest per month (at end-of-month). The issue with this manner of calculating is that if part of the delinquent amount was paid off during the month, the calculation at the end of the month does not calculate interest over the paid off amount between the 1st of the month and the date of payment.

EXAMPLE

JUDGE'S ORDER

As part of the Child Support order, the judge sets the 1st day of the month for payments.

- It is expected that payment in full will be made on the first day of each month until such time as stated in the order, or until a modification to the order is made.

The monthly obligation amount is: \$1,500.

- The obligor is to make payment in the amount of \$1,500 on the 1st of the month.
- There is a [*statutory 30-day window after the due date](#) (the 1st of the month) during which the Obligor can fulfill payment and avoid delinquency.

SCENARIO: JUNE-NOVEMBER, 2023

- The June obligation of \$1,500 is due on 6/1 (will be delinquent on 7/1).
- A payment of only \$800 is made on 6/1, leaving a balance of \$700 for June.
- No additional payment is made by 7/1, the \$700 is delinquent; however, [*interest will not begin accruing because the amount owed is below the monthly payment threshold](#) (\$1,500).
- The July obligation is \$1,500. On 7/1/2023 a payment of \$200 is made. No other payment is received that month. The total obligation owed at the end of the month is \$ 2,000: June's \$700 + July's \$1,300. Throughout the month of July only June's \$700 is delinquent and is not accruing interest because the amount is lower than the monthly obligation.



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- On 8/1/2023, July's remainder (\$1,300) is delinquent. The total delinquent amount therefore grows to \$2,000 – June's \$700 remainder and July's \$1,300 remainder. Of that \$2,000, only \$500 [begins accruing interest](#) because interest only accrues on the part of the delinquent amount that is greater than the monthly obligation (\$2,000 - \$1,500 = \$ 500).
- Payments of \$1,500 are made in August, September, October, and November, satisfying each month's obligation. ([Monthly payments are applied first to current child support.](#)) The delinquent amount (\$2,000) is unchanged, therefore the portion that accrues interest (\$500) also remains unchanged.
- On 11/15/2023, an additional payment of \$900 is made. This payment affects the delinquent amount owed because November's obligation had already been fulfilled on November 1.
- The delinquent amount changes to \$1,100 (\$2,000-\$900). After this payment, the total delinquent amount is lower than the monthly obligation and will no longer accrue interest. But between August 1 and November 15, \$500 was accruing interest.

METHOD 1: CALCULATING INTEREST DAILY (TXDOCS)

Delinquent Amount greater than the monthly obligation = \$500

Interest rate = .06

Number of days from accrual start date to a payment affecting arrearages:

- Accrual start date: 8/1/2023
- Date the delinquent amount is affected: 11/15/2023
- Number of days: 107
- Number of days in a year = 365

Interest calculation: $\$500 \times .06 \times 107 / 365 = \8.79

METHOD 2: CALCULATING INTEREST MONTHLY (AG)

Delinquent Amount = \$500

Interest Rate = .06

Number of months = 12

Number of end-of-months from accrual start date to a payment affecting arrearages:

- Accrual start date: 8/1/2023
- Date the delinquent amount is affected: 11/15/2023
- Number of end-of-months: 3 (August, September, October)
November is not included because at the end of that month, the delinquent amount is not accruing interest because the delinquent amount is below the threshold. This results in the \$500 not accruing interest between 11/1 and 11/15.
This missed interest is the cause of the difference between the 2 calculation methods.

Interest Calculation: $\$500 \times .06 / 12 \times 3 = \7.50

Difference in Calculations: \$1.29



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The difference in the two calculation approaches becomes evident at any point when:

- a payment is made that exceeds the monthly obligation, and [\(See Fam. Code Sec. 157.268\)](#)
- the payment is not received on the 1st of the month.

Payments that exceed the monthly obligation are applied to the oldest delinquent obligation. In the example above, the additional payment of \$900 made on 11/15/2023 initiated a calculation of interest owed to date.

CONCLUSION

Of the two common approaches to calculating interest on child support delinquency, TXdocs has elected to calculate daily rather than per month.

The approach of applying interest daily utilized by the Delinquent Support Calculator fully satisfies the stipulation in the Family Code that interest is to accrue, [“...from the date the support is delinquent until the date the support is paid...”](#) The shortfall in the per-month calculation approach is that it fails to take into account interest accrued on arrearages between the first-of-month date and the date that payment is made.

TEXAS FAMILY CODE SECTIONS (As of March 2024)

157.265 ACCRUAL OF INTEREST ON CHILD SUPPORT.

- (a) Interest accrues on the portion of delinquent child support that is greater than the amount of the monthly periodic support obligation at the rate of six percent simple interest per year from the date the support is delinquent until the date the support is paid or the arrearages are confirmed and reduced to money judgment.
- (b) Interest accrues on child support arrearages that have been confirmed and reduced to money judgment as provided in this subchapter at the rate of six percent simple interest per year from the date the order is rendered until the date the judgment is paid.
- (c) Interest accrues on a money judgment for retroactive or lump-sum child support at the annual rate of six percent simple interest from the date the order is rendered until the judgment is paid.
- (d) Subsection (a) applies to a child support payment that becomes due on or after January 1, 2002.
- (e) Child support arrearages in existence on January 1, 2002, that were not confirmed and reduced to a money judgment on or before that date accrue interest as follows:
 - (1) before January 1, 2002, the arrearages are subject to the interest rate that applied to the arrearages before that date; and
 - (2) on and after January 1, 2002, the cumulative total of arrearages and interest accumulated on those arrearages described by Subdivision (1) is subject to Subsection (a).



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(f) Subsections (b) and (c) apply to a money judgment for child support rendered on or after January 1, 2002. A money judgment for child support rendered before that date is governed by the law in effect on the date the judgment was rendered, and the former law is continued in effect for that purpose.

Added by Acts 1995, 74th Leg., ch. 20, Sec. 1, eff. April 20, 1995. Amended by Acts 1995, 74th Leg., ch. 751, Sec. 53, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 943, Sec. 1, eff. Jan. 1, 2000; Acts 2001, 77th Leg., ch. 1491, Sec. 1, eff. Jan. 1, 2002. Amended by: Acts 2005, 79th Leg., Ch. 185 (H.B. 678), Sec. 1, eff. May 27, 2005.

157.266 DATE OF DELINQUENCY.

(a) A child support payment is delinquent for the purpose of accrual of interest if the payment is not received before the 31st day after the payment date stated in the order by:

- (1) the local registry, Title IV-D registry, or state disbursement unit; or
- (2) the obligee or entity specified in the order, if payments are not made through a registry.

(b) If a payment date is not stated in the order, a child support payment is delinquent if payment is not received by the registry or the obligee or entity specified in the order on the date that an amount equal to the support payable for one month becomes past due.

Added by Acts 1995, 74th Leg., ch. 20, Sec. 1, eff. April 20, 1995. Amended by Acts 1999, 76th Leg., ch. 943, Sec. 2, eff. Jan. 1, 2000.

157.267 INTEREST ENFORCED AS CHILD SUPPORT.

Accrued interest is part of the child support obligation and may be enforced by any means provided for the collection of child support.

Added by Acts 1995, 74th Leg., ch. 20, Sec. 1, eff. April 20, 1995.

157.268 APPLICATION OF CHILD SUPPORT PAYMENT.

Child support collected shall be applied in the following order of priority:

- (1) current child support;
- (2) non-delinquent child support owed;
- (3) the principal amount of child support that has not been confirmed and reduced to money judgment;
- (4) the principal amount of child support that has been confirmed and reduced to money judgment;
- (5) interest on the principal amounts specified in Subdivisions (3) and (4); and
- (6) the amount of any ordered attorney's fees or costs, or Title IV-D service fees authorized under Section 231.103 for which the obligor is responsible.

Added by Acts 1995, 74th Leg., ch. 20, Sec. 1, eff. April 20, 1995. Amended by Acts 2001, 77th Leg., ch. 1023, Sec. 17, eff. Sept. 1, 2001. Amended by: Acts 2007, 80th Leg., R.S.,



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Ch. 972 (S.B. 228), Sec. 20, eff. September 1, 2007. Acts 2009, 81st Leg., R.S., Ch. 767 (S.B. 865), Sec. 18, eff. January 1, 2010.