

FREQUENTLY ASKED QUESTIONS RE:

INTEREST ON JUDGMENTS UNDER MINN.STAT. § 549.09

Interest calculated on 365 day year (not 360 day year)

Source: Conference of Chief Judges Administrative Policy # 12, effective August 1, 1987

Interest calculated as "simple interest per annum"--no compounding

Exception: preverdict interest (where allowed by court) is properly included in the principal amount of the judgment

Source: Minnesota Court System Forms & Procedures Manual, Approved by Conference of Chief Judges 10/19/90

Preverdict interest calculated at same rate as judgment interest, unless otherwise provided by contract or allowed by law

Source: Minnesota Statutes, section 549.09, subdivision 1(b). *See, e.g., Liberty Mutual Insurance Company v. Sankey*, 605 N.W.2d 411 (Minn. Ct. App. 2000) (interest from arbitration award to entry of judgment properly awarded under Minn. Stat. § 65B.54; postjudgment interest properly awarded under Minn. Stat. § 549.09); *C.J. Duffey Paper Company v. Reger*, 588 N.W.2d 519, 527 (Minn. App. 1999) (once judgment entered, postjudgment interest under Minn. Stat. § 549.09 applies, not statutory rate on general indebtedness or rate provided by contract itself), *review denied* (Minn. April 28, 1999); *Motschenbacher v. New Hampshire Ins. Group*, 402 N.W.2d 119, 125 (Minn. App. 1987) (limiting award of postjudgment interest on no fault claim to that provided by Minn. Stat. § 549.09 and reversing trial court's award of interest under Minn. Stat. § 65B.54 following entry of judgment) *review denied* (Minn. April 29, 1987)

Note: Preverdict or prejudgment interest may not be available in all cases. Please see Minnesota Statutes, section 549.09, subdivision 1(b), and Rule 68.04(b) of the Minnesota Rules of Civil Procedure and accompanying advisory committee comment (2008 amendment, last paragraph), and consult an attorney for advice.

Multiple rates may be applicable to a judgment

Judgments greater than \$50,000 finally entered on or after 8/1/2009, except judgments entered for or against the state or a political subdivision entered on or after 4/16/2010, and judgments entered in family court actions on or after 8/1/2015, will have a single rate attach to them (consult rate chart for rate). For other judgments, interest accrues during any calendar year at the rate for that year for judgments

Note: If for example a judgment is entered January 1, 1991, and is not paid until January 1993, interest accrues in 1991 at 7% and 1992 at 5%.

Source: Minnesota Statutes, section 549.09, subdivisions 1, 2 (2009)

New rates announced third week of December

Source: Minnesota Statutes, section 549.09, subdivision 1(c)(1)(i)

Special interest rates applicable to certain situations

Consult Rate Chart, including footnotes, for details