

**Alaska Department of Revenue
Permanent Fund Dividend Division**

Overview of the 2014 Dividend Calculation

To help smooth out year-to-year volatility in dividend amounts, the amount of each year's dividend is calculated using a formula that averages the Permanent Fund's realized earnings over the previous five years. Here is how it works:

1. **Add** the Fund's statutory net income* from the previous five years.

(in millions/rounded)

FY 2010	1,590
FY 2011	2,143
FY 2012	1,568
FY 2013	2,928
FY 2014	3,531
Total	11,760

2. **Multiply** by statutory 21% for an average of the five year earnings

11,760
21%
\$2,470

3. **Divide** in half for the statutory percentage of earnings allocated for dividends

\$2,470
2
\$1,234.8

4. **Add** FY 2013 Permanent Fund Dividend Fund beginning balance

\$1,234.8
10.6
\$1,245.4

5. **Subtract** prior year obligations, designated state expenses and cost of operating the Permanent Fund Dividend Division

\$1,245.4
(36.0)
\$1,209.4

6. **Subtract** reserves for payment of prior year dividends

\$1,209.4
(0.8)
\$1,208.6

7. **Divide** by the estimated number of eligible dividend applicants

$$\text{\$1,208,600,000/641,489}=\text{\$1884.00 (rounded to nearest whole dollar)}$$

*More information is available at www.apfc.org or www.pfd.alaska.gov