

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

Overview of the 2015 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.

	<i>(in millions/rounded)</i>
FY 2011	2,143
FY 2012	1,568
FY 2013	2,928
FY 2014	3,531
FY 2015	2,907
Total	<u>13,077</u>

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

13,077
<u>21%</u>
\$2,746

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

\$2,746
<u>2</u>
\$1,373.1

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

\$1,373.1
<u>11.6</u>
\$1,384.7

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

\$1,384.7
<u>(48.3)</u>
\$1,336.4

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

\$1,336.4
<u>(0.9)</u>
\$1,335.5

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

$$\text{\$1,335,500,000} / \text{644,511} = \text{\$2072.00} \text{ (rounded to nearest whole dollar)}$$

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