



PERMANENT FUND DIVIDEND DIVISION

ANNUAL REPORT 2016

State of Alaska, Department of Revenue

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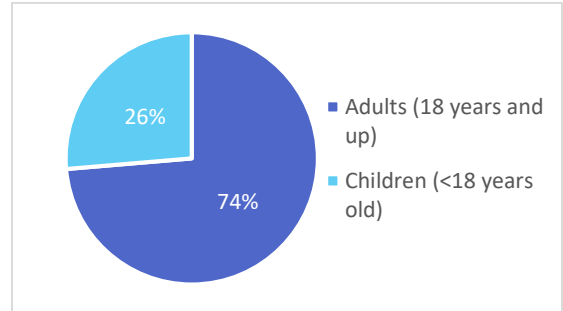
DIVIDEND SUMMARY

The 2016 Permanent Fund Dividend (PFD) amount was **\$1,022.00** for each of the 635,997 qualified applicants, totaling a distribution of roughly \$649,988,934.00 by the end of the year.

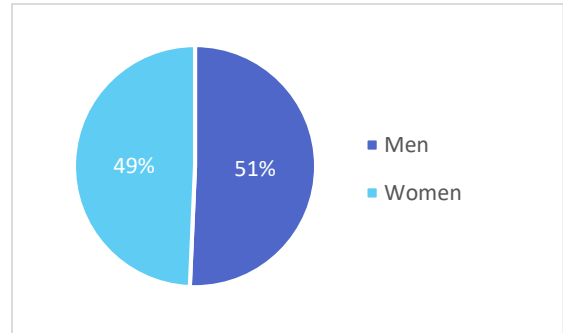
DIVIDEND OVERVIEW

During the 2016 calendar year, the Division received 675,531 total PFD applications. This number includes all valid applications, invalid, duplicate, withdrawn, applications for prior year dividends, and applications submitted solely to establish sponsor eligibility.

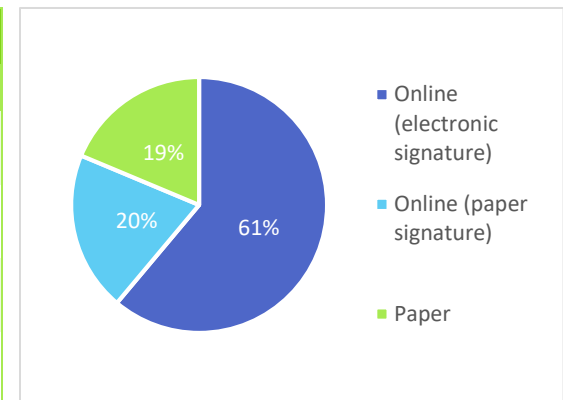
Applicants by Age (valid 2016 dividend only)		
Group	Filed	%
Adults (18 years and up)	493,931	73.66%
Children (<18 years old)	176,668	26.34%
Total	670,599	100.00%



Applicants by Gender (valid 2016 dividend only)		
Group	Filed	%
Men	339,891	50.68%
Women	330,708	49.32%
Total	670,599	100.00%



Applicants by Filing Method (valid 2016 dividend only)		
Method	Filed	%
Online (electronic signature)	409,805	61.11%
Online (paper signature)	135,451	20.20%
Paper	125,343	18.69%
Total	670,599	100.00%



DIVIDEND SUMMARY

DIVIDEND CALCULATION

Annually, the dividend amount is calculated and announced mid-September based on an estimated number of applicants. An estimate is used because, as of the dividend calculation date, eligibility determinations have not been completed for all applications. A number of these applications will be determined as payable after continued processing. Also, some applicants have filing due dates extended until March 31, 2017, such as the estate and disabled applications.

Amount Available for Dividends

FY 16 PFD Fund Beginning Balance	\$11,308,001.01	
Expenditures to date	\$(274,056.45)	
PFD Fund Balance as of September 10, 2016		\$11,033,944.56
Transfer from Permanent Fund Corporation		
Permanent Fund Earnings (5-year average)	\$695,650,000.00	
Less Appropriations (see below)	\$(48,363,100.00)	
Net Transfer from Permanent Fund Corporation		\$647,286,900.00
Reductions (see below)		\$(480,761.79)
Total Amount Available for Dividends		\$657,840,082.77
Total estimated number of eligible applicants:	643,678	

Appropriations and Reductions Detail

Appropriations

Department of Health and Social Services		
Hold-Harmless Provision for Public Assistance		\$17,724,700.00
Department of Corrections		
Physical Health Care		\$20,236,900.00
Department of Revenue, PFD Division		
Administrative Cost	\$8,340,100.00	
	650,000.00	
Total Department of Revenue, PFD Division		\$8,990,100.00
Department of Administration		
Violent Crimes Compensation Board		\$1,411,400.00
Total Appropriations		\$48,363,100.00

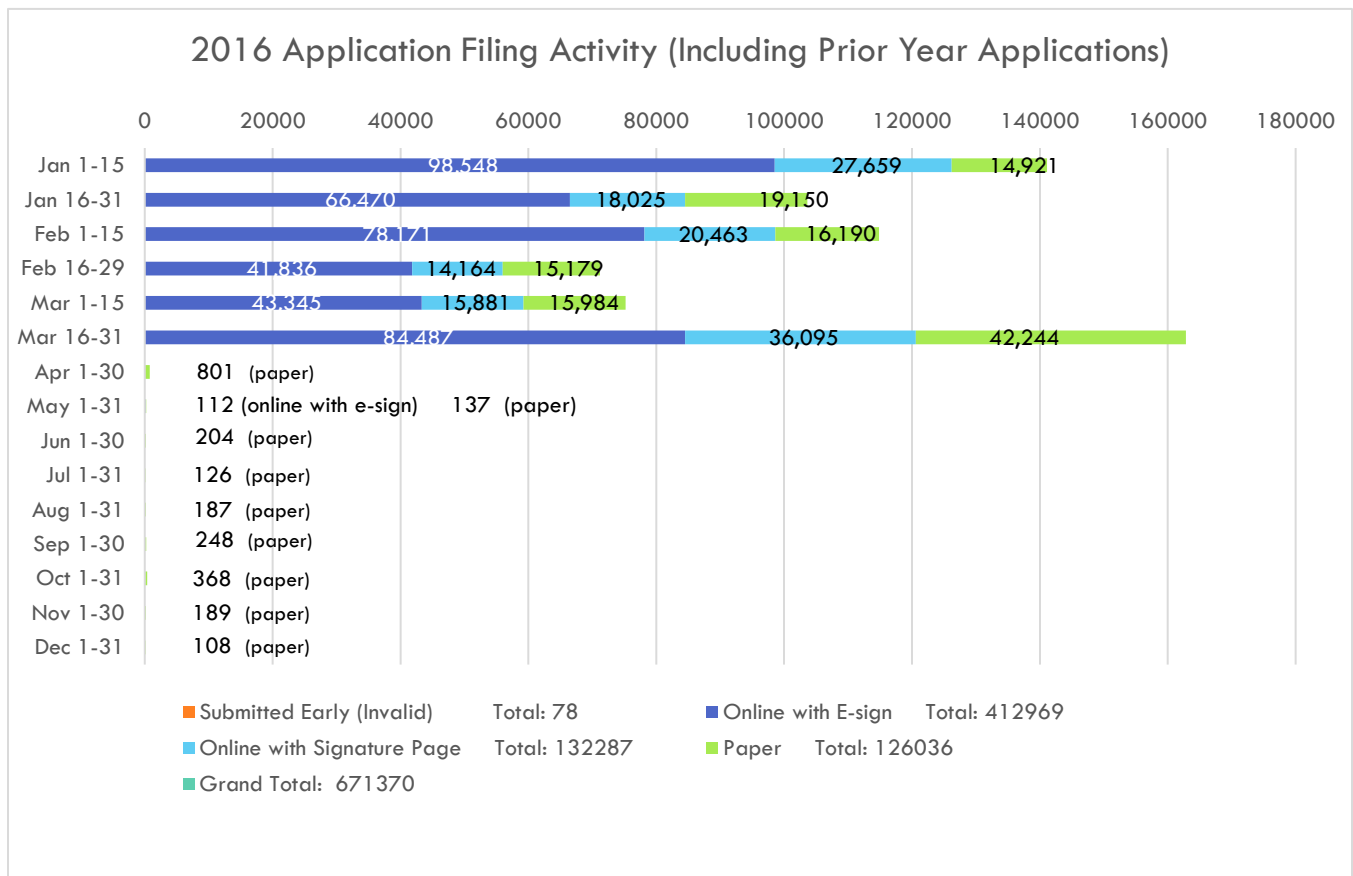
Reductions

Reserve for Prior Year Dividend Liabilities	\$233,438.95	
Reserve for 18-Year-Old Applications for Prior Years	\$201,322.84	
Reserve for Resource Rebate Payments	\$46,000.00	
Total Reductions		\$480,761.79
Total Appropriations and Reductions Detail		\$48,843,861.79

APPLICANT FILING ACTIVITY

The application filing period runs from **January 1st through March 31st** each year, encompassing detailed numbers during filing season, and overall totals for the remainder of the year on the table below. Submitting an application online is only available during that time. Paper applications must be received by the Division or postmarked before the end of the filing period to be considered timely.

Total applications received and processed by the Division in 2016 were **675,531**, but the filing activity shown below excludes applications that were determined invalid as duplicates, the incorrect type for the applicant, or submitted solely to establish sponsor eligibility, as well as applications received before the first acceptable filing date. (It does include applications received for Dividend Years other than 2016)



APPLICANT FILING ACTIVITY

REPORTED ABSENCES

Dividend applicants are required to disclose to the Division all absences from the state of Alaska that exceed 90 total days during the qualifying year. The qualifying year for the 2016 Dividend was from Jan. 1, 2015 to Dec. 31, 2015.

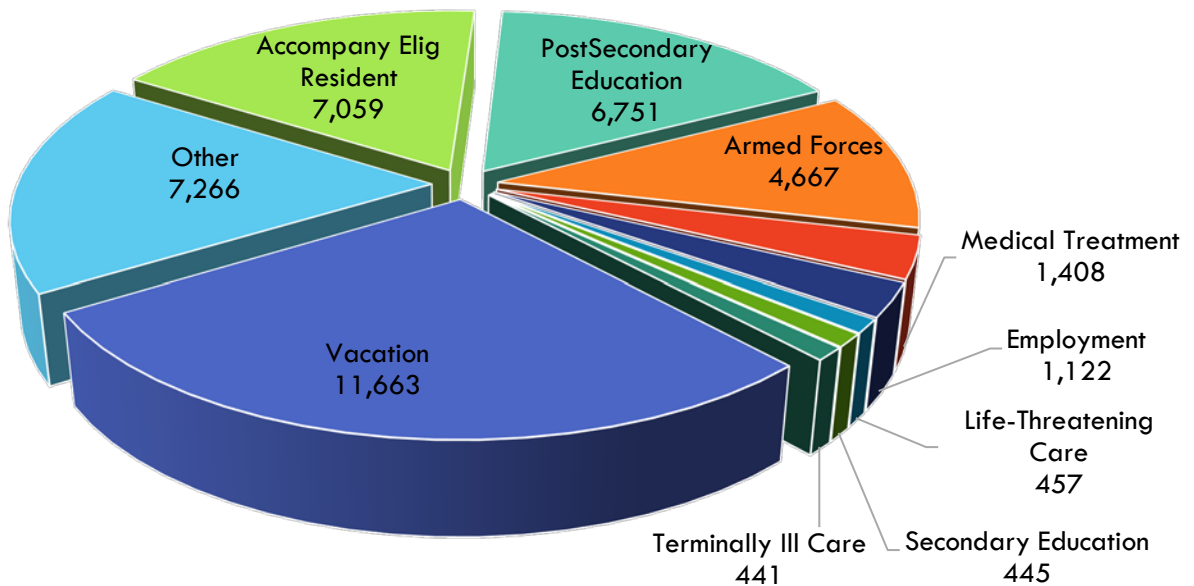
Applicants can claim more than one type of absence, but reported absences cannot overlap each other. Therefore, each day of absence can be reported under only one absence type.

Some absence types only apply to ADULT applicants, others only to CHILDREN, and others to either group.

Top Reasons Why Alaskans Were Absent During the Qualifying Year (2015):

- Vacation -- 11,663 applicants reported
- Other -- 7,266
- Accompanying Another Eligible Resident (on their own allowable absence) -- 7,059
- Full-time College Attendance -- 6,751
- U.S. Armed Forces Active Duty -- 4,667

Top 10 Applicant Reported Absences in 2015



APPLICANT FILING ACTIVITY

Reported absences shown are for 2016 Dividend applications only, representing absences during the 2015 calendar year.

Absence Reason	Applicants Answering Between 91—180 total days absent			Applicants Answering Over 180 total days absent			Grand Total
	91-180		91-180 Total	>180		>180 Total	
	ADULT	CHILD		ADULT	CHILD		
Accompanied an Alaska resident who was eligible for a PFD	572	1,107	1,679	1,762	3618	5,380	7,059
U.S. Armed Forces active duty	986	--	986	3,681	--	3,681	4,667
Served as a member of Alaska's Congressional delegation or staff	10	--	10	26	--	26	36
Sought Employment outside of the state	735	--	735	387	--	387	1,122
Absent as part of a Legal Custody agreement	--	127	127	--	83	83	210
Cared for a direct relative with a critical life-threatening illness	358	18	376	77	4	81	457
Received continuous Medical Treatment	967	63	1,030	326	52	378	1,408
Served aboard a Merchant Marine Vessel	29	--	29	22	--	22	51
No reason specified	49	16	65	70	20	90	155
Trained or competed as a U.S. Olympic Team member	3	--	3	7	--	7	10
Other Reasons, including business	3,757	509	4,266	2,536	464	3,000	7,266
Served as a federal Peace Corps volunteer	6	--	6	25	--	25	31
Enrolled as a full-time student (Postsecondary Education)	2,461	15	2,476	4,271	4	4,275	6,751
Enrolled as a full-time student (grades 7-12)	46	208	254	78	113	191	445
Settled the Estate of a deceased relative	221	--	221	68	--	68	289
Employed by the State of Alaska	66	--	66	12	--	12	78
Student Fellowship sponsored by the U.S. DOE	29	--	29	17	--	17	46
Cared for a terminally ill family member	267	11	278	153	10	163	441
Vacation	9,782	576	10,358	1,220	85	1,305	11,663

APPLICANT FILING ACTIVITY

APPLICATION TYPES AND COUNTS

The Division classifies applications by type for ease of distribution and updating of forms.

Note:

- Total applications shown below include applications for dividends prior to 2016.
- Eligible Prior Year Applications for 18-year-old filers: Under regulation 15 AAC 23.133, an individual who has reached majority or who is an emancipated minor, may apply for a prior year dividend. An individual who qualifies must meet all eligibility requirements for the respective prior year(s) and must file before the individual reaches 20 years of age. See Alaska Statute 43.23.055(3).

Dividend Filing Activity			
Application Type and Amount			
Adult Applications	Amount	Child Applications	Amount
Adult Online	393,864	Child Online	144,511
Adult Paper	94,724	Child Paper	28,825
Adult Refile (After filing deadline)	292	Child Refile (After filing deadline)	111
Application on Behalf of Another Adult (online and paper)	2459	Child in Custody of Health and Social Services	3,171
Disabled Individual	176	Estate of Deceased Child	18
Estate of Deceased Adult	887		
Office of Public Advocacy	1,529		
Total Valid Adult Applications			493,931
Total Valid Child Applications			176,636
Prior Year 18-Year-Old Filers (any dividend year)			32
All other Prior-year Dividend Applications			771
Total Valid Applications (any dividend year)			671,370
Invalid, Duplicate, Withdrawn, or Applications Submitted Solely to Establish Sponsor Eligibility			4161
Total Applications received during 2016			675,531

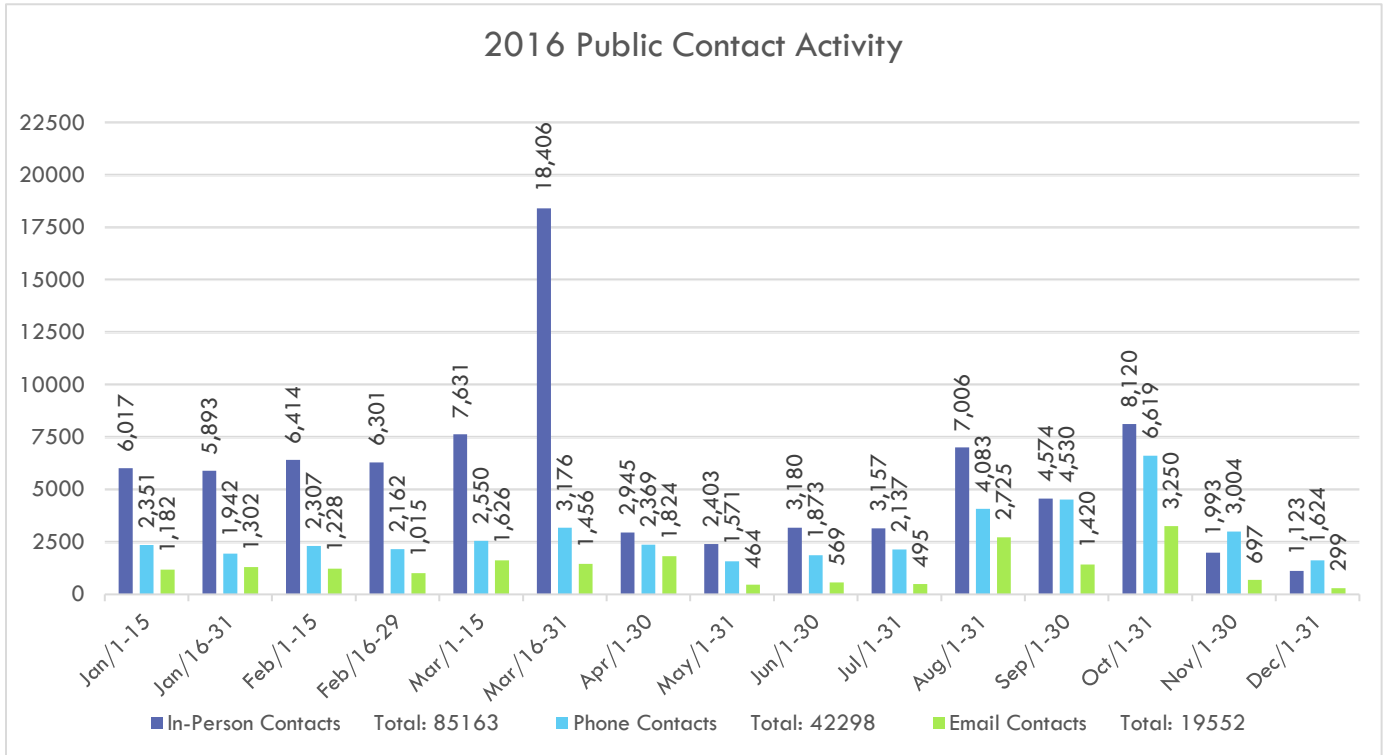
DIVISION PROCESSING ACTIVITY

Division Processing Activity

PUBLIC CONTACT

The application filing period runs from **January 1st through March 31st** each year, encompassing January through March on the bar graph below.

- In-Person Contacts shown here represent walk-in traffic across all three of the Division offices; Juneau, Anchorage, and Fairbanks.
- Phone Contacts are calls received by the Division through general public lines. These numbers do not include direct-dialed calls from applicants to Division personnel or vice-versa.
- Email Contacts represented on the graph below are those received by the Division through dor.pfd.info@alaska.gov. Electronic contact directly between individual PFD technicians and applicants are not represented.



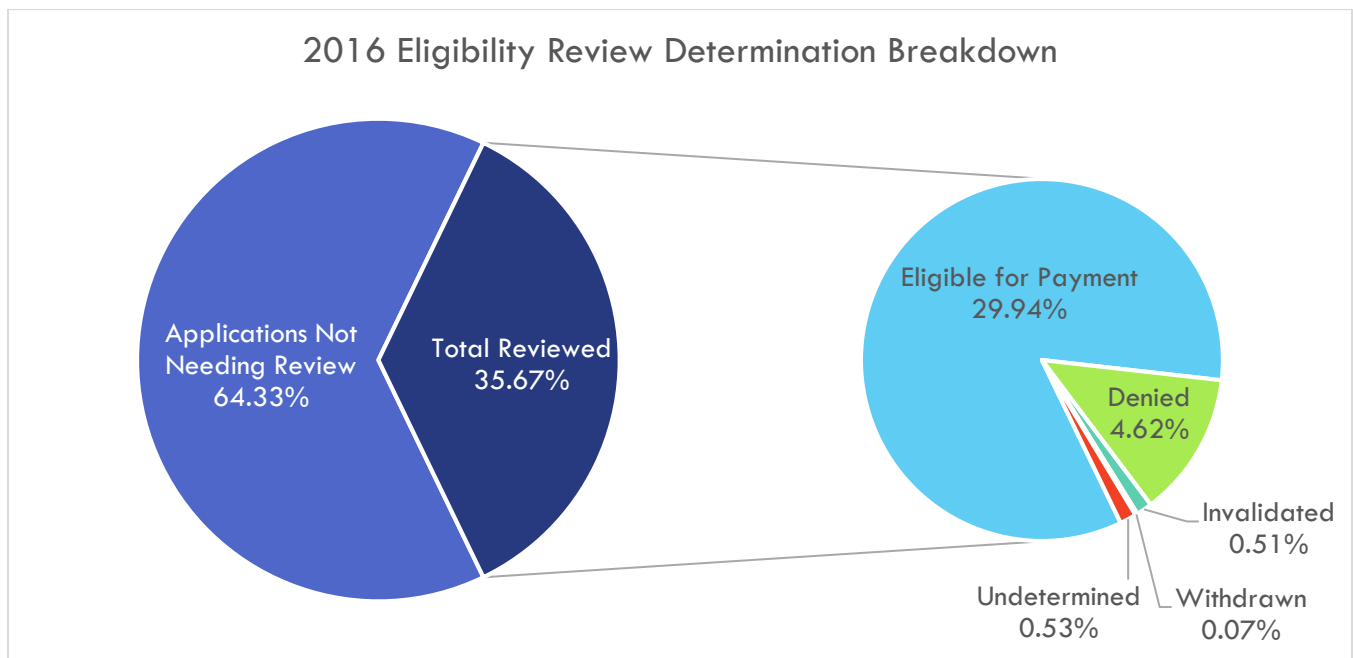
DIVISION PROCESSING ACTIVITY

ELIGIBILITY REVIEW

All applications received by the Division are initially processed in the order of receipt. Each application is evaluated for payment eligibility according to the requirements of the Permanent Fund Dividend program, as given in the State of Alaska statutes and PFD regulations.

Division Eligibility Technicians use information available on current and prior year applications, or obtained through contact with the applicant and other designated parties, in order to make an eligibility determination. Many cases are determined without additional applicant contact.

All applications that satisfy the eligibility requirements are processed for payment beginning the first Thursday of October each year. They are then paid on the third Thursday of each month as they become eligible.



YEAR	TOTAL APPLICATIONS RECEIVED	MARKED FOR REVIEW	ELIGIBILITY REVIEW RESULT				
			Eligible for Payment	Denied	Invalidated	Withdrawn	Undetermined
2016	675,531	240,932	202,265	31,205	3,428	485	3,549
2015	678,689	170,048	125,336	33,130	1,802	576	9,204
2014	677,114	305,944	259,226	28,617	4,901	588	12,612
2013	672,951	173,048	133,369	34,134	3,109	463	1,973

DIVISION PROCESSING ACTIVITY

Audits

The Permanent Fund Dividend Division takes steps to identify and minimize fraudulent activity as it pertains to the dividend program in accordance with statutory mandates and the Division mission. The following *audits* represent a sampling of applications that have been scrutinized and evaluated in addition to standard eligibility review.

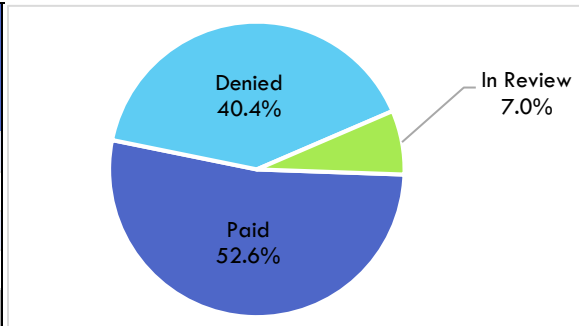
In accordance with state regulations, the Division can deny an application if it reveals that an individual has provided incorrect information, such as failing to disclose a reportable absence, to the Division.

2016 dividend dollars NOT paid to applicants due to audit identification of ineligibility: **\$2,258,620.00**

OUT-OF-STATE POSTMARK AUDIT

The Division contacts applicants for additional information if the application's postmark indicates there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

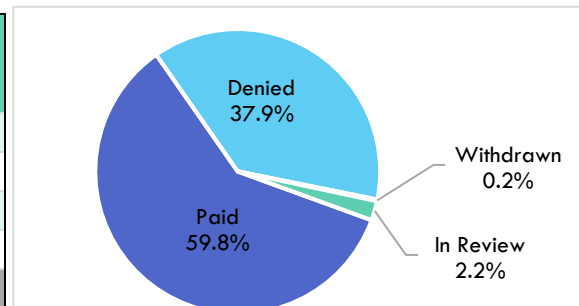
Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	30	52.63%	0.66%	0.00%
Denied	23	40.35%	0.51%	0.00%
Withdrawn	-	0.00%	0.00%	0.00%
In Review	4	7.02%	0.09%	0.00%
Total	57	100.00%	1.26%	0.00%



OUT-OF-STATE IP ADDRESS AUDIT

The Division contacts applicants for additional information if online filing records indicate there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	2,249	59.75%	49.61%	0.33%
Denied	1,425	37.86%	31.44%	0.21%
Withdrawn	7	0.19%	0.15%	0.00%
In Review	83	2.20%	1.83%	0.01%
Total	3,764	100.00%	83.03%	0.55%

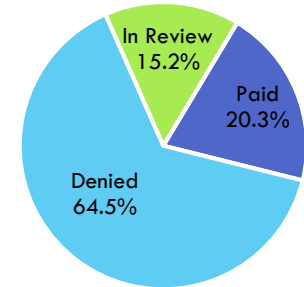


DIVISION PROCESSING ACTIVITY

NATIONAL CHANGE OF ADDRESS AUDIT

The Division contacts applicants for additional information if *NCOA records indicate there may be an inconsistency in the applicant's indicated presence, residency, or mailing address in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	72	20.28%	1.59%	0.01%
Denied	229	64.51%	5.05%	0.03%
Withdrawn	0	0.00%	0.00%	0.00%
In Review	54	15.21%	1.19%	.01%
Total	355	100.00%	7.83%	.05%

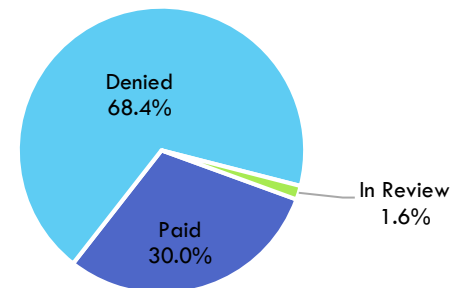


* The National Change of Address (NCOA) Audit was created in Dividend Year 2010. The United States Postal Service reports information to us on current applicants who have submitted a change of address that does not match the PFD address on file. This data is used largely to keep in contact with applicants who move after submitting an application.

ALASKA JURY QUESTIONNAIRE AUDIT

The Division contacts applicants for additional information if State Jury Duty records indicate there may be an inconsistency in the applicant's indicated presence or residency in Alaska at the time of filing.

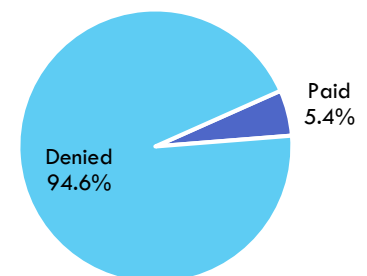
Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	96	30.00%	2.12%	0.01%
Denied	219	68.44%	4.83%	0.03%
Withdrawn	0	0.00%	0.00%	0.00%
In Review	5	1.56%	0.11%	0.00%
Total	320	100.00%	7.06%	0.04%



ALASKA VOTER REGISTRATION AUDIT

The Division contacts applicants for additional information if State Voter Registration records indicate there may be an inconsistency in the applicant's indicated presence or residency in Alaska at the time of filing.

Audit Result	# of Apps	% of this audit	% of total Apps audited	% of total Apps received
Paid	2	5.41%	0.04%	0.00%
Denied	35	94.59%	0.77%	0.01%
Withdrawn	-	0.00%	0.00%	0.00%
In Review	0	0.00%	0.00%	0.00%
Total	37	100.00%	0.81%	0.01%



DIVISION PROCESSING ACTIVITY

Third Party Eligibility Audit

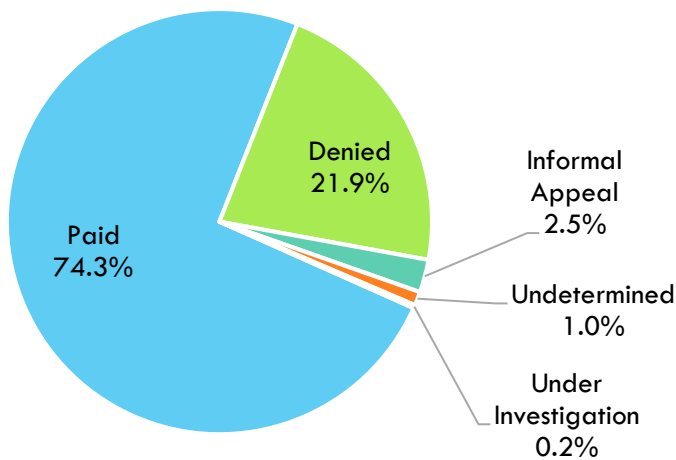
2016 was the first year that we had an external agency work with the PFD Division to assist in our Eligibility Determination process. This was a legislative request which we used to analyze efficiencies within the Division. Data and customized analytics were obtained from the third party organization. In order to meet the legislative intent, we looked at information that applicants do not provide us (example being homestead tax exemptions), as well as confirming the information that was provided to us through our application process. It was determined that, in order to conduct a successful audit, all applications would be reviewed from the 2016 file.

Year	Denials	Dividend Amount	Dollar Amount
2016	224	\$1,022	\$228,928
2015	111	\$2,072	\$229,992
2014	73	\$1,884	\$137,532
2013	36	\$900	\$32,400
2012	20	\$878	\$17,560
2011	15	\$1,174	\$17,610
2010	1	\$1,281	\$1,281
Total	480		\$665,303

The file that was returned to the PFD Division contained 1,242 files that contained indicators of possible inconsistencies from information obtained through the application. Of these, we found that 923 were able to be paid. 272 were denied due to information discovered that did not match what was provided by the applicant. The 224 denied applications were detected prior to payment, therefore no collection efforts were necessary. 3 of the files are now in our Criminal Investigations Unit, pending a decision on whether they will be considered fraudulent or not.

Year	Audit Indicator records	Paid	Denied	Informal Appeal	Undetermined	Under Investigation
2016	1,242	923	272	31	13	4

Current Breakdown of 2016 Audit



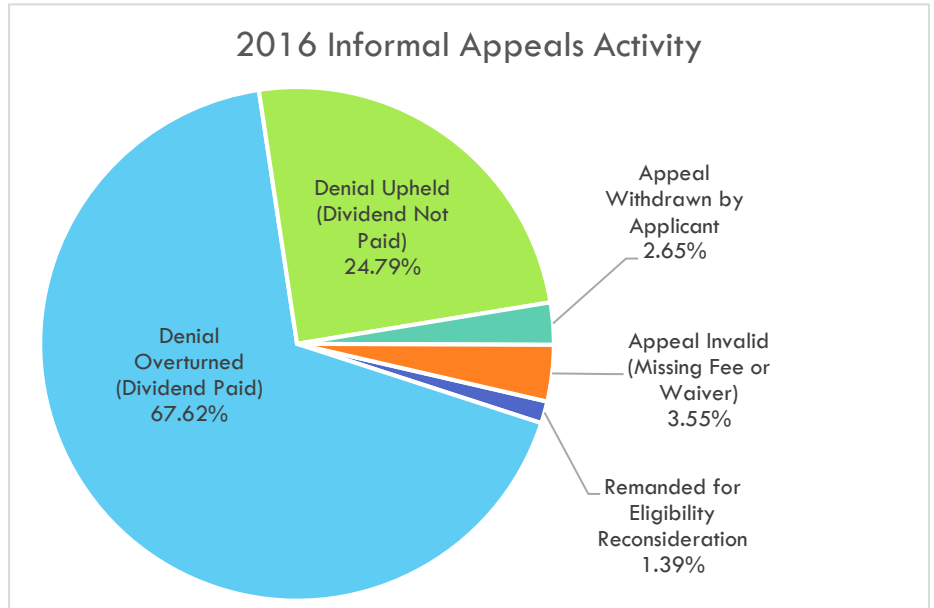
The pie chart shows our payout based on the 1,242 that had findings. After contact with applicants, we found that a large portion of those had explanations that allowed for payment to still occur. We were able to either stop, or collect funds back on 272 files.

DIVISION PROCESSING ACTIVITY

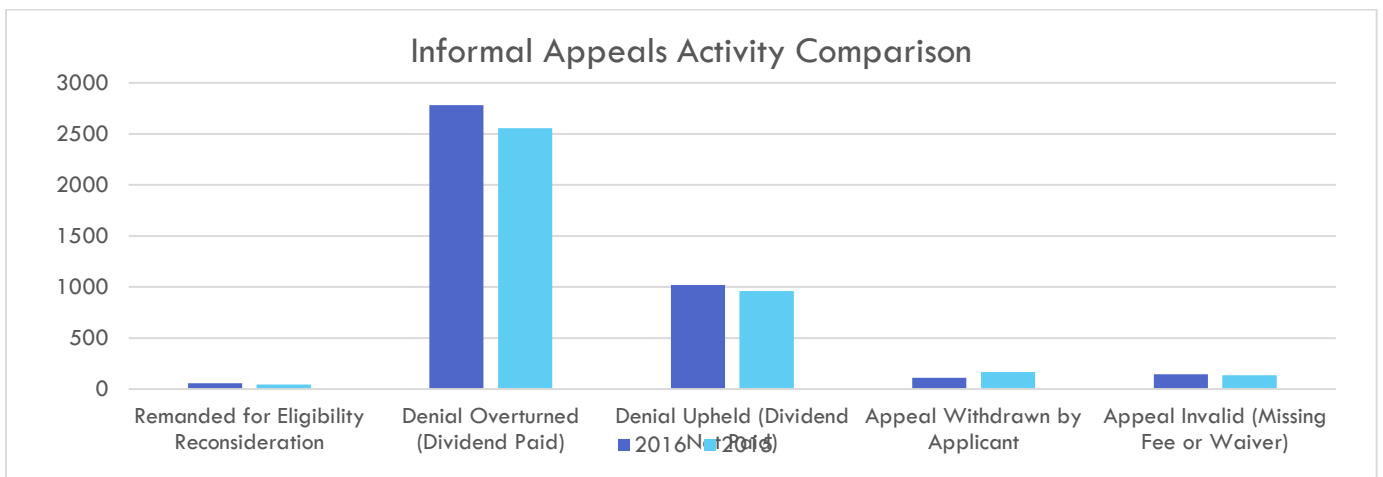
APPEALS

Informal Appeals

An ineligible individual will be issued a denial letter explaining the eligibility determination. Included with all denial letters is an Informal Appeal Form. The individual has 30 days from the date of the denial letter to file a Request for Informal Appeal, explaining why either the facts are incorrect or the law was applied incorrectly, with supporting evidence. The applicant must provide a \$25.00 appeal fee or request a waiver of the fee based on the federal poverty guidelines.



Dividend Year	Remanded for Eligibility Reevaluation	Denial Overturned (Dividend Paid)	Denial Upheld (Dividend Not Paid)	Appeal Withdrawn by Applicant	Appeal Invalid (Missing Fee or Waiver)	Total Decisions
2016	57	2782	1020	109	146	4114
2015	45	2555	959	166	135	3860
2014	51	1591	696	201	107	2646



DIVISION PROCESSING ACTIVITY

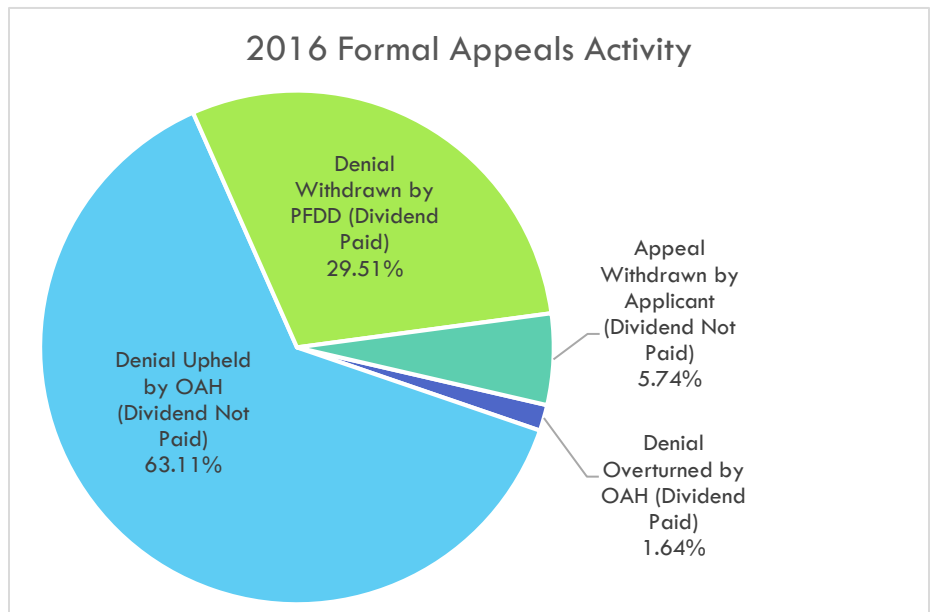
Formal Appeals

Upon receiving an Informal Appeal request, the Division Appeals Technicians review the original application with all supporting material. A letter will be sent to the applicant detailing the Informal Appeal Decision and reasoning.

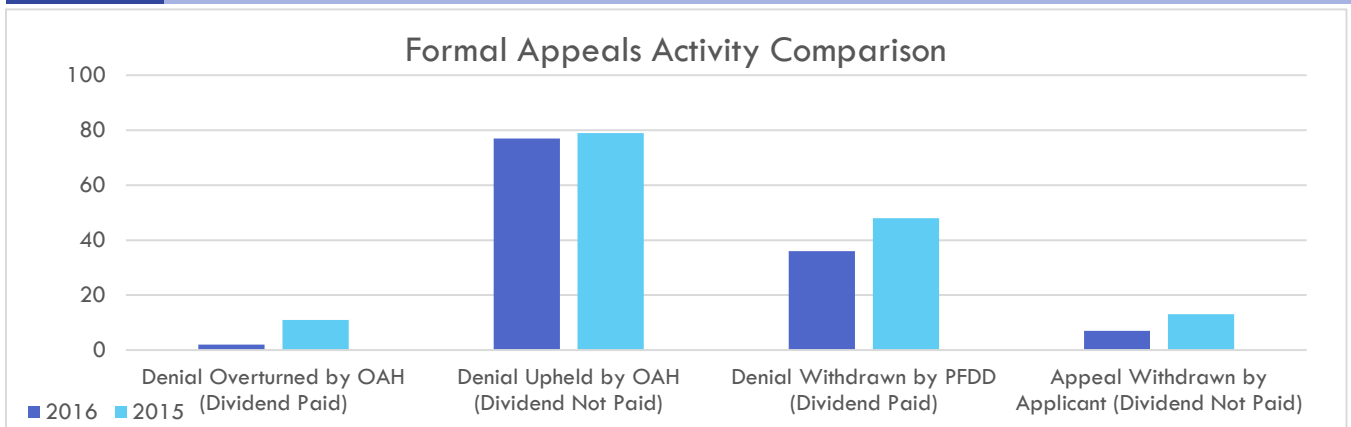
If the individual does not concur with the Division's decision, he or she has 30 days from the date of the decision letter to file a Request for Formal Hearing Appeal form, explaining and supporting their position.

A Division Specialist will prepare the Division's position and the appeal will be heard by an Administrative Law Judge with the Office of Administrative Hearings (OAH).

There is no additional fee to file the Formal Hearing appeal. However, an Informal Appeal Decision must be issued before an individual can file a Formal Hearing appeal.



Dividend Year	Denial Overturned by OAH (Dividend Paid)	Denial Upheld by OAH (Dividend Not Paid)	Denial Withdrawn by PFDD (Paid)	Appeal Withdrawn by Applicant (Not Paid)	Total Decisions
2016	2	77	36	7	122
2015	11	79	48	13	151
2014	6	58	43	4	111



DIVISION PROCESSING ACTIVITY

GARNISHMENTS AND ASSIGNMENTS

Garnishments

Under state statutes, up to 80% of a dividend may be garnished, unless by a governmental agency, which may garnish up to 100% of a dividend. Any PFD amount in excess of the total amount garnished is paid to the applicant. These garnishments will pay off debts that are owed to a variety of agencies across the state. There is a priority order for which kind of agency will receive first option to levy garnishments. Within that priority structure, they are ordered based on the date and time stamp of submission. It is, in essence, a “first come, first serve” system within the priority order. Garnishment requests come to the PFDD directly from an agency, such as a court system or process server.

Top Ten Agency Filers	Submitted	
	Number of Requests	Amount
DEPARTMENT OF LAW - ANCHORAGE	158,869	\$76,178,060.86
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	90,934	\$18,761,399.89
CLERK OF COURT - ANCHORAGE	32,162	\$328,987,367.67
UA COLLEGE SAVINGS PLAN - FAIRBANKS	13,843	\$0.00
CHILD SUPPORT SERVICES DIVISION - ANCHORAGE	12,589	\$7,452,777.01
CITY & BOROUGH OF JUNEAU - JUNEAU	10,965	\$1,113,147.81
UNITED STATES TREASURY - INDIVIDUAL TAX (UNITED STATES TREASURY) - FRESNO	4,877	\$49,536,252.30
UNITED STATES TREASURY - INDIVIDUALS (UNITED STATES TREASURY) - PHILADELPHIA	4,492	\$135,541,831.15
DEPARTMENT OF LABOR - JUNEAU	4,129	\$11,553,210.98
CITY OF WASILLA - WASILLA	4,032	\$290,422.03
Total of Top Ten Agencies	336,892	\$629,414,469.70
Total of Other Agencies	19,543	\$100,426,617.88
Total - All Garnishing Agencies	356,435	\$729,841,087.58

Top Ten Agency Filers	Paid		
	Payments	Amount	Average
DEPARTMENT OF LAW - ANCHORAGE	34,630	\$5,727,567.43	\$165.39
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	18,912	\$2,511,108.28	\$132.78
CLERK OF COURT - ANCHORAGE	10,388	\$7,519,657.86	\$723.88
UA COLLEGE SAVINGS PLAN - FAIRBANKS	13,592	\$6,917,102.93	\$508.91
CHILD SUPPORT SERVICES DIVISION - ANCHORAGE	8,770	\$7,658,532.56	\$873.26
UNITED STATES TREASURY - INDIVIDUAL TAX (UNITED STATES TREASURY) - FRESNO	3,336	\$2,644,608.69	\$792.75
UNITED STATES TREASURY - INDIVIDUALS (UNITED STATES TREASURY) - PHILADELPHIA	3,425	\$3,169,907.27	\$925.52
DEPARTMENT OF LABOR - JUNEAU	2,320	\$1,516,299.74	\$653.58
CITY OF WASILLA - WASILLA	1,985	\$140,552.40	\$70.81
UNIVERSITY OF ALASKA - Anchorage	2,036	\$1,247,143.36	\$612.55
Total of Top Ten Agencies	99,394	\$39,052,480.52	
Total of Other Agencies	8,971	\$4,380,118.96	
Total - All Garnishing Agencies	108,365	\$43,432,599.48	

DIVISION PROCESSING ACTIVITY

Assignments

State statutes permit applicants to assign their dividend to a government agency or regional housing authority created under Alaska Statute 18.55.996. Any amount in excess of the liability due the assigned agency is paid to the applicant.

Assignments tend to be done on a “voluntary” basis where an individual wishes to utilize their upcoming PFD for a payment to a federal, state, municipal governmental agency, or to a court. Many of these assignments end up going towards housing payments for federal housing programs. Because these are assigned prior to the PFD calculation, it is the agency’s responsibility to either set an amount that they will accept for the upcoming PFD, or to have individuals assign percentages of their PFD. Individuals may assign up to 100% of their expected PFD, per AS 43.23.069(b).

Note: * A zero value in the “Submitted Amount” column indicates deductions requested as a percentage of the dividend balance, rather than a fixed amount.

Top Ten Assignees	Submitted	
	Number of Requests	Amount
TLINGIT-HAIDA REGIONAL - JUNEAU	217	\$70,450.00
BERING STRAITS REGIONAL HOUSING - NOME	206	\$38,654.00
AVCP HOUSING AUTHORITY - BETHEL	144	\$14,976.24
CITY OF DILLINGHAM - DILLINGHAM	94	\$22,090.00
DEPARTMENT OF H&SS, PUBLIC ASSISTANCE - JUNEAU	81	\$1,842.83
BRISTOL BAY HOUSING AUTHORITY - DILLINGHAM	66	\$0.00
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	45	\$25,565.16
DEPARTMENT OF COMMERCE, DIVISION OF INVESTMENTS - JUNEAU	42	\$2,225.00
NORTHWEST INUPIAT - KOTZEBUE	40	\$0.00
AK NATIVE TRIBAL HEALTH CONSORTIUM - ANCHORAGE	38	\$7,767.70
Total of Top Ten Agencies	973	\$183,570.93
Total of Other Agencies	390	\$74,180.02
Total - All Garnishing Agencies	1,363	\$257,750.95

Top Ten Assignees	Paid		
	Payments	Amount	Average
TLINGIT-HAIDA REGIONAL - JUNEAU	184	\$115,713.48	\$628.88
BERING STRAITS REGIONAL HOUSING - NOME	195	\$163,558.40	\$838.76
AVCP HOUSING AUTHORITY - BETHEL	134	\$98,985.34	\$738.70
CITY OF DILLINGHAM - DILLINGHAM	38	\$8,930.00	\$235.00
DEPARTMENT OF H&SS, PUBLIC ASSISTANCE - JUNEAU	37	\$36,050.25	\$974.33
BRISTOL BAY HOUSING AUTHORITY - DILLINGHAM	48	\$48,173.00	\$1,003.60
MUNICIPALITY OF ANCHORAGE - ANCHORAGE	42	\$23,750.38	\$565.49
DEPARTMENT OF COMMERCE, DIVISION OF INVESTMENTS - JUNEAU	37	\$36,926.75	\$998.02
NORTHWEST INUPIAT - KOTZEBUE	39	\$38,703.55	\$992.40
AK NATIVE TRIBAL HEALTH CONSORTIUM - ANCHORAGE	35	\$28,727.90	\$820.80
Total of Top Ten Agencies	789	\$599,519.05	
Total of Other Agencies	279	\$202,320.68	
Total - All Garnishing Agencies	1,068	\$801,839.73	

DIVISION PROCESSING ACTIVITY

PAYMENTS

The first dividend payment disbursement for the current dividend year begins on the first Thursday in October and continues on a monthly cycle thereafter. In 2016, payment began on October 6th. Applicants who selected the payment method of direct deposit or electronic payment have their dividends initially sent to financial institutions for deposit into checking or savings accounts. Deposit returns from financial institutions are paid via warrant in subsequent payment runs. Warrants, more commonly known as checks, are mailed to all applicants that did not select direct deposit.

If the garnished or assigned amount is less than the dividend amount, the remaining balance will be issued to the applicant by check or direct deposit, depending on their preference.

Note:

- Payment numbers below reflect payments made through December 31, 2016 only on 2016 Dividends. (See page 20 for payments of prior-year dividends)
- The total amounts shown below include funds distributed to applicants, or to agencies through garnishments, assignments, and charitable contributions.

Payments of 2016 Dividends through Dec. 31, 2016

	Applicants	Payment Method Percent	Total Amount
Applicants Paid by Direct Deposit			
Full Dividend Payment to Applicant	473,990		\$484,417,780.00
Payment to Applicant after Voluntary and/or Involuntary Deductions	60,166		\$44,882,633.00
Total Number of Applicants Paid by Direct Deposit	534,156	84.17%	\$529,300,413.00
Applicants Paid by Check			
Full Dividend Payment to Applicant	68,928		\$70,444,416.00
Partial Payment to Applicant - Voluntary and/or Involuntary Deductions	11,178		\$6,679,637.00
Total Number of Applicants Paid by Check	80,106	12.62%	\$77,124,053.00
Applicants Paid by Combination of Direct Deposit and Check			
Mixed payments, with and without deductions	12,226	1.93%	\$1,180,370.00
Total 2016 Dividends to Applicants (all categories above)	626,488	98.72%	\$607,604,836.00
Eligible Dividends Fully Reduced by Garnishments and/or Levies (Involuntary Deductions)	8,110	1.28%	\$8,284,548.00
Total 2016 Dividend Paid (Including Adjustments)	634,598	100.00%	\$615,889,384.00

DIVISION PROCESSING ACTIVITY

Applications Paid in 2016 for Prior Year Dividends

Prior year dividends may have been issued during 2016 for any the following reasons:

- Applications for the 2015 and previous year's dividends that were still in review or appeal at the end of calendar year 2015.
- Eligible Prior Year Applications for 18-year-old filers. Under regulation 15 AAC 23.133, an individual who has reached majority or who is an emancipated minor may apply for a prior year dividend. An individual who qualifies must meet all eligibility requirements for the respective prior year(s) and must file before the individual reaches 20 years of age. See Alaska Statute 43.23.055(3).
- Estate Applications and Applications for Disabled Adults. (These application types have an extended filing date of up to one year later than the filing deadline for the respective dividend year.)

Dividend Year	Dividends Paid	Dividend Amount	Total
2015	4922	\$2,072.00	\$10,198,384.00
2014	227	\$1,884.00	\$427,668.00
2013	129	\$900.00	\$116,100.00
2012	93	\$878.00	\$81,654.00
2011	60	\$1,174.00	\$70,440.00
2010	36	\$1,281.00	\$46,116.00
2009	44	\$1,305.00	\$57,420.00
*2008	42	\$2,069.00	\$86,898.00
2007	49	\$1,654.00	\$81,046.00
2006	58	\$1,106.96	\$64,203.68
2005	37	\$845.76	\$31,293.12
2004	25	\$919.84	\$22,996.00
2003	20	\$1,107.56	\$22,151.20
2002	20	\$1,540.76	\$30,815.20
2001	10	\$1,850.28	\$18,502.80
2000	17	\$1,963.86	\$33,385.62
1999	27	\$1,769.84	\$47,785.68
1998	26	\$1,540.88	\$40,062.88
1997	6	\$1,296.54	\$7,779.24
1996	7	\$1,130.68	\$7,914.76
1995	5	\$990.30	\$4,951.50
1993	1	\$949.46	\$949.46
1992	2	\$915.84	\$1,831.68
Total	5,863	--	\$11,500,348.82

* Not including the one-time 2008 Resource Rebate of \$1,200.00

DIVISION PROCESSING ACTIVITY

Three Year Comparison of Application and Payment Statuses

Numbers shown here are historically reported as of December 31st of each respective year.

Dividend Year	2016		2015		2014	
<u>Filing Activity</u>	Total	Percent Total	Total	Percent Total	Total	Percent Total
Applicants						
Adult	493,931	73.66%	495,910	73.71%	493,343	73.63%
Child	176,668	26.34%	176,831	26.29%	176,710	26.37%
Total	670,599	100.00%	672,741	100.00%	670,053	100.00%
Application Status						
Eligible for Payment	635,997	94.84%	638,405	94.90%	632,895	94.45%
Denied and not in appeal	29,614	4.42%	25,305	3.76%	25,473	3.80%
Denied and in Appeal	1,542	0.23%	757	0.11%	746	0.12%
In Review	3,446	0.51%	8,274	1.23%	10,939	1.63%
Total	670,599	100.00%	672,741	100.00%	670,053	100.00%

Note:

- Applications marked as "Fully Reduced" below included one or more of the following: donations, assignments, and/or garnishments.

Dividend Year	2016		2015		2014	
<u>Payment Status</u>	Total	Percent Total	Total	Percent Total	Total	Percent Total
Paid by Direct Deposit	534,156	79.65%	532,672	79.18%	518,986	77.45%
Paid by Warrant	80,106	11.95%	86,596	12.87%	94,023	14.03%
Paid by Multiple methods	12,226	1.82%	10,979	1.63%	1,018	0.16%
Fully Reduced	8,110	1.21%	6,767	1.01%	17,279	2.58%
Not paid (as of Dec. 31)	36,001	5.37%	35,727	5.31%	38,747	5.78%
Total	670,599	100.00%	672,741	100.00%	670,053	100.00%

DIVISION PROCESSING ACTIVITY

COLLECTIONS

The Division collects moneys from applicants for any of the following reasons:

- Dividends paid and subsequently determined to be ineligible to receive the dividend. (Applicants are assessed at a ten and one-half percent interest rate until the dividend is paid back)
- Dividends that have gone through the Department of Revenue's Criminal Investigations Unit will often return back to the PFD Division with restitution that must be paid. These cases get turned over to collections.

Note:

In 2016, the Collections Unit began a transition to the Shared Services Division of the State of Alaska, where collections will reside permanently. This transition will remove collections from the Department of Revenue.

2016 Collections Activity				
Month	New Cases	Closed Cases	Payments Processed	Amount Collected
January	15	16	32	\$14,119.62
February	9	20	44	\$14,205.38
March	8	10	46	\$17,679.32
April	9	14	64	\$9,570.20
May	8	11	58	\$26,897.32
June	3	7	43	\$5,982.91
July	9	9	55	\$20,479.07
August	3	11	41	\$4,607.64
September	20	9	52	\$19,317.91
October	8	22	106	\$51,430.55
November	8	11	45	\$9,304.84
December	97	172	48	\$32,313.16
Total	197	312	634	\$225,907.92

DIVISION PROCESSING ACTIVITY

CRIMINAL INVESTIGATIONS

Reports of suspected or potential fraud against the Permanent Fund Dividend program are all reviewed as they are received by the Department of Revenue's Criminal Investigations Unit. An investigation typically is opened where initial information, such as a fraud tip, is supported by additional information available from another source. This standard helps to ensure that erroneous information does not result in withholding of dividends from eligible applicants. There are many factors considered in determining whether investigations are ultimately resolved internally by the PFD Division ("Administrative" cases) or submitted for prosecution in court ("Criminal" cases). The CIU unit does *not* evaluate PFD program eligibility.

A given Case may encompass or pertain to more than one PFD Application. For example, if the application of an Adult Sponsor is being investigated, his or her sponsored Child Applications may be included as part of the Case. Both metrics are reported here.

Investigations Case Activity in 2016	cases	% change	applications	% change
Carry-over from previous year	625	-0.24%		
New cases in 2016	765	-3.77%		
Resolved	929	11.93%	1812	14.88%
Carry-forward to next year	461			
Resolution Status (Administrative):				
No Fraud found (case cleared)	694	1.17%	770	8.15%
Fraud found (case remanded to PFD) ¹	160	-74.60%	630	659.04%
Fraud found (case referred for criminal prosecution)	37	68.18%	167	1.83%
Not screened or Investigation not started (carry forward)	0			
Resolution Status (Criminal):				
Declined	7	75.00%	42	55.56%
Acquittals	1		3	
Convictions	30	172.73%	200	122.22%
Prosecution In Progress (carry forward)	44	-10.20%	316	-19.80%
Bench Warrant (carry forward) ²	20	5.26%	136	7.09%

Funds Saved or Recovered by CIU Action in 2016	
Admin Penalties assessed by PFDD	\$3,000.00
Criminal Restitution ordered	\$290,720.52
Criminal Settlements received	\$6,156.00
Dividends withheld pending Criminal resolution ³	\$76,651.00
	\$376,527.52
Potential program savings pending resolution/action	
Value of fraudulent cases remanded to PFD ¹	\$862,138.75
Value of cases pending prosecution	\$189,870.24
	\$1,053,008.99
Statute of limitations loss ⁴	\$7,686.00

¹ Applications found to contain fraudulent information or applicant answers, but not referred for Criminal prosecution, are remanded to the PFD Division and may or may not be assessed penalties, including administrative fines and forfeiture of eligibility, etc. The total value of these cases shown is the amount that *could* be withheld if all such applications were denied by the Division.

² Criminal prosecution cases where the defendant failed to appear and a bench warrant has been issued. These cases are not considered as part of

the CIU "active" inventory, but remain open with the court and carry over from year to year.

³ PFD applications, including subsequent years', for which payment was held or eligibility determination is on hold, pending the results of the criminal case.

⁴ Funds not subject to restitution due to expiration of statute of limitations, and where repayment was not required under the terms of a plea agreement.

VOLUNTARY PROGRAMS

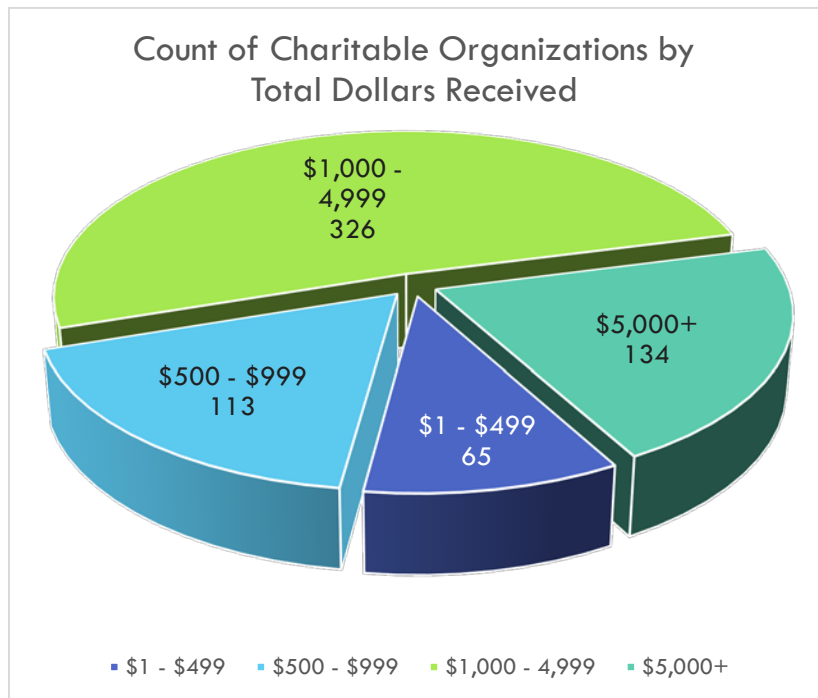
Voluntary Programs

PICK.CLICK.GIVE.

In 2009, the PFDD implemented a three-year charitable giving pilot program, Pick.Click.Give., authorized by the Alaska Legislature per statute AS 43.23.062. In 2012, it became a permanent addition to the PFD online application process.

Initially funded by the Rasmuson Foundation and managed by United Way and the Foraker Group, the program allows an applicant to electronically pledge all or a portion of their dividend to eligible Alaskan nonprofit organizations. “The program goal is to increase individual charitable giving overall, along with increasing the number of new donors to nonprofit organizations.” Additional information regarding the program can be found at www.pickclickgive.org.

Applicants are allowed to withdraw their pledges up to a specified date, and pledge amounts may be reduced by other garnishments or assignments that take priority. An ineligible applicant pledge would also not be paid. Hence, the actual contributed amount is generally lower than the amounts pledged during the application period.



Amount pledged vs amount paid	
Total Dollars Pledged By Applicants	\$3,748,550.00
Pledges Withdrawn	(\$561,125.00)
Net Total Dollars Pledged	\$3,187,425.00
Total Dollars Paid to Organizations	\$2,880,815.63

Charitable Contributions Appeals

United Way of Anchorage, which acts as the Department of Revenue’s “agent”, determines if an organization is eligible or ineligible to be included in the charitable contribution list. If the organization is ineligible to be included in the charitable contribution list for the following year’s Permanent Fund Dividend electronic application, the organization is issued a denial letter explaining the reasons they are not eligible. The organization has 15 days from the date of the denial letter to file an appeal explaining and supporting their position. Appeals for inclusion in the PFD Charitable Contribution list on the PFD Electronic Application differ from other appeals as they go directly to formal hearing as “fast track” hearings. PFD Division Appeals Specialists prepare the case for a formal hearing and the case is heard by an Administrative Law Judge with the Office of Administrative Hearings (OAH). United Way does not participate in the appeal hearing itself and does not participate in the appeal process. United Way only determines initial eligibility according to state law as the Department of Revenue’s agent. There is no fee to file an appeal for inclusion in the PFD Charitable Contribution list on the PFD Electronic Application.

VOLUNTARY PROGRAMS

UNIVERSITY OF ALASKA COLLEGE SAVINGS PLAN

In 1990, legislation establishing the Alaska Education Trust Fund (AS 14.40.807) and authorizing an allowance for applicants to contribute fifty percent of their dividend to the fund was passed. In 1991, the name of the fund was changed to the Advance College Tuition (ACT) Payment Fund. The ACT option first appeared on the 1991 dividend applications.

In the fall of 2001, the University of Alaska developed the UA College Savings Plan program as the main program for which contributions can be made toward advanced college tuition costs. The UA College Savings Plan provides various investment strategies to individuals making contributions. Additional information regarding the plan can be found at www.uacollegesavings.com.

YEAR	APPLICANTS	TOTAL CONTRIBUTIONS
2016	13,573	\$6,905,860.93
2015	13,593	\$14,015,930.73
2014	12,998	\$12,174,958.02
2013	12,173	\$5,442,842.99
2012	11,214	4,892,579.86
2011	9,642	5,611,270.33
2010	9,032	5,748,649.82
2009	7,910	5,012,962.90
2008	8,766	9,050,096.40
2007	8,495	6,991,936.59
2006	7,847	4,322,765.60
2005	7,482	3,150,343.08
2004	6,601	3,020,373.59
2003	5,667	3,121,888.81
2002	5,094	3,901,412.29
2001	4,464	4,107,056.79
2000	3,766	3,681,902.17
1999	3,663	3,225,384.06
1998	3,468	2,655,048.28
1997	4,426	2,861,877.87
1996	4,945	2,790,779.51
1995	5,405	2,670,684.24
1994	5,905	2,897,904.88
1993	5,925	2,806,199.41
1992	5,490	2,507,537.40
1991	5,018	2,329,943.62
Total	192,562	\$174,898,190.17

PERMANENT FUND DIVIDEND DIVISION HISTORY

Permanent Fund Dividend Division History

OPERATIONS ANNUAL CYCLE

The Permanent Fund Dividend Division's (PFDD) yearly cycle starts January 1, when the application period opens. Alaskans may submit an electronic or paper application for a Permanent Fund Dividend during the filing period, January 1 to March 31. Currently, the busiest times of the filing period are the month of January and the last two weeks of March, at the conclusion of the PFD filing season.

Applications received electronically are uploaded and electronically assessed. Applications, supporting documentation and signature pages received on paper are scanned and keyed into the Dividend Application Information System (DAIS) and then electronically processed.

The process of determining applicant eligibility begins as soon as applications are received by the Division. Applications flagged for further review by DAIS are assigned to eligibility technicians for evaluation primarily in one or more of the following areas: establishing residency, breaking Alaska residency ties, absences from Alaska, and/or having the intent to remain in or return to Alaska. Guided by State of Alaska Statutes and PFD Regulations, Eligibility Technicians use current or prior year applicant information when needed, and contact the applicant for additional information in order to make an eligibility determination. Many cases can be resolved without contacting the applicant. The current goal of the PFDD is to complete most eligibility determinations by the first Thursday in October, which is the first payment of the new dividend year.

During May, a list of applicants and their Social Security numbers are submitted to the Internal Revenue Service for Taxpayer Identification Number (TIN) matching. Those applicants whose information on file with the PFDD does not match the information on file with the IRS are flagged. These applicants have the opportunity to correct their information during the summer months. Those applicants that do not correct their information will be subject to a 28% IRS backup withholding when their PFD is issued.

In July, the Alaska Permanent Fund Corporation (APFC) transfers dividend funds to the PFDD that will be available for the PFD distribution. The PFDD calculates the dividend amount and provides it to the Governor's office which arranges to announce the PFD dollar amount in mid to late September. Also in July, the Division's data processing and payment teams confirm applicant supplied direct deposit information through our approved financial institutions in a process called the *pre-note*. This process allows the division to verify account information accuracy and successfully process the highest percentage of requested direct deposits.

The Division now pays all eligible Alaskans on the first scheduled payment date of the year, regardless of the payment method selected (direct deposit or check). Prior to the 2010 dividend, direct deposit payments were distributed two weeks earlier than checks. Mid-September through the end of October is considered payment season for the Division and is a busy time for public contact. During this time, most of our eligibility technicians are assigned to payment support via phone, in person or email.

During late November and early December the Division focuses on finishing the remaining work of eligibility determinations, as well as preparations for the next filing season and training. It is during this time that the Division often sees a rise in appeals for denied applications. Applicants that disagree with an eligibility determination have 30 days from the denial decision date to file an appeal. Appeals are worked on a year round basis on a first come, first served manner.

Throughout the year the Department of Revenue's Criminal Investigation Unit investigates hundreds of applications for potential PFD fraud based on tips from the public and information received from federal, state, and municipal agencies. Additionally, the Division conducts focused audits and investigates information that is obtained through the Division's internal processes, including anomalies noted in processing applications.

The PFDD has made great strides in applicant data processing as well as bringing communication technology, such as the website and phone systems, current with industry standards. We are continuing to offer more services on our myPFD applicant portal to assist Alaskans in a smooth, efficient application experience!

PERMANENT FUND DIVIDEND DIVISION HISTORY

FIVE YEAR DIVIDEND CALCULATION

The dividend amount is calculated annually, and has been historically announced in mid-September. The amount of the dividend is calculated by dividing the amount available for distribution from the AK Permanent Fund Corporation (APFC) earnings account by an estimated number of eligible applicants. The calculation is based on a statutory formula under Alaska Statute 43.23.025.

Notes:

- PFC statutory net income equals realized earnings excluding income from North Slope royalty case (State vs Amerada Hess). “The formula is based on an average of the Fund’s income over five years in order to produce a more stable flow of dividend amounts from year to year.” (www.apfc.org)
- Dividend amounts are rounded to an even amount to result in an even half-amount for applicants who designate fifty percent of their dividend be contributed to the UA College Savings program (AS 14.40.807).
- During the 2016 legislative session, a decision was made to utilize a portion of the 2016 earnings toward the General Fund, assisting to eliminate the State’s financial deficit.

Dividend Calculation

Dividend Year	2016	2015	2014	2013	2012
PFD Fund Balance as of Calculation Date	\$11,033,944.56	\$11,488,175.55	\$10,545,821.44	\$11,663,279.62	\$4,619,905.85
Add Permanent Fund Earnings (5-year average)	\$695,650,000.00	\$1,324,794,615.81	\$1,234,833,864.35	604,149,670.30	605,225,946.46
Less Appropriations and Reductions					
Appropriations (see below)	\$(48,363,100.00)	\$(48,307,100.00)	(36,048,800.00)	(38,559,400.00)	(41,194,100.00)
Reductions (see below)	\$(480,761.79)	\$(854,454.05)	(766,480.03)	(1,027,826.41)	(1,313,447.92)
Total Appropriations and Reductions	\$(48,843,861.79)	\$(49,161,554.05)	(36,815,280.03)	(39,587,226.41)	(42,507,547.92)
Total Amount Available for Dividends	\$657,840,082.77	\$1,335,428,337.31	\$1,208,564,405.76	\$576,225,723.51	\$567,338,304.39
Estimated Eligible Applicants	643,678	644,511	641,489	640,249	646,805
Dividend Amount	\$1,022.00	\$2,072.00	\$1884.00	\$900.00	\$878.00

PERMANENT FUND DIVIDEND DIVISION HISTORY

Appropriations and Reductions Detail

Appropriations	2016	2015	2014	2013	2012
Department of Health and Social Services	\$17,724,700.00	\$17,724,700.00	\$17,724,700.00	\$17,474,700.00	\$16,284,700.00
(Hold-harmless provision for public assistance programs)					
Department of Corrections	\$20,236,900.00	\$20,830,400.00	\$8,445,900.00	10,047,400.00	14,890,400.00
Department of Revenue, PFD Division	\$8,990,100.00	\$8,241,900.00	\$8,245,500.00	9,920,900.00	8,221,000.00
Department of Administration					
Violent Crimes Compensation Board	\$1,411,400.00	\$1,510,100.00	\$1,502,700.00	1,116,400.00	1,798,000.00
Total Appropriations	\$48,363,100.00	\$48,307,100.00	\$36,048,800.00	\$38,559,400.00	\$41,194,100.00

Reductions	2016	2015	2014	2013	2012
Reserve for Prior Year Dividend Liabilities	\$233,438.95	\$255,218.83	\$227,426.85	\$294,858.33	\$773,576.02
Reserve for 18-year-old Filers	\$201,322.84	\$553,235.22	\$471,053.18	612,968.08	539,871.90
Reserve for 2008 Resource Rebate Payments	\$46,000.00	\$46,000.00	\$68,000.00	120,000.00	N/A
Total Reductions	\$480,761.79	\$854,454.05	\$766,480.03	\$1,027,826.41	\$1,313,447.92

CONTACT INFORMATION

Contact Information




For general information visit us at www.pfd.alaska.gov, where you can check the status of your application by clicking on



You can also request information via email to: dor.pfd.info@alaska.gov

To report a fraud tip e-mail: pfdfraud@alaska.gov or contact

(907) 465-2654, (907) 269-0385

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