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Alaska Permanent Fund dividend amount might be bigger than expected

By Rena Delbridge

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FAIRBANKS -- Alaskans could see a healthy Permanent Fund Dividend this fall, despite the worst performing year on record for the account.

Checks won't rival the \$2,069 distributed in 2008, but they could land in the \$1,200 range depending on the number of eligible applicants, according to rough News-Miner calculations.

The Permanent Fund lost 17.4 percent of its value for the year, which closed June 30, Permanent Fund Corp. CEO Mike Burns said. According to preliminary financial statements, the fund ended the fiscal year with a \$30 billion value after accounting for a transfer of \$874 million for dividends. The ending value is \$6.5 billion less than the fund's value on June 30, 2008, Burns said.

That's not as dire as early projections that warned of massive losses should worldwide investment markets continue a steep slide that began in fall 2008.

"The markets have come back substantially. We are very pleased with that," he said. "This was the first loss we had in statutory net income. That number will be part of the (dividend) formula going forward for five years."

The amount of investment earnings allocated to dividends is based on a five-year rolling average of fund performance.

"The people of Alaska have directed \$13.9 billion into the fund, over the life of it," Burns said. "We've paid out \$17.5 billion in dividends. That's checkbook accounting, but goes to the real wisdom the people of the state had in creating this fund. It's been more successful than many would have thought."

The fund's balance as of Wednesday was \$31.9 billion.

Burns confirmed that \$874 million has been transferred to fund dividends, compared to \$1.3 billion in 2008.

Permanent Fund Dividend Division Director Deborah Bitney at the Department of Revenue said her office has about 657,000 applications

in this year, and is still processing about 50,000 to ensure they meet eligibility. The dividend amount won't be official until September, about a week before checks are distributed.

Even though the Permanent Fund Corporation has transferred \$847 million to pay dividends, the final value is derived from a complex formula, she explained. In addition, her division's funding and a handful of appropriations come out of the total.

Last year, the state paid dividends of \$2,069, plus an additional \$1,200 per person in a one-time energy rebate.

Based on those figures, the News-Miner estimates dividends this year of approximately \$1,269, give or take a couple hundred dollars. Dividends will be direct-deposited on Oct. 8, and mailed to others on Oct. 22. Recipients have until Sept. 11 to add, change or withdraw direct deposit information.

In 2008, dividends were \$2,069, up substantially from \$1,654 in 2007 and the highest paid since the fund began annual distributions in 1983.