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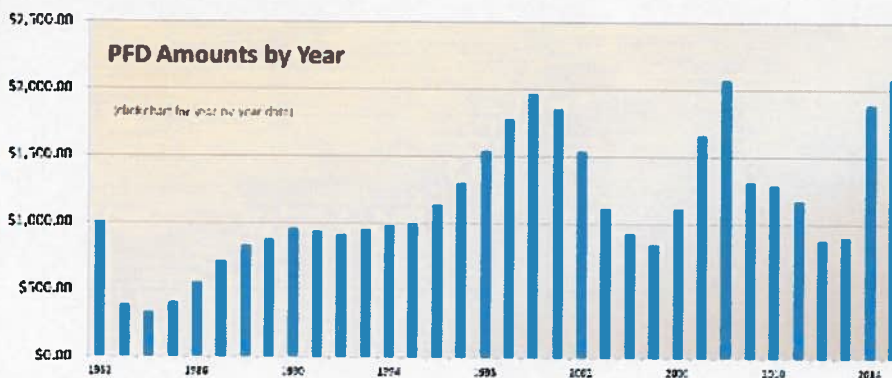
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THE PERMANENT FUND DIVIDEND

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Realized income earned from the Fund's investments is accounted for in the earnings reserve account by state law. On June 30 of each year, the Legislature appropriates funds from the account for dividends, inflation proofing and for whatever other lawful purpose the Legislature may designate. All income in the earnings reserve is available for appropriation.

Each year, the dividend distribution is calculated using a formula set in state law. 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.

How the PFD amount is calculated

1. Add Fund Statutory Net Income from the current plus the previous four fiscal years.
2. Multiply by 21%
3. Divide by 2
4. Subtract prior year obligations, expenses and PFD program operations
5. Divide by the number of eligible applicants

Once the dividend amount has been calculated, the next step is to determine if enough income is available in the earnings reserve account to pay the dividend. While the full amount of the earnings reserve account is available for appropriation, the principal is not. It is possible that, in a given year, the calculation may produce a dividend although the funds may not be available to pay it.

The dividend program is administered by the Dividend Division of the Department of Revenue. For information on eligibility, applications and dividend status, please visit the [PFD Home Page](#).

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