

HB

536

Alaska State Legislature



Representative Cheryll Heinze Sponsor Statement HB 536

"An Act relating to applications for permanent fund dividends by certain individuals serving in the armed forces; and providing for an effective date."

Currently, Alaskan men and women who serve in the armed forces are being denied their permanent fund dividend checks because they were in situations where communications were unavailable during the application period. Alaskans who fought in the recent wars in Iraq and Afghanistan have had their applications rejected because they either didn't get their application forms in time or were unable to send them out.

These Alaskan men and women are patriots who serve their country faithfully in times of crisis and need, they deserve to be praised for their bravery and fortitude not punished for it. HB 536 amends the current PFD application process to allow for members of the armed services who receive hostile fire/imminent danger pay during the application period to receive an application extension. This would give members of the armed services the leeway they need to submit their PFD applications on time. I urge you to support this bill.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 536
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Permanent Fund Application RDU Revenue Programs & Services
Deadlines: Military Component Permanent Fund Dividend
 Sponsor Rules by Request of EDT
 Requester House Military and Veterans' Affairs Component No. 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	25.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	25.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1950 Permanent Fund Dividend Fund	25.0					
TOTAL	25.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill proposes to extend the filing period from March 31 to August 31 in any dividend year for individuals who are absent from the state, serving as a member of the US Armed Forces, and eligible for hostile fire or imminent danger pay. The fiscal note would cover costs for advertising the change in 2005.

Prepared by: Sharon Barton Phone 465-4785
 Division Permanent Fund Dividend Division Date/Time 4/3/04 7:29 PM
 Approved by: Steve Porter, Deputy Commissioner Date 4/3/2004
 Agency Department of Revenue

Frequently Asked Questions.

When is the filing period for the Permanent Fund Dividend?

The dividend filing period is January 2 through March 31 each year. You must file an application every year to apply for a dividend. Late applications will be denied.

How do I know if the PFD Division needs any additional information?

The Division will send you a letter if we need additional information. The letter will be sent to your most current address on file.

How do I inform the PFD Division of an address change?

Complete a Change of Address form and submit it to the Permanent Fund Dividend Division. You may obtain a Change of Address form by:

- ◆ downloading a form off our web site at www.pfd.state.ak.us or
- ◆ contacting us at a PFD Information Office (back side of this brochure) and request a form.

Do I need to submit a copy of my Leave and Earnings Statement (LES) with my application?

No. The PFD Division will run a tape match with Department of Defense (DOD) to check for military members with Alaska as their state of legal residence. If for some reason your information does not match DOD records and the division needs a copy of your LES or other documents related to your enlistment or discharge, the division will contact you.

www.pfd.state.ak.us

For detailed eligibility criteria, contact one of the dividend information offices below, or visit our web site at www.pfd.state.ak.us

PFD Information Office Addresses

Anchorage Dividend Information Office

Alaska Department of Revenue
Permanent Fund Dividend Division
1016 W. 6th Ave.
Anchorage, AK 99501
(907) 269-0370
(907) 269-0384 (fax)
Located on the corner of 6th and K

Fairbanks Dividend Information Office

Alaska Department of Revenue
Permanent Fund Dividend Division
1005 Cushman Street, Suite 1
Fairbanks, AK 99701
(907) 451-2820
(907) 451-5142 (fax)

Juneau Dividend Information Office

Alaska Department of Revenue
Permanent Fund Dividend Division
PO Box 110461
Juneau, AK 99811-0461
(907) 465-2326
(907) 465-3470 (fax)
11th floor of the State Office Building
333 Willoughby Avenue

Toll-free number (800) 733-8813

- ◆ Available in the state of Alaska year-round.
- ◆ Available from outside the state of Alaska October through March.

Or you can E-mail us at:

dividend_information@revenue.state.ak.us

State of Alaska
Department of Revenue

Military Guide for the Alaska Permanent Fund Dividend

ALASKA



Permanent Fund Dividend Division

This brochure provides general information about the Permanent Fund Dividend program as it relates to active duty military and their spouse and dependents.

Active duty military

How to establish Alaska Residency

You must:

- ✓ Arrive in Alaska on or before December 31, of the year before the qualifying year and
- ✓ Take at least one step beyond just being physically present in Alaska.
For Example:
 - ◆ Obtain an Alaska driver's license or ID card,
 - ◆ Register to vote,
 - ◆ Register a vehicle,
 - ◆ Sign a lease for non-governmental housing or purchase a home.
- ✓ Maintain Alaska residency at all times during the qualifying year and intend to remain an Alaska resident.
- ✓ **NOTE:** Qualifying year means the calendar year prior to the year you are applying for. For example, if you apply for a dividend in 2002, the qualifying year is 2001.

What you will need to supply to the PFD Division

- ✓ Original birth certificate, passport, or citizenship papers.
- ✓ A completed PFD adult application (including a supplemental schedule if required) and requested documentation.

www.pfd.state.ak.us

Spouse

How to establish Alaska Residency

A spouse must:

- ✓ Arrive in Alaska on or before December 31, of the year before the qualifying year and
- ✓ Take at least one step beyond just being physically present in Alaska.

For Example:

- ◆ Obtain an Alaska driver's license or ID card,
- ◆ Register to vote,
- ◆ Register a vehicle, or
- ◆ Sign a lease for non-governmental housing or purchase a home.
- ✓ Maintain Alaska residency at all times during the qualifying year and intend to remain an Alaska resident.

What a spouse will need to supply to the PFD Division

- ✓ Original birth certificate, passport, or citizenship papers.
- ✓ A completed PFD adult application (including a supplemental schedule if required) and requested documentation.

Dependent Children

For the PFD program, a child is a person under the age of 18 unless legally emancipated. A child's eligibility for the PFD is based on the eligibility of the parent or guardian who applies for the child. A child must also meet all other requirements of the PFD program.

What you'll need to supply to the PFD Division for children

- ✓ A completed PFD child application, and an original birth certificate, passport, or citizenship papers (if you are filing for the child's first dividend).

Filing for the PFD while stationed outside of Alaska?

- ✓ An application will only be mailed if you specifically request one. You may also download an application form through our web site at www.pfd.state.ak.us
- ✓ In addition to other requirements, you, your spouse and dependents must return to Alaska for at least 72 consecutive hours every 2 years to continue to be eligible for the dividend. Exception: If a child is born to or adopted by an eligible resident within the two calendar years immediately preceding the dividend year, that child is eligible for a dividend even though the child has not been physically present in Alaska during the two years.
- ✓ If you have been stationed outside for over 5 years, you will need to provide proof that you have spent at least 30 cumulative days in Alaska during the past 5 years to and be required to complete a detailed questionnaire.

Words to the wise

- ✓ Do not register to vote in another state or country.
- ✓ If you are required to file a tax return, file as a non-resident. Some states require you to file as a resident or part-time resident. PFD will know which states have this requirement.
- ✓ Do not execute a will, which describes residency in another state or country.
- ✓ Keep a copy of the form (Form DD 2058) you filled out requesting Alaska as your state of legal residence on your LES.
- ✓ Do not claim residency in the state or country of your duty station outside of Alaska.
- ✓ If you can not be readily contacted, for example you are on an extended tour of duty overseas, file a Power of Attorney to facilitate processing your PFD application.

E-mail dividend_information@revenue.state.ak.us

Your Absence from Alaska and the PFD Program

Are you going to be absent from Alaska this year? If you are, you need to be aware of the rules of the Permanent Fund Dividend (PFD) program for absences and how they affect your eligibility.

This document is intended to cover the most common circumstances related to absences as they pertain to the PFD program. This document refers to eligibility only in the context of an absence from Alaska – other requirements of the PFD program must be met to be otherwise eligible. Refer to PFD statutes and regulations for more detailed information or contact your nearest Dividend Information Office to get more specific information about your absence.

Anchorage Dividend Information Office
616 E Street
Anchorage, AK 99501
(907) 269-0370

Fairbanks Dividend Information Office
1005 Cushman Street
Fairbanks, AK 99701
(907) 451-2820

Juneau Dividend Information Office
PO Box 110461
Juneau, AK 99811-0461
(907) 465-2326

TTY (Hearing Impaired) (907) 279-0098

Toll-free Number (800) 733-8813 (Available year-round in Alaska and from October 1 through March 31 from out of state).

General Rule

You may be absent from Alaska in a calendar year for up to 180 days for any reason and still be eligible for a dividend, as long as you meet all other requirements of the program.

For certain absences, you may still be eligible for a dividend even though you are absent from Alaska for more 180 days. These absences are referred to as "allowable absences" and are described under the Allowable Absences section below.

Absences and Residency

While you are absent, whether one day or the whole year, you must maintain your Alaska residency and intend to return to Alaska and remain a resident. If you do anything to establish residency in another state or country while you are out of Alaska, such as registering to vote or filing a resident income tax return, you will not be eligible for a dividend.

Example. You move from Alaska in May to take a new job Washington and purchase a home there. After two weeks, you decide to come back to Alaska to live again. Even though you were gone less than 180 days, you will not qualify for the next dividend because you broke your Alaska residency and were not an Alaska resident for the entire calendar year.

Reporting Absences

You must report all absences if you were absent from Alaska for more than 90 total days during the calendar year, or were absent when you file your application. For purposes of the dividend program, absences are counted in cumulative days, not consecutive days, for a calendar year. The division counts the day you leave as a day in Alaska; the day you return is counted as an absence day.

Example. You left Alaska on March 1 and return May 20, and again from October 1 through the 16th. The total number of absence days in this example is 95 days (80 for the March 1 through May 20 absence and 15 days for the October absence). All absences must be reported on your dividend application because your total absence days exceed 90 days. Since the total number of days is less than 180 days, you may still be eligible for a dividend.

Allowable Absences

Permanent Fund Dividend laws allow persons to be absent from Alaska for more than 180 days if they are absent for one or more of the following reasons:

- 1) Receiving secondary or postsecondary education on a full-time basis
- 2) Receiving vocational, professional, or other specific education not reasonably available in Alaska
- 3) Serving on active duty as a member of the U.S. armed forces or accompanying the eligible military member if you are a spouse, minor dependent or disabled dependent
- 4) Serving aboard an oceangoing vessel of the U.S. merchant marine
- 5) Receiving continuous medical treatment under a licensed physician's care if the treatment is not based on a need for climatic change
- 6) Providing care for your parent, spouse, sibling, child, or stepchild with a critical life-threatening illness that requires travel outside for treatment at a medical specialty complex
- 7) Providing care for your terminally ill parent, spouse, sibling, child or stepchild
- 8) Settling the estate of your deceased parent, spouse, sibling, child or stepchild provided the absence does not exceed 220 cumulative days
- 9) Serving as a member of the U.S. Congress
- 10) Serving on the staff of a member of the U.S. Congress
- 11) Serving as an employee of the state
- 12) Accompanying a minor who is absent under reason (5) above
- 13) Accompanying another eligible resident who is absent for reasons (1), (2), (5)-(12) as the spouse, minor dependent, or disabled dependent of the eligible resident

Example. You are absent from Alaska for the entire calendar year while serving on active duty in the army in Fort Lewis, Washington. While out of state, you claimed Alaska on your Leave and Earnings Statement (LES) as your state of residency for the entire calendar year. You will be eligible for a dividend because you are on an allowable absence. However, note the 72-hour rule below.

Example. In January, you and your child moved to Eugene, Oregon to be with your wife who is a full-time student at the University of Oregon. Your wife was a full-time student for the whole year except summer school. You, your wife and child will all be eligible for a dividend because you are on allowable absences. Your wife is on the full-time student absence under (1) and you and your child are on allowable absence (13) accompanying an eligible resident. However, note the 72-hour rule below.

72-Hour Rule

All persons on allowable absences must be physically present in Alaska for at least 72 consecutive hours during the prior two years before the current dividend year.

Example. You are an Alaska resident who has been stationed in Fort Benning, Georgia on active duty military service since July 1, 2000 and are applying for a 2003 dividend. You returned to Alaska from June 6 through June 11, 2001. You will be eligible for a 2003 dividend because you were in Alaska for more than 72 consecutive hours during the two prior years (2001 and 2002).

The commissioner of the Department of Revenue may waive this rule for military members (and spouses, minor dependents and disabled dependents of the military members) during times of national emergency. If applicable, contact the Permanent Fund Dividend Division to see if there is a waiver in effect for the dividend period you are applying for.

5-Year Rule

If you have been on an allowable absence for more than 5 years, the department will take a closer look at your application and look for indicators of your intent to return to Alaska. To maintain your eligibility under the dividend division will look at factors that indicate your intent to return to Alaska. You will need to spend at least 30 cumulative days in Alaska during the past 5 years, unless you can demonstrate that unavoidable circumstances prevented you from returning to Alaska. The department will look at such things as the length of the absence compared to the time spent in Alaska, home ownership in Alaska, and Alaska voter registration and vehicle license.

10-Year Rule

Beginning with the 2008 dividend, you will not be eligible for a dividend if you have been on allowable absences for the 10 preceding years and continue to be on an allowable absence greater than 180 days in the qualifying year. This rule does not apply if you are a member of the U.S. Congress or serving on the staff of an Alaska member of the U.S. Congress.

Absences in addition to Allowable Absences

If you were absent for more than 180 total days in a calendar year including one or more allowable absences during the year, you have a limited number of days that you may be absent for other reasons in order to still qualify for the dividend. There are different rules for the number of additional days depending on your circumstances as outlined below.

Military Members and Family

If you are on active duty, you and your family (spouse, minor dependent and disabled dependent) have 180 additional days if you are only claiming your active duty service time as an allowable absence. If you claim other allowable absences ([LINK TO AS 43.23.008 HERE](#)), your additional days will be limited as follows:

- If you claim an absence as a full-time student in addition to your active duty service time, you are limited to 120 additional days.
- If you claim any other allowable absence in addition to your active duty service time, you are limited to 45 additional days.

Example: You are a military member and get discharged from active service on July 1. While you were serving in the military, your wife and minor child accompanied you. You and your family decided to spend time on the East Coast after your discharge and return to Alaska September 1 (62 days). In October, you take a vacation in California from October 2 to November 15 (44 days). You and your family will still be eligible for a dividend because you were not absent from Alaska for more than 180 days in addition to your allowable military absence.

Example: You are a student at the University of Washington and graduate May 14. You stay in Seattle after school until June 1 and then take an extended vacation in Mexico until September

30 (139 days). You return to Alaska October 1. On October 15, you enlist for active duty military and are stationed outside of Alaska. Even though you are claiming a military absence and had less than 180 additional absence days, you will not be eligible for a dividend because you also claimed an allowable absence as a student. To be eligible for a dividend you would have need to be absent less than 121 additional days.

Example. You served as active duty military from January 1 to July 1 when you were discharged. You decide to take a vacation and spend time with family in Oregon after your discharge and come back to Alaska on September 1 (92 days). Later in the year, you leave Alaska to care for your terminally ill father in Oregon from November 20 through December 10 (21 days). Your total additional absence days were 102 days. Even though you are claiming a military absence and had less than 180 additional absence days, you will not be eligible for a dividend because you also claimed an allowable absence for the time you were caring for your father. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

Students

If you are a full-time student in good standing, you and your family (spouse, minor dependent and disabled dependent) have 120 additional days if you are only claiming your student absence as an allowable absence. If you claim other allowable absences, your additional days will be limited to 45 days.

Example: You are a student in Seattle meeting the requirements of the education allowable absence and attend school from January 5 through May 15. You then take a summer job in Seattle for the summer and are out of school from May 16 through August 20 (96 days). For the remainder of the year, you are in school in Seattle from August 21 through December 15. You then return to Alaska to be with family for Christmas break from December 16 through January 4 the next year. You will still be eligible for a dividend since you were on an education allowable absence during the year and the additional days you were absent was less than 121 days.

Example. You are a student at the University of Washington and graduate May 14. From May 15 to July 31 (78 days), you took a vacation and visited family in California. Later in the year, you leave Alaska to care for your terminally ill father in Oregon from November 20 through December 10 (20 days). Your total additional absence days were 98 days. Even though you are claiming a student absence and had less than 120 additional absence days, you will not be eligible for a dividend because you also claimed another allowable absence for the time you were caring for your father. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

Others

If you are not a military member or student, and you are on an allowable absence for more than 180 days, you are limited to 45 additional days.

Example: You are out of state from January 5 to April 8 receiving continuous medical treatment under a licensed physician's care (an allowable absence). Later that year you are absent from

August 10 through September 29 for vacation (50 days). You are absent from October 20 through December 31 again receiving continuous medical treatment under a licensed physician's care. Even though you were on an allowable absence during the year, you will not be eligible for a dividend because you had more than 45 additional days of absences during the time you were on vacation in August and September. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

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Topic Index

Hostile Fire/Imminent Danger Pay ■ ■ ■

Active duty and Reserve/Guard members can qualify for \$225 for any month in which they are exposed to hostile fire or imminent danger. (Last Updated June 2003)

- ACTIVE DUTY
- RESERVE
- NATIONAL GUARD
- VETERANS
- RETIREES

A member of a uniformed service may be paid special pay at the rate of \$225 for any month in which he was entitled to basic pay and in which he:

• Was subject to hostile fire or explosion of hostile mines;

• Was on duty in an area in which he was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period he was on duty in that area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines;

• Was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

• Was on duty in a foreign area in which he was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

Reserve members are also eligible for Hostile Fire and Imminent Danger Pay.

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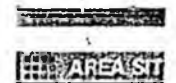
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- For TAM Cook



DEPARTMENT OF THE NAVY

USS BENFOLD (DDG 65)
FPO AP 06061-1293

IN REPLY REFER TO:

1000
Ser DDG 65/039
13 Jun 03

Alaska Department of Revenue
Permanent Fund Dividend Division
PO Box 110460
Juneau, AK 99811-0460
ATTN: Paul Dick

Subj: STATEMENT OF SERVICE ICO YN3 JOHN GRAMLICK, USN, 353-70-7316,
USS HIGGINS (DDG 76)

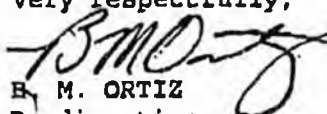
Dear Mr. Dick,

Petty Officer John Gramlick has been assigned to a seagoing and deployable United States Navy warship since 11 October 2000. He is currently assigned to USS BENFOLD (DDG 65), stationed at San Diego, California. YN3 Gramlick has just returned from a deployment in the Arabian Gulf in support of Operation Iraqi Freedom.

Presently, YN3 Gramlick's presence is required aboard BENFOLD. He is unable to leave the geographic area of BENFOLD's homeport of San Diego due to operational commitments. As a result of world events, his presence will be required in San Diego for an undetermined amount of time. I respectfully request that YN3 Gramlick be found eligible to receive the Alaska Permanent Fund Dividend despite his inability to travel to the State of Alaska. His inability to meet this requirement is due solely to his military service. I would be disappointed if his military service was a bar to his receiving this entitlement as a resident of the State of Alaska.

Thank you in advance for your assistance and support. Please contact my Command Legal Officer, LT Barbara Ortiz, directly if I may be of any assistance to you. She can be reached via phone at 619-556-3866 or via email at ortizb@benfold.navy.mil.

Very respectfully,


B. M. ORTIZ
By direction

Christopher Rauchenstein is a Lance Corporal in the United States Marine Corps. Last year, like 4,193 other Alaskans he failed to file for his PFD in time and was denied his informal appeal for reconsideration. What makes Chris's problem special is the reason he failed to apply for the PFD.

Chris is currently stationed in Camp Pendleton, California. Born in Talkeetna in 1978, Chris decided to join the marines after graduating High School and was soon sent out of state for training and deployment. In 2003 Chris got leave from his superiors to come home for Christmas and visit his family. In the first week of January the Marines called Chris back to prepare for immediate deployment. This meant that he had to leave Alaska before his PFD packet had reached him.

His parents tried to mail it on to him in California but unfortunately mail sent to a marine from outside the base has to pass through many hands before it reaches its destination and Chris never received the application before he shipped out. He probably could have called the Permanent Fund office and requested another one but at the time he had other things on his mind.

Chris is a member of the First Marine Division. For those of you who followed the war in Iraq that name probably sounds familiar. The First Marine Division was one of the first American divisions to be deployed in Iraq and continued to lead the advance for practically the entire war. On the day of the deadline for turning in the PFD application Chris was on the outskirts of Baghdad preparing to liberate the city. Needless to say, filling out paperwork was the last thing on his mind.

Even if he had been inclined to take time out from his division's relentless advance and frequent skirmishes, Chris had no way to get the PFD

application out of Iraq. During the war mail service was unreliable at best and phone or Internet access was completely unavailable.

In the 25 years that Chris has lived in Alaska, this is the first dividend he has ever failed to file for. I think that says something about the seriousness of his situation in the month before he shipped out.

Currently Chris is making his way through the appeals process. His informal appeal request was denied this January, almost six months after it had been filed and now it's up for a formal appeal.

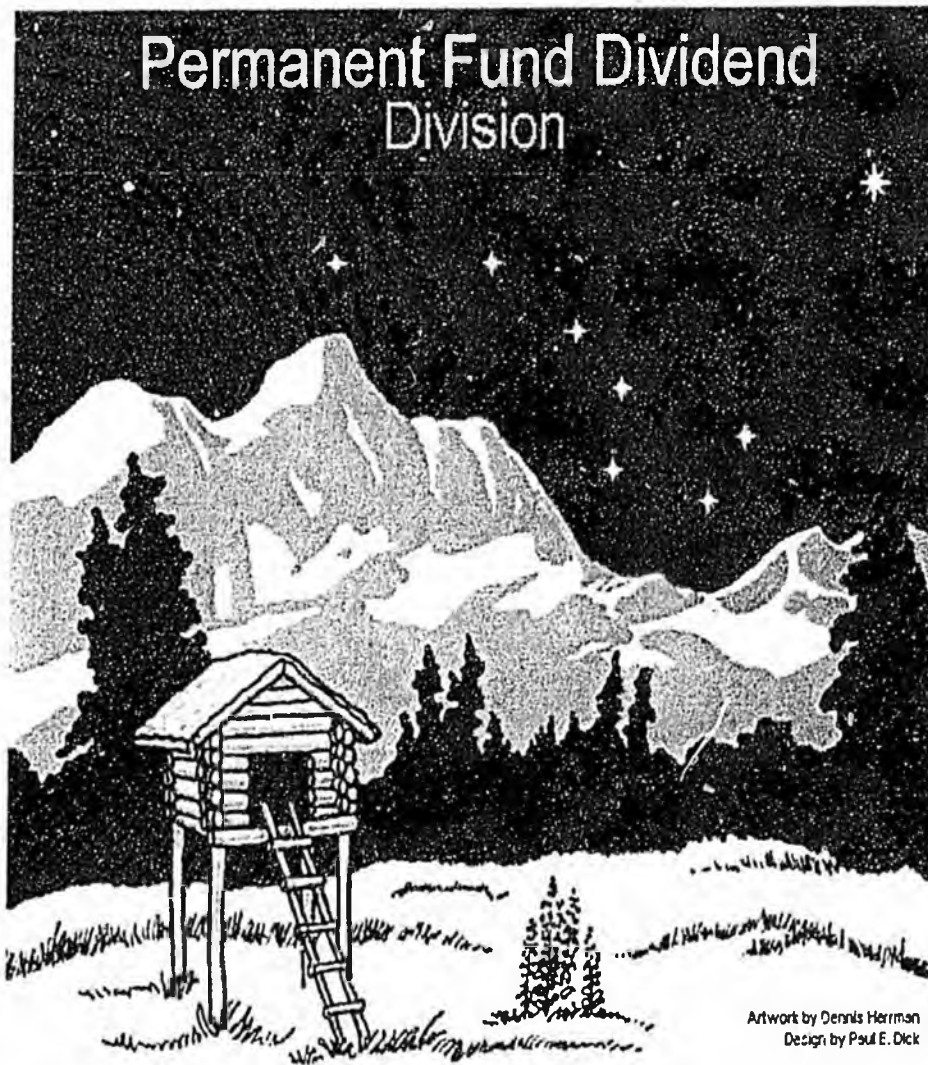
Unfortunately time ran out for Chris. On February 25th he was redeployed back to Iraq to finish what his Division started in 2003. Last year's dividend would have helped Chris take care of his obligations here at home while he is overseas protecting Iraq's fledgling. A soldier's duty to their country is difficult enough without penalizing them for circumstances outside their control.

HB 536 would give Chris and other Alaskans serving in the armed forces the extra time they need and deserve to fill out their PFD applications when they are subject to extenuating circumstances such as the recent war in Iraq. For those Alaskans who give the most of themselves for their country, it's the least we can do.

Dedication

This year's annual report is dedicated to Alaskans who are serving in the U.S. armed forces. During 2003, there were about 13,500 Alaskans who were members of the active armed forces and about 4,300 members of the national guard and reserves stationed in Alaska. We are grateful to all the men and women fighting in Iraq, Afghanistan and throughout the world who are willing to risk their lives to keep our country safe from terrorism and preserve our freedom.

2003 Annual Report



Alaskans' Cache for the Future

This report is available on the Internet
www.pfd.state.ak.us

2003

This annual report provides information and data on the Permanent Fund Dividend program for calendar year 2003 and historical data.

The 2003 dividend application period was January 2 through March 31, 2003. Alaskans who were residents of the state for the entire calendar year 2002 and met other requirements were eligible for a 2003 dividend.
