

**HB**

**273**



Adopted & worked out 3/14/06

24-LS0871V  
Cook  
3/10/06

CS FOR HOUSE BILL NO. 273( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES WEYHRAUCH, Seaton, McGuire, Gatto, Gruenberg, Elkins, Hawker, Wilson, Ramras, Cissna, Thomas, Foster, Anderson, Rokeberg, Moses, Olson, Holm, Chenault, Kelly, Guttenberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the dividends of certain individuals claiming allowable absences;  
2 and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 43.23.005(a) is amended to read:

5 (a) An individual is eligible, or conditionally eligible under AS 43.23.009, to  
6 receive one permanent fund dividend for each year in an amount to be determined  
7 under AS 43.23.025 if the individual

- 8 (1) applies to the department;
- 9 (2) is a state resident on the date of application;
- 10 (3) was a state resident during the entire qualifying year;
- 11 (4) has been physically present in the state for at least 72 consecutive
- 12 hours at some time during the prior two years before the current dividend year;
- 13 (5) is
- 14 (A) a citizen of the United States;

1 (B) an alien lawfully admitted for permanent residence in the  
2 United States;

3 (C) an alien with refugee status under federal law; or

4 (D) an alien that has been granted asylum under federal law;

5 (6) was, at all times during the qualifying year, physically present in  
6 the state or, if absent, was absent on<sup>1</sup> as allowed in AS 43.23.008 and met the  
7 requirements of AS 43.23.009; and

8 (7) was in compliance during the qualifying year with the military  
9 selective service registration requirements imposed under 50 U.S.C. App. 453  
10 (Military Selective Service Act), if those requirements were applicable to the  
11 individual, or has come into compliance after being notified of the lack of compliance.

12 \* Sec. 2. AS 43.23.008(a) is amended to read:

13 (a) Subject to (b) and (c) of this section, an otherwise eligible individual who  
14 is absent from the state during the qualifying year remains eligible, or conditionally  
15 eligible under AS 43.23.009, for a current year permanent fund dividend if the  
16 individual was absent

17 (1) receiving secondary or postsecondary education on a full-time  
18 basis;

19 (2) receiving vocational, professional, or other specific education on a  
20 full-time basis for which, as determined by the Alaska Commission on Postsecondary  
21 Education, a comparable program is not reasonably available in the state;

22 (3) serving on active duty as a member of the armed forces of the  
23 United States or accompanying, as that individual's spouse, minor dependent, or  
24 disabled dependent, an individual who is

25 (A) serving on active duty as a member of the armed forces of  
26 the United States; and

27 (B) eligible for a current year dividend;

28 (4) serving under foreign or coastal articles of employment aboard an  
29 oceangoing vessel of the United States merchant marine;

30 (5) receiving continuous medical treatment recommended by a  
31 licensed physician or convalescing as recommended by the physician that treated the

1 illness if the treatment or convalescence is not based on a need for climatic change;

2 (6) providing care for a parent, spouse, sibling, child, or stepchild with  
3 a critical life-threatening illness whose treatment plan, as recommended by the  
4 attending physician, requires travel outside the state for treatment at a medical  
5 specialty complex;

6 (7) providing care for the individual's terminally ill family member;

7 (8) settling the estate of the individual's deceased parent, spouse,  
8 sibling, child, or stepchild, provided the absence does not exceed 220 cumulative days;

9 (9) serving as a member of the United States Congress;

10 (10) serving on the staff of a member from this state of the United  
11 States Congress;

12 (11) serving as an employee of the state in a field office or other  
13 location;

14 (12) accompanying a minor who is absent under (5) of this subsection;

15 (13) accompanying another eligible resident who is absent for a reason  
16 permitted under (1), (2), (5) - (12), or (14) of this subsection as the spouse, minor  
17 dependent, or disabled dependent of the eligible resident;

18 (14) for any reason consistent with the individual's intent to remain a  
19 state resident, provided the absence or cumulative absences do not exceed

20 (A) 180 days in addition to any absence or cumulative absences  
21 claimed under (3) of this subsection if the individual is not claiming an absence  
22 under (1), (2), or (4) - (13) of this subsection;

23 (B) 120 days in addition to any absence or cumulative absences  
24 claimed under (1) - (3) of this subsection if the individual is not claiming an  
25 absence under (4) - (13) of this subsection but is claiming an absence under (1)  
26 or (2) of this subsection; or

27 (C) 45 days in addition to any absence or cumulative absences  
28 claimed under (1) - (13) of this subsection if the individual is claiming an  
29 absence under (4) - (13) of this subsection.

30 \* Sec. 3. AS 43.23 is amended by adding a new section to read:

31 **Sec. 43.23.009. Dividends of individuals with allowable absences. (a)**

1 Notwithstanding other provisions regarding eligibility for and payment of dividends  
2 and except as provided in (e) of this section, the dividend of an individual who was  
3 absent from the state during the qualifying year as allowed in AS 43.23.008(a)(1) - (8)  
4 or (10) - (13) shall be paid to that individual on the first subsequent year that the  
5 individual is eligible for a dividend without claiming an allowable absence under  
6 AS 43.23.008(a)(1) - (8) or (10) - (13).

7 (b) If an individual who is conditionally eligible for a dividend that has not  
8 become payable under (a) of this section fails to be eligible for a subsequent year  
9 dividend, the individual's conditional eligibility for the dividend that has not become  
10 payable under (a) of this section is terminated, and that dividend may not be paid.

11 (c) If an individual who is conditionally eligible for a dividend that has not  
12 become payable under (a) of this section dies before conditional eligibility for the  
13 dividend is terminated under (b) of this section, the department shall pay the dividend  
14 to a personal representative of the estate.

15 (d) Notwithstanding other provisions, a dividend that has not become payable  
16 to an individual under (a) of this section is not subject to levy, execution, garnishment,  
17 attachment, or any other remedy for the collection of debt until that dividend becomes  
18 payable or is paid to the individual.

19 (e) The dividend for a current year and for the year immediately following the  
20 current year shall be paid to an individual each of those years under AS 43.23.055(2)  
21 if

22 (1) without claiming an allowable absence under AS 43.23.008(a)(1) -  
23 (8) or (10) - (13), the individual was eligible for a dividend for the year immediately  
24 preceding the qualifying year for the current year;

25 (2) the individual was absent from the state during the qualifying year  
26 for the current year as allowed in AS 43.23.008(a)(1) - (8) or (10) - (13); and

27 (3) the individual is otherwise eligible for the dividend.

28 \* Sec. 4. AS 43.23.025(a) is amended to read:

29 (a) By October 1 of each year, the commissioner shall determine the value of  
30 each permanent fund dividend for that year by

31 (1) determining the total amount available for dividend payments,

1 which equals

2 (A) the amount of income of the Alaska permanent fund  
3 transferred to the dividend fund under AS 37.13.145(b) during the current year;

4 (B) plus the unexpended and unobligated balances of prior  
5 fiscal year appropriations that lapse into the dividend fund under  
6 AS 43.23.045(d);

7 (C) less the amount necessary to pay prior year dividends from  
8 the dividend fund in the current year under AS 43.23.005(h), 43.23.009, and  
9 under AS 43.23.055(3) and (7);

10 (D) less the amount necessary to pay dividends from the  
11 dividend fund due to eligible applicants who, as determined by the department,  
12 filed for a previous year's dividend by the filing deadline but who were not  
13 included in a previous year's dividend computation;

14 (E) less appropriations from the dividend fund during the  
15 current year, including amounts to pay costs of administering the dividend  
16 program and the hold harmless provisions of AS 43.23.075;

17 (2) determining the number of individuals eligible to receive a  
18 dividend payment for the current year and the number of estates and successors  
19 eligible to receive a dividend payment for the current year under AS 43.23.005(h); and

20 (3) dividing the amount determined under (1) of this subsection by the  
21 amount determined under (2) of this subsection.

22 \* Sec. 5. This Act takes effect January 1, 2007.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: CSHB 273(STA)  
(H) Publish Date: 1/30/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: PFD: Delayed payments for eligible al RDU: Revenue Programs & Support  
Component: Permanent Fund Dividend  
Sponsor: Weyh, auch, et al  
Requester: \_\_\_\_\_ Component No. 981

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 273 delays payment of dividends for Alaskans who are out of state on allowable absences until the individual returns to Alaska for one year without allowable absences. If an individual fails to otherwise maintain eligibility for any year, the individual's eligibility for the delayed dividends is terminated and the delayed dividends will not be paid.

PFD will review all applications for those with allowable absences exceeding 180 days, determine eligibility, and send payment for those who are otherwise eligible. In 2004, approximately 17,000 applicants were out of state for more than 180 days on allowable absences.

Prepared by: Sharon Barton Phone 907-465-4785  
Division: Permanent Fund Dividend Date/Time 1/6/06 3:19 PM  
Approved by: Jerry Burnett Date 1/6/2006  
Agency: Department of Revenue

**FISCAL NOTE # 1**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. CSHB 273(STA)**

**ANALYSIS CONTINUATION**

PFD will calculate and reserve in the Permanent Fund Dividend Fund the amount needed to pay delayed dividends each year. Funds for delayed payments for those who do not return to the state will be released each year as appropriate and included in the dividend calculation for that year.

Interest earned on funds held for delayed payments will be deposited in the General Fund.

PFD records indicate "failure to return" rates for the four largest absentee groups as follows:

Accompanying others	81%
Active military	66%
Students	64%
Medical	40%

Over a ten year period, 1996-2005, PFD projects that the total of \$181.8 million was paid to individuals who did not or will not return to the state.

Incremental costs will be minimal and can be covered within the PFD 2006 budget.

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
Bill Version: CSHB 273(FIN)  
(H) Publish Date: 2/17/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: Delayed PFD Dividends RDU: Revenue Programs & Support  
Sponsor: Weyhrauch, et al Component: Permanent Fund Dividend  
Requester: \_\_\_\_\_ Component No.: 981

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012

CHANGE IN REVENUE (3F)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	331.2	*	*	*	*	*

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1007 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 273 delays payments of dividends for Alaskans who are out of state for more than two years on an allowable absence of more than 180 days until the individual returns to Alaska for one year without an absence of more than 180 days.

PFD Division will review all applications for applicants with allowable absences exceeding 180 days for more than two years. If otherwise eligible, the application will be conditionally approved and paid only if the individual returns to Alaska for one year without an absence exceeding 180 days.

Each year, the division will calculate and reserve in the Permanent Fund Dividend Fund the amount

Prepared by: Sharon Barton Phone 465-4785  
Division: Permanent Fund Dividend Date/Time 2/17/06 12:00 AM  
Approved by: Jerry Burnett Date \_\_\_\_\_  
Agency: Department of Revenue

**FISCAL NOTE #2**

**STATE OF ALASKA  
2006 LEGISLATIVE SESSION**

**BILL NO. CSHB 273(FIN)**

**ANALYSIS CONTINUATION**

projected to be necessary to pay conditionally approved dividends.

Interest earned on funds held for delayed payments is projected at the 2005 dividend amount, \$845, and the current interest rate of 3.7%. The Interest amount in 2008 and beyond depends on too many variables to project with any accuracy: amount of the dividend, interest rate, number of new absentees, and number who do not return from prior years and continue to apply. Interest earned will be deposited in the General Fund.

Implementation costs will be minimal and can be covered within the PFD 2007 budget.

# ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801 1182

(907) 465-3744  
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## Sponsor Statement

### HB 273

**“An act relating to the Permanent Fund Dividends of individuals claiming allowable absences; and providing for an effective date.”**

To qualify for a Permanent Fund Dividend (PFD) an individual must establish residency in Alaska by being physically present for a minimum of 185 days in a calendar year. The Alaska Legislature has recognized that under certain circumstances, however, physical presence in our state could be waived and an individual would still qualify to receive a PFD. There are currently 13 excused absences that allow individuals and their dependents to leave the state and still receive a PFD. The individual Alaskan resident who applies for an allowable absence with the PFD Division must declare their intent to return after a temporary absence. Essentially, it's an honor system. Military service and secondary education are the most common reasons individuals apply for an allowable absence. As the categories of allowable absences have increased over the years so have the number of individuals who live outside of Alaska and continue to receive a PFD.

But how many of the individuals who leave temporarily and continue to receive a PFD actually return to live in Alaska? According to a ten-year review of those receiving PFD's who are out of state, most recipients, in fact, never return. Individuals collecting dividends out of state leave little in net return to Alaska. Permanent Fund Dividend Division research indicates that in the last ten years over 97 thousand dividends totaling 136 million dollars were paid to out of state individuals who never returned to live in Alaska.

To encourage those who live out of state, and receive PFD checks, to return to the state, HB 273 simply asks individuals to return in order to collect their dividends.

Distributing dividends in Alaska through HB 273's requirement for return, suggests more money will be spent in Alaska. Knowing that a sizable nest egg had accrued in their absence, HB 273 might encourage college students and our valuable military personnel to return to Alaska. By distributing more dividends in state, HB 273 seeks to remedy the situation where a person collects Alaska PFD checks but doesn't live here, and will not be returning. Those who do return will receive all dividends that have been held for them while away from Alaska for an allowable absence.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 21, 2006

**SUBJECT:** PFD allowable absences; sectional summary (CSHB 273(FIN))

**TO:** Representative Bruce Weyhrauch  
Attn: Terry Harvey

**FROM:** Tamara Brandt Cook *TBC*  
Director

**Secs. 1 and 2.** Adds cross-references to the new section on conditional eligibility added in bill sec. 4.

**Sec. 3.** Changes a time period under existing law from 10 years to 5 years, so that a person eligible for the preceding 5 permanent fund dividends despite being absent for more than 180 days in each of the qualifying years for those 5 years is eligible for the current year dividend only if the person is absent no more than 180 days during the qualifying year.

**Sec. 4.** Adds a new provision delaying payment of a dividend for a person who claims an absence for most, but not all, of the allowable reasons until the first year that the person is eligible for a dividend without claiming any of those absences. If a person who is conditionally eligible for a prior year dividend based on an allowable absence fails to be eligible for a subsequent year dividend, eligibility for the prior year dividend is terminated and the prior year dividend cannot be paid. However, if the person dies before the prior year dividend is payable, the dividend is paid to the personal representative of the estate. A conditionally payable dividend is not subject to collection for debt until it becomes payable. Establishes an exception to the delayed payment requirement: the dividend for the current year and for the immediately following year are paid during each of those years if without claiming an allowable absence of a type addressed in this bill, a person was eligible for a dividend for the year preceding the qualifying year for the current year.

**Sec. 5.** Adds a cross-reference to the new delayed payment provision.

**Sec. 6.** Provides a "grandfather" provision for people who are not eligible for a dividend for 2007 because of the change in time period from 10 to 5 years contained in bill sec. 3, and allows the determination of eligibility for those people to continue to be made under the 10-year period for the years 2008, 2009, 2010 and 2011.

Representative Bruce Weyhrauch  
February 21, 2006  
Page 2

**Sec. 7.** The effective date is tied to the beginning of the next dividend year, January 1, 2007.

TBC:med  
06-142.med

Permanent Fund Dividend Division  
HB 273  
Delayed Payments Analysis  
February 6, 2006

This report expands and corrects the January report sent to Representative Weyhrauch and the House State Affairs Committee.

**Changes include:**

- The total sample size was increased from 367 to 1,905 to provide reliable samples of each absence group for more detailed analysis. The larger sample size results in somewhat higher did-not-return rates in every category.
- The expanded report includes all absence groups. The December report included only the four largest groups of absentees.
- Two secondary questions were explored.
  - Do more individuals return if they are only out one or two years, and does the return rate after one or two years vary by absence type?
  - How do the return rates of accompanying family members vary by absence type of their sponsor?
- The Individuals Absent count used in the projection of dividends paid to absentees over the 10 year period was corrected. The January report erroneously used the numbers of all applicants who had requested approval for an absence over 180 days when only those approved and paid should have been used. This error only affected the projected cost data and did not affect the rates of return.

**Rate of Return Summary (expressed as the percentage that did NOT return)**

Absence Type	Paid Absentees	Sample	10 year Did Not Return Rate	5 year Did Not Return Rate	Out only one year	Out only two years
Accompanying/child	2400	332	82%	79%	76%	82%
Military sponsor		295	84%	91%	96%	97%
Student sponsor		33	82%	79%	79%	91%
Accompanying/ Spouses*	879	221	68%	70%		
Military sponsor		189	69%	73%	91%	94%
Student sponsor		30	67%	47%	77%	90%
College	3532	317	67%	65%	39%	39%
Active Military	2232	328	72%	74%	75%	68%
Medical	51	46	63%	n/a	26%	43%
Care for Ill Family	44	44	**n/a	43%	n/a	19%
Settling an Estate	6	6	**n/a	33%	n/a	25%
Care for Terminally ill	39	39	**n/a	38%	n/a	23%
Merchant Marine	10	10	**n/a	50%	n/a	25%
Secondary School	213	213	n/a	67%	34%	45%
Congressional	33	33	76%	85%	n/a	100%

\* Spouses were not eligible in 1996, the base year for this analysis. A sample of 221 spouses, who nevertheless applied in 1996 and would have been paid if spouses had been authorized as an allowable absence, were selected to track for these projections.

\*\* Allowable absence established after 1996; based on 2000-2005 data.

The weighted average did-not-return rate for all absence types is 72%

### Projection of Dividends Paid (Attachment 1)

The data indicates that over the 10 year period almost \$137 million was paid to absentees who did not return. Projected amounts by year are as follows:

Year	Total
1996	\$7,149,354
1997	\$8,513,172
1998	\$12,123,444
1999	\$16,256,033
2000	\$20,985,180
2001	\$20,994,350
2002	\$17,912,737
2003	\$13,204,640
2004	\$10,865,196
2005	\$8,950,856
	136,954,963

### Overview of Absence Types (Attachments 1 and 2)

#### Accompanying/child (2,400)

This group includes dependent children of individuals out on an allowable absence. This group has the highest ten year did-not-return rate (82%). After five years the rate is 79%.

89% of the absence group are military dependents, 10% are college student dependents and 1% is a mix of the other absence types.

The children of students do-not-return at 82% after ten years and children of military at 84%. After five years, children of college students return at a higher rate than children with military sponsors. The children of other absence types was too small for further analysis.

Children who claim the absence for only one year indicate an overall did-not-return rate of 76% and for two years is 82%. Military sponsored children out for only one year have a 96% did-not-return rate and 97% for two years. Children sponsored by college students only out for one year did-not-return at 79% and at 91% after two years.

**Accompanying/spouse (879)**

The overall did-not-return rate after ten years for spouses was 68% and after five years is 70%.

Military spouses made up 86% of the group. 14% were college student spouses; and 1% was a mixture of other absence types.

Spouses of students and military return at approximately the same rate at 10 years; at five years student spouses return at a higher rate. Student spouses only out for one year return at a higher rate than military. When spouses are out only for two years, the return rate between the groups is similar. The sample of spouses of other absentee types was too small for analysis.

**Attending College (3,532)**

Paid applicants attending college indicated a did-not-return rate of 67% after ten years. At five years the overall rate was 65%.

Students who claim the absence for only one or two years have a significantly lower did-not-return rate at 39% for both years.

**Active Duty Military (2,232)**

Active duty military indicate a did-not-return rate of 72% after ten years. The overall rate at five years is 74%.

Active military who claim the absence for only one year, do-not-return at 75% and for two years 68%.

**Medical Care (51)**

The group of applicants claiming an absence to pursue medical care have a ten year do-not-return of 63%. No applicants in this group were absent for five years.

The Medical Care group included only 51 individuals in 1996. 67% (34) of this group claim the absence for only one year and the did-not-return rate at one year is 26% and after a two year absence is 43%.

#### **Congressional (33)**

The Congressional group included only 33 individuals in 1996. The did-not-return rate at 10 years is 76% and at 5 years is 76%. Only one individual in this group was absent for only one or two years, and did not return.

#### **Attending Secondary School (213)**

The did-not-return rate after five years for this group is 67%. Individuals who were absent only one year have a did-not-return rate of 34% and after two years of 45%.

**Note:** The following groups are newer allowable absence types and were established after 1996, the base year for the other groups. These groups are only tracked from 2000-2005.

#### **Caring for Ill Family (40)**

The did-not return rate for this small group at five years is 43%. 68% (27) were absent two years or less and the did-not return rate is 19%.

#### **Settling an Estate (12)**

The did-not-return rate for this very small group at five years is 33%. Individuals who were absent only two years did-not-return at 25%.

#### **Caring for Terminally Ill Family (39)**

The did-not-return rate for this small group at five years is 38%. Individuals who were absent two years or less have a did-not-return rate of 23%. Individuals who were absent for only 2 years, did-not-return at the rate of 23%.

#### **Merchant Marine (10)**

The five year did-not-return rate for this very small group is 50% and of those who were only absent two years or less, 25% did not return.

## Conclusions

- No absence group returns at more than 50% after 10 years. The did-not-return rate for the largest absence groups varies from 67-82%.
- Approximately \$135 million was paid to individuals who did not return over a ten year period.
- College and Secondary School Students return at a higher rate than other absence types if they are only out one or two years; and they return at a much higher rate after one or two years than when they stay out on longer absences.
- Active Military do not return at substantially higher rates if only absent one or two years.
- Accompanying college spouses return at approximately the same rate as spouses of military at 10 years. At five years military spouses return at a higher rate than college spouses. Student spouses only out for one year return at a higher rate than military spouses. At two years, both groups return at about the same rate.
- Accompanying children of students and military return at about the same rate at 10 years. At one or two years, military children return at a somewhat higher rate than children of students.
- Other absence types, except for Congressional, tend to be out only one or two years.

## Permanent Fund Dividend

### 2005 Projection

Individuals absent for more than 180 days who will not return over a ten year period

Absence Category/Year	Individuals Absent Paid	% did not return in sample	Calculated total did not return	Dividend Amount	Total paid
<b>Accompanied</b>					
1996	2,400	0.82	1,968	\$1,131	\$2,225,808
1997	2,375	0.82	1,948	\$1,297	\$2,525,012
1998	3,380	0.82	2,772	\$1,541	\$4,270,703
1999	4,254	0.82	3,488	\$1,770	\$6,173,697
2000	5,270	0.82	4,321	\$1,964	\$8,486,625
2001	5,719	0.82	4,690	\$1,850	\$8,677,036
2002	5,837	0.82	4,786	\$1,541	\$7,374,601
2003	6,071	0.82	4,978	\$1,108	\$5,513,677
2004	6,117	0.82	5,016	\$920	\$4,613,862
2005	5,308	0.82	4,353	\$846	\$3,682,266
<b>Total</b>					<b>\$53,543,287</b>
<b>Students</b>					
1996	3,532	0.67	2,366	\$1,131	\$2,675,686
1997	3,792	0.67	2,541	\$1,297	\$3,294,041
1998	4,154	0.67	2,783	\$1,541	\$4,288,546
1999	4,519	0.67	3,028	\$1,770	\$5,358,598
2000	4,729	0.67	3,168	\$1,964	\$6,222,353
2001	4,879	0.67	3,269	\$1,850	\$6,048,436
2002	4,974	0.67	3,333	\$1,541	\$5,134,706
2003	4,885	0.67	3,273	\$1,108	\$3,624,989
2004	4,446	0.67	2,979	\$920	\$2,740,038
2005	3,924	0.67	2,629	\$846	\$2,224,202
<b>Total</b>					<b>\$41,611,594</b>
<b>Active Duty</b>					
1996	2,232	0.72	1,607	\$1,131	\$1,817,048
1997	2,373	0.72	1,709	\$1,297	\$2,215,216
1998	2,565	0.72	1,847	\$1,541	\$2,845,697
1999	2,934	0.72	2,112	\$1,770	\$3,738,752
2000	3,525	0.72	2,538	\$1,964	\$4,984,277
2001	3,731	0.72	2,686	\$1,850	\$4,970,444
2002	3,851	0.72	2,773	\$1,541	\$4,272,096
2003	4,049	0.72	2,915	\$1,108	\$3,228,848
2004	4,026	0.72	2,899	\$920	\$2,666,359
2005	3,834	0.72	2,760	\$846	\$2,335,366
<b>Total</b>					<b>\$33,074,102</b>
<b>Medical</b>					
1996	51	0.63	32	\$1,131	\$36,329
1997	33	0.63	21	\$1,297	\$26,955
1998	46	0.63	29	\$1,541	\$41,655
1999	75	0.63	47	\$1,770	\$83,625
2000	114	0.63	72	\$1,964	\$141,044
2001	153	0.63	96	\$1,850	\$178,348
2002	162	0.63	102	\$1,541	\$157,250
2003	193	0.63	122	\$1,108	\$134,668
2004	245	0.63	154	\$920	\$141,977
2005	219	0.63	138	\$845	\$116,585
<b>Total</b>					<b>\$1,061,437</b>

**Permanent Fund Dividend  
2005 Projection**

Individuals absent for more than 180 days who will not return over a ten year period

<b>Congressional</b>					
1996	23	0.76	17	\$1,131	\$19,764
1997	21	0.76	16	\$1,297	\$20,693
1998	18	0.76	14	\$1,541	\$21,079
1999	20	0.76	15	\$1,770	\$26,902
2000	19	0.75	14	\$1,964	\$28,358
2001	21	0.76	16	\$1,850	\$29,530
2002	23	0.76	17	\$1,541	\$26,932
2003	26	0.76	20	\$1,108	\$21,885
2004	28	0.76	21	\$920	\$19,574
2005	21	0.76	16	\$845	\$13,486
					<b>\$228,205</b>
<b>Cared for Ill Family</b>					
1996	1	0.43	0	\$1,131	\$486
1997	10	0.43	4	\$1,297	\$5,575
1998	31	0.43	13	\$1,541	\$20,540
1999	29	0.43	12	\$1,770	\$22,070
2000	40	0.43	17	\$1,964	\$33,778
2001	30	0.43	13	\$1,850	\$23,869
2002	35	0.43	15	\$1,541	\$23,188
2003	18	0.43	8	\$1,108	\$8,573
2004	28	0.43	12	\$920	\$11,075
2005	15	0.43	6	\$845	\$5,450
					<b>\$154,604</b>
<b>Settled an Estate</b>					
1996		0.33	-	\$1,131	\$0
1997		0.33	-	\$1,297	\$0
1998	2	0.33	1	\$1,541	\$1,017
1999	12	0.33	4	\$1,770	\$7,009
2000	6	0.33	2	\$1,964	\$3,888
2001	2	0.33	1	\$1,850	\$1,221
2002	4	0.33	1	\$1,541	\$2,034
2003	3	0.33	1	\$1,108	\$1,096
2004	7	0.33	2	\$920	\$2,125
2005	2	0.33	1	\$845	\$558
					<b>\$18,948</b>
<b>Care of Terminally Ill</b>					
1996	1	0.38	0	\$1,131	\$430
1997		0.38	-	\$1,297	\$0
1998		0.38	-	\$1,541	\$0
1999	29	0.38	11	\$1,770	\$19,504
2000	39	0.38	15	\$1,964	\$29,104
2001	38	0.38	14	\$1,850	\$26,718
2002	30	0.38	11	\$1,541	\$17,565
2003	31	0.38	12	\$1,108	\$13,047
2004	46	0.38	17	\$920	\$16,079
2005	38	0.38	14	\$845	\$12,202
					<b>\$134,648</b>

**Permanent Fund Dividend  
2005 Projection**

Individuals absent for more than 180 days who will not return over a ten year period

<b>Mechant Marine</b>					
1996		0.5	-	\$1,131	\$0
1997		0.5	-	\$1,297	\$0
1998		0.5	-	\$1,541	\$0
1999		0.5	-	\$1,770	\$0
2000	10	0.5	5	\$1,964	\$9,819
2001	12	0.5	6	\$1,850	\$11,102
2002	11	0.5	6	\$1,541	\$8,474
2003	8	0.5	4	\$1,108	\$4,430
2004	11	0.5	6	\$920	\$5,059
2005	18	0.5	9	\$845	\$7,605
					<b>\$46,490</b>
<b>Secondary School</b>					
1996		0.67	-	\$1,131	\$0
1997		0.67	-	\$1,297	\$0
1998		0.67	-	\$1,541	\$0
1999		0.67	-	\$1,770	\$0
2000	213	0.67	143	\$1,964	\$280,262
2001	272	0.67	182	\$1,850	\$337,195
2002	278	0.67	185	\$1,541	\$286,982
2003	251	0.67	168	\$1,108	\$186,258
2004	427	0.67	285	\$920	\$263,157
2005	504	0.67	338	\$845	\$285,340
					<b>\$1,639,194</b>
<b>Mixed Absence*</b>					
1996	435	0.72	313	\$1,131	\$354,129
1997	432	0.72	311	\$1,297	\$403,276
1998	539	0.72	388	\$1,541	\$597,985
1999	614	0.72	442	\$1,770	\$782,111
2000	513	0.72	369	\$1,964	\$725,371
2001	491	0.72	354	\$1,850	\$654,111
2002	520	0.72	374	\$1,541	\$576,861
2003	555	0.72	400	\$1,108	\$442,581
2004	552	0.72	397	\$920	\$365,561
2005	417	0.72	300	\$845	\$253,703
					<b>\$5,156,008</b>
* Percentage of did not return derived from weighted average of all other categories					
<b>Total - All Categories/Ten years</b>	<b>132,806</b>		<b>97,712</b>		<b>\$136,660,518</b>



Permanent Fund Dividend Division  
 HB 273  
 Delayed Payments Analysis

Attending College					
Years	Yes	No	total	% yes	% no
1	34	22	56	61%	39%
2	23	15	38	61%	39%
3	27	44	71	38%	62%
4	17	36	53	32%	68%
5	12	34	46	26%	74%
6	8	15	23	35%	65%
7	3	9	12	25%	75%
8	2	3	5	40%	60%
9	1	3	4	25%	75%
10	1	1	2	50%	50%
11			0		
12		3	3	0%	100%
13	1		1	100%	0%
14		1	1	0%	100%
15			0		
16	1		1	100%	0%
17			0		
18		1	1	0%	100%
Active Military					
Years	Yes	No	total	% yes	% no
1	15	45	60	25%	75%
2	24	52	76	32%	68%
3	16	20	36	44%	56%
4	23	24	47	49%	51%
5	10	35	45	22%	78%
6	7	11	18	39%	61%
7	10	11	21	48%	52%
8	1	5	6	17%	83%
9	5	3	8	63%	38%
10		5	5	0%	100%
11	1	2	3	33%	67%
12			0		
13	1	1	2	50%	50%
14	1		1	100%	0%

Permanent Fund Dividend Division  
 HB 273  
 Delayed Payments Analysis

<b>Medical Care</b>					
Years	Yes	No	total	% yes	% no
1	25	9	34	74%	26%
2	4	3	7	57%	43%
3		2	2	0%	100%
4	1		1	100%	0%
6	1		1	100%	0%
10		1	1	0%	100%
<b>Congressional</b>					
Years	Yes	No	total	% yes	% no
2		1	1	0%	100%
3	2	3	5	40%	60%
4	1		1	100%	0%
5	1	3	4	25%	75%
6	1	1	2	50%	50%
7	1	3	4	25%	75%
8		1	1	0%	100%
9	1	1	2	50%	50%
10		1	1	0%	100%
11	1		1	100%	0%
13	1	1	2	50%	50%
14		1	1	0%	100%
15		2	2	0%	100%
17		1	1	0%	100%
19		1	1	0%	100%
20		1	1	0%	100%
22	1		1	100%	0%
24		2	2	0%	100%
<b>Caring for Ill Family</b>					
Years	Yes	No	total	% yes	% no
2	22	5	27	81%	19%
3	10	2	12	83%	17%
4	4		4	100%	0%

Permanent Fund Dividend Division  
 HB 273  
 Delayed Payments Analysis

<b>Settling an Estate</b>					
Years	Yes	No	total	% yes	% no
2	3	1	4	75%	25%
3		1	1	0%	100%
4	1		1	100%	0%
<b>Caring for Terminally Ill Family</b>					
Years	Yes	No	total	% yes	% no
2	17	5	22	77%	23%
3	9	4	13	69%	31%
4	1		1	100%	0%
5			0		
6		2	2	0%	100%
7			0		
8		1	1	0%	100%
<b>Merchant Marine</b>					
Years	Yes	No	total	% yes	% no
2	3	1	4	75%	25%
3	1	1	2	50%	50%
4	1		1	100%	0%
7		1	1	0%	100%
8		1	1	0%	100%
<b>Attending Secondary School</b>					
Years	Yes	No	total	% yes	% no
2	48	25	73	66%	34%
3	28	23	51	55%	45%
4	15	20	35	43%	57%
5	9	16	25	36%	64%
6	3	6	9	33%	67%
7	2	7	9	22%	78%
8	1	7	8	13%	88%
9		1	1	0%	100%
10		1	1	0%	100%