

THE PERMANENT FUND DIVIDEND



**Office of the Staff Judge
Advocate
Eielson AFB, Alaska**

354 FW/JA
Legal Assistance & Preventive
Law
Pamphlet Series

The Permanent Fund Dividend Is Only for Personnel Who Intend to Return to Alaska after Separation or Retirement from Military Service!

“They pay you just to live there!” Who hasn’t heard that exclamation before moving up to Alaska? But, the Permanent Fund Dividend is not given out for simply living here. If you don’t like Alaska enough to return here after separation or retirement, applying for the dividend can create some serious trouble down the road. If you’re willing to commit to returning, not only can you collect the PFD while stationed here, but you may also collect it after you leave.

Alaska law requires an application, U.S. citizenship or permanent U.S. residency, and state residency to get the PFD. Application and citizenship are clear enough, but state residency can be a tricky. Residency is loosely defined as the intent to have Alaska as your permanent home. You don’t have to have been born here, but you do have to plan to live here beyond your term of service here.

To get the PFD, you have to have been a resident for the full year before the year in which you apply. For instance, to get the dividend in 2017, you would have to have been a resident of Alaska from January 1, 2016 through December 31, 2016. Also, you must have been physically present in state at some time during the prior two calendar years before the current dividend year. So, as long as you have been physically present sometime in the past two to three years in Alaska, and have the intent to return permanently, you can receive a dividend.

You need to take a few simple steps to establish residency. First, register to vote in Alaska.

Second, get an Alaska driver’s license and register your car here. Third, declare Alaska as your state of residency for military pay purposes. Beyond that, other factors that will help establish you as an Alaska resident include buying property here, leasing or renting property here, and sending your children to school here.

You can even get the PFD after leaving Alaska if you’re still in military service, but the state will look more closely to decide whether or not to give you the dividend. First, they’ll look at how long you lived here compared to how long you’ve been away. They’ll also want to know how often you have returned to visit, and for how long. Whether you’ve established ties to another state by voting, buying property, or getting a driver’s license there will also be important. The state will also look at whether you put Alaska as a high choice on your assignment preference sheet. If you’ve been gone more than 5 years, the state will presume you are not a resident.

Finally, a couple of pitfalls can trip you up. First, if you’re indebted to the state, they will take your PFD in compensation. Also, if you continue to claim residency after you leave, and then choose not to return, the state may go after you in state court to get the dividend payments back. If you’re not sure, don’t take the risk! The State of Alaska rarely loses in its own courts.

Some important issues about the PFD are being fought out in the courts. The exigencies of military service will only get you so far. If you do not return to Alaska for a few years, even if you do intend to retire here, the state probably will not give you a PFD. Also, being an absentee landlord in another state may disqualify you. All of these issues have been the subjects

of litigation, and should be considered uncertain. Err on the side of caution.

Here's the bottom line: if you like Alaska enough to come back and stay a while, go for the PFD. If you hate the place and never want to come back, save yourself some trouble down the road and give it a pass. It's not worth a court battle in the future.

This pamphlet is for basic information on the Permanent Fund Dividend as it relates to military personnel stationed in Alaska. It is not intended to take the place of legal advice from a Judge Advocate. Please contact the 354th Fighter Wing Legal Office for questions and further information.

