# Charitable Gift Annuities:
# The Complete Resource Manual
## 2016 Update

Dear Client,

We are pleased to announce that an updated electronic release of *Charitable Gift Annuities: The Complete Resource Manual* is now available.

If you have questions or comments about the CGA Manual, you can reach us by phone at 888-474-2252 or email at support@pgcalc.com.

### Installation Instructions

The installation program provides complete instructions as you run it. If you have any concerns or problems with installing the CGA Manual, please call PG Calc Client Support at 888-474-2252.

1. Close all Windows applications that are currently open. **You should install the update to the default directory.** If you installed your CGA Manual to a directory other than the default and you do not know where it is saved or how to find it, call PG Calc Client Support at 888-474-2252.

2. Using your Internet browser, go to https://www.pgcalc.com/cga-manual-download. Click "Download CGA Manual" to begin the download. Your browser will prompt you to "Run this program from its current location," "Open this file," or "Save it to your computer." Select either "Run" or "Open".

   If your browser or organization policies do not permit you to Run or Open download files, select "Save" and click "OK". You will see a *Save As* window. Select a location where you want to save the download *cgaman1609.exe* file (anyplace except the ultimate destination of the CGA Manual). Make a note of the location where you save the download file. Locate the file named *cgaman1609.exe* and double click on the file.

3. You will be prompted for a password sent to you by PG Calc through email.

4. By default, the CGA Manual will be installed into the *C:/Program Files* directory on your local hard drive. Two shortcuts will be added to your desktop:

   - CGA Manual
   - Prototype Documents

5. To verify a successful update: open the CGA Manual, go to the top of page 1, and "Revised September 2016" should be noted.

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### Highlights of the 2016 Update

The 2016 edition of *Charitable Gift Annuities: The Complete Resource Manual* includes updates to the Prototype Materials. A directory to the Prototype Materials can be found on pages xx-xxii of the *CGA Manual*. Materials that have been revised or added this year are noted with asterisks in the directory.

Substantive changes or additions to the 2016 edition of the *CGA Manual* are noted below. Smaller edits that clarify an existing point or provide consistency in phrasing, punctuation, and format are not separately indicated. Similarly, some examples, sample documents, and portions of the text throughout the *CGA Manual* were updated to show gifts made in 2016 or to reflect the 2016 situation in other ways, but they are not separately indicated either. However, for any page on which a change was made the date in the lower left corner now reflects “September 2016.”

| **Page Number** | **Change** |
|---|---|
| 2.12 | Added section on Contribution of Depreciated Property |
| 3.2-3 | Expanded information on actuarial tables affecting gift annuities |
| 3.8 | Updated commercial annuity rates in comparison figures with ACGA’s rates |
| 3.13, 3.17 | Updated figures to reflect use of 2012 IAR mortality table rather than 2012 IAM Period table |
| 3.19-20 | Replaced Annuity 2000 mortality table with 2012 IAR as of 2015, removed 2012 IAM Period Table |
| 5.34 | Added as a policy for deferred annuities a minimum age at time of contribution as well as at time of payment commencement |
| 6.1 | Identified Tennessee as state requiring donor written acknowledgment or signed agreement (clarification; not new requirement) |
| 7.10 | Updated section on Retirement Funds to reflect IRA charitable rollover being made permanent, and note pending legislation adding life income options |
| 8.3 | Added information on amendment to Gramm-Leach-Bliley regarding annual privacy disclosures. |
| 9.1 | Added information on substantiation requirements for charitable deduction |
| 10.5-10 | Updated returns for reinsured annuities in Figures 10.3 – 10.8 |
| 10.12 | Updated premium costs on reinsurance |
| 11.3 | Relocated and clarified information on potential regulation of gift annuities under securities law |
| 11.31, 11.33 | Added notations on disclosure requirements for Maryland, Oregon and Tennessee |

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| 13.5 | Added explanation regarding California's prohibition on automatic withdrawal of fees from segregated reserve fund |
| 14.2, 14.3 | Added reference to non-gift-annuity-specific annual filings |
| 14.5 | Removed reference to Kentucky's non-gift annuity annual filing |
| Chapter 15 | Rewrote entire chapter to cover all aspects of creating and executing a planned giving marketing plan, with emphasis on marketing gift annuities |
| 16.3 | Revised description of options regarding setting annuity rate with gift of real estate |
| 16.6-7 | Added description of "flip" flexible deferred annuity |
| 16.27 | Revised to reflect IRA charitable rollover being made permanent, and note pending legislation adding life income options |
| 17.4 | Added alternative for handling exclusion amount when ratably reporting gain with gift of remainder interest in residence |
| 20.10 | Clarified position on deduction available annuity assigned to charity |
| 20.20 | Revised to incorporate change in law regarding calculation of present value of income interest when terminating net-income CRT |
| 20.28-30 | Added sections on Gift Annuity issued by One Charity to Benefit Another and Assigning Liability for Existing Annuities to Another Charity |
| 20.36 | Added example of gift annuity established for the benefit of a shareholder |
| 21.6 | Added that life expectancies for gift annuities in Canada will be determined using Annuity 2000 Basic Mortality Table starting 1/1/2017 |