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GIVING
SUCCESS

eRate Newsletter | July 17, 2019

IRS DISCOUNT RATE: August 2.2%

Tax Aspects of Gift Annuities

After the bequest and beneficiary designation, the gift annuity is the most popular planned gift vehicle. Donors like them because they are easy to understand, offer reliable payments at attractive rates, and help them support the causes they love.

While often touted as the “simplest” planned gift, it may be hard to explain to prospects and donors the nuances of how gift annuities work. The easiest explanation is that an annuitant is entitled to a payment for life of a percentage of the amount donated. That payment percentage is determined by the age of the annuitant and the number of annuitants. A single annuitant, age 75, is entitled to a 6.8% annuity rate. A gift of \$10,000 would entitle the annuitant to payments of \$680 a year. Simple, right? Not so fast.

[READ THE FULL ARTICLE](#)

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UPCOMING WEBINAR

The Hidden Code of End of Life Decisions



Presented by
[Russell James](#)

Thursday,
July 25
1:00 - 2:30 pm ET

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

August 7-8, Boston, MA
September 11-12, Washington, DC
October 1-2, New Orleans, LA
November 13-14, San Francisco, CA

GiftWrap

August 14-15, Cambridge, MA
October 16-17, Cambridge, MA

[VIEW](#)

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Quick Tip: What's This?

Do you know what this is? Some of you may be too young to recognize it. This is a **3 1/2" diskette**, also referred to as a **"floppy disk,"** and it is used to **save** input files on a computer. It was introduced in 1982, and soon thereafter, became ubiquitous in computers, up until the early 2000's. Even though the use of the actual diskette is virtually unheard of now, the image is still widely used to symbolize the "save file" action in computer applications; **PG Calc's *Planned Giving Manager (PGM)* is one such example.**

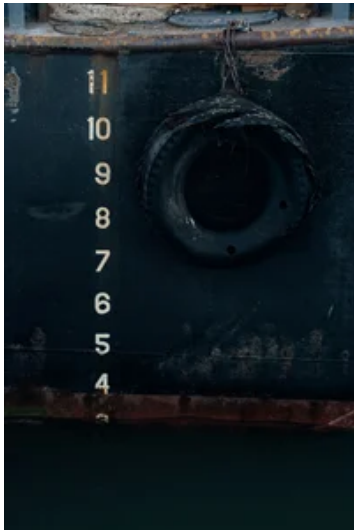


Many *PGM* users are already comfortable with the process of exporting and saving files in Microsoft Word, but a surprising number of users are not familiar with saving the inputs into a file in *PGM*. Saving your calculations and proposals in Word is a good idea, but you should **first save them in *PGM* with the file type "inp."** By doing this, you are capturing a snapshot of the calculations and related documents, which allows you to come back to the file and make revisions at a future time.

We strongly encourage *PGM* users to save the input file immediately after completing the input process. That way, you eliminate the risk of moving forward and completely forgetting to save the file at all (it has happened to all of us!). A good rule of thumb is to remember the expression **"save the inputs before viewing the results."** Also, you can set up *PGM* to prompt you to save your current inputs before you overwrite them with a new case or quit *PGM*. See *Customize>Setup>General Setup*.

And while the diskette image is not used in *PGM Anywhere*, the concept is the same. Users should click on the Save button at the top of the screen and then save their case in *PGM Anywhere's* database before moving on to other places; that way, the user can return to *PGM Anywhere* at some point in the future and simply open the saved case.

Remember: Save the inputs before viewing the results!



Marketing Corner: Measuring Planned Giving Progress

Last month in this space, we made the point that planned giving is both a long-term endeavor, and relational by nature. That is to say, successful organizations apply resources to their planned giving programs in a way that reflects a long-term commitment and demonstrates recognition of the value of creating ongoing relationships with and cultivation of donors. As such, metrics intended to capture the effectiveness of planned giving marketing programs must incorporate and reflect these characteristics.

This month, we will attempt to answer the question “What are those metrics and what should they measure?” But wait. We won’t answer just that question, but also the broader question “What metrics capture and measure overall planned giving activity?”

[READ MORE](#)



Help Gift Planners Everywhere: Complete the CGA Program Best Practices Survey

We encourage you to participate in the CGA Program Best Practices Survey being conducted jointly by the American Council on Gift Annuities (ACGA) and the National Association of Charitable Gift Planners (CGP). The information you and others provide on current gift annuity activity will be critical to the two organizations in their work to determine best practices for growing gift annuity programs that all charities can follow.

The survey will be available online until July 31, 2019. You can access the survey using the "Begin Survey" button below. It should take you about 20 minutes to complete. You can exit and re-enter the survey as needed. If you wish, you can prepare your answers in [a PDF copy of the survey](#) prior to completing the online survey.

If you experience technical issues accessing this survey, please email or call Alicia Gilbert at acga@acga-web.org or (770) 874-3355. For all other inquiries, please contact Kristen Schultz Jaarda, Chair of the ACGA Research Committee at kristen@cremail.com.

[BEGIN SURVEY](#)



Quid Pro Quo Rules Expand to SALT Tax Credits and Beyond

The IRS has finalized regulations that treat certain types of state and local tax credits for charitable gifts as a quid pro quo that reduces the donor's charitable deduction on the donor's federal income tax return.

The 40% tax credit for planned gifts in Montana and North Dakota and other special tax credit programs may be affected. The IRS has also promised another set of new regulations that will treat other third-party benefits as a quid pro quo.

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Need a Gift Calculation or Proposal? Just Ask!

If you don't have access to planned giving calculation software, let us crunch the numbers for you. With our [Gift Calculation Services](#), we can calculate a charitable deduction, create a gift proposal or a gift annuity agreement. All you need to do is send us the facts and figures about your donor and their gift. With a speedy turnaround of one business day, you can stay focused on your donors while we run the numbers.

To request a calculation, proposal or agreement, contact Client Services at 1-888-474-2252 or support@pgcalc.com

[LEARN ABOUT GIFT CALCULATION SERVICES](#)



The SECURE Act

You will likely soon be reading more about the SECURE Act (Setting Every Community Up for Retirement Enhancement Act of 2019), which passed the House of Representatives on May 23 with only 3 nay votes. The Act contains provisions that could substantially change some aspects of retirement planning.

As passed, it increases the age for starting required minimum distributions from 70 ½ to 72, limits the time for distributions to non-spouse beneficiaries from stretch IRAs, and eliminates the age 70 ½ cutoff for making contributions to IRA accounts. Under current law, a donor may start making qualified charitable distribution (QCD) gifts from a traditional or Roth IRA at age 70 ½. As passed by the House, the Secure Act increases the age at which an IRA owner must start taking required minimum distributions, but makes no change to the minimum age at which an IRA owner can make a QCD. The Act would become

effective January 1, 2020. The Senate has yet to vote on the Secure Act and may make amendments.

The charitable gift planning community will want to monitor the progress of the SECURE Act, as these changes, if they become law, will likely affect how some donors approach their charitable giving with IRA and retirement plan assets.



MCPHS University Has Benefited from a Long-Term Relationship with PG Calc

Massachusetts College of Pharmacy and Health Sciences (MCPHS University) is a New England-based institution of higher education devoted to the preparation of students for successful careers in healthcare. The University offers a wide range of allied health sciences professional programs including nursing, dental hygiene, medical imaging, optometry, pharmacy, physician assistant studies, acupuncture, and rehabilitation sciences.

MCPHS University has been a PG Calc Consulting client for more than five years, during which time PG Calc provided consulting services in the areas of program evaluation, prospecting, state registration, and marketing. When MCPHS University needed to ramp up its planned giving marketing program, PG Calc's *Marketing Services* was engaged, based on prior positive experiences with PG Calc.

Lawrence Townley, Executive Director of Development Operations, University Advancement at MCPHS University, had this to say about PG Calc:

"Before engaging PG Calc, planned giving fundraising at MCPHS University was intermittent and incidental. With PG Calc's support, counsel, guidance, and expertise, MCPHS has been able not only to get planned giving on track, but also to establish a way forward. While our program has not achieved its maximum capacity, thanks to PG Calc we are light-years ahead of where we were just four short years ago. The level of personalization, customization, and attention to detail we receive from PG Calc far surpasses any service that we have used before."

Learn more about the [Massachusetts College of Pharmacy and Health Sciences](#).

Learn more about PG Calc [Consulting](#) and [Marketing Services](#).



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