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SUCCESS

eRate Newsletter | January 28, 2018

IRS DISCOUNT RATE: February 3.2%

Gift Planning in a Volatile Economy

U.S. equity markets were volatile in 2018, with abrupt and substantial fluctuations both up and down. There are conflicting data that investors must reconcile. On the one hand, unemployment is at historic lows and economic growth and corporate earnings support investor confidence. On the other hand, increases in interest rates suggest the possibility of resurgent inflation, while continued uncertainty around trade policy and strained relations with some of America's closest allies raise concerns for all investors.



In this month's featured article, Jeff Lydenberg, PG Calc's VP of Consulting, enumerates additional concerns and offers recommendations for types of gifts that might be attractive to donors in the present economic environment.

[READ THE FULL ARTICLE](#)

[PRINT THE FULL ARTICLE](#)

UPCOMING WEBINAR

What, Me Worry? When to Say No (or Yes!) to a Gift



Presented by

[Jeff Lydenberg](#)

Thursday,
January 31
1:00 - 2:30 pm ET

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

February 13-14, New York, NY
March 13-14, Atlanta, GA

GiftWrap

March 20-21, Cambridge, MA

[VIEW](#)

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Quick Tip: It's Not Over Yet! Reporting Form 1099-R Information to the IRS

At this point, most organizations will have completed processing their 1099-R tax forms for their gift annuitants, and have mailed the forms to those annuitants. For those clients using *GiftWrap* who have not, [we offer a few tips](#) to help avoid the most common problems when printing onto pre-printed forms.

For those clients who have completed this process, we offer the following reminders.

Just because all Forms 1099-R have been sent to all of your CGA annuitants doesn't mean you are finished with tax season. You still have to report the Form 1099-R information to the IRS.

For gift annuity programs of fewer than 250 participants, the IRS still allows paper copies of Form 1099-R (Copy A) to be submitted along with Form 1096. **The deadline for this type of filing is February 28.** The electronic filing of the Form 1099-R information is optional for organizations in this size group.

NOTE: Social Security Numbers must be UNMASKED for submission to the IRS. If you masked SSN for the annuitant copies, you must manually change the setting to UNMASK for the IRS paper Copy A.

For gift annuity programs of 250 or more participants, the **IRS REQUIRES electronic filing of the Form 1099-R information, and the deadline is April 1.**

NOTE: The SSN is never masked in the electronic file regardless of masking settings.

Regardless of the method chosen, you should wait at least a few weeks before submitting to the IRS, to allow for address changes and notifications of deaths.

Contact PG Calc Client Services at 888-474-2252 or support@pgcalc.com if you have questions regarding either method.



Marketing Corner: Hamburger Helper

Advice that makes their job easier is likely to be welcomed by your colleagues, even if it's not presented on a silver platter.

In the coming months, donors will confront the tax consequences of last year's revised tax law. Those who did not plan well, or at all, may be in for some unwelcome surprises. You can help these donors navigate their new reality.

Now is the time to let your colleagues know you have useful advice for them to share with their donors about the best ways to give under the new tax law. Gifts of appreciated property, the charitable IRA rollover, and bunching gifts to charity continue to be tax-smart options that will have more significance for donors after they experience the effect of the new law on their own taxes.

Consider these approaches to spreading the word about tax-smart giving options among your development colleagues:

- Offer a donor relations strategy session – don't call it "training"
- Schedule a tax-savvy session – breakfast included to increase participation
- Offer a brown bag lunch sponsored by a development leader who is influential
- Include short and regular messaging in your internal email, intranet, or newsletter communications

If you start small, it won't require a lot of your time to bring your colleagues up to speed about tax-smart giving. Keep your message simple and short, so it is easy to remember. This is one sure way to get your fellow development officers off to a good start this year.



***PGM* and *PGM Anywhere* Updated for Indexed Tax Schedules and Exemptions**

On January 16th, we announced our latest update of *Planned Giving Manager (PGM)* and *PGM Anywhere*, our online version of *PGM* for tablet, laptop, and desktop computers. This update incorporates indexing of federal tax schedules and exemptions for 2019.

An email was sent to all *PGM* copyholders with information on how to download the new update (*PGM 7.5B*). As with *PGM Anywhere*, the *PGM* update incorporates indexing of federal tax schedules and exemptions for 2019. Click the Summary link on the *PGM 7.5B* download page to learn the details of what's new.

PGM Anywhere users don't need to do anything to update their software. *PGM Anywhere* is web-based, so we have updated the software for all users. Click the "release notes" link on the login screen to learn the details of what's new.

If you have any questions regarding these updates, please contact Client Services at support@pgcalc.com, or call 888-474-2252.



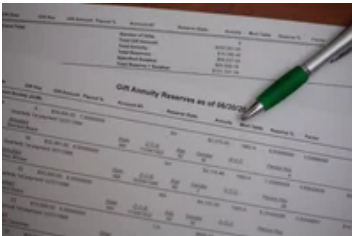
Upcoming PG Calc Training Opportunities

Join us for software training this winter or spring. We offer case-based training that mixes software application and planned giving concepts. We will be using both our desktop software, *Planned Giving Manager* and the web-based version, *PGM Anywhere*. Join us in New York on February 13-14, in Atlanta on March 13-14, or in Chicago on April 10-11.

The Introductory session will give you an opportunity to illustrate various gift types while learning the features of the software. The second day, in the Advanced session, we will cover more complex charitable gift options, including flip trusts, retained life estates, and charitable lead trusts, and will demonstrate how to illustrate them in the software.

On March 20-21, in our Cambridge offices, we will offer a session on gift administration best practices, using PG Calc's *GiftWrap* software. We'll cover *GiftWrap* reporting and analysis on the second day. You'll learn to use *GiftWrap*'s robust capabilities for all your compliance reporting needs and for producing payments and tax forms for your annuitants.

See our updated [PG Calc 2019 software training schedule](#) on the PG Calc website.



CGA Annual Reporting: State Forms, Reserve Calcs, and FASB. . .Oh My!

If your organization is registered to issue gift annuities in New York, be sure that completion of the Annual Statement form (due March 1) is on your "to do" list. Unlike many states, where the filing is based on fiscal year end, the NY deadline is the same for all organizations. The reporting to New Jersey is also typically done on a calendar year basis, and fortunately charities registered in both states can use the NY form to satisfy NJ as well.

Organizations for which December 31 is the end of their fiscal year will additionally be reporting to California (by April 30) and Washington (by March 1), with the latter requiring a reserve calculation verified by an actuary. A FASB liability figure, reflecting gift annuity obligations as of December 31, will also be needed.

While the above are the most detailed submissions, there are other state filings with either a fixed filing date or one tied to a certain number of days after fiscal year end. . . so be sure you have all the applicable deadlines on your calendar!

If all of this seems a bit overwhelming, we at PG Calc are here to help in the following ways:

- **Annual filing service**

Yes, PG Calc handles gift annuity annual filings! We provide oversight and management of the entire filing process, including keeping you up to date on what's coming, completing the forms required by certain states, preparing renewal/transmittal letters or emails as applicable, and submitting the filings. We pose specific questions and requests for information and documents that are needed, and take that information and incorporate it in to the filings. Other than providing the requested information and getting signatures on forms/letters as needed, the idea is for us to handle all other aspects of the annual filings.

- **Reserve calculations and FASB liability reports**

Our *GiftWrap* administrative software can produce both state reserve and FASB liability reports. For those without the software, we can enter your gift information into a database and run necessary calculations for you. Once initially entered, just keep us advised of new gifts and terminations throughout the year and we're able to produce reports for you each year.

- **Actuarially verified report for Washington**

While most states will accept a reserve report straight out of *GiftWrap*, Washington requires verification by an actuary. Whether we hold a database for you, or your organization owns the software, we have partnered with an actuarial firm that can provide the necessary verification.

For information on the annual filing service, contact Edie Matulka at ematulka@pgcalc.com or 206-329-8144. For reserve calculations, FASB reports, and actuarial verifications, contact Dave Wolfe at dwolfe@pgcalc.com or 888-497-4970.

READ MORE



The Mailed IRS Discount Rate Postcard is Dead, Long Live the Virtual Discount Rate Postcard

As noted last month, it is with a mix of sadness and an acknowledgement that sometimes things must change, that we announce we have stopped distributing postcards via postal mail showing the new monthly IRS discount rate. We will, of course, continue to distribute this eRate e-newsletter each month, which displays the new rate prominently at the top of every issue in addition to providing a variety of informative and engaging articles.

We recognize that having current discount rate information is very important to our clients. You will find the currently applicable rate displayed on every page of our website. In addition, we devote a page on our site to the IRS Discount Rate, from which, as of this month, you

can access [a PDF version of the postcard](#) showing the last six rates and a current events notice just as before.

Thank you for your understanding as we take this step to reduce our carbon footprint while serving our clients well.



Claremont McKenna College Says PG Calc's Client Services Team Is the Best!

Claremont McKenna College (CMC) is a highly-selective, independent, coeducational, residential, undergraduate liberal arts college. Founded in 1946 as a member of The Claremont Colleges, CMC remains faithful to its original goal of educating students for thoughtful and productive lives and leadership in business, government, and the professions.

For many years, CMC has had a vibrant planned giving program as evidenced by the high number of donors who have funded life income gifts, such as charitable gift annuities and charitable remainder unitrusts. Since 1995, CMC has partnered with PG Calc, primarily using its *Planned Giving Manager (PGM)* software to prepare gift illustrations for prospective donors. In addition, CMC has greatly benefited from the support provided by PG Calc's Client Services team.

Jim Jacobs, Associate Director of Planned Giving, had this to say about PG Calc's Client Services team:

"As someone new to the planned giving field, I attended a two-day workshop led by Jeffrey Frye, PG Calc Senior Client Services Advisor, and found it to be exceptionally valuable and helpful. In addition to learning about PG Calc's Planned Giving Manager, it was also a valuable introduction to the field of planned giving. Since that workshop, I have had several occasions to contact the Client Services team for their help with different proposals I was working on, and have always found them to be first rate in terms of their help, knowledge, and interest in making sure I had and understood all the information I needed. Being on the West Coast, it is especially great that they always have someone 'on call,' ready to help until late afternoon my time. They are the best!"

Learn more about [Claremont McKenna College](#).

Learn more about [PG Calc's Client Services](#).



Sales: info@pgcalc.com
Support: support@pgcalc.com

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