



eRate Newsletter December 18, 2015

IRS Discount Rate: January 2.2%

The valuation rate for gifts to new pooled income funds
is 1.2% in 2015 and 2016 .

As of 3PM Friday, December 18, the IRA charitable rollover legislation has been passed by the House and the Senate and awaits the President's signature, which is expected.

We will send a follow-up email notification when the President signs the bill.

Gift Annuity Risk - Keeping on Your Toes

During the downturn in the stock market in late 2008, many charities monitored their gift annuity reserve fund balances on a weekly or even daily basis, concerned if there would be sufficient reserves to meet the requirements of states with a calendar year reporting period. But the concern brought by the financial turmoil of the "great recession" had at least one positive effect, prompting charities to take a more detailed look at their gift annuity programs...

In this month's featured article, we discuss the value of reviewing your gift annuity program ongoing to ensure your program is profitable and productive.



UPCOMING WEBINAR

[Gift Annuity Essentials](#)



Presented by [Bill Laskin](#)

Thursday, January 28,
2016
1 PM - 2:30 PM EST

 [Register](#)

UPCOMING TRAINING

Gift Planning with
Planned Giving Manager
February 10-11
New York, NY

March 14-15
Chicago, IL

Gift Administration with
GiftWrap
April 28-29
Cambridge, MA

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Charitable IRA Rollover To Be Permanent

Congress has reached a last minute deal to extend the charitable IRA rollover retroactively for 2015 and make it permanent with no expiration date for future years. The [legislation](#) has passed Congress and is awaiting the President's signature, which is expected.

The deal was part of a [larger package](#) on other tax extenders and the budget. To take advantage of the extension for 2015, donors need to arrange a direct transfer from their IRA to an eligible charity by December 31 to count against their required minimum distribution for 2015. Direct transfers from IRAs to an eligible charity made earlier in 2015 in anticipation of the charitable IRA rollover being extended will also count. To qualify, the IRA owner must be age 70½ or older, the annual limit is \$100,000, and donor-advised funds and supporting organizations are not eligible. As the charitable IRA rollover now has no expiration date, donors will have the ability to plan their IRA required minimum distributions with the knowledge that the charitable IRA rollover is available.

[Read more >>](#)

Quick Tip: No Wi-Fi Available? Make Your Phone a Personal Hotspot

You want to use your iPad on donor visits to show off mission-oriented pages on your organization's website, but your iPad is Wi-Fi only. What do you do? You make your iPhone a personal hotspot, that's what!

On your iPhone:

1. Tap Settings.
2. Tap Cellular, then tap Personal Hotspot. (If you don't see a Personal Hotspot option, you may need to have your cell phone carrier activate this feature.)
3. Tap the Personal Hotspot slider to activate your personal hotspot. Note the Wi-Fi name and Wi-Fi password that then appear beneath.

On your iPad:

1. Tap Settings.
2. Tap Wi-Fi.
3. Choose the Wi-Fi name of your personal hotspot.
4. Enter the Wi-Fi password of your personal hotspot.

Now, you're ready to show your donors web pages, run *PGM Anywhere*, and use any other services that depend on an Internet connection.

You can do something similar to the above with Android devices.

Marketing Corner: Year-End Giving

As a general rule of thumb, when it comes to planned giving marketing at year-end, I advise our clients to stop distributing planned giving targeted mailings by October. Most organizations are in full throttle with their end-of-year and annual fund solicitations intended for outright giving. Trying to compete against annual fund solicitations with planned giving mailings doesn't make good business sense, and doesn't consider how the recipient is inundated with year-end solicitations in general.

[Read more >>](#)

IRS Announces Tax Schedules and Exemptions for 2016

The IRS recently announced in [Revenue Procedure 15-53](#) what the amounts in 2016 will be for 51 tax items that are indexed for inflation. In general, the amount of each indexed tax item will increase about 0.4% and therefore should have little effect on the tax incentives that encourage donors to make charitable gifts. Of particular interest to gift planners, the lifetime gift and estate tax exemption will increase \$20,000 to \$5,450,000 per person (\$10,900,000 per married couple), the annual gift tax exclusion will remain \$14,000, and the adjusted gross income threshold for the so-called Pease Limitation will increase \$1,400 to \$311,300 for a married couple filing jointly. (And, in case you were wondering, the tax on arrow shafts will remain \$0.49 per arrow.)

[Read more >>](#)

New GiftCalcs Updated on December 1

On December 1, PG Calc updated the latest version of new *GiftCalcs*, our latest online planned gift calculator. Since *GiftCalcs* is web-based, we were able to update all clients at once with only a few minutes of off-hours interruption in service. Improvements in this latest release include “contact us” buttons that can place a cell phone call to a specified number and the addition of fixed term information in results diagrams when appropriate.

This update affects clients using new *GiftCalcs* only (results are integrated into a diagram); it did not affect clients still using old *GiftCalcs* (results presented in chart format).

Used by hundreds of clients to add interactivity to their organization's website, *GiftCalcs* is available both as a stand-alone product that you can integrate into your organization's existing web pages, or as part of the planned giving websites that we offer through PG Calc *Marketing Services*. You can learn more about [GiftCalcs](#) or [Marketing Services](#) on our website, or contact Dave Wolfe at dwolfe@pgcalc.com or 888-497-4970.

Webinar Schedule for 2016 is Available!

We will be offering our popular monthly Webinar series again in 2016. We have a great schedule of topics and presenters lined up and hope that you and your colleagues will be able to join us for some or all of these sessions. Each 90-minute session includes a 60-minute presentation full of practical information that will help you do your job better, a 30-minute Q&A period with the presenter, a pdf of the presentation slides, and a paper that covers all the content of the presentation.

We are also excited to be bringing back Craig Wruck to present his widely-lauded 4-part *Fundamentals of Gift Planning* series this coming March. If you or others on your fundraising staff would benefit from a thorough introduction to gift planning delivered by a masterful instructor, this is the series for you!

[Click here](#) to learn the details of next year's Webinar series and to register.

PIF Deemed Rate Remains 1.2% for 2016

The IRS deemed rate for valuing gifts to a new pooled income fund (PIF) that is less than 3 years old remains at 1.2% for gifts made in 2016, as it was for gifts made in 2015. This low rate translates into a higher charitable deduction. With the Federal Reserve poised to start raising interest rates, this may prove to be an historic low. For PIFs in existence more than 3 years, the fund's highest return for the last 3 years is used. In many cases,

those rates are also at historic lows, making the charitable deduction for PIF gifts highly attractive.

Our recent webinar, [The Pooled Income Fund at 45 – Consider the Possibilities!](#), held on November 19, 2015, considered the advantages and disadvantages of setting up a new PIF or promoting an existing PIF. You can [obtain the recording](#) to learn more about these opportunities.

Martin Health Closes Several Gifts with Help from PG Calc Marketing Services

Martin Health System has been using PG Calc software since 1998 and then called on PG Calc in 2011 to help them start their gift annuity program. As their program grew, they started to use our *Gift Administration Services*. Over that time they have slowly expanded their relationship with us to include our *Consulting Services* where we assist with their more complex gifts and to increase the overall size of their gifts through donor cultivation strategies. Last year they took the plunge and now use PG Calc for their planned giving *Marketing Services* too.

“Over the years PG Calc has consistently provided high quality programs and education. Since fully engaging with PG Calc we have witnessed a significant increase in planned gift lead generation and have seen great results through several realized gifts.”

Jessica J. McLain, MHA, CFRE, Vice President and Chief Philanthropic Officer

We invite all clients to contact us with your gift planning questions large and small. Call 888-474-2252 or email support@pgcalc.com.



[Learn more about Martin Health >>](#)

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