IRS DISCOUNT RATE: June 3.4%

Grantor Charitable Lead Trusts: Why They (Sometimes) Make Sense

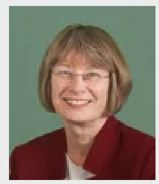
Most gift planning professionals have heard of charitable lead trusts (CLTs), where the charitable beneficiary receives payments, typically for a term of years, and the remainder is distributed to one or more non-charitable beneficiaries at the end of the term. Historically, these trusts have been used – or at least contemplated – by donors whose wealth exposes them potentially to paying gift or estate tax. This type of lead trust is called a ***non-grantor charitable lead trust***. At the end of the term, the assets remaining in the trust are distributed to persons other than the donor (grantor), and most typically, to members of the donor's family.

There is another type of charitable lead trust, which is like the non-grantor trust in many ways, but the trust corpus remaining at the end of the term is distributed back to the donor instead of to the donor's heirs. This type of trust is called a ***grantor charitable lead trust***.

READ THE FULL ARTICLE | PRINT THE FULL ARTICLE

UPCOMING WEBINAR

Making Sense of Gift Annuity Regulations



Presented by
Edie Matulka

Thursday,
May 24
1:00 - 2.30 pm ET

REGISTER

UPCOMING TRAINING

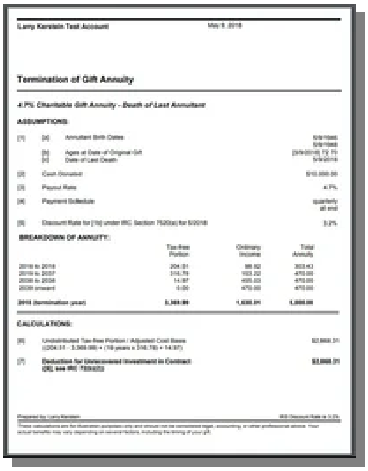
Lead Trust School and Planned Giving by the Numbers
June 21-22, Cambridge, MA

Planned Giving Manager
August 8-9, Boston, MA

GiftWrap
August 15-16, Cambridge, MA

VIEW

In This Issue:


Larry Kerstein Test Account

Termination of Gift Annuity

4.7% Charitable Gift Annuity - Death of Last Annuitant

ASSUMPTIONS:

BREAKDOWN OF ANNUITY:

CALCULATIONS:

Quick Tip: *PGM Anywhere* Makes Gift Annuity Termination Calculations Easy

Any of three different calculations can be necessary when a gift annuity terminates. The calculations needed depend on the reason for the termination: the death of the last annuitant, the gift of an annuity interest, or the cash out of an annuity interest. Based on your selection, *PGM Anywhere's* Termination of Gift Annuity presentation can display all the calculations you need for each of these situations.

1. Run *PGM Anywhere* and enter all facts of the original gift. Be sure to enter the birth dates of the annuitants, not their ages.
2. Open Presentations and choose Termination of Gift Annuity in the Charts section.
3. Answer the questions in the Termination of Gift Annuity follow-up window.
4. Click Results to see all the calculations you will need.

LEARN MORE ABOUT *PGM ANYWHERE*

Marketing Corner: Marketing Strategies for the ACGA Rate Change

The American Council on Gift Annuities (ACGA) just released its new recommended gift annuity rates, effective July 1, 2018. In general, the rates will increase by .3% to .5%. For a look at the rates and PG Calc's analysis of the change, read our recent blog post.

Changes in the ACGA suggested rates, up or down, create the chance for communication with current annuity donors and those considering a gift annuity. The current rate increase certainly offers opportunities for additional annuities from existing annuitants. But more importantly, the rate increase will likely motivate others considering an annuity to make their first gift. This means increased diversification of your pool, thereby reducing your long-term risk.

READ MORE


Planned Giving Champion: Gary Pforzheimer

Happy-ending stories involve setting donors' expectations.

YOUR BYLINE

Planned Giving Today Recognizes Gary Pforzheimer as a Planned Giving Champion

Planned Giving Today, the well-respected planned giving newsletter publication, is running a series of articles on what it calls Planned Giving Champions. As part of this series, *Planned Giving Today* is currently featuring PG Calc President Gary Pforzheimer.

In the article, Gary tells of his history in planned giving, recognizes those mentors who put him on his path to becoming a planned giving champion, and looks into the future of planned giving. *Planned Giving Today* subscribers can read the article in this month's issue. Those of you not currently receiving this informative publication might consider becoming subscribers!

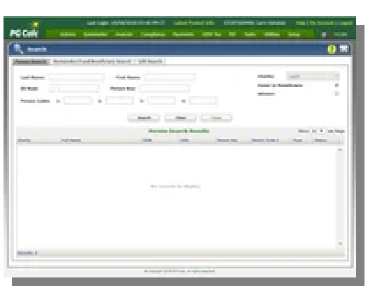
PG Calc Software Updated with New ACGA Rates

Yesterday, on May 15, 2018, the American Council on Gift Annuities (ACGA) announced new higher suggested maximum gift annuity rates. Today, PG Calc released updates of *Planned Giving Manager*, *PGM Anywhere*, and *GiftCalcs* to incorporate the new rates. The new rates take effect on July 1, 2018. For more detail, see our analysis of the new rates.

If your PG Calc application is set up to use the ACGA rate table in force as of the date of gift, which is the default configuration, it will continue to use the current ACGA rate table for gift dates prior to 7/1/2018 and then switches automatically to using the new ACGA rate table for gift dates after that. If it is set up to use a specific rate table instead, it will continue to use that table regardless of the gift date entered. Gift annuity examples on our planned giving websites will be updated automatically early on July 1st, as needed, to reflect the new rates.

We sent an email with download instructions to all of our *Planned Giving Manager* clients on May 16. Please contact PG Calc Client Services at support@pgcalc.com or 888-474-2252 if you need assistance locating your email or installing your update. *PGM Anywhere*, *GiftCalcs*, and our planned giving websites are all web-based, so we have performed this update on behalf of all of our clients of these products.

READ THE ANALYSIS



GiftWrap 4.2.13 and *Bequest Manager* 1.13 Updates

This month, PG Calc released updates to the *GiftWrap* and *Bequest Manager* gift administration applications. *GiftWrap* 4.2.13 and *Bequest Manager* 1.13 contain a variety of enhancements that further increase the value and utility of PG Calc's suite of gift administration software. This release focuses on expanded capabilities in the areas of access and security, reporting, and overall usability. New features include:

- Single Sign-On optional feature
- Bequest enhancements
- FASB enhancements for commuted gifts

In addition, this release incorporates a variety of bug fixes, enhancing the stability and reliability of the *GiftWrap* and *Bequest Manager* applications.

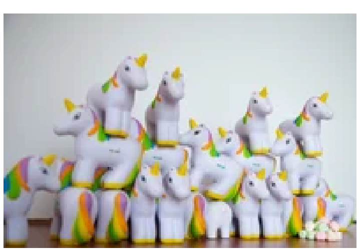
These enhancements are further detailed in the *GiftWrap* 4.2.13 Release Notes and *Bequest Manager* 1.13 Release Notes. Please review these release notes before you use updated *GiftWrap* or *Bequest Manager* software.

Read more about *GiftWrap* and *Bequest Manager* software.

Report From ACGA Conference in Seattle

PG Calc was once again pleased to be a sponsor at the recent ACGA Conference in Seattle. Many friends, old and new, stopped by our booth to talk, ask questions, grab a unicorn, and reminisce. A number of people had questions about the impact of tax reform on planned giving, as well as the recently announced ACGA rate update. As usual, PG Calcers had the answers! We also had many opportunities to show booth visitors the newest features in products like *Planned Giving Manager*, *GiftWrap*, and *Marketing Services*.

In addition, two PG Calc staff members, **Gary Pforzheimer** and **Edie Matulka**, were featured speakers, and were pleased to have had the honor to present to a large number of engaged and lively colleagues. We look forward to sponsoring the 2020 ACGA Conference in Atlanta, to once again have the opportunity to renew old friendships and make new ones!



Update on PG Calc's Unicorn Contest

> *Always be yourself, unless you can be a PG Calc Unicorn. Then, always be a PG Calc Unicorn!*

The PG Calc Unicorn Contest is now fully underway. We've given out nearly five hundred unicorns and have gotten back a few good responses to the question - Why is PG Calc like a unicorn? ***But we need more!***

What is your favorite unicorn attribute? Does PG Calc also embody that attribute? If you want your own unicorn, please come see us at a conference, or sign up for a training session. If you are going to be in the DC, LA, or Chicago areas, we'll be at conferences in those locations at the end of May, as well as others beyond that (see the full PG Calc conference schedule). You can also find our complete training schedule on our website.

READ CONTEST RULES

American Baptist Foundation Relies on PG Calc

American Baptist Foundation is a center for planned giving within the American Baptist Family, and a long-term PG Calc customer. They work with donors and ministries, providing estate planning guidance, institutional investment services, and other planned giving stewardship resources for the benefit of their members and the broader American Baptist Family.

Nicole Mustacchio, an Operations Specialist at American Baptist Foundation, has worked with PG Calc's Client Services staff many times on a variety of issues. In each instance, Nicole notes that the Client Services rep with whom she worked, whether over the phone or via email, was very patient and walked her though how to make corrections to her data. In the past, PG Calc Client Services helped Nicole run the *GiftWrap* CashTrac function for an entire year. This was a long process, but Nicole notes that PG Calc helped her all the way through, and made sure that the numbers were correct. Nicole has found that PG Calc Client Services always replies in a timely manner and has never provided her with an incorrect response. Nicole had this to say about PG Calc:

> *"The PG Calc Client Services staff is very good at what they do and have extensive knowledge about both GiftWrap and gift planning in general. I enjoy working with PG Calc Client Services because I know that I will get the correct information in a timely manner. Thank you for all your help. If I have to rate your customer support, I give you a 100% plus."*

Learn more about American Baptist Foundation.

Learn more about PG Calc Client Services.