

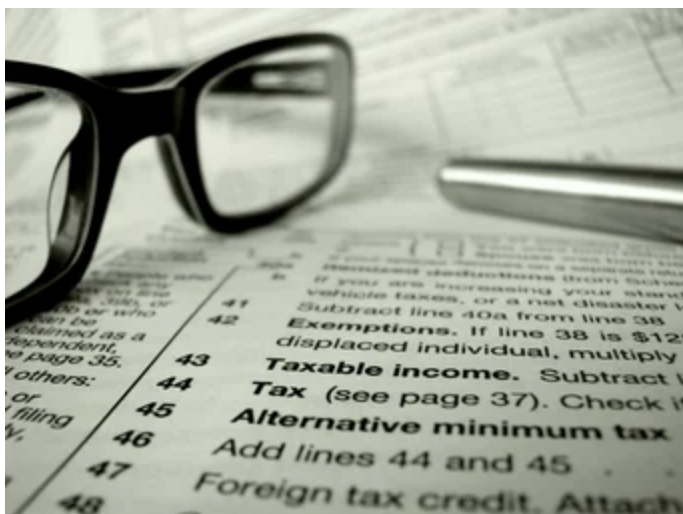


IRS DISCOUNT RATE: March 3.0%

Is There Life in Life Income Gifts?

The new tax law, which went into effect January 1st, has prompted a lot of discussion about the impact it will have on charitable giving. Of course, there's no way to fully predict how donors will react to the changes in deductions (standard and itemized) and reduced tax brackets. But somewhat lost in the conversation has been the wide variety of other benefits that lead donors to make a charitable gift in a particular way.

In this article, we'll take a look at those benefits in the context of charitable gift annuities (CGAs) and charitable remainder trusts (CRTs).



[READ THE FULL ARTICLE](#)

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UPCOMING WEBINARS

Donor Restrictions - What Will They Think of Next?



Presented by [Erik Dryburgh](#)
Thursday, February 22
1:00 - 2:30 pm ET

[REGISTER](#)

Working With Younger Donors



Presented by [Jeffrey Lydenberg](#)
Thursday, March 29
1:00 - 2:30 pm ET

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

March 14-15, Atlanta, GA
April 24-25, Seattle, WA (ACGA)
May 2-3, Boston, MA (PGGNE)

GiftWrap

April 10-11, Cambridge, MA

Lead Trust School

June 21, Cambridge, MA

Planned Giving by the Numbers

June 22, Cambridge, MA

[VIEW](#)

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Quick Tip: *PGM* Option to Assume Doubled Exemption Amounts Will Expire After 2025 . . . or Not

We included a new question in *Planned Giving Manager 7.5 (PGM)*, which we released at the end of January, in response to changes enacted by the new tax law: Assume 2017 Act's doubling of transfer tax exemption expires as scheduled after 2025? If you choose Yes, *PGM* will use a basic exemption of \$5.6 million to compute gift or estate taxes due after 2025. If you choose No, it will use a basic exemption of \$11.18 million* for these calculations instead. This question lets you project future gift and estate taxes based on whether or not Congress will allow the doubling of the transfer tax exemption amounts to expire on schedule after 2025.

The new question can appear in all places in *PGM* where you are asked for prior taxable gifts, such as the gift tax, testamentary, and estate plan models in Life Income Projections and the estate tax and gift tax tools. The new question appears only if a transfer tax may be paid after 2025. For example, in the Estate Tax tool, the question does not appear unless the Year of death is after 2025. If the Year of death is 2018-2025, the tool knows to use an \$11.18 million basic exemption in its calculations.

* This figure has not yet been confirmed by the IRS and could differ slightly from the final amount. It is based on a basic exemption of \$10 million in 2011 adjusted by the Chained Consumer Price Index for All Urban Consumers through August 31, 2017.

Marketing Corner: Sustainability

When we think about sustainability, the first thing that generally comes to mind is saving our world's precious resources. Sustainability is in the news daily. Just recently, it was reported that Cape Town, South Africa will run out of water as soon as April 2018! Sustainability is not just about being careful how we use our resources so as not to deplete or damage them. It's also about "relating to a lifestyle involving the use of sustainable methods," according to Webster Dictionary.

Sustainable methods = Something you can maintain

So how do you sustain your planned giving marketing program?

[READ MORE](#)

Tax Law Update of *PGM* Released

We released the latest version of *Planned Giving Manager (PGM 7.5)* on January 30. *PGM 7.5* incorporates the changes to income tax rates, the % of AGI limit on gifts of cash, and transfer tax exemptions found in the new tax law signed by the President in late December. It also offers two new options related to the tax law changes, as well as several bug fixes.

If you have not installed *PGM 7.5* yet, please do so as soon as possible to assure all of your tax calculations are correct. If you cannot locate your update email or have any questions about how to install or use *PGM 7.5*, please contact Client Services toll-free at 888-474-2252 or email support@pgcalc.com anytime. We look forward to helping you use *PGM 7.5* to support your donors and further your mission!

It Ain't Over Yet! Reporting Form 1099-R Information to the IRS

Just because you have produced and sent the Forms 1099-R in January 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.

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 2.**

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

Did You Miss PG Calc's Tax Reform Webinar?

On Thursday, February 1, Jeff Lydenberg, PG Calc VP of Consulting, presented "Gift Planning Under the New Tax Law." In this webinar, Jeff reviewed the changes in the new tax law most relevant to gift planning. He confirmed what planned giving vehicles remain viable, described several tax-wise strategies for making gifts under the new law, and offered suggestions on how gift planners can best discuss gift planning options with their donors going forward.

This was an extremely popular webinar, as you can imagine. Many of our friends and clients attended and were the recipients of Jeff's insightful and informative presentation.

If, for some reason, you did not attend, **fear not!** You can still benefit from this important presentation. Simply click on the button below to go to our website, where you can download all webinar materials, and stream a recording of Jeff's presentation.

GET WEBINAR MATERIALS

Get a Qualified Appraisal Before Filing the 1040 for 2017

Planned giving donors who made a gift of their life income interest in 2017 need to obtain a qualified appraisal and a Form 8283 signed by the appraiser and donee charity before they file their 2017 federal income tax return. The 2017 Form 1040 is due April 17, 2018, and can be extended until October 15, 2018, but a lot of donors want to file right away.

Without a qualified appraisal and signed Form 8283, the donor could lose the income tax deduction for the gift. PG Calc's *Qualified Appraisal Service* can help. We've done appraisals for early terminations of gift annuity contracts, charitable remainder trusts, pooled income funds, retained life estates, and other special situations. We are happy to be engaged by the charity or directly by the donor. Our website contains [more information](#), including a pricing schedule, and answers to [frequently asked questions](#). To get started, contact Winston Jones at winston@pgcalc.com, who can email a list of documents needed for a particular gift type.

Note: Qualified appraisals are required for all noncash gifts other than publicly traded securities, which includes a range of gift situations beyond the appraisals of life interests PG Calc can do. Real estate appraisers are relatively easy to find. For life insurance contract appraisals, we can recommend appraisers, one of whom also does artwork. Finding an appraiser for closely held business interests, non-publicly-traded securities, or tangible personal property often requires more legwork.

READ MORE

Special ACGA Offer for PG Calc Clients

PG Calc is pleased to be a sponsor of the upcoming 2018 ACGA conference in Seattle, and we look forward to seeing you there. As a sponsor, we're also pleased to be able to offer you a **\$50 discount on your conference registration fee**, if you register between February 15 and March 15. Register by March 1, and you can couple our discount with the conference Early Bird discount, for a **total discount of \$100**.

In order to receive your sponsor discount, use this code - **2018_PGCALCGuest** - when you register online at the [ACGA website](#).

We look forward to seeing you at the conference. Please stop by our booth and learn about PG Calc's industry leading products and services, including our comprehensive suite of *Marketing Services*.

See you in Seattle!



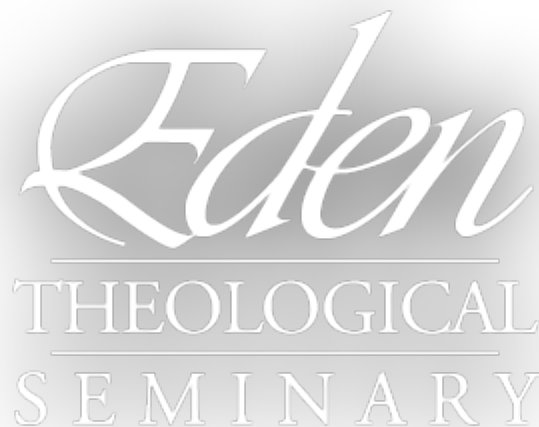
Eden Theological Seminary Says PG Calc's *Gift Administration Service* Is the Best!

Eden Theological Seminary works actively and strategically with approximately 400 constituents in various stages of their Moves Management program, and each constituent of their planned giving program receives undivided and personal attention. Eden donors trust them to be good stewards of their investments and contributions. Even minor mistakes with key donors can have big consequences. It is challenging for Eden's small Development department to make personal contacts with Heritage Society members while cultivating an additional 6000 + constituents. By leaving the technical and legal matters to PG Calc, Eden's fundraising staff can focus on donor

engagement and growth of their planned giving programs. PGCalc's gift administration staff has earned Eden's confidence in all things related to taking care of Eden's annuitants.

Sandi Lafata, Director of Development at Eden Theological Seminary, had this to say about PG Calc's *Gift Administration Service*:

"PG Calc Gift Administration specialists Helene Verrochi and Nancy Cioto have been wonderful to work with. They are always very responsive to our inquiries and needs. Their highly personalized customer service has allowed us to focus on our primary mission. I really do rely on Helene and Nancy for all things related to Gift Annuity administration and planned giving. PG Calc has been invaluable to me as a resource for learning, as well. PG Calc monitors and alerts us of payment issues, making us look like rock stars to our donors! Our previous annuity administrators made minor but all too frequent mistakes that had me apologizing to donors and eating more crow than I like. I never worry about that now. PG Calc provides the best customer service I have experienced."



Learn more about [Eden Theological Seminary](#).

Learn more about [Gift Administration Service](#).



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