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PARTNER
IN PLANNED
GIVING
SUCCESS

eRate Newsletter | April 16, 2019

IRS DISCOUNT RATE: May 2.8%

Now That the Dust Has Settled (Investments and Life Income Gifts After 2018)

You can't say they hadn't warned us. For years, the experts had cautioned that stocks were severely over-valued, and that a major reversal was coming. We had ended the previous 9 calendar years – 2009 through 2017 – with positive returns on stocks. We were enjoying one of the longest bull markets in history. Surely, we knew it couldn't last forever, right? And in the first 3 quarters of 2018, stocks kept going higher and higher, to record levels. But then, in the 4th quarter of 2018, everything suddenly changed.

In this month's featured article, read how Jeffrey Frye, PG Calc Senior Client Services Advisor, demonstrates that, over the long run, life income gifts remain a wise and secure philanthropic investment.

[READ THE FULL ARTICLE](#)

[PRINT THE FULL ARTICLE](#)

UPCOMING WEBINAR

Why Donor Advised Funds and Supporting Organizations are a Gift Planner's Friend



Presented by

[Wendy Chou](#)

Thursday,

April 25

1:00 - 2:30 pm ET

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

May 2-3, Boston, MA

August 7-8, Boston, MA

Lead Trust School

June 19, Cambridge, MA

Planned Giving by the Numbers

June 20, Cambridge, MA

GiftWrap

August 14-15, Cambridge, MA

[VIEW](#)

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3. Click Presentations, then select Summary of Benefits

4. Click Results

If you have any questions, email support@pgcalc.com, or call PG Calc Client Services at 888-474-2252.



Marketing Corner: Promoting Charitable Gift Annuities

We often promote CGAs by touting their benefits. The message is usually simple, as these gifts are straightforward and relatively easy to understand - for most. That may be what we as fundraisers believe, but some organizations are surprised to find that many of their prospects have no idea how gift annuities work and often confuse them with commercial annuities.

Perhaps one way of addressing this confusion is by using the compare and contrast method. This approach has the benefit of leveraging that which is familiar to the donor, while clearly distinguishing between the two types of annuities (important from a state regulatory perspective). Both annuities are simple contracts between issuer and donor/investor. Also, for both annuities, funds are invested, and the annuity is backed by the issuing organization. By highlighting the differences, you can help donors develop a better understanding of how gift annuities work.

Charitable Gift Annuity	Commercial Annuity
<ul style="list-style-type: none">• A charitable donation• Issued by a charity or non-profit• Reduces income tax for donors who itemize deductions• Payments must be a fixed amount, payable for 1 or 2 lives	<ul style="list-style-type: none">• An investment• Issued by a financial institution• Payments may be fixed or variable, for a life or term of years• Payments are generally greater than those from a comparable gift annuity

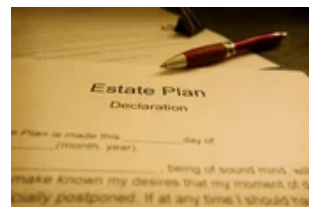
PG Calc Blog

The latest on planned giving from PG Calc.

Latest PG Calc Blog Posts

When a Steady Income Is Better Than a Big Inheritance

Testamentary gifts are the most common type of planned gift, estimated to be 80% or more of planned gifts received by charities. Estate planning may require a donor to confront complicated family issues. Ask any gift officer who has been involved in planned gift fundraising.



[READ MORE](#)

A Charitable Gift Annuity Can Make Payments to a Special Needs Trust

A special needs trust is a type of irrevocable legal arrangement established for the benefit of an individual with physical or mental disabilities, while at the same time allowing the beneficiary to receive essential needs-based governmental assistance.

[READ MORE](#)



Adjustments Needed When CGA Payment Frequency Changes

Sometimes a gift annuitant will request that her payments be made in more frequent installments. A typical situation is the annuitant who receives payments annually and wants to receive them quarterly instead. You can accommodate the annuitant's request, but you will need to reduce the annuity amount a little so that the present value of the annuity remains the same. PG Calc's *Charitable Gift Annuities: The Complete Resource Manual* describes in detail how to compute this adjustment and how to revise the taxation of future annuity payments. You can read this section [here](#). To learn more about the *CGA Manual* or buy it, please visit the [PG Calc website](#).



Take Action on Gift Annuity State Registration

Are you feeling uneasy about your organization's current CGA status? Time to get the ball moving? Let PG Calc put your worries aside and come up with a plan that's right for you.

Contact Julie Goldenberg Hay at 206-329-8144, or email Julie at jgoldenberg@pgcalc.com.

The image shows a portion of a 2014 Individual Income Tax Return form. The 'Your standard deduction' section is highlighted. It includes fields for 'Your first name and initial', 'Your standard deduction', and 'If joint return, spouse's first'. There are also checkboxes for 'Can claim you as a dependent' and 'You were born on or before 12/31/1949'. The form is for the year 2014.

Your Donor's Standard Deduction May Be Greater Than You Think

One of the most significant changes to individual taxes wrought by the 2017 Tax Act was a near doubling of the standard deduction to \$12,000 for single filers and \$24,000 for married couples filing jointly. In 2019, those are still the numbers we often see referenced. For several reasons, your donor's standard deduction is higher than this, possibly quite a bit higher. Keep this in mind when helping a donor consider the tax benefits of her planned gift.

1. The standard deduction is indexed for inflation. In 2019, it is \$12,200 for single filers (SF) and \$24,400 for married couples filing jointly (MFJ).
2. The standard deduction increases \$1,300 if you are 65 or older and \$1,300 if you are blind. Most planned gift donors are old enough to qualify for the first \$1,300. Some will also qualify for the second \$1,300. For most planned gift donors, then, the standard deduction is actually \$13,500 (SF) or \$27,000 (MFJ). For a few, it will be \$14,800 (SF) or \$28,300 (MFJ), or even \$29,600 (MFJ over 65 and both blind).
3. The adjustments described in (2) increase to \$1,650 for a donor who is unmarried and not a surviving spouse. For these donors who are 65 or older, their standard deduction is at least \$13,850, and if blind, \$15,500.



PG Calc May 2019 Conference Attendance

Conference season has begun! We've started with AFP in April and are looking forward to conferences in Boston, Independence, New York, San Francisco, DC, Chicago and Costa Mesa in the month of May. If you're planning to be at any of the following conferences, look for our booth to chat and see our new giveaways!

- May 1 - Planned Giving Group of New England (PGGNE) All Day Conference, Boston, MA
- May 2- Northern Ohio Charitable Gift Planners (NOCGP) Annual Planned Giving Day, Cleveland, OH
- May 9 - Philanthropic Planning Group of Greater New York (PPGGNY) Planned Giving Day, New York, NY
- May 17 - Northern California Planned Giving Council (NCPGC) Annual Planned Giving Conference, San Francisco, CA
- May 23-24 - National Capital Gift Planning Council (NCGPC) Planned Giving Days, Arlington, VA
- May 29-31 - Los Angeles Council of Charitable Gift Planners (LACGP) Western Regional Planned Giving Conference, Costa Mesa, CA
- May 30 - Chicago Council on Planned Giving (CCPG) Annual Symposium, Chicago, IL

If you would like to schedule a meeting with us at any of these conferences, contact Dave Wolfe at dwolfe@pgcalc.com or call 888-497-4970.



UT Dallas Gets Results with PG Calc's *BatchCalcs* Service

The University of Texas at Dallas is an academic and research institution with eight schools and over 140 academic degree programs. It is the mission of UT Dallas to provide the state of Texas and the nation with excellent, innovative education and research.

For the past seven years, UT Dallas has had an active planned giving program, headed by Anna LeBlanc, CAP, CFRE, Director of Gift Planning. The University's planned giving program supports a growing legacy society and accepts planned gifts of all types, including testamentary gifts, Charitable Gift Annuities (CGA), gifts from Donor Advised Funds, beneficiary designation gifts, and more.

In an effort to support the continued growth of the program, Anna has mounted several marketing initiatives over the years, some of which included direct mail campaigns, designed in-house and with the help of outside vendors, as well as email marketing campaigns.

Anna first heard about PG Calc, and in particular, PG Calc's *BatchCalcs* service, discussing successful marketing initiatives with colleagues at other universities. On the basis of colleague recommendations, Anna decided to engage PG Calc and the *BatchCalcs* service. In the most recent UT Dallas *BatchCalcs* campaign, the school sent 500 personalized donor letters discussing

the school's CGA program. This campaign resulted in three new CGA gifts from past donors to the University.

Anna had this to say about PG Calc and the *BatchCalcs* service:

"The idea of personalized solicitation letters, produced via the BatchCalcs service, that included calculations clearly illustrating the shared benefits of a CGA gift struck an immediate chord with our donors. Having received these personalized letters, our donors were motivated to participate. And PG Calc's staff was extremely helpful and incredibly flexible as we planned and executed this campaign."

Learn more about the [University of Texas at Dallas](#).

Learn more about [BatchCalcs](#).



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