

# **Planned Giving Manager Suite**

## **Planned Giving Manager/Mini Manager/Gift Annuity Manager**

### **Windows Version 6.0B Update**

#### **October 2006**

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Dear PGM Client,

I am pleased to announce the release of **Planned Giving Manager version 6.0B**.

Your update contains a Detailed Comparison of Benefits narrative that lets you compare gift annuity taxation information side-by-side in PGM's familiar chart format. This presentation will be especially useful when you want to compare gift annuities funded with different amounts or with cash versus appreciated stock.

This release also includes all of the files that comprised your PGM 6.0A update. This way, whether you have PGM 6.0 or PGM 6.0A installed currently, installing PGM 6.0B will give you all material that we have updated since we released PGM 6.0. PGM 6.0A included the following enhancements:

- A Gift Annuity Agreement narrative updated with West Virginia disclosure language
- ACGA rate tables for deferred annuities issued in New York or New Jersey
- Gift Annuity Disclosure Statement updated for Alabama requirements
- Updated Online Help files

The Detailed Comparison of Benefits narrative is described in more detail on the following page. We have also included a sample Detailed Comparison of Benefits chart to give a clear idea of the information it presents. Please review them so that you understand them before you use your updated software.

Sincerely,



Gary M. Pforzheimer

# Summary of Enhancements

## **Detailed Comparison of Benefits narrative**

The Detailed Comparison of Benefits narrative lets you compare up to three life income gifts side-by-side in standard PGM chart format. It is available for gift annuities, deferred gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts, and pooled income fund gifts.

The primary value of this narrative is that it includes the details on how the payments from a gift annuity or deferred gift annuity will be taxed: how much will be ordinary income, how much will be tax-free, and, where applicable, how much will be capital gain income. The inclusion of this detail makes this presentation especially useful when you want to compare gift annuities funded with different amounts or with cash versus appreciated stock. For example, it enables you to show in a simple side-by-side comparison how the taxation of payments from a gift annuity funded with \$20,000 cash will differ from one funded with \$20,000 in stock in which the donor has a \$5,000 cost basis.

To have access to the Detailed Comparison of Benefits narrative, you must reconfigure Planned Giving Manager. The installation steps are provided in the Installation Instructions. Once you have followed these steps, you will be able to select this narrative by opening the Presentation Selection window under Basic Gift Illustrations (Program 1). Detailed Comparison of Benefits will be the last choice listed in the Narratives box.

See the next page for an example of the Detailed Comparison of Benefits narrative.

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**Community Hospital Foundation**

Prepared for:  
Mr. & Mrs. John Q. Franklin  
October 3, 2006

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**Detailed Comparison of Benefits**

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**ASSUMPTIONS:**

Beneficiary Ages [5/1/1934] 72  
[7/28/1936] 70  
Date of Gift 2/2/2006

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	<b>Charitable Gift Annuity 6%</b>	<b>Charitable Gift Annuity 6%</b>
Principal Donated	\$20,000	\$20,000
Cost Basis	\$20,000	\$5,000

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**BENEFITS:**

<b>Charitable Deduction</b>	\$6,822	\$6,822
<b>Annual Payment</b>	\$1,200* (fixed)	\$1,200* (fixed)
Tax-free Portion	\$668	\$167
Capital Gain Income	\$0	\$501
Ordinary Income	\$532	\$532

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Total Reportable Gain	\$0	\$9,884 (Over 19.7 years)
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\* The tax-free portion will be payable for the life expectancy of the annuitants. Once all tax-free portions have been distributed and all capital gain reported, the entire annuity will become ordinary income.

IRS Discount Rate is 5.4%

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These calculations are for illustration purposes only and should not be considered legal, accounting, or other professional advice. Your actual benefits may vary depending on the timing of the gift.