



Planned Giving Manager Suite

Planned Giving Manager/Mini Manager/Gift Annuity Manager

Windows Version 7.7A Update

January 2024

Dear PGM Client,

I am pleased to announce the release of **Planned Giving Manager version 7.7A**. This update incorporates the new ACGA rates that went into effect January 1, 2024, adds the indexed tax tables for 2024, and updates the IRS discount rates through January 2024.

These changes are detailed on the following page. Please review them before you use your updated software.

If you have any questions about the software, please do not hesitate to call Client Services toll free at 888-474-2252. We look forward to helping you get the most out of PGM 7.7A.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Pforzheimer".

Gary M. Pforzheimer

Summary of Enhancements

- **New ACGA rates**

On December 26, 2023, the American Council on Gift Annuities (ACGA) announced new suggested maximum gift annuity rates. The new rates apply to gift annuities established on or after January 1, 2024. They replace the rates that became effective on January 1, 2023.

For annuitant ages 70 and older, the 2024 single-life rates are 0.4% - 0.5% higher than the 2023 rates and the 2024 two-life rates are 0.3% - 0.4% higher than the 2023 rates. In addition, the ACGA has increased the compound interest factor for deferred gift annuity (DGA) rates from 4.25% to 4.75%. As a result of this increase, the longer the deferral period, the greater the difference between the 2023 DGA rates and the 2024 DGA rates. For more details, [see our analysis](#) of the new ACGA rates.

When PGM will use the 2023 rates and 2024 rates

After you install *PGM 7.7A*, *PGM* will continue to pick gift annuity rates from the table selected under Customize > Gift Annuity Rate Tables. If you have "ACGA rates in effect on date of gift" selected (the PG Calc default selection), *PGM* will pick gift annuity rates from the 2023 ACGA rates table for gift dates prior to January 1, 2024. It will pick rates from the 2024 ACGA rates table for gift dates after that. If you wish to continue to use the 2023 rates for gift dates after December 31, 2023, change this setting to "ACGA Rates Effective 1/1/2023." Choose File > Save Configuration to save your configuration change.

If your charity does not offer current ACGA rates

If you have a specific ACGA rate table or custom rate table selected when you launch *PGM 7.7A* for the first time, you will be prompted to choose a gift annuity rate table. "ACGA Rates Effective on Date of Gift" will be the default choice unless you use a custom gift annuity rate table, in which case your custom table will be the default choice. When you see this message, click the rate table you wish to use going forward, then click Done. Choose File > Save Configuration in the *PGM* Menu Bar to save your configuration change.

If your charity has ACGA rates on file with any regulating states

If your organization has ACGA rates on file with one or more regulating states, you will NOT need to file the 2024 ACGA rates with those states before you start offering them in 2024. However, you should NOTIFY those states if you intend to offer the 2023 ACGA rates on or after January 1, 2024. You WILL need to FILE new rates with those states before you start offering them in these situations:

- 1) Your organization has non-ACGA rates on file with any of these states and it plans to start offering the 2024 ACGA rates.
- 2) Your organization has ACGA rates on file with any of these states and it plans to start offering non-ACGA rates.

Tax Law Changes

- **Federal gift, estate, and generation skipping tax rates and exemption for 2024**

The Tax Act of 2017 doubled the exemption for federal gift, estate, and generation skipping tax (GST) to \$11,180,000 for 2018. This amount is indexed annually for inflation and is \$13,610,000 in 2024 (\$27,220,000 for a married couple). We have updated *PGM* with the indexed amount for 2024.

This change affects the following illustrations:

- Non-grantor lead trusts in Basic Gift Illustrations
 - Gift tax, testamentary, and estate plan models in Life Income Projections
 - Non-grantor, testamentary, and super grantor lead trusts in Lead Trust Projections
 - Estate Tax and Gift Tax functions in the Tools menu
- **Federal income tax schedule for estates and trusts in 2024**
Lead Trust Projections uses the federal income tax table for estates and trusts when it computes the income tax owed by a non-grantor lead trust or regular irrevocable trust each year. *PGM 7.7A* incorporates for this purpose the federal income tax schedule for estates and trusts for 2024. Lead Trust Projections also uses this income tax schedule to determine when to apply the 3.8% net investment income tax (Medicare surtax) to non-grantor lead trust taxable income (this threshold in 2024 is \$15,200 of taxable income).
 - **IRS discount rates updated through January 2024**
We have included in *PGM 7.7A* all monthly IRS discount rates through January 2024.
 - **2024 tax tables available from PG Calc website**
The 2024 indexed tax tables relevant to *PGM* are available on the PG Calc website. Go [here](#) to review the tables.

Narrative Changes

Gift Annuity Agreement

We have made changes to the gift annuity agreement to accommodate regulators in Alaska and California.

1. We have added “established under AS 21.79.040” to the disclosure language at the top of the agreement for Alaska donors.
2. We have added “/ Date” under all signature lines when the donor’s name or officer’s name is printed under a signature line. This additional text was added at the request of California regulators, but we have added it to agreements for donors in all states except New York. New York regulators have indicated that adding “/ Date” to New York agreements would require charities to refile their agreements with New York.