

Release Notes for PGM Anywhere
Release Date: 11/22/2019

Enhancements

New ACGA rates

On November 22, 2019, the American Council on Gift Annuities (ACGA) announced new suggested maximum gift annuity rates to replace the rates that became effective on July 1, 2018. The rates will apply to gift annuities established on or after January 1, 2020, although a charity may follow the new rates immediately if it wishes.

For typical annuitant ages, 70 – 85, the new single-life rates will be 0.3% - 0.5% lower than the rates they replace. Two-life annuity rates at these same ages are 0.4% - 0.5% lower than the rates they replace. In addition, the ACGA has decreased the compound interest factor for deferred gift annuity (DGA) rates from 3.75% to 3.25% for all deferral periods. As a result of this decrease, the longer the deferral period, the greater will be the difference between the old DGA rates and the new ones. For more details, see our analysis at <https://info.pgcalc.com/acga-rate-analysis-2020>.

PGM Anywhere will continue to pick gift annuity rates from your current gift annuity rate table for gift dates prior to January 1, 2020. If you wish to use the new rates at any time prior to January 1, 2020, open Customize – Calculation Options and select "ACGA Rates Effective 1/1/2020" as the "Gift annuity rate table," then click Done.

If you have a specific ACGA rate table or custom rate table selected, *PGM Anywhere* will continue to use that rate table indefinitely. To start using the new ACGA rate table for gift dates on or after January 1, 2020 instead, open Customize – Calculation Options and select "ACGA Rates Effective on Date of Gift" as the "Gift annuity rate table," then click Done.

Note that if your organization has ACGA rates on file with one or more regulating states, you will NOT need to file the new ACGA rates with those states before you offer them starting on January 1, 2020. However, if your organization has non-ACGA rates on file with these states and it plans to start offering the ACGA rates, or vice versa, you WILL need to file the new rates with those states before you start offering them.

Federal income tax schedule for estates and trusts in 2020

When performing projection calculations for a non-grantor lead trust, *PGM Anywhere* uses the federal income tax table for estates and trusts to compute the income tax owed by a non-grantor lead trust each year. *PGM Anywhere* incorporates for this purpose the federal income tax schedule for estates and trusts for 2020. *PGM Anywhere* also uses this income tax schedule to determine when to apply the 3.8% Medicare surtax to non-grantor lead trust taxable income (this threshold in 2020 is \$12,950 of taxable income).

5% and 10% test messages made friendlier

Gift annuities and charitable remainder trusts must have a charitable value of at least 10% of the funding amount to qualify. In addition, a charitable remainder annuity trust must have less than a 5% probability of exhaustion to qualify. *PGM Anywhere* includes a warning message at the bottom of presentations when a gift fails either of these tests. This message now ends with advice on what the reader can do so that the gift passes the failed test(s).

Online Help updated to reflect all changes

We have updated *PGM Anywhere's* Online Help to reflect all changes in the 11/22/2019 release. It also includes all federal tax tables indexed for 2020 that are of interest to gift planners. See Contents>Tables>Federal income tax and Contents>Tables>Federal gift and estate tax.

This version of Help has an updated look, but otherwise is organized and operates much the same way as Help available in previous *PGM Anywhere* releases.

Known Issues

Deduction wrong for grantor lead trusts funded with short term gain or ordinary income property

The charitable deduction computed for a grantor lead trust funded with short term gain or ordinary income property is based on the value of the property transferred rather than the donor's cost basis in the property. This set of facts is highly unlikely to arise in practice, but we will fix this issue in a future release.

Projected values wrong for bargain sales

Projected values that appear in bold at the bottom of the Summary of Benefits Projection chart are not correct for a bargain sale gift. They do not take taxes into account as they should. In addition, the "Benefit to [charity]" value doesn't account for the sale price or any debt. We will fix these issues in a future release.

Age Differences on *PGMA* Release 8A Presentations vs. *PGM 7.5C* Presentations

On several presentations for deferred gift annuities (DGAs) and a few for flexible gift annuities (FGAs), *PGMA* Release 8A shows the age of the annuitant as of the annuity starting date whereas *PGM 7.5C* shows the age of the annuitant as of the date of first payment. For example, when a DGA is shown on the Comparison of Benefits chart in *PGM Anywhere*, the age shown in the DGA column heading is based on the annuity starting date, but in *PGM 7.5C* it is based on the date of first payment. We expect to resolve this discrepancy between the two products in a future release.

"Font is not available. Select another font from the list"

This message appears when you attempt to select a different font (while viewing Results) if the requested font is not resident on the device on which you are running *PGM Anywhere*.

In Firefox on a Samsung Galaxy, this message appears anytime you attempt to change the font, regardless of whether the font is resident on your device. In this case, try changing the font while running *PGM Anywhere* in a different browser or on a different device.

Field value doesn't highlight when tapped on an iPad

This is standard browser behavior on the iPad. There is an expectation that tapping a field will highlight the entire field in future versions of Chrome and Safari.

User must click Done twice to make action occur

In Firefox only, there are some actions that can be completed only when you click twice in a row rather than the usual once. The solution is either to tap twice in these situations or to run *PGM Anywhere* in a different browser. Instances where this happens include:

- If you edit a Gift Annuity or Deferred Gift Annuity gift option, typing in new date of first payment for GA or DGA under Gift Options requires clicking Done twice.
- When you edit or add a Pooled Fund or Disclaimer under Customize and click Done
- When you change the gift date or birth dates in the Date - Lives - Term window and then click another item in the left navigation bar, such as Results, you have to click twice in the left navigation bar to move on. This behavior occurs when you type your date change into the field, but not if you use the calendar control to revise the date.

Disclaimer text is cut off on the right

Disclaimer text can get cut off on the right when the font is too big. Try reducing the font size. Choosing a different font without changing the size might also help.

iPad sometimes doesn't display second age in Date-Lives-Term window

If you are working on an iPad and enter a second age or birth date in the Date-Lives-Term window, open a different window (tap Results, for example), then open Date-Lives-Term again, the second age/birth date is not visible. If you then tap Results, the second age will still appear on the chart and the calculations will be based on two ages.

In the case of entering birth dates, the second birth date disappears as described only if you type in the complete birth date. If you use the calendar control to enter the birth date or enter the birth date in mm/dd/yy format rather than mm/dd/yyyy format, the date will not disappear when you leave and then return to the Date - Lives- Term window.