

Tax Law Changes

Federal income tax schedule for estates and trusts in 2021

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* uses the 2021 federal income tax schedule for estates and trusts for this purpose. *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. In 2021, the threshold for applying this surtax is \$13,050 of taxable income.

Narrative Changes

Four narratives updated to show 100% of AGI limit applies to gifts made in 2021

The CARES Act, the massive coronavirus relief package passed in March 2020, included a provision that increased the deduction limitation on cash gifts made to public charities in 2020 to 100% of a donor's adjusted gross income (AGI). The Taxpayer Certainty and Disaster Tax Relief Act of 2020, signed into law on December 27, 2020, extends this provision through 2021. We have updated the following narratives reflect the extension of this provision: Proposal Letter, Description and/or Example, Long Description and/or Example, and Comparative Description.

Enhancements

Case notes field added to Personalization screen

We have added a new "Case notes" field to the Personalization screen. This new field will allow you to add notes about a case for future reference. Although case notes do not appear in any presentations, they are saved when you save a case and retrieved when you open a case.

Contact information fields added to the Users-User Management-Edit User screen

We have added the following contact information fields to the Users > User Management > Edit User screen: Title, Address, City, State, ZIP code, Phone, Phone type. Completing these fields for each user will help us serve each of them better. At present, none of this information appears on any presentations.

Security features

We have added several security features to *PGM Anywhere*.

- **Single sign-on**

We have added single sign-on (SSO) as an optional module. SSO allows users to gain access to *PGM Anywhere* based on the credentials used to login to their computer or network rather than by entering credentials into the *PGM Anywhere* login screen. Applying SSO reduces the number of usernames and passwords a user needs to remember/enter and can lessen IT Help Desk workload. An expanding number of our clients are adopting SSO for applications such as *PGM Anywhere*.

- **Implement KMS functionality**

We have added a key management service (KMS) as an optional module. KMS separates the management of data encryption keys from other stored data, adding an additional level of security to the data stored by *PGM Anywhere*.

- **Prevent session stealing**

We have added code designed to prevent session stealing. Session stealing is an attack where a user session is taken over by the attacker. We are not aware that this has ever happened to a *PGM Anywhere* user. Now, it will be much harder for an attacker to pull off.

Email set to “Send to user” for all users

There are three different delivery methods available under Customize > Chart Options that determine what domain is used when sending emails from the Results or Tools > Charts screens.

Many email systems reject emails sent from one domain that show a sender with a different domain because they consider them spam. Because of this spam filtering technology, some clients have experienced delivery failure of emails sent through *PGM Anywhere*. To ensure emails sent from *PGM Anywhere* are delivered, we have set all *PGM Anywhere* accounts to use the “Send to user” option for emailing presentations. This option causes *PGM Anywhere* to email presentations from “presentations@pgcalc.com.” Since emails are sent from the PG Calc domain and the “From” address matches that domain, you can be sure of they will be delivered. Under this configuration, the user sends emails from *PGM Anywhere* to themselves, after which they may edit and forward the email directly to their donor.

Help system updated

We have updated the *PGM Anywhere* Help system to reflect all changes to the software. We have also added indexed federal tax values for 2021, including income tax schedules for individuals and trusts, standard deduction amounts, and transfer tax exemption amounts.

Bug fixes

10% deduction warning may not appear for FGAs

The warning that a gift annuity with a charitable value of 10% or less of the funding amount will not qualify did not appear when it should for a flexible gift annuity in the following situation: the greatest value of the annuity among all possible payment start dates was 90% or more of the funding amount (which means the warning should appear), but the value of the annuity for the payment start date to show as elected was less than 90% of the funding amount. The warning now appears in this case.

Year projection ends default value not reset when third life added while gift annuity selected

The “Year projection ends” default value is continually updated as you add ages/birth dates or make other changes to the gift term in the Gift Date – Lives – Term window. However, when you have one or more gift annuities selected in Gift Options and you then enter a third age/birth date, the “Year projection ends” default value was not being updated. Now it is.

Last Payment Start Date in Range missing from NCIA chart when one age entered

The “Last Payment Start Date in Range” line did not appear on the Non-Charitable Interest Actuarials chart for a flexible gift annuity when there was only one age/birth date entered. It should appear immediately under “First Payment Start Date in Range” in the ASSUMPTIONS section. Now, it does.

On the Actuarial Calculations chart, the “Last Payment Start Date in Range” line appeared properly for a flexible gift annuity when one or two ages/birth dates were entered, but it was labeled as line [1][c] rather than as a second line under [1][b]. Now, it is properly labeled.

Annuity rate default could be wrong for a CGA

The default annuity rate for a gift annuity was wrong when you set a gift annuity’s “Payment frequency” to Annual and “Combine first partial payment with first regular payment” to Yes, and then changed the ages

or birth dates entered. At typical annuitant ages, the change in ages or birth dates caused the annuity rate to reset to a rate 0.2% – 0.4% higher than it should have. It now resets the annuity rate correctly under these conditions. Deferred gift annuities and flexible gift annuities were not affected by this bug.

“Is annuitant also the donor” default could be wrong

When you had a gift option selected that was not a gift annuity, then added a Deferred Gift Annuity, the default answer to "Is annuitant also the donor" in the DGA follow-up window was No. It should have been Yes. Also, if you had a DGA with “Is annuitant also the donor” set to No and then added a CGA, neither Yes or No was selected for “Is annuitant also the donor” in the CGA. "Is annuitant also the donor" now defaults correctly to Yes in both situations.

FGA elective start dates and rates were duplicated after clicking Back + Next

After adding a flexible gift annuity (FGA), if you then opened the FGA again and clicked Next, you would see the correct schedule of elective payment start dates and rates. However, when you clicked Back and Next again, the schedule of elective payment start dates and rates appeared twice and you would get an error if you then clicked Results. These issues no longer occur.

Back and Next buttons did not retain changes to FGA values

When you clicked Next in the first flexible gift annuity (FGA) follow-up screen and then clicked Done in the second FGA follow-up screen, any changes you made in either screen were still there the next time you opened the screen. However, if you clicked Back in the second follow-up screen instead of Done, all changes made in either screen were lost. Now, any changes you make in either screen are retained each time you click Next or Back.

Including { or } in the organization Heading name caused error in report

Including a "{" or "}" in an organization heading (see Customize > Organizations > Edit > General > Heading line #) caused an error when you clicked Results. Now, you can include "{" and "}" in an organization heading.

Trashcan was available for Heading line 1

The trashcan icon for deleting a line was available to the right of Heading line 1 under Customize > Organizations > Edit > General, which made it possible to delete Heading line 1. This is no longer allowed. The trashcan icon is now available only for the last Heading line when it is Heading line 2 or greater.

Client's custom narrative produces HtmlTextBox error in Results

When a narrative included an "&" an HtmlTextBox error would appear in the resulting narrative. An "&" can now appear in a custom narrative without causing an error.

Total Income Tax Paid Over Term incorrect for non-grantor lead trust on Summary of Benefits Projection chart

The Total Income Tax Paid Over Term value that appears on the Summary of Benefits Projection chart could be incorrect for a non-grantor lead trust. The error occurred when non-grantor and grantor lead trusts were compared and the total income tax amount for the non-grantor lead trust was \$0. A positive amount was appearing for the non-grantor lead trust instead of \$0. Now, \$0 appears in this case.

“\$” and “%” entered in Optional text field didn’t appear in presentation headings

When a “\$” or “%” character was included in the Optional text field in the Personalization window, it did not appear in presentation headings with the rest of the Optional text that was entered. Now it does.

Whole months default wrong in PG Calc startup defaults

When Customize > Calculation Options > Prorate first payment to reflect partial period = No and PGM Anywhere was using PG Calc standard startup defaults, "Whole months from gift date [date] to date of

first payment" in the Gift Annuity follow-up window was incorrectly set to 0. Since payments are quarterly by default, it should be set to 3. Now, it is.

DGA date of first payment reset when another DGA added

The date of first payment for a deferred gift annuity (DGA) was reset to the default date of first payment when another DGA was added after it. The date of first payment of an already selected DGA should not be reset when another DGA is added. This behavior could cause the deferred annuity rate to no longer reflect the date of first payment. This bug is fixed.

A similar problem existed for flexible gift annuities (FGA). The Payment start date to show as elected by annuitant, First payment start year in range, and Last payment start year in range of the first FGA were all reset to the default values when a second FGA was added. They no longer are.

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.

Termination of Gift Annuity values can be wrong for FGAs

There are situations where values in the Calculations section of the Termination of Gift Annuity chart can be wrong for a flexible gift annuity. One example is when only one of two annuitants is surviving on the date of termination. Because of these issues, a warning message appears on the chart whenever it is produced for an FGA. The warning message recommends performing the calculations in *PGM* desktop or contacting PG Calc for assistance.

Age differences on *PGM Anywhere* Release presentations vs. *PGM 7.5D* presentations

On several presentations for deferred gift annuities (DGAs) and a few for flexible gift annuities (FGAs), *PGM Anywhere* shows the age of the annuitant as of the annuity starting date whereas *PGM 7.5D* 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 7.5D* 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 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 a 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. To move on, you have to click twice in the left navigation bar. 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 does not 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.