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Dear PG Calc Client,

I am very pleased to announce the release of **Planned Giving Manager version 7.2A**. *PGM 7.2A* is an optional update that fixes a few obscure bugs and adds the new 2012 IAR mortality table to two Tools functions.

PGM 7.2A's enhancements and bug fixes include:

- * 2012 IAR mortality table added to Life Expectancy and Present Value of Future Bequest tools.
- * Bug in *Customize – Organization Information - Are your charity's gift annuity assets managed by an outside firm* fixed.
- * Gift Annuity Agreement updated so that irrevocability language is always complete.

I encourage you to learn more about *PGM 7.2A's* new features on the following pages before you take the time to download it. You may conclude that the changes will not affect your use of PGM and reasonably decide to forgo updating from *PGM 7.2* to *PGM 7.2A* at this time.

As always, our Client Services team stands ready to answer your questions about using the new features and the software in general. Call Client Services toll free at 888-474-2252 or email support@pgcalc.com anytime. We look forward to helping you use *PGM 7.2A* to support your donors and further your mission.

Sincerely,

Gary M. Pforzheimer

Summary of Enhancements

Tax Law Changes

- **IRS discount rates updated through May 2015**

As with every update, we have included all monthly IRS discount rates up to the month of release in order to ensure their accuracy. *PGM 7.2A* incorporates discount rates through May 2015.

Miscellaneous Changes

- **2012 IAR mortality table added to Tools functions**

The 2012 IAR mortality table is now available as a choice in the Life Expectancy and Present Value of Future Bequest tools (select “2012 IAR Dynamic”). Adopted by the National Association of Insurance Commissioners (NAIC) for valuing annuities as of January 1, 2015, 2012 IAR is both a gender-biased table - males and females have different mortalities - and a generational table. It replaces Annuity 2000 as the most conservative mortality table available in PGM, which means that using 2012 IAR will result in the longest life expectancies and the lowest present values of future bequests.

The generational aspect of 2012 IAR means that the life expectancy computed for a person of a specific age will depend on the year of determination. The life expectancy of a 75 year-old in 2015, for example, will be lower than the life expectancy of a 75 year-old in 2020. The expectation is that this approach will allow 2012 IAR to be used for many years without becoming obsolete. All the other tables used in PGM are static: the life expectancy of a 75 year-old will be the same regardless of the year for which it is computed.

Washington and New York require use of the 2012 IAR table for computing annuity reserves for gift annuities issued on or after January 1, 2015. Other states will accept use of this table for this purpose and we expect many will formally adopt the use of 2012 IAR within the next few years. PGM does not compute gift annuity reserves (PG Calc’s GiftWrap gift administration software does).

- **Gender added to Tools charts when Annuity 2000 or 2012 IAR mortality table selected**

When you select either the Annuity 2000 or 2012 IAR Dynamic mortality table in the Life Expectancy or Present Value of Future Bequest tool, the gender associated with each age or birth date entered is included on the results chart for the tool. When any other mortality table is selected, genders are not included on these charts because all of these other mortality tables do not differentiate between males and females.

- **Choices in “PA type of institution” menu revised**

We have revised the text of the choices available in *Customize – Organization Information - PA type of institution* to make them more concise and accurate. We also added a “None of the above” choice at the bottom. The choices are now:

Educational institution

Foundation for educational institution

Hospital regulated by Pennsylvania

Foundation for hospital regulated by Pennsylvania
Charity registered to solicit in Pennsylvania
Senior citizen center or nursing home
Religious institution
Corporation under Congressional and DOD oversight
None of the above

If your organization is not qualified to issue gift annuities in Pennsylvania, you should select “None of the above.” PGM will then issue a warning if you try to produce a gift annuity agreement for a donor who is a Pennsylvania resident.

Gift Annuity Agreement Changes

- **Last sentence of Irrevocability paragraph was missing in two specific cases**

In the following cases, the last sentence of the Irrevocability paragraph was missing:

1. Immediate Payments, Two Lives - Joint and Survivor; One donor; Donor is Not an Annuitant; power to revoke paragraph included
2. Immediate Payments, Two Lives - Joint and Survivor; Two donors; Funded with Jointly-Owned or Community Property; Donors are Not the Annuitants; power to revoke paragraph included

The sentence that now appears properly for the above cases looks like this:

“With respect to the first of Joe Annuitant or Jane Franklin to die, the obligation to pay such annuitant any share of the annuity shall terminate with the quarterly installment payment preceding the death of such annuitant or upon such annuitant's death if no quarterly installment payment had become due as of that date, and all following payments shall be payable to the survivor of Joe Annuitant or Jane Franklin, during such surviving annuitant's lifetime.”

Bug Fixes

- **Changing answer in Customize – Organization Information no longer causes PGM to crash**

When you changed the answer to *Customize – Organization Information - Are your charity's gift annuity assets managed by an outside firm*, PGM crashed as soon as you attempted to leave the window. This no longer happens.

- **Loss property could be incorrectly interpreted as capital gain property**

When you selected *Loss property* as the property type in the Principal Value – Cost Basis window and then entered a value of the property that was greater than the current value, PGM's presentations showed values as if the gift had been funded with long term gain property. The value of the property was the newly entered value and the cost basis was the replaced value. Now the property value is properly set to the entered value and the cost basis is not shown.

This bug was most obvious when a gift annuity was selected, because the annuity was incorrectly shown as having a capital gain portion.