



# **Planned Giving Manager Suite**

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

### **Windows Version 7.6A Update**

### **December 2022**

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Dear PGM Client,

I am pleased to announce the release of **Planned Giving Manager version 7.6A**. This update incorporates the new ACGA rates that go into effect January 1, 2023, adds the indexed tax tables for 2023, and updates the IRS discount rates through December 2022.

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 7.6A.

Sincerely,

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

Gary M. Pforzheimer

# Summary of Enhancements

- **New ACGA rates**

On December 19, 2022, the American Council on Gift Annuities (ACGA) announced new suggested maximum gift annuity rates to replace the rates that became effective on July 1, 2022 (the “current” rates). The rates will apply to gift annuities established on or after January 1, 2023 (the “new” rates).

For annuitant ages 70 and older, the new single-life rates will be 0.6% - 0.7% higher than the rates they replace and the new two-life rates will be 0.4% - 0.8% higher than the rates they replace. In addition, the ACGA has increased the compound interest factor for deferred gift annuity (DGA) rates from 3.5% to 4.25% for all deferral periods. As a result of this increase, 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](#) of the new ACGA rates.

After you install *PGM 7.6A*, *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 continue to pick gift annuity rates from the current ACGA rates table for gift dates prior to January 1, 2023. It will pick rates from the new ACGA rates table for gift dates after that. If you wish to use the current rates for gift dates after December 31, 2022, change this setting to “ACGA Rates Effective 7/1/2022.” If you wish to use the new rates for gift dates prior to January 1, 2023, change this setting to “ACGA Rates Effective 1/1/2023.” Choose File > Save Configuration to save your configuration change.

If you have a specific ACGA rate table or custom rate table selected when you launch *PGM 7.6A* for the first time on or after January 1, 2023, 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. Again, choose File > Save Configuration in the *PGM* Menu Bar to save your configuration change.

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, 2023. However, you should NOTIFY those states if you intend to offer the new ACGA rates prior to January 1 or to offer the current ACGA rates on or after January 1. 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 new ACGA rates or (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 2023**

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 \$12,920,000 in 2023 (\$25,840,000 for a married couple). We have updated *PGM* with the indexed amount for 2023.

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 2023**  
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 7.6A* incorporates for this purpose the federal income tax schedule for estates and trusts for 2023. Lead Trust Projections 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 2023 is \$14,450 of taxable income).
  - **IRS discount rates updated through December 2022**  
We have included in *PGM 7.6A* all monthly IRS discount rates through December 2022.
  - **2023 tax tables available from PG Calc website**  
The 2023 indexed tax tables relevant to *PGM* are available on the PG Calc website. Go [here](#) to review the tables.

## Narrative Changes

None