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**Q & A from “Long Live The Donor (Well, Not Too Long!):
Mortality Table Mysteries in Gift Planning”
<March, 2023>**

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| <p>The 2000CM table is still available until the proposed regs are finalized, yes?</p> | <p>Correct and then will be updated to 2010CM table – there is usually a 12-14 year delay on adopting new census tables.</p> |
| <p>We use PG Calc calculator and use the PV of Bequest tool which allows us to use male/female, but there's a choice of tables, which are different from the choice of tables for doing a gift annuity illustration. Which to use? The PV tool would give a different life expectancy from the other calculations!</p> | <p>The one that is likely most accurate would be the IAR 2012 table which I believe is a choice. Annuity donors tend to live longer than bequest donors but there is still a major wealth effect of longer life expectancies. And CRT/CGA live past the IAR 2012 in the aggregate so I would use that one all things being equal – which they never are!</p> |
| <p>Great site, thank you! Making hubby do it now too. It's interesting to experiment with this; changing my weight (to ideal than actual), increase # of workouts and eliminate alcohol, changed the 75% not at all, and expected varied only 1-2 years.</p> | <p>Agreed – you can make lifestyle choices given what may be material or non-material changes. I think Elon Musk said something along the lines of, “I’d rather die a few years early and eat awesome food for my entire life.” Paraphrased here but that is kind of your point as well.</p> |
| <p>Given the current ability a donor has to choose between the 2000CM and 2010CM tables when calculating the PV of a CRT interest (whether in connection with establishing the trust or in connection with making an early CHARITABLE termination), is the choice also available in the case of an early NONCHARITABLE termination?</p> | <p>I believe it is at this point, but Russ Willis on our team works on termination issues so feel free to reach out to him with the latest information.</p> |



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| <p>Can we influence ACGA to increase their life expectancies?</p> | <p>It is actually done in a very logical way, but with the caveat it has to “fit” every charity in the country which is an impossible task. It is kind of like giving a fitness regimen for the entire population – 5 year olds to 90, people who are disabled to triathletes, etc. You get the point.</p> |
| <p>Is the Behan-Clontz the Blueprint one you sent us to?</p> | <p>No, the Blueprint one is for the general population pulled from 400,000 NIH files but with 8-10 factors that influence life expectancy. The Behan-Clontz table is just gift annuitants.</p> |
| <p>Just looked at our pool of terminated CGA over 30 years. Best deal was the \$55K CGA established at the end of 2008. Annuitant just died and remainder was \$125K.</p> | <p>That is pretty good as you perfectly timed the investment market. That same donor making the same gift 18 months earlier and living 3-4 years after life expectancy would likely be the worst deal. Timing is everything.</p> |
| <p>Policy standards seem to be around no younger than 60 or 65. Are we allowed to set a top age, and what do you suggest for that?</p> | <p>You can and generally 90 year old female is the highest risk. Having said that, you see that the ACGA rate maxes out at 90. That is to create a mortality hedge for older donors by not giving them an increased rate even though they have a shorter life expectancy.</p> |
| <p>Thank you, Bryan, this was time very well spent. The Foundation I manage is setting out its first Planned Giving strategy (and we're new Crescendo customers). Given what you shared today, what proportion of effort / marketing budget should be spent on CGAs vs some of the other ways we can help donors fulfill their philanthropic goals?</p> | <p>You should likely get other counsel to answer this, but I believe strongly that most charities should have CGAs on their menu (if they are small, they can outsource to community foundations, faith based foundations or National Gift Annuity Foundations). But, since roughly 85-90 pct of planned gifts come from gifts through wills or beneficiary designations, I generally suggest charities spend 85-90 pct of their time on those gifts.</p> |