

CHARITABLE GIFT ANNUITY EXEMPTION ACT - DEFINITIONS AND
EXEMPTION FROM REGULATION

Act of Nov. 3, 2022, P.L. 2145, No. 152

Cl. 40

Session of 2022

No. 2022-152

SB 731

AN ACT

Amending the act of October 16, 1996 (P.L.712, No.127), entitled "An act exempting the issuance by a qualified charity of a qualified charitable gift annuity from regulation under insurance laws," further providing for definitions and for exemption from regulation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Paragraph (2) (iv) of the definition of "qualified charitable gift annuity" and paragraph (3) of the definition of "qualified charity" in section 2 of the act of October 16, 1996 (P.L.712, No.127), known as the Charitable Gift Annuity Exemption Act, are amended and the section is amended by adding a definition to read:

Section 2. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"De-risking annuity contract." An annuity purchased from an insurance company licensed, authorized or otherwise approved by the Insurance Department by a charity that matches substantially all future payments of the charity arising from a charitable gift annuity contract obligation.

"Qualified charitable gift annuity." An annuity which:

* * *

(2) Contains in a written agreement substantially all of the following provisions:

* * *

(iv) A statement as to whom the donor may contact to obtain a copy of the following information:

(A) the organization's status under section 170(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 170(c)) or any successor provisions; and

(B) financial statements filed with a governmental agency or audited financial statements from the charity showing that the charity has unrestricted and unencumbered assets in the form of cash, cash equivalents, **de-risking annuity contracts** or publicly traded securities of at least \$100,000 plus one-half of the principal value of any annuities issued by the organization and then in effect.

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"Qualified charity." An organization which on the date a qualified charitable gift annuity is issued meets all of the following criteria:

* * *

(3) Has unrestricted and unencumbered assets in the form of cash, cash equivalents, **de-risking annuity contracts** or publicly traded securities of at least \$100,000 plus

one-half of the principal value of any annuities issued by the organization and then in effect.

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Section 2. Section 3 of the act is amended to read:

Section 3. Exemption from regulation.

The laws of this Commonwealth regulating insurance, including, but not limited to, the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, and the act of May 17, 1921 (P.L.789, No.285), known as The Insurance Department Act of 1921, shall not apply to the issuance by a qualified charity of a qualified charitable gift annuity. **This section shall not apply to de-risking annuity contracts.**

Section 3. This act shall take effect in 60 days.

APPROVED--The 3rd day of November, A.D. 2022.

TOM WOLF