

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 520 Session of 2021

INTRODUCED BY R. MACKENZIE, HENNESSEY, JONES, JOZWIAK, MILLARD, ROTHMAN AND RYAN, FEBRUARY 11, 2021

REFERRED TO COMMITTEE ON COMMERCE, FEBRUARY 11, 2021

AN ACT

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

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

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

13 Section 2. Definitions.

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

17 "De-risking annuity contract." An annuity purchased from a  
 18 commercial annuity company by a charity that matches  
 19 substantially all future payments of the charity arising from a

1 charitable gift annuity contract obligation.

2 "Qualified charitable gift annuity." An annuity which:

3 \* \* \*

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

6 \* \* \*

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

9 (A) the organization's status under section  
10 170(c) of the Internal Revenue Code of 1986 (Public  
11 Law 99-514, 26 U.S.C. § 170(c)) or any successor  
12 provisions; and

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

21 \* \* \*

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

25 \* \* \*

26 (3) Has unrestricted and unencumbered assets in the form  
27 of cash, cash equivalents, de-risking annuity contracts or  
28 publicly traded securities of at least \$100,000 plus one-half  
29 of the principal value of any annuities issued by the  
30 organization and then in effect.

1           \* \* \*

2       Section 2. This act shall take effect in 60 days.