CHARITABLE GIFT ANNUITIES

WHAT IS A CHARITABLE GIFT ANNUITY?

A charitable gift annuity (CGA) is a simple contract between you and Swarthmore College that allows you to support the College while receiving income for yourself or a loved one. In exchange for your gift (cash, appreciated assets, stocks), Swarthmore guarantees fixed payments to you and/or a chosen beneficiary, along with certain immediate tax benefits.

The annuity payout rate is established by the American Council on Gift Annuities and is based on factors such as the number and age of recipients. The rate you will receive remains fixed for each gift based on your age when you make the gift (see table below).

Sample Charitable Gift Annuity for Single Life				
Age at funding	65	75	85	90
Payout rate	5.7%	7.0%	9.1%	10.10%
Annual income	$570	$700	$910	$1,010
Tax deduction	$3,177	$3,926	$5,182	$6,083

Illustration assumes funding a $10,000 charitable gift annuity with cash and income beginning within one year of establishing the gift annuity. Rates effective at time of printing: February 2026.

BENEFITS

- Guaranteed income for life to you or a loved one
- Income tax charitable deduction, if you itemize
- Deferred capital gains tax on gifts of appreciated assets
- Savings on gift and estate taxes
- Help ensure that future generations of Swarthmore students continue to receive a life-changing education
- Join the James A. Michener Legacy Circle, our giving society that honors individuals who support the College through life-income and estate gifts.

GUIDELINES

- The minimum amount to fund a gift annuity with Swarthmore is $10,000
- You can fund as many separate gift annuities as you would like
- Payments can be received starting at age 65 or older

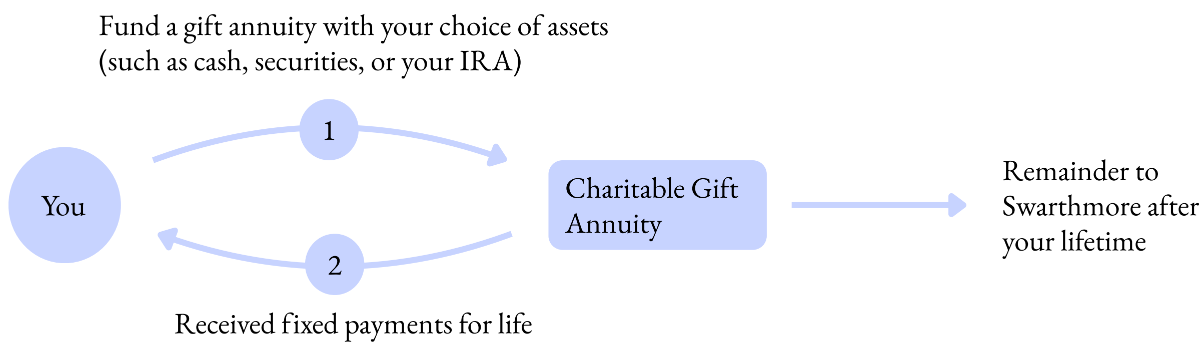
OTHER TYPES OF CGAs TO CONSIDER

1. **Deferred Gift Annuity:** allows you to choose a specific future age (after 65) at which your payments will begin. The longer the deferral period, the higher the fixed income payments will be. Many donors appreciate this option because it allows them to plan for future expenses, such as retirement, while securing their support of the College now and setting aside funds for themselves or a loved one in the future.

2. **Flexible Gift Annuity:** works similarly to a deferred gift annuity, with more versatility as you select a range of future dates in which you and/or your named beneficiaries can begin to receive payments. The longer the deferral period, the higher the fixed income payments will be. Many donors find this option appealing because it helps them coordinate their giving with important milestones, including retirement.

3. **Qualified Charitable Distribution-Funded CGA:** If you are 70 ½ years of age or older, you are allowed to direct a once-in-a-lifetime distribution of up to $55,000 from your individual retirement account (IRA) to create a gift annuity. If you are 73 or older, this type of CGA can be used to satisfy your required minimum distribution (RMD). Deferred payments are not allowed using this type of CGA.

COMPLIMENTARY CGA ILLUSTRATION



The Office of Gift Planning can prepare a personalized illustration showing the potential income, tax, and philanthropic benefits of establishing a charitable gift annuity. Individuals considering a charitable gift annuity are encouraged to consult their own legal and tax advisors. The Office of Gift Planning is happy to coordinate with your advisors and provide any information needed.

CONTACT US

The Office of Gift Planning is happy to discuss charitable giving options with you and help you determine which strategies will work best to meet your needs and goals.

swarthmore.giftplans.org

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