QUALIFIED CHARITABLE DISTRIBUTION (QCD): A SMART WAY TO GIVE

WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

A qualified charitable distribution (QCD) — also known as an IRA rollover — is a smart, tax-efficient way for individuals ages 70 ½ or older to support Swarthmore College or other charitable organizations they care about. A QCD allows you to direct a gift straight from your individual retirement account (IRA) to a qualified nonprofit — letting you make an immediate impact while lowering your taxable income. It is a simple yet powerful strategy that turns your retirement assets into meaningful support for Swarthmore.

WHY YOU SHOULD CONSIDER A QCD

A QCD allows you to transfer up to $111,000 per year (for 2026) from your IRA directly to a qualified charity, such as Swarthmore College. This strategy is available for traditional, rollover, inherited IRAs, and inactive SEP and SIMPLE IRA plans.

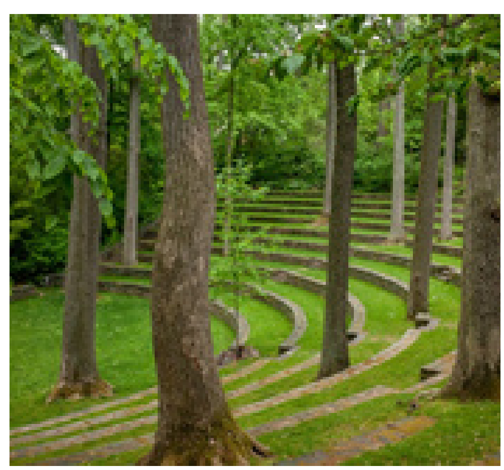
Benefits of a QCD

- Counts toward your required minimum distribution (RMD)
- Reduce your taxable income (the amount transferred is excluded from your gross income)
- Lower your adjusted gross income (AGI), which may reduce your overall tax liability
- Potentially decrease other taxes tied to income level, including a Medicare surtax and taxes on Social Security benefits

CONSIDERATIONS

Important Age Rules: The Consolidated Appropriations Act of 2023 changed the age at which IRA owners must begin taking their RMDs from 72 to 73. However, the minimum age for making a QCD remains 70 ½. This means you can take advantage of the QCD benefits before the RMDs begin.

No Charitable Deductions: While you will not receive a charitable tax deduction by making a QCD, the amount of the distribution avoids income tax altogether and counts towards your RMD.



HOW TO MAKE A QCD TO SUPPORT SWARTHMORE

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1. Contact your IRA custodian and let them know that you would like to request a QCD to Swarthmore College.

2. Have your custodian send the check directly to Swarthmore, or to you, payable to Swarthmore College.

Checks may be mailed to:
Swarthmore College
Gift Records
500 College Avenue
Swarthmore, PA 19081

3. Please inform Swarthmore of how you would like your gift designated, or contact the Office of Gift Planning for suggestions.

4. You will receive a special acknowledgement letter from Swarthmore for your tax records.

BENEFICIARY DESIGNATION

Another meaningful way to give is by designating Swarthmore as a beneficiary of a retirement plan. By designating Swarthmore as the full or partial beneficiary, the full value of the gift transfers tax-free upon your passing and provides your estate with a charitable tax deduction. To make this gift, please contact your financial institution or retirement plan administrator and complete their beneficiary designation form.

LET US THANK YOU

If you have included Swarthmore as a beneficiary of your retirement plans, please let someone in our Office of Gift Planning know. We want to thank you for your generosity and kindness. We would also like to ensure that the purpose of your gift is clearly understood by the College and welcome you as a member of the James A. Michener Legacy Circle.

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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