

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

they can eat into your retirement income when you start paying back the advance plus interest and fees.

Mar. 18, 2015



Many retirees depend on a pension to cover day-to-day as well as occasional unexpected expenses, such as health emergencies or home repairs. We've heard that some retirees with pensions who are facing financial challenges have responded to ads for cash advances on their pensions. Although pension advances may seem like a "quick fix" to your financial problems, they can eat into your retirement income when you start paying back the advance plus interest and fees.

A pension advance is a cash advance in exchange for a portion, or all, of your future

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

financial coach or credit counselor can help you weigh your options and plan for new or unexpected financial demands. The National Foundation for Credit Counseling (NFCC) provides a [list of member agencies around the country](#). You can also search for [local credit counseling](#) agencies on the Association of Independent Consumer Credit Counseling Agencies (AICCA)'s website.

Here are 3 things you can do to protect your retirement pension:

- 1. Avoid loans with high fees and interest.** Pension advance companies may not always advertise their fees and interest rates, but you will certainly feel them in your bottom line. Before you sign anything, learn what you are getting and how much you are giving up.
- 2. Don't sign over control of your benefits.** Companies sometimes arrange for monthly payments to be automatically deposited in a newly created bank account so the company can withdraw payments, fees and interest charges from the account. This leaves you with little control.
- 3. Don't buy life insurance that you don't want or need.** Pension advance companies sometimes require consumers to sign up for life insurance with the company as the consumer's beneficiary. If you sign up for life insurance with the pension advance company as your beneficiary, you could end up footing the bill, whether you know it or not.

You can also get a [printer-friendly version](#) of this information to share with friends or clients who are considering pension advances.

Nora Dowd Eisenhower is the Assistant Director for the Office of Older Americans for the [Consumer Financial Protection Bureau](#). Holly Petraeus is Assistant Director of the CFPB's Office of Servicemember Affairs.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

© 2024 Firmworks, LLC. All rights reserved