

BEST PRACTICES FOR DOCUMENT RETENTION

- **Tax Information** – minimum of 3 years, but the IRS recommends 6 years in the event you are audited. This includes any records for tax deductions taken (charitable contributions, mortgage interest, property tax, retirement plan contributions).
- **Paystubs** – in the event that you receive physical paystubs, keep until year-end W-2s are received, and then shred the paystubs. The W-2s received should then be added to tax information records.
- **Retirement plan information (401k, IRA, Pension, etc.)** – permanently retain documentation. However, shred quarterly statements at the end of each year, and only retain the annual summaries until the account is closed.
- **Medical records** - minimum of 1 year; however, 3-6 years if used for tax purposes.
- **Home or condo** – minimum of 6 years. However, you should keep all records pertaining to the purchase, remodels, and home improvements until you sell the home. Keep all records of the sale of the home for six years following the sale. This includes legal fees and real estate agent's commission.
- **Rental records** – minimum of 1 year. Always keep a copy of the most recent lease agreement and any documentation regarding complaints while residing at the property.
- **Insurance records** – original policy documents should be kept for the life of the policy, as well as, the most recent annual statement and any premium or coverage changes.
- **Large purchases (appliances, furniture, etc.)** – for as long as you own the item. In addition, keep documentation of repairs and warranties.
- **Bills (utilities, internet, cable, insurance, etc.)** – minimum of 1 year.
- **Bank statements** - minimum of 1 year.
- **Credit card receipts and statements** – 45 days to 6 years. Keep original receipts until you receive the monthly statement and then shred the receipts unless the receipts will be used for tax purposes. Credit card statements only need to be kept for 1 year.
- **Credit reports** – 1 year, unless there are errors that need to be corrected, in which, you should keep until you obtain a credit report with those errors corrected.
- **Estate documents** – permanently retain documentation unless an update is completed, then shred the old document.

Consider scanning copies of your documents that should be retained for longer than one year to the cloud or our secure client vault. This helps protect against any fires and everyday mishaps.