



WHAT PERSONAL Documents SHOULD YOU KEEP AND FOR HOW LONG?

1

WHAT TO KEEP FOR 1 YEAR

- **Paycheck Stubs** (You can get rid of once you have compared to your W2 & annual social security statement)
- **Utility Bills** (You can throw out after one year, unless you're using these as a deduction like a home office - then you need to keep them for 3 years after you've filed that tax return)
- **Cancelled Checks** (Unless needed for tax purposes and then you need to keep for 3 years)
- **Credit Card Receipts** (Unless needed for tax purposes and then you need to keep for 3 years)
- **Bank Statements** (Unless needed for tax purposes and then you need to keep for 3 years)
- **Quarterly Investment Statements** (Hold on to until you get your annual statement)

2

WHAT TO KEEP FOR 3 YEARS

- **Income Tax Returns** (Please keep in mind that you can be audited by the IRS for no reason up to three years after you filed a tax return. If you omit 25% of your gross income that goes up to 6 years and if you don't file a tax return at all, there is no statute of limitations.)
- **Medical Bills and Cancelled Insurance Policies**
- **Records of Selling a House** (Documentation for Capital Gains Tax)
- **Records of Selling a Stock** (Documentation for Capital Gains Tax)
- **Receipts, Cancelled Checks and other Documents that Support Income or a Deduction on your Tax Return** (Keep 3 years from the date the return was filed or 2 years from the date the tax was paid - whichever is later)
- **Annual Investment Statement** (Hold onto 3 years after you sell your investment.)

3

WHAT TO KEEP FOR 7 YEARS

- **Real Estate Documents** (Financial experts recommend keeping these records for seven years after your home sale, based on the IRS's time frame for audits. The IRS has three years to audit your return if it suspects any good-faith errors on your part, and six years if it thinks you underreported your income by at least 25%)
- **Records of Satisfied Loans**

Note: It is recommended to keep all important documents in a fire proof cabinet when storing at home. More important original documents should be kept in a safe deposit box with a set of copies kept at home. It is also recommended to keep an inventory list of what is in your safe deposit box and update as needed.

4

WHAT TO HOLD WHILE ACTIVE

- **Contracts**
- **Insurance Documents including Title Insurance Policies**
- **Stock Certificates**
- **Property Records** (Actual contract papers detailing your home purchase and original loan should be kept for the life of the loan plus a few years after sale)
- **Stock Records**
- **Records of Pensions and Retirement Plans**
- **Property Tax Records Disputed Bills** (Keep the bill until the dispute is resolved)
- **Home Improvement Records** (Hold for at least 3 years after the due date for the tax return that includes the income or loss on the asset when it's sold)

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KEEP FOREVER

- **Marriage Licenses**
- **Birth Certificates**
- **Wills**
- **Adoption Papers**
- **Death Certificates**
- **Records of Paid Mortgages**

*These documents should be kept in a very safe place, like a safety deposit box.

Source: suzeorman.com

