



what documents to retain and for how long?

document	time	why
tax returns	__seven years	__the IRS has six years to challenge your return if you underreported your gross income by 25% or more__
brokerage statements	__one year	__retain monthly statement for one year__shred if your annual statement summarizes activity for that year__
retirement plan statements	__one to seven years	__retain statements for one year__shred if your annual statement summarizes all activity__save annual statements for 3 to 7 years__keep records of non-deductible contributions indefinitely__
home improvement and other real estate records	__until you sell the home plus seven years	__these records establish your cost basis in the home and may lower your capital gains tax on the property__
credit card statement	__one month	__shred once you check statements for accuracy__retain if a statement is the only record of a tax-related transaction__
pay stubs	__one year	__shred when you receive W-2 form__verify that the numbers match before shredding__
utility and phone bills	__one month	__retain until you receive the next statement, unless you need statement for tax purposes__
warranties and receipts	__until item is no longer owned or warranty is expired	__retain receipts for big-ticket items to activate the warranty or replace a defective item__receipts may also help document an item's value to your insurance company__
bank records	__one to seven years	__retain monthly statements for one year__review your records and statements related to your taxes, business expenses, home improvements and mortgage payments__then shred__
insurance policies	__until policy has lapsed or the property has been disposed of	__shred policies that have lapsed or if the property has been disposed of__
household inventory of valuable items	__until items are no longer owned	__retain indefinitely and update as needed when new items are purchased, sold or disposed of__