



## Financial Clutter... What To Keep And What To Get Rid Of

### **Permanent records – KEEP THESE!!!!**

The documents you should never get rid of are all fairly obvious: They're official papers from government agencies, typically involve lawyers, will be very important to your loved ones if you pass away, related to something of significant value, and/or are a pain to replace. Here are just a few:

- Birth and death certificates
- Social security cards
- Pension plan documents
- ID cards and passports
- Marriage license
- Business license
- Military discharge papers
- Any insurance policy
- Wills, living wills, and powers of attorney Vehicle titles
- Loan documents
- House deeds and mortgage documents

### **What to keep for 1 month**

- ATM Printouts (When you balance your checkbook each month throw out the ATM receipts)

### **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)

### **What to keep for 3 years**

- 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)

*There are many different sites that list the timeframes for keeping/purging documents. Call Clutter Fairy is not responsible for the legal decisions of your files! Please discuss with your tax or legal professional before discarding any important documents!*



## Financial Clutter... What To Keep And What To Get Rid Of

- 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.)

### **What to keep for 7 years**

- Taxes and supporting records (e.g., tax-related medical bills, donations, etc): The common recommendation is 7 years, because that's how far back the IRS usually goes if you're audited. The IRS has more specific guidelines at: <https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records>
- Records of Satisfied Loans

### **These are replaceable documents....**

So, when you get an updated copy – REPLACE IT!

- Monthly or quarterly investment statements (for annual statements, see the next section)
- Social security statements
- Annually renewed insurance policies

The above information was obtained through the following websites:

Creditcards.com

Suzeorman.com

USA Today: How long should you keep your tax records? 4/19/2017

*There are many different sites that list the timeframes for keeping/purging documents. Call Clutter Fairy is not responsible for the legal decisions of your files! Please discuss with your tax or legal professional before discarding any important documents!*