

Spring Cleaning:

How Long to Keep Records?

So many records, so little space!

Some records—like life insurance policies, tax returns, and warranties for big-ticket items—are keepers.

Others—including that warranty for the 15-year-old clock radio which you donated to charity years ago—are not.



It is difficult to know what records to keep and for how long, but tax season is the perfect time to start tackling the paper piles. Below are some general guidelines and suggestions on how long to keep your records.

Keep ...	Items concerning...
Permanently	<ul style="list-style-type: none"> • Estate planning documents such as wills and trusts, health records, life insurance policies, retirement and pension plan documents, and IRA contribution records. • Personal documents such as passports, social security cards, adoption papers, and marriage, death and birth certificates.
7+ Years	<ul style="list-style-type: none"> • Personal federal and state tax returns (including any supporting documentation). • For any assets you have sold, such as a home, keep your purchase and sale records, commission detail, and improvements records. • Annual summary statements from your bank and investment company. These will serve as records of your expenses and provide cost basis and purchase price information for the securities you have bought and sold. <ul style="list-style-type: none"> ○ Many institutions now offer electronic statements, including Benjamin F. Edwards, so you may be able to save these items electronically.
Limited Time	<ul style="list-style-type: none"> • Some items need to only be kept until you no longer have that obligation or asset. These may include: • Student, auto, and mortgage loans for as long as the loan is outstanding. Once the loan is paid, keep the documentation that proves the loan has been paid off. • For any insurance policies or annuities, keep the contracts until the asset has expired. • This also applies to warranties – you can discard information about the warranties when they expire, or you no longer have the asset it covers.

Financial Planning

Remember to Keep Records Protected from Theft and Other Mayhem

Many of us live in areas that are prone to weather calamities. Keep these possibilities in mind when you decide where, and how, to store your records. A safe deposit box is a good place to keep the more permanent records mentioned above. Remember

that if you itemize on your federal tax return, you may be able to deduct the cost of the safe deposit box. You may want to store the other records in a more accessible place such as your home. Finally, when you discard records, make sure you shred them to ensure that no one else can obtain your personal information. ■

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