

### Item retention guidelines and disposal

<b>Tax information &amp; returns</b>	There is a general three year statute of limitation for your taxes. This means the IRS has three years from when you file your return to start an audit. (There is no limit for fraudulent returns). Therefore, you need to keep documents that support items on your tax returns for those three years. Each year you can throw out the three year old documents, but you should keep copies of tax returns forever.	Shred
<b>Investment records &amp; statements</b>	Investment records must be kept to support your tax returns. Documentation of purchases and sales (either confirmations or brokerage statements including the information) must be kept for three years past when you report the sale on your tax return. You may find it helpful to keep brokerage statements for many years.	Shred
<b>Bank statements &amp; canceled checks</b>	Some people keep every canceled check and others toss most of them. Certainly you should keep canceled checks that support any tax deductions and any that you think may come in handy. Otherwise, canceled checks can take up a lot of space. Bank statements are a bit different. You may want to keep them for some period (three years or so) so you can document your payments for important items. Together with your checkbook register, you would be able to identify when and how much you paid for almost anything.	Shred
<b>Paycheck stubs</b>	These documents can include very important information including Social Security number and financial institution account numbers if you use direct deposit. You may need to have the last three month's stubs if you are planning to apply for a loan. Otherwise, you should only keep the latest stub.	Shred
<b>ATM receipts</b>	Keep ATM receipts until you have compared them with your bank statement. Then dispose of them carefully.	Shred
<b>Credit card statements</b>	Even though there is no requirement to keep these statements, you may want to save them for some period (a year) in case there is a dispute, you want to return an item or if you want to be able to analyze your spending.	Shred
<b>Credit card receipts</b>	Generally keep receipts until you have compared them to your credit card statement. However, if the receipt is for something that you may want to return, keep it longer.	Probably shred
<b>Utility bills and other household receipts</b>	Unless you are claiming household expenses as tax deductions, there is no need to keep these types of records very long. You can always use a canceled check to document payment.	Probably safe to toss in trash.
<b>Warranties</b>	Keep warranties for as long as you own the item or until the warranty period expires.	Probably safe to toss in trash.
<b>Insurance</b>	Insurance policies and claims information should be kept for as long as the policy remains in effect.	Shred

<b>Home financial information</b>	Deeds, mortgages and information on home improvements should be kept for as long as you own the home plus the three year period for tax purposes.	Shred
<b>Personal documents and pictures</b>	This is your personal preference	Shred anything containing sensitive information and private pictures.

### Permanent files

Documents to keep forever include wills, powers of attorney, birth certificates, marriage documents, divorce or child care orders, trust documents, business agreements, military records and other such permanent records.

### Electronic data files with personal information

Floppy diskettes and CDs should be shredded, destroyed or made unusable in some manner. Computer hard drives deserve special attention. Hard drives may have information on finances, taxes, user names, passwords and other information that should not fall into the hands of fraudsters. Deleting files and formatting a hard drive does not permanently remove the files from the system. Before disposing, recycling or donating a PC, the hard drive should be removed and physically destroyed.

When you put a piece of paper in the trash it can be difficult to know what happens to it. Since few people burn trash anymore, it is likely that your trash passes through several stages on its way to a landfill or incinerator. Every step that occurs once the trash leaves your control has risk that someone will find personal information they can use to cause you harm.

One way to safeguard personal information is to shred it before it goes into the trash. Shredding devices are available at most office supply stores. Cross-cut shredders provide more security than strip-cut shredders. You may want to consider one depending on your level of concern. Shredding services or shredding events are often offered by financial institutions or community organizations.

- Address labels from junk mail and magazines
- ATM receipts
- Bank statements
- Birth certificate copies
- Canceled and voided checks
- Credit and charge card bills, carbon copies, summaries and receipts
- Credit reports and histories
- Documents containing maiden name (used by credit card companies for security reasons)
- Documents containing names, addresses, phone numbers or e-mail addresses
- Documents relating to investments
- Documents containing passwords or PIN numbers
- Driver's licenses or items with a driver's license number
- Employee pay stubs
- Employment records
- Expired passports and visas
- Unlaminated identification cards (college IDs, state IDs, employee ID badges, military IDs)
- Legal documents
- Investment, stock and property transactions
- Items with a signature (leases, contracts, letters)
- Luggage tags
- Medical and dental records
- Papers with a Social Security number
- Pre-approved credit card applications
- Receipts with checking account numbers
- Report cards

- Resumés or curriculum vitae
- Tax forms
- Transcripts
- Travel itineraries
- Used airline tickets
- Utility bills (telephone, gas, electr

## Document shredding: what should you shred, and when should you shred it?

You hear advice all the time that you should shred sensitive documents to reduce your risk of identity theft. However, what exactly are “sensitive documents,” and are there some you should keep for a while before destroying them?

Yes, I know most of this information is available in the phone book. It’s just a privacy thing. Still, not everybody needs to know I subscribe to *Mother Earth News* and *Writer’s Digest*.

Oh wait, I guess now everybody *does* know. So, how long should you keep documents before shredding them?

### **Junk Mail**

I basically shred all junk mail that isn’t addressed to “Occupant” or “Resident,” especially credit offers. It’s just too easy for someone to fill out that form, mail it in with an address “correction,” and end up with a credit card in your name. Shred immediately.

### **Credit Card Receipts**

I've heard you should keep them for 45 days, but to be honest I pretty much shred them after I've checked for errors and paid the bill. Plus, I think it's time to sign up for online billing if you can. They can't steal your mail or find a bill in the trash if there's no paper bill in the first place.

### **Tax Documents**

Keep them for at least seven years, then shred away. This is assuming you're doing everything correctly and filing a return every year.

### **Mortgage Documents**

Keep these, as well as documents of any improvements, for six years after you sell the property in question.

### **Pay Stubs**

One year, or at least until you've made sure they agree with your W-2.

### **Medical Records**

One year is the standard, in case of billing errors or disputes. I'd probably go ahead and make it a little longer.

### **Credit Union/Bank Statements**

Keep them for one year. Really, I think you should just get the electronic statements where available. Nothing for them to steal, nothing for you to shred.

### **Insurance Documents**

Life of the policy plus five years. This was actually news to me. I'm sure I've shredded some things that I sure don't hope I need now.

## **Should I shred receipts?**

I generally shred for any kind of electronic transaction (ATM withdrawal, credit card purchase), even though they blank most of your card number out. Actually, since I use cash for most purchases these days, I don't bother with retail receipts. I shred ATM receipts, though. It just feels like I should, whether that's logical or not.

## **Should I shred utility bills?**

Yes. After you've paid your bill, you can pretty much shred these unless they contain tax-deductible expenses. In that case, you'll need to keep them with your "tax stuff."

## **What type of shredder should I purchase?**

There's a quandary here. Cross-cut shredders turn your documents into confetti that nobody could ever hope to put back together. Strip-cut shredders are a *little* less secure, but at the same time, how many dumpster divers are willing to go through the trouble of assembling a document out of a bale of paper spaghetti? Here's the rub: from what I've read, cross-cut shred isn't as recyclable. It has to do with the length of the paper fibers that can be retrieved from the shred. Cross-cut shred can only be recycled into very low-grade paper. In lieu of having your own shredder, if there is a (trusted) business in your community that will take documents for shredding, you can always contact them about dropping off your documents.

## **What can I do with shredded paper?**

If the recycling center won't take it, you might have to get creative. I've heard it makes good bedding for domestic rodent-type pets. I've even heard of people using it as bedding for horses. Other than purchasing a horse, you can also use it in compost bins or to start fires (if you have a fireplace, that is). After that, you'll have to get creative. There are articles all

over the Internet on this topic. If you must simply throw it away, reduce the amount by only shredding the parts of each document that contain personal information.

## **The Important Documents You Need to Keep**

### **EXPAND**

Depending what type of documents you're dealing with, you need to store some of them for certain periods of time, others you can digitize, and others you can throw away. Let's start with the documents you need to keep physical copies of forever:

- Birth and death certificates
- Social security cards
- Pension plan documents
- ID cards and passports
- Marriage license
- Business license
- Any insurance policy (good to keep even if they have a digital copy in case problems come up)
- Wills, living wills, and powers of attorney
- Vehicle titles and loan documents
- House deeds and mortgage documents

In general, you want to keep physical copies of anything related to state or federal matters, including certifications, licenses, or deeds. The reason is twofold: you want to have easy access to these in case you need them, and they're also a pain to replace because you typically need to make a direct request to the government agency, which takes a lot of time.

- Tax records and receipts (keep for seven years)
- Pay stubs and bank statements (keep for a year)
- Home purchase, sale, or improvement documents (keep for at least six years after you sell)
- Medical records and bills (keep at least a year after payment in case of disputes)
- Warranty documents and receipts (keep as long as you own them)

Finally, the last subset is the documents you need to keep the most recent version of:

- Social security statements
- Annual insurance policy statements
- Retirement plan statements (401(k), 529, IRA, etc)

## **Shred Everything Else**

## EXPAND

Everything else you have you can safely shred or throw away. You should shred anything that has personal information like your name, address, phone number, social security number, or bank account information.

This might include a few documents you don't initially think about, including ATM receipts, credit card receipts, bills, and even used airline tickets. You should also immediately shred expired credit cards, visas, passports, and IDs. The best way to shred documents is with a good cross cut shredder like [this one](#)

Why shred?

“Dumpster diving,” or rifling through trash cans for personal information, is a tactic used by identity thieves. You are taking a terrible risk if you don’t shred sensitive material.

Invest in a shredder for your home or office, preferably one that “cross cuts” (slices in two directions), and destroy all sensitive information including bank and credit card statements you no longer need, carbon-copy charge receipts with your account information, insurance forms, physician bills, etc. If your shredder can’t handle plastic, use scissors to cut up expired credit and identification cards before discarding them.

For larger jobs, consider hiring a commercial shredding company.

What should I shred?

In short, destroy all sensitive information including junk mail and paperwork that includes:

Account numbers

Birth dates

Passwords and PINs

Signatures

Social Security numbers

To protect your privacy, you should also consider shredding items that include:

Names

Addresses

Phone numbers

E-mail addresses

How long should I keep sensitive documents?

When sorting through dusty file boxes or the pile of papers on your desk, it's easy to become confused as to which records you need to keep and those you should shred. Here are some guidelines to help you determine how long to keep records:

**Tax Records:** Seven years, to be safe. The IRS has three years to audit your return if the agency suspects you made a mistake and up to six years if you likely underreported your gross income by 25 percent or more. If you failed to file a return for any year, keep records indefinitely.

**Pay Stubs:** One year. Match them up to your W2 form, then shred.

**Bank Statements:** One year. But hold onto records related to your taxes, business expenses, home improvements, mortgage payments and major purchases for as long as you need them. Many financial institutions now provide the option to receive your bank and credit statements online instead of by mail.

**Credit Card Statements:** At least 45 days. The rules here are similar to those for bank statements; hang on to those you may need for your taxes or as proof of purchase. Shred the rest after you've confirmed payment.

**Medical Records:** At least a year, but often longer. Keep medical bills for at least a year in case of a dispute over a reimbursement. Some experts suggest keeping other records for five years from the time treatment for the symptoms ended. Hang on to information about prescription information, specific medical histories, health insurance information and contact information for your physician.

**Insurance Records:** Keep policy information for the life of the policy plus an additional five years. Additional records such as statements, hospital bills, car repair bills, copies of prescriptions, etc. should be kept up to five years from the date the service was provided.

Utility and phone bills: Shred them after you've paid them, unless they contain tax-deductible expenses.

IRA Contributions: Until you withdraw the money. You can shred quarterly statements as soon as you match them with your yearly statement.

Home Purchase/Sale/Improvements: Until six years after you sell. Improvements you make and expenses such as your real estate agent's commission are factored in when you sell your home, lowering your capital gains tax.

Warranties: As long as they are current. Expired warranties can be recycled, unless they contain personal information.

Can I recycle shredded paper?

That depends. According to the City of Seattle's Web site, confetti-like pieces from cross-cut shredders have no retrievable fibers for recycling. Cross-cut shredded paper can be added to yard waste carts or garbage. Other sources indicate that shredded paper can be recycled if its bundled, so check with your waste service provider.

Here are some suggesting for re-using shredded paper: Substitute for tissue paper in gift bags or baskets, ship fragile items, line your hamster's cage, add it to a worm composting bin, kids' art projects, such as stuffing pillows or bean bags.

Some commercial shredders pulverize paper. Others cross-shred. Many commercial shredders transport the destroyed documents to a recycling center to be used as paper or other products. Check with individual companies per their procedures.

Below is a list of specific items to consider shredding for your safety and privacy:

Address labels from junk mail and magazines

ATM receipts

Bank statements

Birth certificate copies

Canceled and voided checks

Credit and charge card bills, carbon copies, summaries and receipts

Credit reports and histories

Employee pay stubs

Employment records

Expired credit and identification cards including driver's licenses, college IDs, military IDs, employee badges, medical insurance cards, etc. (If your shredder can't handle plastic, cut up cards with a scissors before discarding them.)

Expired passports and visas

Legal documents

Insurance documents

Investment, stock and property transactions

Luggage tags

Medical and dental records

Papers with a Social Security number

Pre-approved credit card applications

Receipts with checking account numbers

Report cards

Resumés or curriculum vitae

Signatures (such as those found on leases, contracts, letters)

Tax forms

Transcripts

Travel itineraries

Used airline tickets

Utility bills (telephone, gas, electric, water, cable TV, Internet)