



## Record Retention Guide for Individuals

### To Keep or Not to Keep

In today's litigious environment, many of our clients are afraid to dispose of any records for fear that they may need them in the future. Some keep everything from invoices and financial records to bank statements and IRS notices. Others, however, dispose of most of their records to save on costs or to maximize storage space.

The approach to record keeping must be a well thought out process with the supporting technology infrastructure to make it cost effective. The risk of not having the information you need when you need it could far outweigh the cost of retention.

A good starting point is this Record Retention Guide. Keep in mind that these are guidelines and that the regulatory and statutory requirements differ with specific situations.

Once you have determined what you need to retain, how long you need to keep it, what formats are allowable and what needs might arise in the future, you need to craft a process to manage the retention of records. In addition, you will need to understand how technology can be applied to reduce the cost and improve the effectiveness of record management.

### Permanent

- Copies of Estate, Gift, and Income Tax Return
- Correspondence/Notices from Internal Revenue Service or any state and local tax authorities
- W-2 Forms and final annual paystub for the year
- IRA statements for non-deductible contributions
- Retirement and Pension Plan Documents
- Life Insurance Policy Statement (for the life of the policy)
- Vehicle records (until vehicle is sold)
- Personal Certificates (Birth/Death, Marriage/Divorce, Adoption, Religious Ceremonies, Immigration/Naturalization)
- Passports (until expiration)
- Medical Records
- Wills
- Trust Agreements
- Alimony, Custody or Prenuptial Agreements
- Contracts and Leases still in effect
- Deeds & Title Papers
- Employment agreement still in effect
- Detailed list of Financial Assets Held (Stock and Bond Certificates)



- Military Papers (for possible veteran's benefits)
- Photos and/or Videotapes of Valuables
- Warranties & Instructions (for life of product)
- Legal Correspondence

#### **7 years from specified date**

- 401K/Keogh Statements (7 years from disposition, termination or payoff)
- Loan Records/ Forms 1098 (7 years from disposition, termination or payoff date)
- Insurance Policies other than life insurance (7 years from when policy expires, lapses or is replaced) (life keep permanently)
- Real Estate Documents i.e. HUD-1, major improvements and maintenance receipts, annual mortgage statements, property appraisals by outsider appraisers (7 years from disposition)
- Accident Reports/Claims (7 years from closure)
- Sale of Stock and Bond Records and their related investment trade confirmations and statements that indicate buying and selling (7 years from sell date)
- Certificates of Deposit Statements (7 years from maturity/termination)
- Trade confirmations (7 years from sell date)
- Schedule K-1s for Trusts, Partnerships or S Corporations (7 years from disposition of interest)
- Dividend Reinvestment records (7 years from disposition)

#### **7 years**

- Medical Receipts
- Forms 1099 Received
- IRA statements for deductible contributions
- Year-end brokerage statements
- Major Purchase Receipts
- Records, cancelled checks, and receipts for tax deduction items
- Year-end Annuity Statements
- Bank statements documenting disbursements in the above categories

#### **3 years**

- Credit Card Statements (except for statements documenting disbursements in the above categories)
- Cancelled Checks (except for checks documenting disbursements in the above categories)
- Utility Records



## 1 year

- Pay Stubs (until W-2 is received)
- Bills

## Required Proof in the Event of Casualty and Theft Losses

*\*We recommend you contact your insurance agent for advice of which documentation to keep to substantiate potential claim.*

### Casualty Loss:

- The type of casualty (car accident, fire, storm, etc.) and when it occurred
- Proof that the loss was a direct result of the casualty
- Proof that you were the owner of the property (purchase receipt)

### Theft Loss:

- The time you discovered that the property was missing
- Proof that the property was stolen
- Proof that you were the owner of the property (purchase receipt)

Example: Property manufacturer's name, model number, purchase date and purchase price with receipt.

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