



How Long Should You Keep Your Records?

At Hammond Iles Wealth Advisors, we recommend that you consult with a tax professional, attorney or financial advisor to make an accurate determination about retaining specific records.

Suggested retention periods for common records:

Prospectuses: After reading, there is no need to keep.

One Year: Pay stubs (Keep until reconciled with your W-2 form.)

Three Years: Life Insurance policies (Keep for the life of the policy plus 3 years.)

Five Years:

Medical records and medical insurance—from the time treatment ends. (If you claim medical expenses on your tax return, keep 7 years following the end of the year in which they are claimed.)

Seven Years:

Accident reports / claims

Bank statements (Keep 3 mo. on hand if you are considering refinancing, otherwise dispose of after reviewing and reconciling. The bank can provide copies if needed, but may charge a fee.)

Cancelled checks

Credit card statements (Keep 45 days to 7 years, keep 7 years if they document tax related expenses.)

Income tax returns & related records (Some professionals advise individuals to keep these indefinitely.)

Mortgage statements (Retain up to 7 years after you sell or pay off the mortgaged property.)

Payroll documents

Indefinitely:

Bills (Keep bills for large purchases e.g. jewelry, appliances, cars, etc. as proof of value in the event of loss for as long as you own the item.)

Brokerage account statements (Keep year-end statements indefinitely or until account is closed; monthly statements are optional.)

Insurance records

IRA and 401(k) statements— annual statements, form 8606, form 5498, form 1099-R

Leases

Legal records

Pension documents

Personal health records

Profit sharing documents

Property records- all

Savings Bond registrations

Stock & Bond certificates

Tax records relating to real property or "real assets" should be kept for as long as you hold the asset and 7 years after you sell, exchange or liquidate the asset.