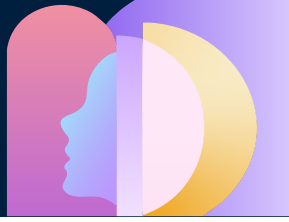

Keep or Toss? A Guide to Financial Paperwork

STEP 1 Gather All Financial Documents

- [ ] Collect paperwork from filing cabinets, drawers, desks, and any scattered locations.
- [ ] **Sort into categories:** Banking, Taxes, Investments, Home, Insurance, Loans, Legal Documents, and Personal Records.

STEP 2 What to Keep and How Long

Keep Permanently (Store in a Safe Place)

- [ ] Birth & death certificates
- [ ] Social Security cards
- [ ] Passports & citizenship documents
- [ ] Marriage & divorce papers
- [ ] Military records
- [ ] Wills, trusts, & power of attorney
- [ ] Property deeds & mortgage documents (until property is sold)
- [ ] Car titles (until the vehicle is sold)
- [ ] Beneficiary designations (update as needed)

Keep for 7 Years (For Tax Purposes)

- [ ] Tax returns & supporting documents
- [ ] W-2s, 1099s, and related tax forms
- [ ] Records of deductible expenses
- [ ] Home purchase & sale records
- [ ] Investment tax documents (1099-DIV, 1099-B)

Keep for 1-3 Years

- [ ] Bank statements (1 year unless needed for taxes)
- [ ] Credit card statements (1 year unless needed for disputes/taxes)
- [ ] Pay stubs (1 year, then reconcile with W-2)
- [ ] Utility bills (keep for 1 year unless for business use or tax deduction)
- [ ] Medical bills & insurance EOBs (1-3 years unless for tax or disputes)

Keep Until Updated or No Longer Needed

- [ ] Insurance policies (keep the latest version)
- [ ] Loan documents (keep until paid off)
- [ ] Monthly investment statements (keep until year-end statement arrives)
- [ ] Home improvement receipts (keep until property is sold for capital gains tax purposes)

STEP 3 What to Throw Away & How

Shred Before Disposing

- [ ] Old tax documents (older than 7 years)
- [ ] Bank & credit card statements (unless needed for taxes)
- [ ] Expired insurance policies
- [ ] Pay stubs after W-2 reconciliation
- [ ] Utility bills after 1 year

Recycle or Trash (No Personal Info)

- [ ] Expired warranties
- [ ] Junk mail & promotional offers
- [ ] Old receipts (unless needed for warranty, returns, or taxes)

STEP 4 Organizing & Storage Solutions

- [ ] **Use a Filing System:** Create labeled folders for categories like taxes, banking, home, insurance, and legal documents.
- [ ] **Go Digital:** Scan & store copies of important documents in a password-protected cloud storage or external drive.
- [ ] **Invest in a Fireproof Safe:** Store irreplaceable documents like birth certificates, wills, and property deeds securely.
- [ ] **Create a Master List:** Keep an inventory of key documents and their locations (consider sharing with a trusted person).

STEP 5 Set a Routine

- [ ] Shred and declutter monthly (credit card statements, bills)
- [ ] Review & update files yearly (tax records policies, legal docs)
- [ ] Check expiration dates (passports, insurance)
- [ ] Update estate documents as needed (beneficiaries, wills, power of attorney)

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