

PERSONAL RECORD RETENTION GUIDE

A Guide to Eliminating Clutter and Keeping What’s Important.

Even in the most uncomplicated family situations, personal records can pile up, become unwieldy, and eventually devolve into a frustrating jumble of data that you are loath to reorganize. The following can guide you in how to organize your records and know what and when a record can be discarded.

KEEP FOR LIFE

The following personal and family records should be retained for life and, where necessary, kept up to date.

- Adoption and child custody papers
- Advisors: contact information for your attorney, accountant, insurance agent, business partners, and other key professionals
- Birth, death, and marriage certificates
- Citizenship papers
- Diplomas and any credentials and certifications
- Divorce and/or separation settlements
- Employment records
- Insurance policies including claims made and received
- Medical history and records
- Lists of prescribed drugs and conditions they treat
- Medical operations and procedures performed
- Medical practitioners who have treated you
- Military records
- Passports
- Passwords for email, social media, investments, and banking and other accounts
- Residential records including purchase documents, improvement receipts, rental leases/receipts, and annual mortgage statements
- Social security cards
- Wills, including a living will and durable power of attorney. Retain until obsolete or replaced.

FINANCIAL RECORDS AND THEIR DURATIONS

PERSONAL FINANCES

Your bank and credit card companies may be able to provide you with PDFs of some of these documents.

DOCUMENT	RETENTION PERIOD
Bank statements	3 years
Canceled checks	3 years
Charitable contribution receipts	3 years /retain with tax records
Credit cards, credit agreements and payments	As long as you own
Credit card receipts	Discard after transaction appears on statement; unless needed for tax purposes
Credit card statements	Discard after payment; unless needed for tax purposes
Employee business expense report	7 years /retain with tax records

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Health insurance policies	Retain until expired or replaced
Home and property insurance	Retain until obsolete or replaced
Paycheck stubs	1 year
Real estate records	3 to 6 years after property has been disposed of and taxes have been paid
Retirement account records: 401(k), IRAs, etc.	As long as you own
Stocks, bonds, other securities	As long as you own
Warranties	Discard when expired

TAXES

Document	Retention Period
Tax returns including lists of deductible expenses and tax payments	7 years
Additional tax due notices	3 years
Failing to report income notices (keep those that are more than 25% of your gross income)	6 years
Filing fraudulent returns notices	Permanently
Failing to file a return notices	Permanently
Credit or refund claims	3 years
Worthless securities and bad debt claims	7 years

RECORD DESTRUCTION

Once a financial document has outlived its useful life, see that it is destroyed in a way that would prevent it from being retrieved and used for other purposes. Look into contracting with a qualified document shredding service. For electronic documents, not only the network but the backup media need to be purged to be consistent with the record retention policy.

Online storages like Dropbox, Google Drive, etc. are gaining popularity among household consumers who do not want to splurge on more expensive, business-oriented professional cloud-based data providers (i.e. Carbonite, pCloud, Egnyte, SkyDrive, etc.). If you are storing data in the Cloud, whether it is a free consumer-oriented software or a dedicated high-end DMS service, you have to be mindful about the fate of your documents after you no longer need them, or stop using/paying the service provider. As these companies are bought and sold all the time, you need to proactively ask these questions before committing to cloud data management: What will happen to my data at some later point of time? Will it always linger somewhere in cyberspace long after I erase it? Will it still be there if I terminate the services? Will the acquiring company honor the same User Agreement in case of a merger? If the provider goes bankrupt, what happens to my electronic documents?

If you have any question about the proper retention and disposition of your personal or business record, contact your Berdon advisor or Scott Ditman at 212.331.7464 or sditman@berdonllp.com and Marco Svagna at 212.331.7644 or msvagna@berdonllp.com.