

Record Keeping: What Documents Do You Need To Keep?

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An important part of managing your personal finances is keeping your records organized and updated. Not only is this beneficial when it comes time to file your taxes, but having these documents in place can help you avoid costly mistakes or penalties. But what are the important documents that you need to keep, and what documents are simply taking up space? This guide will help you determine what records should be kept and for how long.

Keep Indefinitely



Most financial institutions, the Social Security Administration, and the Office of Personnel Management require original copies of the following in order to process your requests:

- › Birth Certificate
- › Marriage Certificate
- › Death Certificate
- › Divorce Decree
- › Pension/ Retirement Plan Benefits
- › Vehicle Titles

Keep Most Recent



These estate planning documents should be kept safe until a new one is signed and updated to ensure your wishes are carried out in an effective and efficient manner:

- › Wills
- › Trusts
- › Power of Attorney
- › Advanced Medical Directives
- › Beneficiary Designation Forms

Throw Away After Seven Years



In the event you receive an inquiry from the IRS, keep available:

- › Loan Documents
- › Tax Returns
- › Estate Tax Return (Form 706)
- › 1099s (Cost Basis Records)
- › W-2, Year-End Pay Stubs
- › Nondeductible Contributions to Your Traditional IRA (Form 8606)

Shred Now



It is good practice to securely dispose of the items below once you verify that the information has been accurately reported:

- › Credit Card and Utility Bills
- › Sales Receipts
- › Bank Statements
- › Paid Medical Bills
- › Annual Social Security Statements
- › Monthly/Quarterly Retirement & Investment Statements

There are additional steps you can take to make it easier to manage and organize important records associated with your finances. Cassaday & Company, Inc. recommends consolidating all of your financial accounts at one institution, as it lessens your record-keeping burden. From a paperwork standpoint, it reduces the amount of statements and administrative paperwork you have to maintain. More importantly, consolidation streamlines money management, giving you a comprehensive picture of your accounts that can simplify tax preparation and reduce the possibility of errors.

If you would like to learn more about this approach or have additional questions about record keeping, contact your financial advisor or a member of Cassaday & Company, Inc.'s Financial Planning team at (703) 506-8200.



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