

● Client Resource

Record Retention Guide

When in doubt, don't throw it out. Federal law requires you to keep copies of your tax returns and supporting documents for three years, the "three-year law." But if the IRS believes income was underreported by 25% or more, or suspects fraud, it can go back six years. Use the guidelines below to be safe.



Caution: Identity Theft

Once records with personal information are no longer needed, shred them. Don't throw them in the trash intact.



Back Up Electronically

Scan paper records and keep a digital backup set, on an external drive or via online backup, so records survive a fire, flood, or hurricane.

Personal Documents

1 YEAR

- Bank statements
- Paycheck stubs (reconcile with W-2)
- Cancelled checks
- Monthly/quarterly retirement & mutual fund statements

3 YEARS

- Credit card statements
- Medical bills (insurance disputes)
- Utility records
- Expired insurance policies

6 YEARS

- Supporting documents for tax returns
- Accident reports and claims
- Medical bills (tax-related)
- Property/improvement records, sales receipts
- Wage garnishments

FOREVER

- Income tax returns & payment checks
- CPA audit reports, legal records
- Important correspondence
- Investment trade confirmations
- Retirement and pension records

Business Documents

1 YEAR

- Customer/vendor correspondence
- Duplicate deposit slips
- Purchase orders, receiving sheets
- Stockroom withdrawal forms

3 YEARS

- Employee personnel records (post-termination)
- Employment applications
- Internal audit reports
- Petty cash vouchers, time cards

6 YEARS

- Bank statements & reconciliations
- Accounts payable/receivable ledgers
- Employment tax records, payroll records
- Invoices, sales records
- Expired contracts and leases

FOREVER

- Corporate documents (incorporation, bylaws)
- Year-end financial statements
- General ledgers & trial balances
- Deeds, mortgages, tax returns & worksheets
- Trademark/patent registrations

Special Circumstances

Car records (until sold) · insurance policies (life of policy) · mortgages/deeds/leases (6 years beyond the agreement) · property records (until sold) · warranties (life of the product) · depreciation schedules (3 years after the asset's tax life).

Not Sure What to Keep?

Book a consultation — one conversation, in English or Spanish.

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