

Your Guide to Tax Document Retention and Secure Disposal

Tax season can be complex and overwhelming, especially when deciding which documents to keep, dispose of, or shred. Understanding this distinction is crucial for safeguarding private information and protecting against identity theft. To simplify matters, we've developed a comprehensive guide to help you effectively manage your tax-related documents:

Documents to Keep

- ▶ **Tax Returns:** The U.S. Internal Revenue Service (IRS) recommends retaining copies of your tax returns for future reference and potential audits for up to seven years, depending on your situation.
- ▶ **Proof of Income and Credit Documents:** Preserve any evidence proving income or credit claims on your tax return. This includes receipts, bank statements, canceled checks, and other proofs of payment.
- ▶ **Deduction Claims:** Retain documents related to deduction claims, such as support payments, charitable contributions, mortgage interest payments, and retirement plan contributions.
- ▶ **Property Records:** Keep records relating to improvements on owned property, including automobile titles and home deeds.
- ▶ **Personal Records:** Store essential personal records, like birth and death certificates, citizenship papers, marriage licenses, divorce decrees, social security numbers, and military discharge papers securely.
- ▶ **Pension and Estate Documents:** Safeguard documents related to pension plans, estate planning, and IRA statements for future financial planning and reference.

Documents to Shred

- ▶ **Tax Documents Past Retention Period:** Shred any tax-related documents that have exceeded their recommended retention period, typically after three to seven years.
- ▶ **Scanned Documents:** Dispose of documents that have been scanned and converted into digital files, including those stored on USB sticks or electronic devices.
- ▶ **Paid Loan Documents:** Shred documents related to paid-out loans to prevent unauthorized access to sensitive financial information.
- ▶ **Confidential Notes/Papers:** Destroy any sticky notes, notepads, or other items containing confidential data, like passwords or personal information.
- ▶ **Unnecessary Documents:** Shred any documents that no longer serve a purpose, such as sales receipts, expired warranties, credit card offers, ATM receipts, and old insurance papers.

When to Shred Documents

Document Type	Retention Period
Tax Returns ¹	3-7 Years
Pay Stubs ²	Until Checked Against W-2
Other Tax Documents ³	3 Years
IRA Statements ⁴	6 Years for Year-End Statements
Bills ⁵	Once Paid Off
Sales Receipts ⁶	Immediately, Unless Tax Related
Other Tax-Related Receipts ⁷	3-7 Years
Paid Loan Documents	After Filing Taxes
Confidential Notes/Papers	After Filing Taxes
Other Unnecessary Documents	Once Their Purpose is Served

Other Helpful Tips:

- ▶ **When in Doubt, Protect Your Privacy:** It's important to safeguard all documents containing sensitive or confidential information to help protect against identity theft instead of placing it in a garbage can or recycling bin. If ever uncertain if a document contains sensitive information, always opt for safety by storing documents in a locked cabinet until you confirm if the document can be securely shredded.
- ▶ **Don't Panic Over Shredding Mistakes:** If you accidentally shred a vital document, such as a tax return, don't panic. You can request a copy from the IRS for the current year and the three previous years, alleviating any concerns about lost or destroyed paperwork.
- ▶ **Use a Professional Shredding Service:**



Residential and one-time pick-up service

Shred-it® offers a convenient one-time pick-up service, where a company representative can come directly to your home and collect bags and boxes of confidential material. These documents are then securely shredded at dedicated facilities. You receive a Proof of Service, which indicates the collection of your personal information for destruction.

[Learn More >](#)



Secure drop-off shredding service

This option allows you to conveniently bring your confidential documents to a nearby facility. This option is ideal for those with smaller paper volumes.

[Learn More >](#)



Community shredding events

Another great option, these events raise awareness about identity theft and fraud prevention strategies, as well as offer secure paper shredding for residents. Shred-it® frequently organizes shredding community events throughout North America, providing a safe and accessible way to dispose of confidential documents.

[Learn More >](#)

Shred-it® can help you protect your tax-related documents.

[Learn More](#)

¹ IRS: [How long should I keep records?](#)

² Finra: [Save or Shred: How Long Should You Keep Financial Documents](#)

³ IRS: [How long should I keep records?](#)

⁴ The Military Wallet: [How Long Should You Keep Financial Documents](#)

⁵ Finra: [Save or Shred: How Long Should You Keep Financial Documents](#)

⁶ FTC Consumer Advice: [A pack rat's guide to shredding](#)

⁷ FTC Consumer Advice: [A pack rat's guide to shredding](#)