

## SPRING CLEANING— RECORD RETENTION

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*“Here are suggestions regarding what records should be kept and what can be tossed.”*

McCarthy Asset Management, Inc. is an independent, fee-only investment advisory firm that has been helping people invest wisely for over fifteen years. Our mission is to help you better understand and improve your financial situation. We specialize in Retirement Planning, Portfolio Management and Tax Planning.



Spring is here. It's time to clean off those dusty filing boxes full of records and purge what is no longer needed. Make sure to shred the financial documents you are tossing. Create a backup if you retain your records digitally so that if your computer dies, you do not lose everything. However, be cautious of saving data in the cloud.

Consult the following list to help you decide what to keep versus toss:

### Keep Forever:

- Birth, Adoption, Marriage, Divorce, and Death Records.
- Military Discharge papers
- Proof that a mortgage or other loan has been paid off.

### Keep for One Year:

- Paystubs until you get your year-end W2.
- Monthly bank statements (although the bank may allow online access to older statements).
- Monthly/quarterly brokerage statements- Hold on to these until you get the year-end statement. Alternatively, these should be available online. For instance, Schwab allows online access to the last ten years of statements. Be aware that if you close an account, you will no longer have easy access to data, so get what you need first.

### Tax Records:

- Generally, tax returns and supporting documents should be kept for seven years.
- Keep trade confirmations showing how much you paid for an investment for seven years after sold.
- Keep closing statements for real estate and records of improvements made for seven years after you sell the property.



## Our Services

### Investment Management Services:

- MAM creates and manages customized investment portfolios based on each client's investment objectives, timeframe and risk tolerance.

### Financial Planning Services:

- The Net Worth Analysis (NWA) tracks the accumulation of Invested Assets for pre-retirees and the retention of Invested Assets for retirees. Updated annually.
- "Retirement Analysis" a comprehensive analysis of your retirement goals, which produces easy-to-read, interactive working plan, stored in the cloud. Updated as needed for life events.

Tax Services: Clients have the option of utilizing the income tax services provided through the firm Stephen P. McCarthy, CPA. These services are offered at an hourly rate and may include:

- Tax Return Preparation
- Income Tax Projections
- Tax Minimization Ideas
- Tax Authority Representation

Other Services: MAM has retained several outside experts, whose services are available at no cost to our clients:

- Long Term Care Planning— Allen Hamm of Superior LTC Planning Services, Inc.

### Other Records:

- Keep sales receipts for anything you buy with a warranty for the life of the warranty.
- Monthly bills like utilities only need to be kept for one year, unless you're using them as a deduction like a home office (in which case, save for seven years).
- Receipts for big purchases like jewelry, cars, and furniture should be kept in an insurance file for proof of value in case of loss or damage. Photos of the item are a good idea too.
- Retain records of pension and retirement plans as long as they are active. For nondeductible IRA contributions, keep the records indefinitely.
- Keep health insurance documents for treatments that are in progress or not completely paid for. If you want a record of your own health treatments keep the records longer.
- Keep copies of any insurance policies as long as they are active.
- Legal documents such as wills, trusts and bankruptcy documents should be kept indefinitely.

If you are cleaning out records for someone who has passed away, follow the same guidelines as above.