

## A retention guideline for your home papers ...

While you should always check with your Accountant for your specific personal guidelines, here are some suggested ones that will help keep you from being 'buried' by your papers. If you own a business, please consult your Accountant as the suggested time lines below will not apply with the same guidelines. The information below is for your basic home filing.

**Be sure to shred all documents you no longer need.**

**Do not throw them into a recycle or trash bin.**

# How long do I really need to keep this?

## Banking Statements

1 year, unless they are used to support your tax documents. In that case, you must keep the bank records as long as you keep your tax records.

## Credit Card Receipts

Keep your original receipts until you get your monthly statement then shred the receipt(s) after you reconcile them. Keep your statements for 1 year.

## House Records

For as long as you own the home. If you've done any home improvements, be sure to keep all those records as well. If you decide to sell your home, this will provide you with easy access to supporting the value of your home.

## Insurance Documents

For as long as the policy is in place. Barring any unresolved claims, you can discard the records. If you have an outstanding claim, keep all insurance records until the issue is resolved and closed off.

## Legal Documents

Keep forever

## Loan Discharge Documents

Keep forever.

## Pay Stubs

Current year only. They can be matched with your T-4 then shred.

## RRSP & Investment Statements

Discard your monthly statements once you receive the annual summary that reflects the yearly activity. Keep your original application as long as you own the account.

## Tax Returns

6 years plus the current year. Be sure to keep all supporting documents with the tax file. If you happen to have missed filing a year within that time span, you must keep everything. Revenue Canada may decide to do an audit, and you must be able to produce your records. There is no time limit if you failed to file your return or filed a fraudulent return.

## Utility, Phone, Cable, etc. Bills & Statements

Keep for 1 year. Use a one-in-one-out system to keep you on track. If you really feel confident, you can shred all bills except for the current one. As long as the bill shows a balance forward of \$0.00, that tells you your account is paid up.

## Warranties

For the life of the warranty

Although there are always exceptions to the rule, these are simply a guideline for you to use. Obviously you need to have a certain comfort level in making your decision. If in doubt, always check with the institution that provides the documents. Ask them what a reasonable guideline is for you to follow. Every institution will give you different information. Use your own judgment.

A good rule of thumb to use is to ask yourself: **"If I really needed to get this information, could I get it from the source?"** If so, then let it go. Remember that approximately **80% of the papers we keep and file are never referenced again.**

If your filing space is at a premium consider this. If you have records that are older but you need to keep, purchase some file boxes to store them in. Label them clearly so that if you do need to access them you can identify them without a lot of unnecessary searching. Move them into a storage spot in your home ... under the stairs, out in the garage, in the attic, etc. Do not fill your filing drawers with archival information.

Be sure to label your files clearly. The general purpose of filing is so that you can retrieve the information when you need it. Typically people will ask "What should I call this file?" What you really should be asking yourself is **"If I need this information, what am I likely to think of?"** Often times, it's the first thing that pops into your mind that you should be naming the file because more than likely, that's what you'll be thinking of when looking for the file. Do not attempt to get fancy ... filing must be an easy process. Otherwise you won't keep it up.

Don't be afraid to get rid of a bit more than you're comfortable getting rid of. Chances are that you won't miss it, and you'll love the space you create by getting rid of stuff you probably don't need.

And please don't forget to shred anything with your personal information on it.