

B²: Bud's Brainstorms

Insights you need in 60 seconds or less



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Document Retention:

Bud answers the question, "How long do I need to hold on to my financial records?"

In this day and age, with information so easy to reach us through so many different venues: in our mailboxes at home, via text and email, on blogs, websites and cell phones, even our television screens, it's difficult to know what is important, what to keep, and for how long. We advise you to follow certain guidelines for the retention of specific documents.

INVESTMENT ACCOUNT STATEMENTS: Typically, once you receive a new brokerage statement, you can throw the old one away. Some clients choose to hold on to statements for a year or more, but these days, if you sign up for online access and furnish a user ID and password, old statements are often readily available online with a few clicks of the mouse. Year end summary statements are good to keep until the next year's arrive, but the same rules for online access typically still apply. Be sure to retain purchase confirmations for securities until the sale of those securities.

IRA AND 401(k) STATEMENTS: Just as with the statements above, hang on to that year end statement.

- **Form 8606**, the one you use to report nondeductible contributions to traditional IRAs.
- **Form 5498**, the one your IRA custodian sends to you – sometimes called the "IRA Contribution Information" or "Fair Market Value Information" form, and it usually arrives in May. It details a) contributions to your Traditional or Roth IRA and b) the fair market value of the IRA at the end of the previous year.
- **Beneficiary Designations:** Keep these and keep them updated.

BANK STATEMENTS: It is still generally suggested that you keep bank records for a period of three years, but again, online access to archived statements is now an option for many of us. Be sure to check with your bank as to their policy for retrieving archived statements online.

CREDIT CARD STATEMENTS: Be sure to check them for accuracy when they arrive. As with bank statements, online access is typically now available and you should check with the institution to determine their policy on retrieval of archived statements.

TAX RETURNS: Generally speaking, you should keep your tax returns. Period. According to the IRS Guidelines, "you must keep your records for as long as they may be needed for the administration of any provision of the Internal Revenue Code." You can find more detailed information on Page 6 of Publication 552 at www.irs.gov.

LIFE INSURANCE AND ANNUITY CONTRACTS: Life insurance policies and annuity contracts should be kept in a safe or safety deposit box, for the entire life of the contract, plus three years.



SO, WHAT SHOULD YOU DO WITH THE DOCUMENTS YOU DON'T NEED?

Bring them to us to shred!

You're welcome to do this any time, or to join us for our:

1st Annual WMS SPRING CLEANING PARTY on Sunday, May 2, 2010, 1-5:00 PM

Save the date, and look for more details to follow!