

Fresh Ideas To Start Organizing Your Paperwork

Auto Records – Keep these for as long as you own the car. Hold on to sales-transaction data for six years after the car is sold or traded.

Insurance Policies – Keep while active. After you receive the updated policy, shred the old one.

Warranties and Contracts - Keep while active. Toss them as soon as they expire.

Paid Bills – Keep while active. After you receive a cancelled check or credit card statement, most bills and receipts can be shredded. For insured purchases, keep paperwork as long as you own the item.

Paycheck Stubs – Keep for one year. Hold on to these until you've checked the W-2 from your employer is correct.

Quarterly Investment Records – Keep for one year. After you confirm that your annual statement accurately reflects your quarterlies, shred the latter.

Credit Card & Bank Statements – Keep for seven years. These can serve as proof if you file an insurance claim and as backup for tax documentation.

Receipts and Documentation For Tax-Deductible Purchases – Keep indefinitely. The IRS may go back at least three years if good-faith errors are suspected and indefinitely if it believes you have underreported your income by more than 25 percent.

Tax Returns – Keep indefinitely. These are useful references for checking income or medical claims from a particular year.

House-Related Records – Keep indefinitely. Save documents pertaining to closings, deeds, assessments and home-improvement expenses.

Most IRA Contributions – Keep indefinitely. Keep these in case you need to prove that you already paid taxes on this income.

Annual Investment Statements – Keep indefinitely. Retain these until you sell the securities. Keep the record of that transaction indefinitely.

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