CLEVELAND STATE BANK

Keep or Shred

Tax returns: The IRS has three years to challenge information in your tax return and six years to conduct an audit based on unreported income. Keep tax returns and supporting records, such as W-2s and 1099s, for at least seven years in a secure place, such as a lock-box.

Investment statements for taxable accounts: Most brokerage firms and mutual fund companies send annual statements summarizing the year's transactions. Once you have these, you should shred your monthly and/or quarterly statements with a confetti-cut shredder.

Bank statements: Keep statements that back up information on your tax returns for up to seven years. Other bank statements can be shredded after reviewing for errors or unauthorized charges.

Credit card statements: Keep statements for major purchases, like jewelry or large appliances in case the statements are needed for warranty documentation. If you put charitable contributions on your credit card, keep the statement for your tax records. Other monthly statements can be shredded once you've reviewed them for errors or unauthorized purchases.

Pay stubs: While many people recommend saving these, it's really a mistake. Pay stubs contain everything an identity thief needs to open an account. Keep three months of history only if you are planning to apply for a mortgage.

ATM receipts: Shred all receipts after you check your bank statement for errors or unauthorized charges.

Insurance policies, wills and other legal documents: These documents should be kept indefinitely in a secure place, such as a lock-box.

Retirement plan contributions: Keep records of contributions to non-deductible individual retirement accounts, such as a Roth IRA, indefinitely. Without them, you may find yourself paying taxes again when the money is withdrawn.