

## SENIOR NUGGET - JULY 2012

### FILES TO KEEP / ORGANIZE

PROTECT YOUR IDENTITY -- PURCHASE A SHREDDER, NEVER TOSS INFORMATION WITH YOUR NAME, ADDRESS OR ACCOUNT NUMBERS IN "General Trash."

Don't go into extreme on either method. Save everything and be able to find documents. Worse, if you go entirely paperless, you may have the impossible task of trying to retrieve old records. Organizing papers into an organized system can take hours, but in the long run it can save time money and help you monitor your financial progress. It also assists with detecting fraud.

HOW DO I KNOW WHAT TO PURGE AND WHAT TO KEEP? SOME GUIDELINES:

LEGAL DOCUMENTS: Keep for life (Will, birth certificate, military discharge papers, etc)

TAXES: Depends on how long IRS might want to see them. Save time-frame 5 years

INVESTMENTS: Keep monthly and quarterly statements. Shred them later when you receive the year-end summary. Hold on to these statements for as long as you own the securities and several years beyond for tax purposes.

HOME IMPROVEMENTS: Retain records, receipts made over the years for adding a deck, replacing windows, remodeling the kitchen or bathroom. Cost of improvements can be added to the original purchase price and lower the gain on a house when it's sold.

MEDICAL RECORDS: Keep medical receipts for the year. You can deduct expenses that exceed 7.5 percent of Adjusted Gross Income (AGI). If you don't meet the threshold, shred records.

BILLS AND RECEIPTS: Credit /Debit card receipts can be purged after one to three months, along with cable bills, TV and telephone bills. Credit card statements, pay stubs and other policies that are in force should be kept for a year. If you buy a big-ticket item with a credit card, keep the statement with the warranty. NOTE: if you plan to sell your house, prospective buyers request to see one year's worth of utility bills.

INVEST IN A FIRE PROOF SAFE for: Birth Certificate(s), Marriage/Divorce papers, military papers, social security card, passport, will and other estate documents, insurance policies, and deeds to property and vehicles.

Best wishes to all having a Birthday in July. View your birth verse: [www.birthverse.com](http://www.birthverse.com)