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Purge Those Files: Tips on What Records to Keep and What to Shred to Avoid Identity Theft

DENVER, May 19 /PRNewswire/ -- Is your file cabinet bulging with another year's worth of tax documents? Are you keeping every bill, tax return, insurance invoice, medical documentation and contract? If you answered, "yes," you are not alone. Many people are unsure how long to retain financial records.

"Most of the threat of identity theft comes from paper documents," says Steven Hastert, vice president of DataGuard USA, a national records destruction firm. "It's good practice to shred the records you don't need to retain -- especially those that include personal information."

Security experts advise that you purge personal files each year and shred everything that is no longer needed. "We recommend Ship 'n' Shred," says Hastert. "You simply log in to the website www.shipnshred.com, box your materials, and they are delivered to a certified shredding company. It's simple and it can save you time, money, and exposure."

While there aren't any hard and fast rules for records retention, Hastert says these are some basic guidelines:

Tax Returns: Retain all records for 7 years. The IRS has 3 years to audit you from the date you file your taxes and it is up to you to have all of the backup information that went into the preparation of your returns.

Bank Statements: Banking institutions maintain your records. Store bank statements only if you are thinking about applying for a mortgage, which requires a three-month history.

Credit Card Statements: Keep a three-month history.

ATM Receipts: Shred after you balance your bank statement.

Medical Insurance: This includes your premium statements, doctor bills, prescriptions, hospital bills, etc. Keep five years from date of service.

Home Insurance: Maintain for at least five years. However, if you have concerns, save 10 years.

Pay Stubs: Most people save these, but it's a mistake. They contain everything an identity thief needs to open an account. Keep three months of history if you are applying for a mortgage.

Investment Documents: If you have an IRA, 401K or other investment you are inundated with prospectus, privacy notices, and voting cards. Don't keep these unless you plan to act on them. Do keep records when you buy any new investments until they are sold. Then match them up with your tax preparation.

Home Repairs: Maintain ten years for any guarantees of workmanship. Always obtain the satisfaction of lien from contractors. Keep these documents as long as you own the property.

Utility Bills: Store them only if you can write them off of your taxes.

Mortgage Documents: Keep loan information for the duration the mortgage is open. After the mortgage is paid, the bank will record a "satisfaction of mortgage." Keep this document as long as you own the property.

DataGuard USA (<http://www.dataguardusa.com>) provides solutions for the shredding industry. We collect problems affecting both shredders and customers and then apply technology to

create win-win-win solutions. This approach has made DataGuard a leader in the document destruction industry. Our customers include the largest shredding contractors and smallest operators across every state, territory and province in the United States and Canada.

Web site: <http://www.dataguardusa.com>