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MEMBER



Special needs require special lawyers.

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WHAT RECORDS TO KEEP AND HOW LONG TO KEEP THEM

Digging through piles of records can be a frustrating task. It can take only one search to find something to raise the question: “Do I really need to keep all these documents?” While the answer may be “No,” one must be careful about discarding old records. Before you do a complete cleaning and shredding all the documents in your filing cabinet, however, please note that it is important for you to retain certain documents. Shredding old records will help protect you against identity theft, but disposing of too much can leave you unprotected. While there are no firm rules on record retention, Oast & Hook provides the following information to help guide you in what documents you should keep and how long you should keep them:

ATM Receipts: These should be kept only until you balance your checkbook. After that, shred them.

Bank Statements: You don’t need to keep your bank statements. The only exception is if you are applying for a mortgage, and even then you need only a three month history.

Credit Card Statements: These should be kept for only the past three months. Credit card statements merely reflect the charges to your card, and your credit card company can reproduce these reports if you need them.

Financial and Investment Documents: Investments often result in receiving vast amounts of mail, such as prospectuses, privacy notices, and address confirmations. If you don’t plan on acting on this information, get rid of it. You need to retain balance statements for only the past three months. Any time you purchase a new investment, however, you should retain the transaction record until you sell the investment and complete your income tax return. In addition, you may want to keep any benefit information if it would be helpful to you in determining your future benefits.

Home Insurance: Retain home insurance documents for a minimum of five years; however, if there is any question that issues may arise in the future, then keep these records for ten years. Insurance companies do keep this information, but you should not rely solely on them to provide it.

Home Repair Bills: The general rule is to keep these records for ten years. This should adequately protect you should litigation or other disputes arise that are connected to the repairs or workmanship. If there is a lien on the property connected with the work or repairs, then make sure to obtain a satisfaction of lien from the contractor and keep that document as long as you own the property.

Life Insurance Policies: Life insurance policies should be kept for the duration of the policy, plus an additional three years.

Medical Records: Personal health records, such as medical history, contact information of personal physicians, and prescribed treatments and prescriptions, should be kept indefinitely. All other medical records, however, such as premium statements, physician or hospital bills, copies of prescriptions, only need to be kept for five years after treatment has ended, unless you have claimed items on your tax returns, in which case the supporting documents should be kept for seven years.

Mortgage Documents: You should keep mortgage documents for the duration of the mortgage. Once you have paid off the mortgage, the bank must record a satisfaction of the mortgage. Keep the record of satisfaction as long as you own the property.

Pay Stubs: If your pay stubs contain the history of all the past pay stubs for the year, then you need to keep only the most recent one. If they don't provide payment history, then keep all pay stubs until you receive an overview statement at the end of the year. After you receive the overview statement, you may discard all previous pay stubs. Please note that pay stubs contain all the information an identity thief needs to steal your identity. Therefore, dispose of these cautiously, preferably by shredding them.

Tax Returns: The general rule is to keep tax returns, whether business or personal, for seven years. Thus, when you file a new return, you may shred the one no longer needed. Although the IRS has three years to audit you after you file your income tax return, there are several exceptions to this rule, and it is better to be safe than sorry. Further, it is important to save all the information used in preparing your returns, for it is up to you to provide this information if you are audited or asked related questions.

Utility Bills: You need to keep your utility bills for only the last three months. If you write off on your income tax return anything contained in these records, then you should keep these documents as tax records.

Oast & Hook trusts that this information helps you clear out the paper clutter that you may have in your home. The attorneys at Oast & Hook assist families with their estate, financial, insurance, long-term care, veterans' benefits, and special needs planning issues.

Ask Allie

O&H: Allie, we've heard about a woman who gives special needs cats a lifelong home. Please tell us about her.

Allie: Sure! Sister Mary Winifred is an Episcopal nun who lives in Upper Fairmount, Maryland. She operates the Ascension Hermitage and Sanctuary at Muddy Paw Farm, and she has made animal rescue her vocation. Dogs, horses, rabbits, and geese live at the farm, as well as 40 cats. Sanctuary House is a permanent home for animals, so she deals with old age and end-of-life issues. She has a special place in her heart and at Sanctuary House for cats with special needs. Sister Winifred values each cat as an individual, and she celebrates the unique character of each of them. She carefully names every feline and invites donors to meet them. For \$10 per month, a donor can sponsor a cat, then each donor receives a photo and information about the cat, and sponsorships buy food, vaccines, toys, and catnip. What a great advocate! I'm a rescue cat, so I know how relieved Sister Winifred's cats are at finding their forever home. Time to see if spring is here to stay . . . See you next week!

Announcement

Oast & Hook is proud to announce that it has partnered with Commonwealth Assisted Living to offer a series of seminars for veteran seniors and their families. Each seminar will cover veterans benefits, veteran's aid and attendance, elder law, Medicare, and long-term care planning. The seminars will begin at 6:00 p.m. and will end at 7:00 p.m.. Below are the dates and locations of each seminar. Seating is limited. If you have any questions or if you would like to register for one of these seminars, then please phone Oast & Hook at 757-399-7506.

May 24, 2012

Georgian Manor
651 River Walk Parkway
Chesapeake, Virginia 23320
Tel: 757-436-9618

June 7, 2012

The Ballentine
7211 Granby Street
Norfolk, Virginia 23505
Tel: 757-440-7400

Distribution of This Newsletter

Oast & Hook encourages you to share this newsletter with anyone who is interested in issues pertaining to the elderly, the disabled, and their advocates. The information in this newsletter may be copied and distributed, without charge and without permission, but with appropriate citation to Oast & Hook, P.C. If you are interested in a free subscription to the *Oast & Hook News*, then please e-mail us at mail@oasthook.com, telephone us at 757-399-7506, or fax us at 757-397-1267.

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