How Long Should You Retain Tax Documents?

ONE YEAR

- *Paystubs*
- *Monthly Brokerage Statements*

While not technically tax documents, it is a good idea to retain these items until you are satisfied that the tax documents you do receive (W2s and 1099s in this case) accurately reflect them.

THREE YEARS

Any document that supports any item of income, deduction or credit claimed on your tax return, such as:

- *W2s*
- *1099s*
- *1098s (Mortgage Interest)*
- *Proof of Charitable Contributions*
- *Proof of any 529 or Health Savings Account (HSA) Contributions*

The IRS recommends retaining these types of records for three years from the date you filed your return. For example, if your 2021 1040 (Individual Income Tax Return) was filed on April 15, 2022, its supporting documentation can be disposed of on April 15, 2025.

Keep in mind that while the normal statute of limitations for the IRS to audit your tax return is 3 years, the timeline can actually be anywhere from 3 years to unlimited if fraud is suspected.

SEVEN YEARS

The IRS recommends retaining records related to a loss from a worthless security or bad debt for seven years.

INDEFINITELY

- *Proof of Non-Deductible IRA Contributions*

While your tax preparer should be recording the Non-Deductible contributions you make annually, it is still a good idea to keep proof of them until you have taken them as distributions.

