

WHY, WHAT, AND WHEN TO SHRED DOCUMENTS?

Sometimes to avoid clutter in our work or living spaces, we create piles of mail or documents in hopes that we will organize them at a later time. Even worse, in order to get a handle on cleaning our desks or counters, you might even consider throwing everything in a waste basket just to avoid having to go through each piece.

Why Shred?

“Dumpster diving,” or rifling through trash cans for personal information, is a tactic used by identity thieves who try to get their hands on documents that they can use to impersonate someone. As much as we may want to clean and get rid of items, throwing away materials that have information about you or your family creates a cause for concern. By shredding sensitive materials, you reduce the risk of identity theft.

To destroy all sensitive information, invest in a shredder for your home or office, preferably one that “cross-cuts” (slices in two directions) or a strip-cut shredder. You can also consider contacting a trusted business in your community and ask if they will allow you to drop off your documents and use its shredder. If your shredder can’t handle plastic, use scissors to cut up expired credit and identification cards before discarding them.

What to Shred?

What constitutes “sensitive information?” In general, you should shred documents that contain any of the following:

- Social security number
- Any account number or credit or debit card number (with or without any required security code)
- Access code, PIN, or password that would permit access to an individual’s account
- Date of birth
- Any information related to a financial account, including type of account, suitability information, holdings, and financial advice
- Driver’s license number or state-issued identification card number
- Any medical-related information
- Signatures

To protect your privacy, you should also consider shredding items that include:

- Names
- Addresses
- Phone numbers
- E-mail addresses



When to Shred?

It's easy to be confused as to which records you need to keep and those you should shred. Here are some helpful guidelines to determine how long to keep records:

Type of Document	Time Frame for Shredding	
Tax Records	7 years	The IRS has three years to audit your return if the agency suspects you made a mistake and up to six years if you likely underreported your gross income by 25 percent or more. If you failed to file a return for any year, keep records indefinitely.
Pay Stubs	1 year	Compare them to your W-2 form and then shred.
Bank Statements/Credit Card Statements	1 year	Hold onto records related to your taxes, business expenses, home improvements, mortgage payments, or any major purchases for as long as you need them. A better option would be to opt into receiving your statements online instead of receiving them in the mail.
Medical Records	1 year depending on the material	Medical bills can be kept for one year. Records regarding prescription information, medical histories, or contact information for your physician should be held onto.
Insurance Records	Varies	Keep policy information for the life of the policy plus an additional five years.
Utility and Phone Bills	Immediately after payment	Shred them after you've paid them, unless they contain tax-deductible expenses.
IRA Contributions	Until you withdraw the money	Quarterly statements can be shred as soon as you match them with your yearly statement.
Home Purchase/Sale	Until 6 years after you sell	
Warranties	When expired	

Additionally, it's a good practice to remember when you can opt into receiving materials electronically, you not only help the environment by reducing the use of paper, but also the risk of someone going through your paper documents.