

\$hredded Bliss Part 2: Purging - 04-30-2009

by vcmorris - The Thin Pink Line Blog: women and work, women and leadership, women and careers, women and negotiation, women and money, work/life balance - <http://thethinpinkline.com>

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by vcmorris - Thursday, April 30, 2009

<http://thethinpinkline.com/2009/04/30/hredded-bliss-part-2-purging/>

The promise - or the threat - depending on how you feel about it - is that we're going to be a "paperless society."

I love the idea. I tend to be clutter phobic by nature. I love the idea of "paperless" from a double green point of view: save trees by going to online banking and commerce instead of monthly bills in the mail; and save money by not paying (soon-to-be 43-cents) postage to mail monthly bills while being able to handle my financial responsibilities and needs from anywhere with the click of a mouse. In fact, I get a bit grumpy when a service provider *doesn't* have an online bill payment option.

When will this "paperless society" be fully here? In the not-too-distant future. But until that happens, we all need to follow (and clean up) our paper trails which undoubtedly lead to the files, desk drawers, boxes and brown paper bags that hold the details of our financial lives.

If you're done doing your taxes - start your shredders!

Spring's in the air. It's cleaning time. You're ready to sort through the paper clutter. So let's purge the paperwork. As I wrote last week (<http://thethinpinkline.com/category/women-and-money/>) in \$hredded Bliss Part 1 - **shred** <http://electronics.pricegrabber.com/paper-shredders/p/463/>) anything that has your personal information on it.

Worried you won't know which financial records to keep and which ones to **shred**?

Keep for life: Documents that represent life altering events like birth, death and marriage certificates, adoption papers or dissolution of marriage decrees; annual retirement plan savings summaries; home property records.

Keep for as long as you own: Documents dealing with a potentially taxable investment or asset (and keep for an additional 7 years *after* you no longer own the asset). Vehicle registrations, warranties, repair receipts and owner's manuals (and then I think it's wise to keep all the transfer of ownership documents for a couple of years after.)

Keep for 7 years: Most tax related documents and other vital paperwork.

Bank accounts are so varied these days - remember I'm the avowed online bill payer - that I checked with some of my former colleagues from CNN business news regarding how long to hold the paper files for brick-and-mortar bank accounts. The consensus:

- Dispose of canceled checks after a year if not related to taxes or the purchase of a valuable asset
- Keep bank statements for 7 years

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- ATM receipts and deposit slips can be **shredded** as soon as you check activity against your monthly statements
- Shred bills after six months to a year
- Hold on to final statements of discontinued services for 2-3 years to show proof of accounts paid in full
- Credit card statements can be shredded after a year (if not needed for tax purposes)
- Loan payment paper receipts keep until the loan is paid in full

Don't panic if you shred something that's important. One of the benefits of being part of the "paperless society" is that financial institutions are required to keep copies of your bank, brokerage and credit card statements for **seven years**. Though it may be a bit of a hassle, an expense and not necessarily expedient - *most* documents can be re-created as certified copies.

Comment posted by Bhanu to last week's post #2291 "\$hredded Bliss" and Social Security Numbers:

Hi Valerie, Thanks so much for the post. Many organisations have now taken steps on issuing other forms of identity in place of SSN. But every departmental/grocery store chain does ask for SSN on their website when applying for a job. It is impossible to proceed without providing SSN. When I called, I was informed that online application is the only way to apply and even if you come to our store, you will be filling it online. There is really no way around it. That put me in a fix. I opted not to apply after weighing in the security consideration, though all these sites have a good encryption certificate. What would be your course of action?

Response: The SSN dilemma is real. Everyone's ready to say protect it and issue dire warnings about what happens if you don't. But when it comes to applying for a job, even though potential employers *can't by law* demand that you provide it, sometimes it is impossible to proceed through a job application process without giving it.

I enlisted the aid of several sources to give you the most comprehensive answer to your question.

First, my answer. I would not have let worry about my Social Security number stop me from applying for a legitimate job. I would have filled out the online application because it was a secured encrypted site.

Second, my friend and trusted financial writer/author for Lightbulb Press, Virginia Morris agrees and wrote: *"You're right to be concerned that someone could steal your identity if they had your SSN. But I wouldn't let that stand in the way of a job opportunity, especially from an employer whose site is encrypted. Until substitute forms of identity take hold, you can protect yourself by keeping track of what's being reported to credit rating agencies about you. You're entitled to free credit reports three times a year, one from each of the major credit reporting agencies. Just go to www.annualcreditreport.com every four months. You'll know right away if someone else is using your identity. If you respond quickly by contacting any creditor that you haven't opened an account with or that claims you're not paying on time, you should be able to resolve misuse of your identity. And, if it makes you feel any better, more than two-thirds of identity theft occurs offline. (<http://lightbulbpress.com/>)"*

But Lois Cohn, Assistant Editor at Kiplinger's Personal Finance Magazine says: *"You did the right thing. While a potential employer has the right to request your Social Security Number, you shouldn't have to*

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enter it into a website. When I asked ID Theft guru Scott Mitic, CEO of TrustedID, Inc., about your dilemma, he suggested you provide a made-up SSN on the site. Then, once the hiring process progresses, and the employer performs a background check, you can give the company your actual SSN off-line. That way, you'll lower the risk that your personal information will be exposed." (<http://www.Kiplinger.com>)

Edmund Mierzwinski, the dedicated and fiery consumer program director for the National Association of State Public Interest Research Groups (PIRG) says: *"Social Security number protections are not what they seem. The government established the use of Social Security numbers to regulate Medicare, Social Security benefits and taxes, but the government allows others to use the numbers without regulating how they are used. Government and business do not want consumers to have control over their financial DNA, but they also don't want to be held responsible if there is a security breach." (<http://www.uspirg.org/>)*

Finally, so what does the Social Security Administration itself say about protecting our nine digit SSN? Sorry, Bhanu but regarding your question - the official government agency simply says: *"Giving your number is voluntary even when you are asked for the number directly. If requested, you should ask: why your number is needed; how your number will be used; what happens if you refuse; and, what law requires you to give your number? The answers to these questions can help you decide if you want to give your Social Security number. The decision is yours."*

Here's to your health and wealth.

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