

E*Alert

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By: Alan M. Levy, Esq.

DOL REQUIRES NON-UNION EMPLOYERS TO DISCLOSE PAYMENTS TO UNION OFFICIALS AND EMPLOYEES

The U.S. Department of Labor (“DOL”) has issued a group of announcements informing union officers and employees that, by August 15, 2005, they must file annual Forms LM-30 disclosing every payment or gift from any employer. The rule does not apply to a normal payment unrelated to union status, such as regular wages based on work performed as that employer’s employee, or to de minimis transactions of \$25.00 or less. However, reporting is required in regard to all employers, including non-union employers who may be doing business with a union. At the same time, new emphasis has been placed on the DOL’s Form LM-10, which requires all employers (whether or not unionized) to disclose comparable information within 90 days after the end of the employer’s fiscal year.

The disclosure rules apply regardless of whether the union or the official represents employees of the employer who made the payment or gift. Thus, an insurance company, accountant, or financial advisor (which is an “employer” because it has its own employees) must report giving a meal or sports tickets as entertainment of a union official who may be a “customer” or “client.” A health insurance company must report its payment of a union representative’s travel expense if it sponsors his/her attendance at an educational program because he/she is trustee of a health fund with which it does (or hopes to do) business. The requirement also applies to payments to the employer’s own employees who receive something of value because of union status, such as holiday gifts or promotional clothing for the stewards at its own facility. Trust funds which employ their own staff must use the Form LM-10 to report expense reimbursements to those trustees who are also

union officers, and employer trustees have a duty to enforce that requirement.

There can be no doubt that the DOL will collate and compare the Form LM-30 reports it receives from individual union personnel, the Form LM-2 reports from the union itself, and the Forms LM-10 from employers to determine whether there have been any errors, omissions, or misrepresentations. The union officials who must file a Form LM-30 will be given amnesty for failure to make certain filings in earlier years if they satisfy the rule next month, so a larger number of first-time reports are anticipated. Employers should be aware that those filings will invite complementary review of their own Forms LM-10 when they are done.

Should you have any questions about how the filings work, what forms and data are needed, or whether the rules apply to you, please call Alan Levy at Lindner & Marsack, S.C.

If you have any questions about the issues raised by this e-alert, please feel free to contact Alan M. Levy at (414) 273-3910 or by e-mail at alevy@lindner-marsack.com.

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