

**Employer's Duty to Report Union Payments Under LMRDA**

**July 2006**

For many years employers have been required to annually file reports with the U.S. Department of Labor outlining any payments made to unions, union officials, or labor relations consultants. Labor-Management Reporting and Disclosure Act, 29 U.S.C. §§ 401, et seq. The Department historically has been lax in enforcing the requirement, but recently issued new enforcement guidance clarifying disclosure obligations.

Generally, financial transactions including loans and payments, whether in cash or in kind, are reportable. Examples of reportable transactions include paying a union official for a “no show” job; taking union officials out for meals; giving gift baskets to union officials; and paying labor relations consultants to obtain reports on union organizing activities. An exception under the de minimus exemption permits employers to not disclose payments of \$250 or less during the annual reporting period, if the payments are sporadic or occasional in nature and are unrelated to the recipient’s status in the labor organization. If several payments are made the aggregate amount must be no more than \$250 in order for the exemption to apply.

Disclosure must be made on form LM-10 and be filed within 90 days of the end of a company’s fiscal year. Both the president and treasurer of the employer must sign the form under penalty of perjury, unless they can show they were previously unaware of the reporting requirements. Even in such cases, the signature under perjury requirement will apply after the first filing. Employers must keep copies of their reports for five years after filing.

Given the complexity of the filing requirements, employers should seek legal advice prior to making their disclosures, and may want to review the DOL's FAQs on the subject, which can be found at [www.dol.gov/esa/regs/compliance/olms/lm10\\_faq.htm](http://www.dol.gov/esa/regs/compliance/olms/lm10_faq.htm).

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