



CLIENT BULLETIN

OLMS Revises Form LM-30 Reverses Many Reporting Requirements of 2007 Rule

The Office of Labor-Management Standards (OLMS) announced the release of a Final Rule on October 26 revising the 2007 Form LM-30, *Labor Organization Officer and Employee Report*. The revision will be relief to trustees of multiemployer Taft-Hartley funds. The revised LM-30 returns to the prior interpretation of the law which held that employee benefit trusts as defined under Section 3(l) of the *Labor-Management Reporting and Disclosure Act (LMRDA)* are NOT "employers." Therefore, trustees do not have to report payments from such trusts on an LM-30.

For example, this means when trustees are reimbursed for expenses incurred as trustees, such as for educational conferences, these monies are not reportable on the LM-30. Presumably, corresponding changes will be made to the LM-10 so that such trust funds will not be required to report such reimbursements.

According to OLMS, the new rule promotes transparency by requiring union officials to disclose payments and interests that involve *actual or likely* conflicts between the official's personal financial interests and his or her duties to the union.

Further, OLMS stated the new rule avoids unnecessary intrusions into labor-management relations by removing requirements under the 2007 rules to report transactions that create no actual or likely conflicts of interest. Thus, the new rule REVERSES the one published in 2007 that expanded the length and complexity of the LM-30, but did not lead to additional useful information being reported by union officials.

The new Final Rule shortens the Form LM-30 from nine to two pages. Some of the changes from the 2007 Form LM-30 are as follows:

- Generally, union shop stewards are not required to file the form;
- Union leave and no docking payments are not required to be reported;
- Bona fide financial transactions with credit institutions, including loans, are not reportable;

- Employer payments, competitive to the represented employer, are reportable only if they represent actual or likely conflict, and payments from unions are not required to be reported;
- International, national and intermediate union officers are obligated to report potential conflicts regarding locals and other subordinate unions.

The **new rule** becomes effective on November 25 and **applies to reports required by union officials with fiscal years beginning on or after January 1, 2012.**

For fiscal years beginning prior to January 1, 2012, OLMS will accept the Revised (2011) Form, the 2007 Form LM-30 or the original, pre-2007 Form LM-30. A copy of the Revised (2011) Form LM-30 (as well as the prior Forms) is at: http://www.dol.gov/olms/regs/compliance/GPEA_Forms/blanklmforms.htm#FLM30.

A copy of the new rule as published in the *Federal Register* is available by "[clicking here](#)" or at: <http://www.gpo.gov/fdsys/pkg/FR-2011-10-26/pdf/2011-26816.pdf>.

For fiscal years beginning before January 1, 2012, OLMS will refrain from initiating enforcement actions against union officers and union employees due to failure to file the report required by LMRDA section 202, based solely on the use of a particular form, as long as individuals meet their statutorily-required filing obligation in some manner.

For background on Forms LM-10 and LM-30, see pages 6 & 7 of the Topical Index: http://www.unitedactuarial.com/research/docs/topical_index/topind_pdflinks.pdf.

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