

LM-30 Threshold Increased to \$250

The Department of Labor's (DOL) Office of Labor-Management Standards (OLMS) issued an advisory on November 7, 2005 regarding Form LM-30, *Labor Organization Officer and Employee Report*. Form LM-30 requires filers to report certain financial transactions except sporadic or occasional gifts, gratuities, or loans of insubstantial value.

In March 2005, the OLMS took enforcement actions to improve Form LM-30 compliance, including setting a grace period for first time filers. At that time, the OLMS quantified "de minimis" to be an item with a value of \$25 or less. Additionally, in August 2005, the OLMS requested comments on the \$25 threshold. As a result of the grace period, Form LM-30 reporting by officers and employees of local unions increased dramatically through October 2005. OLMS reviewed these reports and considered comments from union officers and employees that the de minimis threshold was too low. Based on its review, the OLMS has concluded that setting the reporting threshold at \$25 "places an unnecessary reporting burden on union officials without a corresponding benefit to union members or the public."

Until final rules establishing revised Form LM-30 reporting obligations are issued, OLMS has now determined that gifts, gratuities or loans with a value of \$250 or less received by a union officer or employee will be considered insubstantial for the purposes of Form LM-30 reporting. However, multiple gifts or loans from a single employer to a single union officer or employee in a year must be aggregated when determining if the \$250 threshold is met. This appears to be an interim measure by OLMS. Additional guidance should be made available when the final rules are issued. As always, we will continue to keep you posted.

For general guidance on Form LM-30, visit the below website:
www.dol.gov/esa/regs/compliance/olms/lm30_information.htm.

Please feel free to contact us if you have any questions. Bob Cann and Donna Hubert, of the Legacy Tax Department, are available at 312-368-0500 or via e-mail at rcann@legacypas.com or dhubert@legacypas.com.