

likely to ensure the quality of the information reported.

Several commenters opposed the \$10,000 salary threshold. The law's purpose, as stated by one commenter, was to require unions to report the salaries of only their highest paid officers and staff. Under the Department's rules, however, unions are required to report the salaries of virtually all their employees. The \$10,000 threshold is established by statute, 29 U.S.C. 431(b), and therefore the Department is without authority to change the threshold amount.

No commenters specifically supported the proposal to require unions to report the net pay, withholdings, and tax payments for each officer and employee, but a number of comments opposing the proposal were submitted. An international union argued that the proposed reporting of net salaries is contrary to standard business practices and governmental regulations involving an organization's payroll. It asserted (as did one individual) that no other profit or nonprofit organization reports net wages. Moreover, it observed that a publicly traded corporation is required only to disclose the gross compensations of its chief executive officer (CEO) and four senior executive officers if, and only if, that compensation exceeds \$100,000.

The AFL-CIO stated that the Department's current requirement that unions report the gross salaries of their officers and employees provides members with sufficient information to meet any legitimate purpose under the LMRDA. It contended further that the LMRDA provides no statutory authorization for the Department to collect this type of personal financial information about union officers and employees. In this regard, it asserted that the statute does not authorize the Department to inquire, even indirectly, into such matters as whether an individual officer elects to purchase supplemental insurance or allocates substantial portions of his or her paycheck to the United Way.

Based on the concern that the Department's proposal could interfere with the legitimate privacy interests of union officers and employees, the Department has determined that the better course is to maintain the current practice of requiring unions to report the gross salary (before taxes and other deductions) for each officer and employee, on an individual basis. Accordingly, in keeping with the current Form LM-2, Schedules 11 and 12 have been adjusted to reflect this change and a line item added to

Statement B on which the reporting labor organization will report the aggregate amount of withholding taxes and other payroll deductions from all salaries, the total disbursed, and the total withheld but not disbursed. This change will protect individual privacy and also reduce the union's reporting burden for these schedules. The reporting union must then allocate each officer's and employee's gross salary, based on a good faith estimate, rounded to the nearest 10%, among five specified schedules (Representational Activities, Political Activities and Lobbying, Contributions, General Overhead, and Administration).

G. Schedule 13—Membership Categories

Several commenters indicated their support for the Department's proposal to require unions to report the total number of members according to various types of membership categories. These commenters agreed that the newly required information would be useful to union members. A number of commenters, including several International unions, disagreed with the proposed changes to the unions' annual reporting requirements. Some commenters expressed doubt about the authority of the Department to require unions to submit detailed demographic information in their annual reports. Others expressed doubt that union members were interested in the more detailed membership information. Some commenters, while supporting the basic approach of the NPRM, suggested that the Department require unions to report information in additional categories. These suggested categories included information on:

- Members working on projects covered by the Davis-Bacon Act
- All employers with whom the union has collective bargaining agreements (CBA)
- The length and duration of each CBA
- The number of employees in each covered bargaining unit
- Male and female members
- Members in each state for unions that cover more than one state.

The purpose of the Department's proposed Schedule 13 is to give members a clearer sense of the current health and future viability of their union and to give members a sense of what changes should be made to the union in order to improve the organization. Over time, this information will enable members to judge how effectively their dues are being spent on organizing and if any additional resources should be devoted to that activity. None of the proposed additional categories appears

to advance these goals. Consequently, the Department has decided not to require labor organizations to report membership in these categories.

Most comments indicated that, contrary to statements in the NPRM, unions do not currently keep membership information in the categories required by the new Schedule 13. Commenters provided several examples of different methods of categorizing members, including:

- The International Union of Operating Engineers (IUOE) does not maintain information on members by category.
- The American Federation of Teachers (AFT) tracks members, for accounting purposes, by "full membership equivalents."
- The International Brotherhood of Electrical Workers (IBEW) tracks members by industry.
- The building trades unions do not track apprentice, retired or inactive members.
- One union indicated that they classify members as "active" and "retired."
- Retired members in the United Association of Plumbers (UA) maintain active status (and pay dues) to maintain certain benefits.

It thus appears that while each union maintains membership information in some manner, it may not maintain that information in the precise categories contemplated by the proposed new Schedule 13. Union commenters also indicated that, because they do not maintain membership information in the categories contained in the new Schedule 13, it would be similarly difficult for unions to report the total amount of dues paid by each of the various categories of members and the amount that the union paid or received in per capita dues for each category.

While the Department continues to believe that information regarding the number and type of members of a reporting labor organization is information that is important to the members of that organization, the Department also agrees that each labor organization should be able to maintain such information in the manner that the union believes will be most useful to it as an institution. Accordingly, the Department has concluded that each reporting labor organization should be permitted to name and report on its own categories of members so long as the union provides a definition of each category in Item 69 (Additional Information). For example, if a union feels that it is best for it to maintain membership statistics on "active," "retired" and "apprentice" members,