

e. Form LM-3

The Department also estimates that 11,356 local unions take an average 104.0 hours to collect and report their information on the current Form LM-3. In addition, the Department assumes that all Form LM-3 filers will take an average 8.0 hours for accounting and 4.0 hours for legal review to complete the current form for an average total burden of 116.0 hours per respondent (see Table 2). Further, the Department estimates that 64.0 hours of the total is for recordkeeping burden and 52.0 hours is for reporting burden. These estimates

and assumptions are based on the similarity of the Form LM-3 and Form LM-2 recordkeeping and reporting requirements, the fewer number of schedules that need to be reported on the Form LM-3, as well as the relative differences in the size of the unions that complete the two forms.

The Department has also updated the average annual cost of complying with the current Form LM-3 recordkeeping and reporting requirements to \$3,277. Again, this figure includes estimates for consulting, accounting, legal, and programming costs and is a weighted average across all respondents. The

dollar cost estimate is also based on total compensation costs and not hourly wage rates. The total annual cost for all respondents is estimated to be \$39.0 million for Form LM-3 (see Table 6). It should be noted that although it may appear that the Department has applied inconsistent dollar costs per hour to the burden hour estimates, the dollar costs per hour naturally differ between forms because of the varying amounts of accountant time, bookkeeping time, and the time of the union secretary-treasurer and president associated with each form, that yield different weighted average costs per hour.