

Form LM-2) and altogether save 88,176 hours. In monetary savings, the increased threshold amounts to an average savings of \$5,104 per year, or a total \$2.6 million per year. These savings accrue because unions with annual receipts above \$200,000 but less than \$250,000 will be able to file the less burdensome and less costly Form LM-3. Additionally, these unions will not be required to file Form T-1 if they have a trust nor will they incur the increased costs related to the revised Form LM-2.

f. New Form T-1

To estimate the burden hours and costs for the new Form T-1 three important assumptions were made to estimate the number of responses. First, it was assumed that 15% of the 1,574 tier 1 LM-2 filers with annual revenues of from \$250,000 to \$499,999.99 would file one Form T-1. Second, it was assumed that 35% of the 3,158 tier 2 Form LM-2 filers with annual revenues of from \$500,000 to \$49.9 million would file an average of 2.6 Form T-1s. Third, it was assumed that 100% of the 46 tier 3 Form LM-2 filers with annual revenues of \$50 million or more would file an average of five T-1 reports each. Although 939 Form LM-2 filers report having a subsidiary, it is difficult to estimate how many more entities fall within the broader definition of trusts or funds to be reported under the final rule.

For each of the three tiers, the Department estimated burden hours for the additional nonrecurring (first year) recordkeeping and reporting requirements, the recurring recordkeeping and reporting burden hours, and a three year annual average for the nonrecurring and recurring burden hours similar to the way it estimated the burden hours for Form LM-2 filers (see previous discussion).

The Department estimates the burden required for preparing to complete the Form T-1 for all three tiers to be 2.4 non-recurring hours to provide the new Form T-1 requirements to the trust, 4.3 hours for reviewing the new form and instructions, and 8.0 non-recurring (first year) hours for installing, testing, and reviewing the OLMS provided software. The time to read and review the form and instructions is estimated to decline to 2.0 hours the second year and 1.0 hour the third year as unions and trusts become more familiar with the revised form. (see Table 7)

The Department estimates the average reporting burden required to complete pages one and two of the Form T-1 for each of the three tiers to be 6.1 hours and the average recordkeeping burden associated with the items on pages one and two to be 1.6 hours. These estimates are proportionally based on the recordkeeping and reporting burden estimate for the first two pages of the current Form LM-4, which are very similar to the first two pages of the new Form T-1. The first two pages of Form LM-4 have 21 items (8 questions that identify the union, four yes/no questions, seven summary numbers for: Maximum amount of bonding, number of members, total assets, liabilities, receipts, and disbursements, total disbursements to officers, and a space for additional information). The first two pages of Form T-1 have 25 items (14 questions that identify the union and trust, six yes/no questions, just four summary numbers for total assets, liabilities, receipts, and disbursements, and a space for additional information). For comparison, the first part of Form LM-3 (before the schedules) has 56 items with two statements on assets, liabilities, receipts, and disbursements.

For the new receipt and disbursement schedules the Department estimates that on average T-1 respondents will take 9.8 hours (of nonrecurring burden) to

develop, test, review, and document accounting software queries; design query reports; prepare a download methodology; and train personnel for each of the schedules. Further, the Department also estimates that on average Form T-1 respondents will take 1.2 (recurring) hours to prepare, transmit/report, and report the new receipts schedule and 1.4 hours to report the new disbursements schedule. The Department also estimates that on average Form T-1 respondents will take 8.3 hours (recurring) of recordkeeping burden for each schedule to maintain the additional information required by the final rule.

For the new Form T-1 disbursements to officers and employees of the trust schedule the Department estimates that it will take respondents an average 2.8 hours (of nonrecurring burden) to develop, test, review, and document accounting software queries; design query reports; prepare a download methodology; and train personnel. Further, the Department estimates it will take on average 0.8 hours to prepare, export and transmit or report the new schedule. No additional recordkeeping burden is estimated for the officer and employee disbursement schedule because the Department is not requiring trusts to maintain detailed time records over what is kept as normal business practice.

The Department also estimates that it will take 2.0 hours for the Trust to review the Form T-1 and 1.0 hours for this information to be sent to Form LM-2 filer. In addition, the Department estimates that the union president and secretary-treasurer will take 4.0 hours to review and sign the form. The time for the president and secretary-treasurer to review and sign the form declines to 2.0 hours the second year and 1.0 hour the third year as they become more familiar with the revised form.