



## Form T-1 Trust Annual Report

This compliance tip provides information about the reporting and disclosure requirement imposed on private-sector labor unions by the implementing regulations of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), as well as on Federal-sector unions by the Civil Service Reform Act of 1978 (CSRA) standards of conduct provisions, to file the Form T-1 Trust Annual Report with the U.S. Department of Labor, Office of Labor-Management Standards (OLMS). The filed Form T-1 reports become public information, made available on the OLMS website at [www.unionreports.gov](http://www.unionreports.gov).

Please note that this compliance tip does not substitute for the [Form T-1 Instructions](#). All filers of the [Form LM-2 Labor Organization Annual Report](#) should read the Form T-1 Instructions.

### *Who Must File the Form T-1?*

Every LMRDA and CSRA covered labor organization, with total annual receipts of \$250,000 or more or which otherwise files the Form LM-2 Labor Organization Annual Report, must file a Form T-1 each year for each trust in which it is interested, as defined in section 3(l) of the LMRDA, 29 U.S.C. § 402(l). Labor organizations are required to report on trusts if the following conditions exist:

The trust, fund, or organization must be covered by section 3(l) of the LMRDA, which defines a trust in which a labor organization is interested as a trust: (1) that was created or established by a labor organization or a labor organization appoints or selects a member to the trust's governing board, and (2) that has as a primary purpose to provide benefits to the members of the labor organization or their beneficiaries. 29 U.S.C. § 402(l). Further, the labor organization alone, or in combination with other labor organizations, either:

- appoints or selects a majority of the members of the trust's governing board; or
- contributes greater than 50% of the trust's receipts during the one-year reporting period.

Any employer contributions that are made to the trust pursuant to a collective bargaining agreement shall be considered the labor organization's contributions.

### *What Exemptions Apply?*

No Form T-1 should be filed for any trust that:

1. Meets the statutory definition of a labor organization and already files an annual financial disclosure report (view the OLMS website ([www.dol.gov/olms](http://www.dol.gov/olms)) to see if the organization files or contact OLMS to determine if covered).
2. Is an entity that is expressly exempted from reporting in the LMRDA (i.e., state or local central bodies of labor federations).
3. Is a subsidiary organization, as defined in Part X of the [instructions for the Form LM-2 Labor Organization Annual Report](#) (e.g., a separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization).

4. Is established as a Political Action Committee (PAC) if timely, complete, and publicly available reports on the PAC are filed with a Federal or state agency, or for a trust established as a political organization under 26 U.S.C. 527 if timely, complete, and publicly available reports are filed with the Internal Revenue Service.
5. Is an employee benefit plan within the meaning of 29 U.S.C. 1002(3) that is subject to Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”), pursuant to 29 U.S.C. 1003, and that filed an annual report with the Employee Benefits Security Administration (EBSA) in accordance with 29 U.S.C. 1021 and 1024, and applicable rules and requirements, for a plan year ending during the reporting period of the labor organization.
6. Is a federal employee health benefit plans subject to the provisions of the Federal Employees Health Benefits Act (FEHBA), nor for any for-profit commercial bank established or operating pursuant to the Bank Holding Act of 1956, 12 U.S.C. 1843.
7. Constitutes a credit union subject to the Federal Credit Union Act, 12 U.S.C. 1751.

When more than one Form LM-2 filing labor organization jointly dominates a trust, that is, the organizations jointly appoint or select a majority of the members of the trust’s governing board or jointly contribute greater than 50% of the trust’s receipts during the one-year reporting period, only one organization must file a Form T-1. A single organization may voluntarily assume responsibility for the filing of the Form T-1. To comply with this option: 1) the labor organization volunteering to file must list in Item 25 all of the other labor organizations that meet the financial or managerial domination test and for which the labor organization is volunteering to file the Form T-1, and 2) the non-filing labor organizations must note in Item 69 (Additional Information) of their Form LM-2 that another labor organization is filing the Form T-1 on its behalf, along with the name of that labor organization and the name of the trust.

A parent labor organization (i.e., the national/international or intermediate labor organization) may file the Form T-1 report for covered trusts in which it and its affiliates jointly meet the above financial domination or managerial control test. The affiliates must continue to identify the trust in their Form LM-2 Labor Organization Annual Report, and include a statement that the parent labor organization will file a Form T-1 report for the trust.

An abbreviated report may be filed for any covered trust for which an independent audit has been conducted, in accordance with the standards (as adopted from 29 CFR 2520.103-1). Specifically, a labor organization may complete only Items 1 through 15 and Items 26-27 (Signatures) of Form T-1 if an annual audit meets three standards described below and a copy of the audit is filed with the Form T-1. First, the audit must be performed by an independent, qualified public accountant, who, after examining the financial statements and other books and records of the trust, as the accountant deems necessary, certifies that the trust’s financial statements are presented fairly in conformity with Generally Accepted Accounting Principles (GAAP) or Other Comprehensive Basis of Accounting (OCBOA). Second, the audit must include notes to the financial statements that disclose: losses, shortages, or other discrepancies in the trust’s finances; the acquisition or disposition of assets, other than by purchase or sale; liabilities and loans liquidated, reduced, or written off without the disbursement of cash; loans made to labor organization officers or employees that were granted at more favorable terms than were available to others; and loans made to officers and employees that were liquidated, reduced, or written off. Third, the audit must be accompanied by schedules that disclose: (1) a statement of the assets and liabilities of the trust, aggregated by categories and valued at current value, and the same data displayed in comparative form for the end of the previous fiscal year of the trust; and (2) a statement of trust receipts and disbursements aggregated by general sources and applications, which must include the names of the parties with which the trust engaged in \$10,000 or more of commerce and the total of the transactions with each party.

### *When to File?*

The Form T-1 requirements apply to a labor organization whose fiscal year *and* the fiscal year of its section 3(l) trust begin on or after June 4, 2020. Form T-1 must be filed within 90 days of the end of the labor organization's fiscal year. The Form T-1 shall cover the trust's most recently completed fiscal year ending on or before 90 days before the union's fiscal year. The penalties for delinquency are described below in this compliance tip and in Section V (Officer Responsibilities and Penalties) of the Form T-1 instructions. Examples of filing dates for the Form T-1 follow:

Where the trust and labor organization have the same fiscal years

- The trust and labor organization have fiscal years ending on December 31. The Form T-1 for the fiscal year ending December 31, 2021 must be filed not later than March 31, 2023
- The trust and the labor organization each has a fiscal year that ends on June 30. The labor organization's first Form T-1 will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than September 28, 2022.

Where the trust and labor organization have different fiscal years

- The trust's fiscal year ends on June 30. The labor organization's fiscal year ends on September 30. Its first Form T-1 for this trust will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than December 29, 2021.
- The trust's fiscal year ends on June 30. The labor organization's fiscal year ends on December 31. Its first Form T-1 for this trust will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than March 31, 2022

If a trust for which a labor organization was required to file a Form T-1 goes out of existence, a terminal financial report must be filed within 30 days after the date it ceased to exist. Similarly, if a trust for which a labor organization was required to file a Form T-1 continues to exist, but the labor organization's interest in that trust ceases, a terminal financial report must be filed within 30 days after the date that the labor organization's interest in the trust ceased. *See* Section IX (Trusts That Have Ceased to Exist) of the instructions for information on filing a terminal financial report.

***How to File?***

Form T-1 must be submitted electronically to the Department via the OLMS Electronic Forms System (EFS) available on the OLMS website at: <http://www.dol.gov/olms>. Form T-1 filers will be able to file reports in paper format only if they assert a temporary hardship exemption. See the OLMS hardship exemption page: <https://www.dol.gov/olms/regs/compliance/hardship.htm>.

If you have difficulty navigating EFS, or have questions about its functions and features, call the OLMS Help Desk at: (866) 401-1109. For questions concerning the reporting requirements, please send an e-mail to [OLMS-Public@dol.gov](mailto:OLMS-Public@dol.gov) or call (202) 693-0123.

***Officer Responsibilities and Penalties***

The president and treasurer or the corresponding principal officers of the labor organization required to sign Form T-1 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in the report or in any information required to be submitted with it. Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form T-1 are also subject to criminal penalties for false reporting and perjury under Sections 1001 of Title 18 and 1746 of Title 28 of the United States Code.

The reporting labor organization and the officers required to sign Form T-1 are also subject to civil prosecution for violations of the filing requirements. Section 210 of the LMRDA (29 U.S.C. 440), provides that “whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate.”

### *Recordkeeping*

The officers required to file Form T-1 are responsible for maintaining records that will provide, in sufficient detail, the information and data necessary to verify the accuracy and completeness of the report. The records must be kept for at least five years after the date the report is filed. Any record necessary to verify, explain, or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, applicable resolutions, and any electronic documents used to complete and file the report.

If you have any questions, please contact your nearest OLMS field office.

For the address and telephone number of our field offices, please view our online organizational listings at <http://www.dol.gov/olms/contacts/lmskeyvp.htm>.

# OLMS

Office of Labor-Management Standards

U.S. Department of Labor

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E-mail us at [olms-public@dol.gov](mailto:olms-public@dol.gov)

Call the DOL National Call Center at **1.866.487.2365**