



Labor Union Mergers and Affiliations

The Office of Labor-Management Standards (OLMS) enforces certain provisions of the Labor-Management Reporting and Disclosure Act (LMRDA), including reporting and disclosure requirements for labor unions. Labor unions exist in complex hierarchies that may consist of local, intermediate, and national/international unions. The relationships among the unions often change; for instance, one or more unions may merge or one union may affiliate with another union.

This *Compliance Tip* discusses the LMRDA reporting requirement implications resulting from union mergers and affiliations. Labor unions decide whether and how to merge or affiliate, governed by their respective constitution and bylaws and any agreements among themselves.

The term “merger” refers to a changed relationship among unions whereby one union (or more) ceases to exist, and its membership and assets are absorbed by a new or an existing union. The term “merger” also refers to a situation in which a “labor organization has gone out of business by... merging into another labor organization, or being merged and consolidated with one or more labor organizations to form a new labor organization...” See [Form LM-2 Instructions](#), Item 3 (Amended, Hardship Exempted, or Terminal Report).

Conversely, unions that share an “affiliation” are those that are “chartered by the same parent body, governed by the same constitution and bylaws, or [have] the relationship of parent and subordinate.” For example, a parent body “affiliated” with all of its subordinate bodies, and all subordinate bodies of the same parent body, are affiliates of each other. See [Form LM-2 Instructions](#), Item 4 (Affiliation or Organization Name). Thus, an “affiliation” contemplates a changed relationship between unions with no previous affiliation, whereby all unions continue to exist.

There are different reporting requirements for each union involved in a merger or affiliation, depending on each union’s particular circumstances.

Union X Merges into Union Y

A common scenario involves one union (“Union X”) merging into another existing union (“Union Y”). In this situation, Union X must file a terminal LM report, pursuant to the [reporting instructions for the Forms LM-2/3/4 Labor Organization Annual Reports](#). Thus, if a labor organization should lose its identity through merger, that is, if it should cease to exist as a separate union, then it must file a terminal report.

The remaining union (Union Y) would continue to file its annual LM report under its same file number. However, since the finances of each union would merge, Union Y must determine which annual LM Form (LM-2, 3, or 4) to file. That decision depends on the amount of Union Y’s total annual receipts. Union Y must also attach to its annual LM report any updated constitution and bylaws. Additionally, Union Y must also file an amended Form LM-1 Labor Organization Information Report with its annual report, if there is any change in information contained in Item 18, Column (2), *Practices and Procedures*. If any other information from the Form LM-1 items has changed, such as affiliation or organization name, designation, designation number, or type of labor organization, then the union must provide such information to OLMS by emailing OLMS-Public@dol.gov or calling (202) 693-0125.

Unions X and Y Merge to Form Union Z

Another merger scenario occurs when two or more unions create a “new,” third union. In this case, both Union X and Union Y must file terminal LM reports on Forms LM-2, LM-3, or LM-4. The new Union Z must file a new Form LM-1 report, along with its constitution and bylaws, obtain a new file number, and then use that new file number to submit its annual LM reports (LM-2, 3, or 4).

Labor Union Affiliates with another Union

Finally, unions may affiliate with each other. For example, an independent local may affiliate with a national union. Another example is a national union affiliating with another national union. In all such affiliations, none of the unions needs to file a terminal LM report. Rather, they would continue to file their annual report with their same file number, along with an electronic copy of any updated constitution and bylaws. Additionally, if either party changed its name, designation, type of labor organization (e.g., becoming an intermediate or local), or made a similar change in information, the union must contact OLMS with such updated information, by emailing OLMS-Public@dol.gov or calling (202) 693-0125.

When one national union affiliates with another, one of the national unions ordinarily becomes subordinate to the other, operating as an intermediate or even a local union under the other union as the parent union. Thus, it is common for new labor union affiliations to result in a new union hierarchy, with the newly subordinate affiliate changing its “type of labor organization” entry from “national” to “intermediate” or “local.” In order to determine whether affected unions maintain a separate existence, and thereby affiliated with each other rather than merged, please see [OLMS Interpretative Manual](#) Section 030.603 (Separate Existence). A national union that becomes an intermediate union following an affiliation should indicate its new status by contacting OLMS with such updated information by emailing OLMS-Public@dol.gov or calling (202) 693-0125.

A change in tier from a national to an intermediate union carries with it significant LMRDA election implications, because the now-intermediate union must hold elections every four years instead of five years. *See* Section 401(d), LMRDA, 29 U.S.C. § 481. *See also* Form LM-1, Item 11 (Next Regular Election). The same holds for a union that becomes a local following an affiliation, although in that case the election frequency requirement is every three years. *See* Section 401(b), LMRDA, 29 U.S.C. § 481(b). *See also* Form LM-1, Item 11 (Next Regular Election).

Another common scenario in labor union affiliations involves a larger union handling financial transactions for a now-subordinate union. Despite the parent union handling the finances, the subordinate union must report the transactions. As stated in the [Form LM-2 Instructions](#), Statement B – Receipts and Disbursements:

Receipts and disbursements by an agent on behalf of the labor organization are considered receipts and disbursements of the labor organization and must be reported in the same detail as other receipts and disbursements. For example, ... if the labor organization's parent body or an intermediate body functions as an agent receiving and disbursing funds of the labor organization to third parties, these receipts and disbursements must be reported on the labor organization's Form LM-2. For example, if a parent body receives the labor organization's dues and makes disbursements from that money to pay the labor organization's bills (such as payments to an attorney for legal services), those receipts and disbursements must be reported on the labor organization's Form LM-2.

Merger and Affiliation Checklist

If Union X merges into Union Y

Did Union X file a terminal financial report?
Determine what annual report (Form LM-2, 3, or 4) the “new” Union Y needs to file.
Did the “new” Union Y update its Constitution and Bylaws? If yes, did Union Y attach the updated Constitutions and Bylaws to the annual report filed with OLMS?
Did any practices and/or procedures change within the labor organization? If yes, then “new” Union Y must file an amended Form LM-1 report.
Did any other Form LM-1 information change, such as affiliation or organization name, designation, designation number, or type of labor organization? For example, Union Y Local 7 is now “new” Union Y Local 7X. If yes, then provide the updated information to OLMS by emailing OLMS-Public@dol.gov or calling 202-693-0125.

If Union X and Union Y merge and form Union Z

Did Union X and Union Y each file a terminal financial report?
Did Union Z file a new Form LM-1 report?
Did Union Z attach its Constitution and Bylaws to Form LM-1?
Did Union Z receive a new file number, and then use that new file number to submit its annual LM report? (LM-2, 3, or 4)

If Independent Local affiliates with National Union

Did any party change its name, designation, or type of labor organization? If yes, then provide the updated information to OLMS by emailing OLMS-Public@dol.gov or calling 202-693-0125.
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If National Union affiliates with another National Union

Did the “newly” subordinate affiliate change its “type of labor organization”? For example, the Construction Workers International Union becomes a subordinate affiliate of the Manufacturers International Union (MIU), now known as the “Construction Trades Sector” of the MIU. If yes, then provide the updated information to OLMS by emailing OLMS-Public@dol.gov or calling 202-693-0125. If no, see OLMS Interpretive Manual section 030.603 SEPARATE EXISTENCE.

If you have any questions, please e-mail us at OLMS-Public@dol.gov or contact your nearest OLMS field office below.

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Office of Labor-Management Standards

U.S. Department of Labor

October 2019

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