

IRS/Labor Department reporting and other important reminders



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All branches, regardless of income or whether or not they receive local dues, must file an Internal Revenue Service Form 990, 990-EZ or 990-N on a yearly basis. The appropriate form should be filed by the 15th day of the fifth month after the end of the branch's fiscal year. The branch officers are responsible for signing and ensuring that the form is filed. Generally, the branch president or treasurer signs the form. However, branches that are eligible to file a 990-N need to have only one officer file the report. The income and assets of the branch determines which form should be filed:

- **Form 990**—Branches whose annual gross receipts generally are \$200,000 or more, or whose total assets are \$500,000 or more at the end of the fiscal year.
- **Form 990-EZ (or 990, if the branch prefers)**—Branches whose annual gross receipts are generally less than \$200,000 and whose total assets are less than \$500,000 at the end of the fiscal year.
- **Form 990-N**—Also referred to as the e-Postcard, this form must be filed electronically. It involves only a few questions. Branches receiving \$50,000 or less in income per year, including branches with no income at all, must file a Form 990-N (easiest); however, a Form 990-EZ or Form 990 may be filed in lieu of a Form 990-N. You may access the filing site directly at epostcard.form990.org.

Failure to comply may result in fines, penalties and interest. A branch that fails to file required information returns for three consecutive years will automatically lose its tax-exempt status.

Note: Branch officers should be aware that in addition to filing an appropriate 990, the branch still may be liable for tax on its unrelated business income, if it received \$1,000 or more in such gross income. The branch must complete a Form 990-T, Exempt Organization Business Income Tax Return, and pay any tax due. This form has the same filing deadlines as the Form 990s. A branch subject to tax is also required to make quarterly estimated tax payments.

Items usually considered to be unrelated business income, and therefore reportable on the Form 990-T and taxable if the branch or state has income of \$1,000 or more from these sources, include:

- The excess of advertising income from a branch or state publication over the cost of the publication
- Rental income from “debt-financed property,” such as a branch-owned building subject to a mortgage

- Reimbursements for NALC Health Benefit Plan members (associate members)

More information on filing Form 990, 990-EZ, 990-N and 990-T is available at irs.gov.

Additional reminders

Officer information list: Many branches installed officers in the past few months. If you have not already done so, please immediately update the Membership Department via letter or a “Branch Information Record” card.

Dues rosters: As a reminder, biweekly dues rosters and quarterly retiree rosters for state associations and branches are currently available to presidents, secretaries and treasurers by selecting the “Dues Roster” button in the Members Only portal.

City carrier assistants (CCAs): A CCA's break in service should not trigger a permanent cancellation of dues withholding. Per the agreement with the USPS, a CCA's dues deductions are to automatically restart when the CCA returns from a break in service. Branch secretaries should review the biweekly roster and notify the NALC Membership Department if the dues withholding of a CCA returning from a break in service does not restart after one pay period and/or the CCA is noted as “CAN” (canceled). A CCA on a break in service should be noted on the roster as “SEP” (separated).

Reciprocal Agreement: Union representatives must notify NALC's Membership Department if an incoming member wishes to cancel dues to the losing craft's union. This can be done by simply circling the appropriate union to cancel dues to, on the Form 1187 next to “Union Transfer.” Dues refunds for double-dues taken while a member belonged to NALC and another union are made only upon request and only for the time period between when NALC Headquarters was notified of the dual membership and when the dues to the other union were discontinued. For more information, please consult the “Reciprocal Agreement” booklet, available on the NALC website or from the NALC Supply Department.

Reporting to the Department of Labor: Unless your branch has no annual income or financial activity, you must file one of three types of financial reports with the Office of Labor-Management Standards (OLMS), depending on the total annual receipts of the branch. The Labor-Management Reporting and Disclosure Act (LMRDA) requires that unions file the report within 90 days after the branch's (or state association's) fiscal year. Most branches have fiscal years ending Dec. 31, so most should be filing by March 30. Branch presidents and secretary-treasurers are responsible for ensuring that required reports are filed in a timely and accurate manner. The LMRDA does not provide for or permit an extension of time for filing for any reason. Please reference my January 2021 *Postal Record* article for more information on filing requirements for LM reports, including the requirement that all LM reports be filed electronically.