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Unions Sue DOL After Being "Blindsided" By Changes to Financial Disclosure Requirements

Labor Relations Update on **June 23, 2026**

On June 10, 2026, the AFL-CIO filed suit against the Department of Labor ("DOL") in the U.S. District Court for the District of Columbia (*AFL-CIO v. Sonderling*, No. 1:26-cv-02061 (D.D.C.)), challenging a final rule that imposes "sweeping changes" to the financial reporting obligations of labor organizations under the Labor-Management Reporting and Disclosure Act ("LMRDA").

The LMRDA, also known as the Landrum-Griffin Act, was enacted in 1959, to regulate the internal affairs of unions and ensure transparency for their members. It has long required labor unions to file detailed annual financial reports with the DOL's Office of Labor Management Standards ("OLMS").

The DOL's final rule adds additional details and requirements to the LMRDA's financial filing requirements. According to the DOL, the rule is intended to modernize financial reporting obligations and deter embezzlement and improper use of union funds. The key changes include:

- A new long-form LM-2 filing form for the country's largest unions with 32 separate financial reporting schedules, including seven new receipt-itemization schedules and a new schedule detailing foreign transactions.
- A revised LM-2 filing form for labor unions with annual receipts between $350,000 and $40 million (the lower threshold was increased from $250,000)—encompassing a substantial number of unions around the country—requiring 24 financial reporting schedules with greater detail on certain expenditures.
- Updated filing thresholds for smaller unions filing LM-3 and LM-4 forms.
- More granular filing requirements for reporting union officer compensation and travel expense reimbursement.

The final rule published on June 1, 2026, will be effective July 1, 2026, giving unions just 30 days to comply.

The AFL-CIO, the largest coalition of labor unions in the United States, raised several substantive and procedural challenges, including that the DOL failed to comply with the notice-and-comment requirements of the Administrative Procedure Act ("APA"). The AFL-CIO also contends that the substance and timing of the final rule are arbitrary and capricious and will impose significant compliance burdens on unions. The DOL estimates that the new long-form LM-2 will take nearly 500 hours to complete, and the AFL-CIO argues that unions must "dramatically retool their accounting systems almost instantly." Additionally, the AFL-CIO argues that the granular detail required by the new reporting requirements is not narrowly tailored to an important government interest.

While the final rule is unlikely to have any immediate direct impact on employers, it could shift bargaining priorities in the future. The additional compliance costs will likely be passed down to members through increased dues, which unions often seek to offset through heightened economic bargaining proposals. We will continue to monitor and provide updates as this case progresses.

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