

OTHER TAXABLE ALLOWANCES

OFFICER ALLOWANCES/STIPENDS

Allowances are paid to an officer or employee to cover miscellaneous out-of-pocket expenses incurred by the individual while conducting affiliate business. The recipient of an allowance is not required to provide any accounting or receipt for these payments.

Allowances are “Non-Accountable” payments that must be reported as wages to the individual and to the IRS. The union as the employer must complete all required payroll tax reporting forms **of both the federal and applicable state government.**

Local union executive board policy must clearly state the individuals authorized to receive allowances or stipends. That policy must also state the amount of each authorized payment. All allowances must be approved by the membership or the Executive Board and such approval must be reflected in the meeting minutes of the respective body.

REIMBRUSED DUES

Some local unions pay allowances to officers that are exactly equal to the union dues paid by the member. This “reimbursed dues” – even though intended as a refund of amounts paid from the member’s after tax dollars –is considered to be a taxable allowance the IRS. In order to receive this reimbursement, dues must have been withheld by the individual’s employer and paid to the union.

Reimbursed dues are considered to be compensation to officers, the Executive Board and / or stewards for union related services.