

ANTICIPATED DEPARTMENT OF LABOR CHANGES UNDER PRESIDENT BIDEN

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Last week, the Senate confirmed Marty Walsh as Secretary of the U.S. Department of Labor. Walsh is expected to be heavily pro-labor, given his experience as a trade union official. He is also the former Mayor of Boston.

The most anticipated change is the re-enactment of the “persuader rule”. The “persuader rule” requires financial and other disclosures by “persuaders” – including law firms – hired by employers to discourage unionization. For instance, law firms that write speeches dissuading employees from voting “yes” to unionize by explaining why unionization might not be a good idea, count as “persuaders”. Such a law firm would be required to disclose information about itself and its financial arrangements with the employer at issue. The employer also has to report those financial arrangements. Whether a new “persuader rule” is legal and survives court scrutiny is another question.

In contrast, the Walsh DOL is expected to scale back financial oversight of unions. First, the DOL is expected to scale back mandatory union disclosures about the union’s assets and how it spends workers’ union dues. Under current rules, larger unions (those with larger annual revenues) have more disclosure requirements than smaller unions. Second, the DOL is expected to reduce the number of financial audits of unions.

Roetzel will continue to monitor developments in this area. For more information and insight on this matter, please contact one of the listed Roetzel attorneys.

Barry Y. Freeman

Shareholder

312.741.0786 | bfreeman@ralaw.com

Douglas E. Spiker

Shareholder, Shareholder-in-Charge of Cleveland Office

216.696.7125 | dspiker@ralaw.com

