

FEC Delays Trade Association PAC Payroll Deduction Rule

July 2005

At its open meeting on June 23, 2005, the Federal Election Commission (FEC) delayed until at least July 14, 2005, consideration of a proposed rule that, if passed, would allow corporations to use payroll deduction to collect contributions for trade association political action committees (PAC).

The FEC's general counsel has proposed that if payroll deduction is used to collect PAC funds from a member corporation's executives, then any union representing employees in that company may obtain payroll deductions for union PAC contributions. A proposal by Chairman Scott Thomas proposes that this union might be extended to unions representing employees at any parent, affiliate or subsidiary corporation of the member company, even if the parent or subsidiary is not a member of the trade association. The delay to July 14, 2005, was given so that Commissioner Bradley Smith, who is leaving the Commission in August, might have time to thoroughly review the Thomas amendment.

For more information about specific details of the rulemaking, see the January 2005 issue of *Election Law News*.