UNEMPLOYMENT COMPENSATION COMMISSION OF NORTH CAROLINA

INTERPRETATION NO. 17

TO: Mr. P. F. Martin, Director UC Division

FROM: W. D. Holoman, Senior Attorney

SUBJECT: Labor Unions and Coverage under the North Carolina Law

When labor unions operating within the State of North Carolina, meet the prerequisites of the coverage requirements of the Unemployment Compensation Law of this State, then such labor unions are covered employers just the same as any other employing units which meet the prerequisites of the law. There are cases in which the local union or lodge is paying their officers a very nominal salary per month and also when any of the said officers, who serve on committees, must take a day from their work on the business of the union, then the union pays those officers for their regular day's work. It must be said that such services for the union are being performed for remuneration within the contemplation of the Act. It is true that most of such officers who are drawing nominal wages from the lodge or union spend the bulk of their time and earn their livelihood from other occupations; however, there is no exemption under our law, and we would not allow such unions to escape the payment of contributions on such officers as they are actually performing services for remuneration. It cannot be said that such unions or lodges are charitable organizations and in all probability it cannot be said that such are non-profit organizations or fraternal organizations.

The consensus of the rulings of the different states is that labor unions when they meet the required prerequisites of the law of those states are covered under the different Acts of the different states. Of course, you will appreciate the fact that such case shall stand on its own feet and will bear scrutiny, but as the general opinion such unions or lodges when they meet the required prerequisites are covered.

Adopted as an official interpretation by the Commission on January 25, 1944.
(Replaces Legal Department Ruling No. 9, dated January 7, 1943)