



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-5

Edlu J. Thom, Treasurer  
Lyondell Chemical Company PAC  
1101 Pennsylvania Avenue N.W.  
Washington, DC 20004

**FEB 16 2002**

Identification Number: C00306175

Reference: Mid-Year Report (1/1/01-6/30/01)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) discloses contributions received through a payroll deduction plan. Generally, a committee's report must identify each contribution from an individual which in the aggregate exceeds \$200 during the calendar year. (2 U.S.C. §434(b)) For your information, instead of separate itemization, a committee using a payroll deduction plan may disclose the aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period; the identification of the individual where the contribution exceeds \$200 in the aggregate during the calendar year; and a statement of the amount deducted per pay period. Please refer to the enclosed sample of properly reported payroll deductions. 11 CFR §104.8(b)

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Refunds of contributions to individuals/persons other than political committees should be properly disclosed on a separate Schedule B, supporting Line 28(a) of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

Any amendment or clarification should be filed with the Federal Election Commission. Electronic filers must file amendments in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read "Colleen", followed by a long, sweeping horizontal flourish that extends to the right.

Colleen E. Manning  
Reports Analyst  
Reports Analysis Division

# PAYROLL DEDUCTIONS

SCHEDULE A (FEC Form 3x)		Use separate schedule(s) for each category of the Detailed Summary Page		FEC LINE NUMBER: (shown on 3x 3x)		PAGE 1 OF 1	
<b>ITEMIZED RECEIPTS</b>							
Any information copied from both Reports and Statements may not be used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (in Full)							
Critical Reason Inc PAC							
Full Name (Last, First, Middle Initial)				Date of Receipt			
A. Kant, Immanuel				payroll deduction <sup>1</sup>			
Mailing Address				MM / MM / YYYY			
3 Critiques Ave							
City				Amount of Each Receipt (in Full)			
Kannapolis				90.00			
State Zip Code							
VA 33939							
FEC ID number of contributing individual political committee							
C							
Name of Employer				Occupation			
Critical Reason Inc				Executive Officer			
Receipt For:				Aggregate Year-to-Date <sup>2</sup>			
<input type="checkbox"/> Primary <input type="checkbox"/> General				285.00			
<input type="checkbox"/> Other (specify):							

<sup>1</sup>Adding Extra Text/Explanation: When using FECFile electronic filing software, this information can be entered using the "memo text" window. To make a "memo text" entry, select the "View" menu on the FECFile toolbar. Select "All Transactions." Single click (highlight) the transaction to which the "memo text" will be attached. Then select the "Edit" menu on the toolbar and select "memo text."

<sup>2</sup>When using FECFile electronic filing software, enter this information in the "description" field.

## Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, type "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

**EXAMPLE:** During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See Item A in the illustration above.)

