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# ***Trade Adjustment Assistance***

**TAA Forum**

**Workforce Development Institute  
of New York**

**November 3, 2011  
Albany, New York**



# Adjustment Assistance

- “ NELP promotes TAA as best existing dislocated worker program
- “ Only TAA provides income support AND training for dislocated workers
- “ TAA includes limited health care option. HCTC
- “ With 2011 reauthorization, substantial TAA improvements from 2009 were retained:
  - . Eligibility for service workers as well as manufacturing workers
  - . Offshoring coverage for shifts to all countries
  - . Retains higher level of spending (\$575 M)

# Basic TAA Terms

- “ **Trade Adjustment Assistance (TAA)**. Acronym used to refer to overall program as well as portion of program other than cash benefits
- “ **Trade Readjustment Allowance (TRA)**. Refers to cash benefits provided to workers participating in TAA, also called %trade benefits+
- “ **RTAA**. Reemployment TAA-a wage subsidy program for workers 50 years and older
- “ **HCTC**. Health Coverage Tax Credit-a tax credit that partially reimburses health insurance costs

# TAA Eligibility

## Two step TAA eligibility process

### “ **Group Eligibility** (by workplace)

- . Petition for eligibility with U.S. Labor Department (3 workers, union, employer, state or local workforce agency, governor)

### “ **Individual Eligibility** (by worker)

- . Individual application and processing for certified workers, often after group orientation

# TAA Petitions

- “ Filed within 60 days of expected layoff
- “ Filed with Labor Department/DTAA (Fax: 202-693-3584 or 3585)
- “ Filed by union, 3 workers, local or state workforce agency, employer
- “ Provide documentation, if any, of reasons why trade impact is alleged
  - . statements of employer or workers
  - . documents -shift in production info
  - . import data

# Ability for Primary TAA Certification of Firm

- “ Layoffs--Significant number or proportion of workers separated or threatened with separation, AND
- “ Sales or production have decreased, AND
- “ Increased Imports OR
- “ Shift in Production (Offshoring of Jobs)

# Certification Pointers

- “ Firm, or appropriate subdivision of firm
- “ Produce an article (tangible or intangible) or provide a service
- “ Imports
  - . Like and directly competitive
  - . Imports % contributed importantly to layoffs
    - “ Important cause, but not necessarily more important than any other cause

# Ceramic Pointers-II

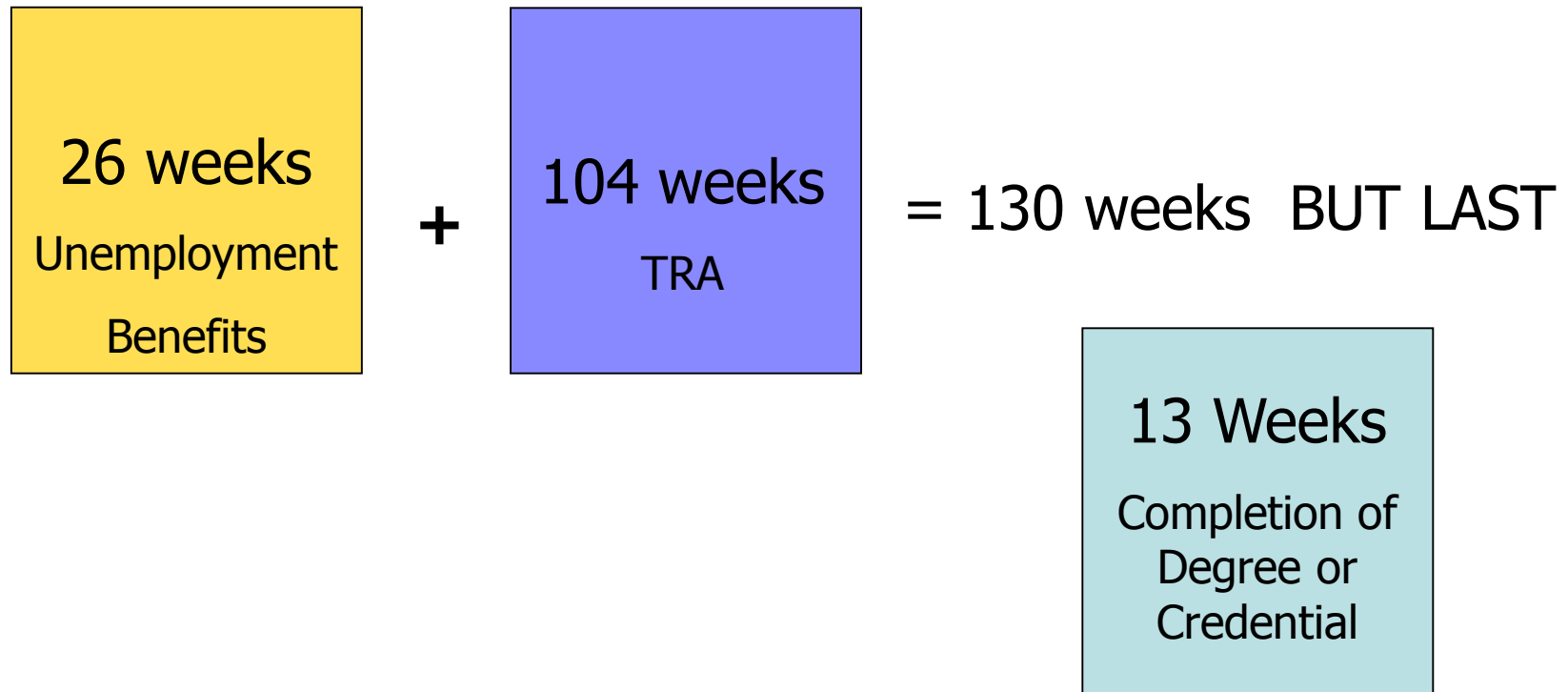
## Shifts in Production or Job Location

- . Must show jobs transferred offshore
- . Not necessary to show increased imports as a result of offshoring under 2011 TAA
- . Prove shift in production through employer admission or other evidence provided by petitioners

# ty for Secondary TAA Certification of Firm

- “ Direct supplier of component parts to certified primary firm that accounted for 20% of production or sales OR loss of business with primary firm % contributed importantly+to layoffs, OR
- “ Downstream producer- additional, value added production directly for primary firm

# *TRA Overview*



# Approval of TAA Training

## Six Conditions for Approval of TAA Training

- “ No suitable employment for the worker.
- “ Worker would benefit from appropriate training.
- “ Reasonable expectation of employment following training.
- “ Training is reasonably available to the worker.
- “ Worker is qualified to obtain and complete the training, including having adequate financial resources available to complete the training when income support is exhausted.
- “ The training is suitable and available at a reasonable cost.

# Training Options

If approved, TAA pays training costs up to appropriations cap and state allocation

” Classroom Training

- . Tuition, fees, books
- . Commuting expenses-subject to limits

” OJT and Customized Training

” Remote Training (on line)

” Remedial Training (now reducing total)

# Enrollment Deadlines

- “ Must be enrolled in training OR have a training waiver by the LATEST of
  - . the end of the week after the week that is 26 weeks after TAA certification OR
  - . the end of the 26<sup>th</sup> week after the worker's most recent total separation from affected employment
- “ One 45 day extension for ~~an~~ extenuating circumstances+
- “ 210 Day Rule- Applies to Additional Tar
- “ Equitable Tolling- TEGL-08-11

# Training Waivers

## **Dropped after 2011 changes:**

- “ Worker will be recalled reasonably soon; or
- “ The worker has marketable skills for suitable employment and a reasonable expectation of employment in the foreseeable future; or
- “ The worker is within two years of eligibility for a pension or social security;

## **Remaining after 2011 changes:**

- “ The worker is unable to participate in or complete training due to the health of the worker; or
- “ Immediate enrollment is not available; or
- “ No training program is available.

# Relocation Allowances

- “ Pays up to 90% of moving costs and travel to accept employment outside normal commuting area
- “ Must be pre-approved, no local employment available
- “ Pays up to 90% of charges or maximum of \$1250 (2011 change)
- “ Must apply within 425 days of layoff or certification, or 182 days of completion of training

# Job Search Allowances

## Job Search Allowance

- “ Up to \$1250 to cover up to 90% of travel and subsistence costs (2011 change)
- “ Must be pre-approved, no local employment available
- “ Not more than 365 days after layoff or certification, or 182 days after completion of training

# Health Coverage Tax Credit

- “ HCTC eligibility- TRA eligible or PBGC assumed pension.
- “ Worker must have existing health plan
- “ Requires up to 3 months to set up
- “ A refundable tax credit of 65% of health premium costs (72.5% after 10/11)
- “ Worker must pay 35% of costs (27.5% after 10/11)

# Reemployment TAA

- “ Must be 50 years or older and separated from TAA certified employment
- “ Worker accepts new work by end of 26th week after layoff or certification, whichever is later
- “ ATAA pays 50% of difference between the prior wage and the new wage up to a maximum of \$10,000 over 2 years, whichever comes first.
- “ Annual wage must be less than \$50,000
- “ Electing RTAA no longer cuts off other TAA options, including part time training



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		Petitions TA-W-70,000 through TA-W-79,999	Petitions TA-W-80,000 to TA-W-80,999 for workers who begin receiving services before Dec. 20, 2011	Petitions TA-W-81,000 and above
		2009 Law Benefits	2002 Law Benefits	2011 Law Benefits
	<p>Manufacturing workers</p> <p>Service sector workers</p> <p>Public sector workers</p> <p>Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or the outsourcing of jobs to a country with which the US has a Free Trade Agreement</p>	<p>Manufacturing workers</p> <p>Service sector workers</p> <p>Public sector workers</p> <p>ITC workers (those who work for a firm that has been identified by the International Trade Commission as in a domestic industry that has been injured/is a party to a market disruption)</p> <p>Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or outsourcing to <b>ANY</b> country</p>	<p>Manufacturing workers</p> <p>Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or the outsourcing of jobs to a country with which the US has a Free Trade Agreement</p>	<p>Manufacturing workers</p> <p>Service sector workers</p> <p>ITC workers (those who work for a firm that has been identified by the International Trade Commission as in a domestic industry that has been injured/is a party to a market disruption)</p> <p>Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or outsourcing to <b>ANY</b> country</p>
<b>Trade Readjustment Allowance</b>	<p>Up to <b>104 weeks</b> (enrolled in full-time training) <b>OR</b></p> <p>Up to <b>130 weeks</b> (enrolled in remedial training)</p> <p>8/16 rule applies</p>	<p>Up to <b>130 weeks</b> (enrolled in full-time training) <b>OR</b></p> <p>Up to <b>156 weeks</b> (enrolled in remedial training)</p> <p>26-week rule applies</p>	<p>Up to <b>104 weeks</b> (enrolled in full-time training) <b>OR</b></p> <p>Up to <b>130 weeks</b> (enrolled in remedial training)</p> <p>8/16 rule applies</p>	<p>Up to <b>130 weeks</b> available to workers enrolled in full-time training, the last 13 of which are only available if needed for completion of a training program and training benchmarks are met.</p> <p>26-week rule applies</p>
<b>Training Waivers</b>	<ol style="list-style-type: none"> <li>1. Worker will be recalled to work reasonably soon</li> <li>2. Worker has marketable skills for suitable employment and a reasonable expectation of employment in the foreseeable future</li> <li>3. Worker is within two years of eligibility for a pension or social security</li> <li>4. Worker is unable to participate in or complete training due to health condition</li> <li>5. No training program is available</li> <li>6. An enrollment date is not immediately available</li> </ol>			<ol style="list-style-type: none"> <li>1. Worker is unable to participate in or complete training due to a health condition</li> <li>2. No training program is available</li> <li>3. An enrollment date is not immediately available</li> </ol>
<b>Health Coverage Tax Credit</b>	72.5% of qualifying health insurance premium costs			



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		2009 Law Benefits	2002 Law Benefits	2011 Law Benefits
Relocation Allowance	search costs up to \$1,250 90% of allowable relocation costs, plus additional lump sum payment up to \$1,250	100% of allowable job search costs up to \$1,500 100% of allowable relocation costs, plus an additional lump sum payment up to \$1,500	90% of allowable job search costs up to \$1,250 90% of allowable relocation costs, plus an additional lump sum payment up to \$1,250	Up to 90% of allowable job search costs, up to a maximum of \$1,250, available at state discretion Up to 90% of allowable relocation costs, plus an additional lump sum payment of up to \$1,250, available at state discretion
Training Funding Case Management Funding	\$220 Million Cap Applies to Training Funds Only Additional 15% available for administration. Additional funds are available for job search & relocation allowances. No funds are available for case management and employment services.	\$575 Million Cap Applies to Training Funds Only Additional 15% available for administration, and case management and employment services. At least 1/3 of these funds must be used for case management and employment services. States also receive \$350,000/year for case management and employment services. Additional funds available for job search and relocation allowances.	\$220 Million Cap Applies to Training Funds Only Additional 15% available for administration. Additional funds are available for job search & relocation allowances. No funds are available for case management and employment services.	\$575 Million Cap Applies to training, job search & relocation allowances, case management and employment services, and associated administration. " No more than 10% of the amount provided may be spent for administration; " No less than 5% or the amount provided may be spent for case management and employment services. " DOL may recapture from the states funds remaining unobligated after two or three years and distribute such funds to states in need of funds.
Alternative Trade Adjustment Assistance (2002)/ Reemployment Trade Adjustment Assistance (209/2011)	Requires separate group certification Available to workers earning less than an annual salary of \$50,000 <b>Maximum total benefit of up to \$10,000</b> Training benefit <b>NOT</b> available	<b>Does not</b> require separate group certification Available to workers earning less than an annual salary of \$55,000 <b>Maximum total benefit of up to \$12,000</b> Training benefit is also available	Requires separate group certification Available to workers earning less than an annual salary of \$50,000 <b>Maximum total benefit of up to \$10,000</b> Training benefit NOT available	<b>Does not</b> require separate group certification Available to workers earning less than an annual salary of \$50,000 <b>Maximum total benefit of up to \$10,000</b> Training benefit is also available



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# Questions?

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