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Trade Adjustment Assistance

TAA Forum

Workforce Development Institute of New York

November 3, 2011
Albany, New York

NELP National Employment Law Project

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Trade 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 optionð 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)

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Basic TAA Terms

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

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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

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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

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ility 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)

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Certification Pointers

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

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Certification 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

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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 ñcontributed importantlyòto layoffs, OR
- Downstream producerð additional, value added production directly for primary firm

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TRA Overview

26 weeks
Unemployment Benefits

+

104 weeks
TRA

= 130 weeks BUT LAST

13 Weeks
Completion of Degree or Credential

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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.

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Training Options

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

- Å Classroom Training
  - ï Tuition, fees, books
  - ï Commuting expenses-subject to limits
- Å OJT and Customized Training
- Å Remote Training (on line)
- Å Remedial Training (now reducing total)

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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 26th week after the worker's most recent total separation from affected employment
- One 45 day extension for "extenuating circumstances"
- 210 Day Rule – Applies to Additional Tar
- Equitable Tolling – TEGL-08-11

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Training Waivers

Dropped after 2011 changes:

Å Worker will be recalled reasonably soon; or

Å The worker has marketable skills for suitable employment and a reasonable expectation of employment in the foreseeable future; or

Å The worker is within two years of eligibility for a pension or social security;

Remaining after 2011 changes:

Å The worker is unable to participate in or complete training due to the health of the worker; or

Å Immediate enrollment is not available; or

Å No training program is available.

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Relocation Allowances

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

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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

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Health Coverage Tax Credit

- HCTC eligibilityð 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)

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Reemployment TAA

- Å Must be 50 years or older and separated from TAA certified employment
- Å Worker accepts new work by end of 26th week after layoff or certification, whichever is later
- Å 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.
- Å Annual wage must be less than $50,000
- Å Electing RTAA no longer cuts off other TAA options, including part time training

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	nd	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	2011 Law Benefits
Eligibility	Manufacturing workers 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	Manufacturing workers Service sector workers Public sector workers 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) Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or outsourcing to **ANY** country	Manufacturing workers 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	Manufacturing workers Service sector workers 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) Workers who have lost their jobs because their company's decline in production and/or sales was due to increased imports or outsourcing to **ANY** country	
Trade Readjustment Allowance	Up to **104 weeks** (enrolled in full-time training) **OR** Up to **130 weeks** (enrolled in remedial training) 8/16 rule applies	Up to **130 weeks** (enrolled in full-time training) **OR** Up to **156 weeks** (enrolled in remedial training) 26-week rule applies	Up to **104 weeks** (enrolled in full-time training) **OR** Up to **130 weeks** (enrolled in remedial training) 8/16 rule applies	Up to **130 weeks** 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. 26-week rule applies	
Training Waivers	1. Worker will be recalled to work reasonably soon 2. Worker has marketable skills for suitable employment and a reasonable expectation of employment in the foreseeable future 3. Worker is within two years of eligibility for a pension or social security 4. Worker is unable to participate in or complete training due to health condition 5. No training program is available 6. An enrollment date is not immediately available			1. Worker is unable to participate in or complete training due to a health condition 2. No training program is available 3. An enrollment date is not immediately available	
Health Coverage Tax Credit	72.5% of qualifying health insurance premium costs				

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	nd	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**	**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. Å No more than 10% of the amount provided may be spent for administration; Å No less than 5% or the amount provided may be spent for case management and employment services. Å 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 **Maximum total benefit of up to $10,000** Training benefit **NOT** available	**Does not** require separate group certification Available to workers earning less than an annual salary of $55,000 **Maximum total benefit of up to $12,000** Training benefit is also available	Requires separate group certification Available to workers earning less than an annual salary of $50,000 **Maximum total benefit of up to $10,000** Training benefit NOT available	**Does not** require separate group certification Available to workers earning less than an annual salary of $50,000 **Maximum total benefit of up to $10,000** Training benefit is also available	

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Questions?

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