

## SUMMARY OF MAJOR CHANGES TO TAA PROGRAM INCLUDED IN THE STIMULUS BILL

President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009 on February 17, 2009. The Trade and Globalization Adjustment Assistance Act of 2009 was part of the ARRA, making significant changes to the TAA program.

TAA petitions filed and certified **after May 18, 2009** will be covered under the new TAA program changes.

### **EXPANDED ELIGIBILITY**

- Service sector employees and workers providing services to firms impacted by trade are now eligible for TAA benefits
- Eligibility has been expanded to include Public Sector workers
- Secondary workers are now covered even if the upstream firm is not in the United States
- Workers whose jobs are shifted to countries outside those with whom the United States has free trade agreements, such as India and China, are now covered under TAA – Includes ANY foreign nation

### **INCREASED TRAINING OPTIONS**

- The ARRA provisions authorize an annual funding level of \$575 million for TAA programs through the end of 2010 – a 160% increase over the previous cap of \$220 million.
- Training options are more flexible as they now include prerequisite training, pre-layoff training, and part-time training. The reauthorization allows workers to participate in training and classes at accredited higher education institutes and prohibits limiting training to training facility and courses on the ETPL. Enhances participation in OJT training programs by easing payment rules, but requires state-approved benchmark-based curriculum. Allows use of public and private funding such as student loans, etc.
- The new TAA provisions ease the training enrollment deadlines. Previously, workers had eight weeks after the petition certification date or 16 weeks after work separation to become enrolled in TAA approved training or to be issued a waiver from training. The new regulations give workers 26 weeks to enroll in training after layoff or petition certification. Appeal action now preserves deadlines and Active Duty status preserves rights.
- The new TAA provisions have eliminated the 210-day deadline for submitting a bona fide training application.

### **NEW BENEFITS**

- TAA eligible workers or retirees who have lost their employer-provided health care and are enrolled in pension plans taken over by the Pension Benefit Guaranty Corporation will be eligible for an improved Health Coverage Tax Credit (HCTC) program. The premium subsidy is increased from 65% to 80%, workers will be provided retroactive payments to cover costs of obtaining coverage, and coverage is expanded to spouses and dependents.
- TRA benefits are now payable as of the petition certification date instead of 60 days thereafter.
- Allows participants to choose between UI and TRA when their UI benefit year expires, providing relief from lower benefits due to part-time or short-term training.
- Adds an additional 26 weeks of Additional TRA for participants who are in TAA approved training. Participants in training can now receive up to 78 weeks of Additional TRA payable in 92 calendar weeks as opposed to 52 weeks of Additional TRA payable in a 52 calendar weeks.
- Job Search and Relocation Allowances were raised to \$1,500 with 100% reimbursement.
- More workers will be automatically enrolled in TAA if their jobs are affected by unfair trade practices and import surges.
- The ARRA provisions revive the TAA for Communities program, which authorizes \$230 million for trade-affected communities to assist in strategic planning grants (up to \$5 million), sector partnership

grants (up to \$3 million over a 3 year period), and community college and career training grants (up to \$1 million).

- ATAA, now known as Reemployment TAA, allows participants to attend part-time training while working part-time. The legislation also increases the qualifying wage maximum to \$55,000 and increases the benefit amount to \$12,000.
- Allocates \$350,000 for administrative/case management. States opting to receive these funds must use 1/3 of the funds for case management.

Below is a side-by-side comparison developed by USDOL E&T . . .

<b>Old TAA Program (Available to Workers Covered by Petitions with Numbers Below 70,000)</b>	<b>New TAA Program (Available to Workers Covered by Petitions with Numbers Above 70,000)</b>
<p>Trade Readjustment Allowances (TRA):</p> <ul style="list-style-type: none"> <li>• Up to 104 weeks of cash payments for workers enrolled in full-time training</li> <li>• Up to 130 weeks of cash payments if the worker was also enrolled in remedial training</li> </ul>	<p>Trade Readjustment Allowances (TRA):</p> <ul style="list-style-type: none"> <li>• Up to 130 weeks of cash payments for workers enrolled in full-time training</li> <li>• Up to 156 weeks of cash payments if the worker was also enrolled in remedial training</li> </ul>
<p>Training Enrollment Deadlines: Workers must be enrolled in training 8 weeks after certification or 16 weeks after layoff, whichever is later, in order to receive TRA.</p>	<p>Training Enrollment Deadlines: Workers must be enrolled in training 26 weeks after certification or layoff, whichever is later, in order to receive TRA.</p>
<p>Job Search Allowances: 90% of allowable costs, up to \$1,250</p>	<p>Job Search Allowances: 100% of allowable costs, up to \$1,500</p>
<p>Relocation Allowances:</p> <ul style="list-style-type: none"> <li>• 90% of costs, up to the statutory limit for Federal Employees</li> <li>• Provides an additional lump sum payment of up to \$1,250</li> </ul>	<p>Relocation Allowances:</p> <ul style="list-style-type: none"> <li>• 100% of costs, up to the statutory limit for Federal Employees</li> <li>• Provides an additional lump sum payment of up to \$1,500</li> </ul>
<p>Training Services:</p> <ul style="list-style-type: none"> <li>• Training may only be approved on a full-time basis</li> <li>• Certified workers may not begin approved training until they have been totally or partially separated from adversely affected employment</li> </ul>	<p>Training Services</p> <ul style="list-style-type: none"> <li>• Training may be approved on a full-time or part-time basis, although full-time training is required for TRA eligibility.</li> <li>• Certified workers may begin approved training when threatened with separation from adversely affected employment</li> </ul>
<p>Health Coverage Tax Credit (HCTC):</p> <ul style="list-style-type: none"> <li>• Prior to May 2009, a tax credit covering up to 65% of an eligible participant's monthly qualifying health insurance premium</li> <li>• Beginning May 2009, the tax credit will be raised for all participants to cover 80% of an eligible participant's monthly qualifying health insurance premium</li> </ul>	<p>Health Coverage Tax Credit (HCTC):</p> <p>A tax credit covering 80% of an eligible participant's monthly qualifying health insurance premium</p>

<p>Alternative Trade Adjustment Assistance:</p> <ul style="list-style-type: none"><li>• Available to workers 50 years of age or older</li><li>• Requires a separate certification of group eligibility</li><li>• Workers may not participate in TAA-approved training</li><li>• Requires full-time employment within 26 weeks of separation</li><li>• Available only for workers earning less than \$50,000 per year in reemployment</li><li>• Maximum benefit of \$10,000 over a period of up to two years</li><li>• Participants are eligible for the HCTC</li></ul>	<p>Reemployment Trade Adjustment Assistance:</p> <ul style="list-style-type: none"><li>• Available to workers 50 years of age or older</li><li>• Does not require a separate certification of group eligibility</li><li>• Workers may participate in TAA-approved training</li><li>• Requires full-time employment, unless the worker is also enrolled in TAA-approved training and employed at least 20 hours per week, and does not set a deadline for reemployment</li><li>• Available only for workers earning less than \$55,000 per year in reemployment</li><li>• Maximum benefit of \$12,000 over a period of up to two years</li><li>• Participants are eligible for the HCTC</li></ul>
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