

## **Trade Adjustment Assistance for Workers: Restoring and Reauthorizing Trade Adjustment Assistance**

Restoring and reauthorizing Trade Adjustment Assistance institutionalizes key eligibility categories while reducing redundant programs. Reviving the critical elements of TAA needed to ensure that trade-affected workers have the best opportunity to get good jobs will help keep our middle class strong and help America compete in a 21<sup>st</sup> century economy while winning the future.

### **Background**

The Trade Adjustment Assistance (TAA) for Workers program is a streamlined federal program that provides opportunities to U.S. workers who have lost their jobs as a result of foreign trade. Programs like TAA are important to winning the future and keeping America's middle class strong. The TAA program includes training services for workers to learn 21<sup>st</sup>-century job skills, as well as assistance for job search and relocation, a tax credit to maintain health coverage, and Trade Readjustment Allowances (TRA) that provide critical support during training.

The typical TAA worker is a 46 year old male with a high school education who is the primary breadwinner in his family and who has worked for over a decade in a factory that is closing. Lacking the skills necessary to obtain a new job, many of these workers and their families fall from the middle class into poverty. The TAA program is tailored to meet the training needs of this group and to provide them the time they need to develop skills for new careers in viable industries.

In early 2009, important reforms were made to the TAA program. The reforms focused on improving the efficiency, accessibility, and effectiveness of the program, many at the recommendation of the Government Accountability Office. The reforms also expanded the pool of eligible workers, especially those in the services sector. The 2009 reforms expired, however, in February 2011, and the program reverted to its 2002 standards.

### **What the Agreement Means for American Workers**

- Expanded Eligibility: The renewal restores nearly all of the eligibility expansions contained in the 2009 reforms, including service workers as well as workers who lose their jobs due to competition from countries that do not have a free trade agreement with the U.S.
- Strong Support for Reemployment: Workers will once again have access to income support for their families as they undergo job training and other development that will lead to a credential or degree and increased reemployment opportunities. Income support will continue for the period necessary to complete a degree or equivalent program, with a maximum of 130 weeks. During this period, an eligible worker will need to be enrolled in fulltime job training, including remedial and prerequisite studies. The final 13 weeks will be available if the worker has made satisfactory progress against training benchmarks and if the additional weeks are needed to complete a degree or credential program.

- Affordable Health Insurance: The Health Coverage Tax Credit (HCTC) to help workers will maintain family health insurance will return to a more affordable level of 72.5 percent, an increase from the 65 percent level under the 2002 law. The HCTC will sunset at the end of 2013 when the Affordable Care Act goes into effect. This will ensure access to quality, affordable health coverage for all Americans, with premium tax credits available to help individuals and families who need additional assistance purchasing health insurance.
- Increased Training Resources: This agreement increases funding by raising the FY 2002 annual cap from \$220 million to \$575 million. This includes funds for job training, job search and relocation allowances, and case management. In addition, at least 5 percent of funds received by states must be spent on case management and not more than 10 percent of funds used for administration. This approach preserves the access to case management and counseling services that workers had under the 2009 reforms to assist them in making informed decisions about their futures. This consolidation also will provide states with more flexibility to use available program funds to provide any TAA service needed by workers.
- Streamlined Processes and Less Red Tape: Bureaucratic and inefficient deadlines that caused workers to miss out on benefits in the 2002 program will be eliminated with the return to the more flexible and effective 2009 program rules. In addition, automatic eligibility for workers who lose their jobs in industries that have been harmed by unfair foreign competition, as determined by the International Trade Commission, will also be restored.
- Making Workers Whole Through Retroactivity: The agreement applies retroactively. As a result, workers who were denied benefits because of the expiration of the 2009 reforms will again be fully eligible for the TAA program. Workers who were denied coverage when the 2009 reforms lapsed will have their applications re-reviewed. Moreover, those certified under the reverted program for the less comprehensive 2002 benefits will have the opportunity to receive the 2011 level of benefits. Applications currently in process will be investigated under the expanded 2011 eligibility criteria.
- Reductions in Smaller, Less Frequently Used Benefits: Job search and relocation assistance will continue to be provided under the program at the 2002 levels. Wage insurance for older workers will also continue at the 2002 levels, though with the more flexible eligibility requirements under the 2009 reforms. Public-sector employees will be ineligible for the program; to date, no public-sector employees have qualified for TAA benefits even though they were eligible under the 2009 reforms.
- TAA for Communities, Firms and Farmers: Under this agreement, TAA for Communities has been discontinued as it duplicates assistance currently available through the Department of Commerce. TAA for Firms, and Farmers and Fishermen, will be reauthorized, with TAA for Firms authorized at \$16 million annually.