

Highlights of Trade Adjustment Assistance Changes in the American Recovery and Reinvestment Act

National Employment Law Project

The American Recovery and Reinvestment Act (ARRA), signed into law by President Obama in February 2009, included significant amendments to the Trade Adjustment Assistance (TAA) program. These amendments will apply to TAA petitions filed on or after May 18, 2009. As a result of these changes, the Trade Adjustment Assistance (TAA) for workers program has changed for the better. Major improvements to the TAA program that will benefit workers and their communities are outlined here.

Expanded Eligibility—Covering More Workers

- Since 1974, only workers that “produced an article” have been covered by TAA rules. The new law extends TAA benefits to employees of service sector firms and public sector workers who lose work because their employers obtain similar services overseas.
- TAA certification standards now cover workers whose firms shift production to non-FTA countries, like China, India, and Europe. Under prior law, only shifts in production to NAFTA countries were sufficient in and of themselves for TAA certification.
- Existing certification rules cover only component parts workers who lose jobs due to imports of “like or directly competitive” articles, basically meaning the same parts they made domestically. Under ARRA amendments, TAA coverage now includes those parts workers who lose work due to imports of “articles directly incorporating” imported parts similar to those produced by the domestic workers. For example, workers that make transmission gears could formerly gain certification if they could show increased imports of similar transmission parts. Now, if their petition can show increased imports of transmissions contributed importantly to their loss of employment, they are eligible for TAA certification.

Expanded Health Care Coverage—Making HCTC Affordable for More Workers

- The legislation amends the Health Coverage Tax Credit (HCTC) program by increasing the premium subsidy level from 65 percent tax credit/35 percent worker contribution to 80 percent tax credit/20 percent worker contribution. HCTC now provides workers with retroactive payments to help cover up-front costs of obtaining health coverage prior to the start of HCTC.
- Additionally, the legislation provides some expanded COBRA coverage of spouses and dependents in the case of death or divorce.
- \$150 million in grant funding is available under this legislation to help states improve the availability of health insurance options, such as “mini-cobra” laws.

TAA for Communities Program

- \$230 million of new funding for communities affected by trade, particularly small and medium sized communities that have had firms certified for TAA. Certified communities are eligible for strategic planning grants, sector partnership grants, and community college and career training grants.

More Money for Training – Training More Workers

- Since 2003, TAA training funding was limited to \$230 million dollars or less. ARRA expands TAA funding significantly to \$575 million per year.

Additional Income Support

- An additional 26 weeks of income support in the form of Trade Readjustment Allowances (TRA) for workers who are in long-term training (for a total of 130 weeks).

Extended Training Enrollment Deadlines

- Extension of the current law deadline for enrolling in training (8 weeks after certification or 16 weeks after layoff), to 26 weeks after certification or layoff, whichever is later.

Expanded Training and Support

- Workers can now start training after they are TAA certified and before they are laid-off.
- Part time training while working part time is now possible.
- Case management and reemployment services are funded under the new TAA program.

Increased Job Search and Relocation Allowances

- The legislation increased these allowances to \$1,500 from \$1,250

Expanded Wage Subsidies

- Since 2002, Alternative Trade Adjustment Assistance for Older Workers (ATAA) has offered a partial wage subsidy that replaces half the difference between pre-layoff wages and wages in a new job obtained by the certified worker, up to a \$10,000 limit over two years.
- Under ARRA, a renamed Reemployment Trade Adjustment Assistance (RTAA) program offers a wage subsidy up to \$12,000 over two years for workers over 50. The maximum salary of the post-layoff job is now \$55,000 and part time workers can now participate in training as well as RTAA.

To File or Not to File?

ARRA changes are effective May 18, 2009, and will apply to all TAA petitions filed on or after that date. Workers considering a TAA petition should weigh the advantages under the new law when compared to the impact of delaying a petition and getting workers into the program. When new certification rules can help (i.e., service or public employees or some component parts workers) or when HCTC is important to the petitioning workforce, a delay may make sense. But, for most manufacturing workers, TAA certification rules remain largely identical. Where layoffs have already taken place, delays from waiting until May 18 probably furnish a good reason to go forward with petitions now. As May 18 gets closer, then reasons for waiting until May 18 to file will weigh more heavily.

For more information on filing a TAA petition you can download a copy of NELP's TAA certification manual by visiting our website: http://nelp.3cdn.net/b92b989076097062fb_oqm6brenl.pdf.

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