

Trade Act Reauthorization

The American Recovery and Reinvestment Act of 2009 provides for a dramatic expansion of the Trade Adjustment Assistance (TAA) program, which offers benefits and employment services to workers who have lost their jobs or suffered a reduction in their wages or hours as a consequence of increased imports. The new provisions of TAA include expanded coverage of workers, an increase in training funds, increased accessibility and flexibility of TAA programs, and a program for communities affected by trade. ARRA also establishes a TAA office within the U.S. Department of Labor and reauthorizes all existing TAA programs through 2010.

EXPANDED ELIGIBILITY

- Service sector employees and workers providing services to firms impacted by trade are now eligible for TAA benefits. A 2007 study of the Government Accountability Office showed that 40% of TAA denials were due to the trade-affected worker not producing an “article”, as was previously the law – also expanded to include public sector workers, component producing worker groups, and worker groups covered by affirmative injuries (US ITC). Secondary workers are now covered even if 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 and 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. Previously, TAA only allowed for on the job training. Also prohibits limiting training to training facility and courses on the ETPL. Enhances participation on 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 being TAA-eligible, 16 weeks after work separation, or 210 days after a layoff to enroll; the new regulations give workers 26 weeks to enroll in training after layoff or certification. Appeal action now preserves deadlines and Active Duty status preserves rights.

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 benefit 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 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.