

TRADE ADJUSTMENT ASSISTANCE

The Trade Act of 1974, amended in 2002, created a program of Trade Adjustment Assistance (TAA) to provide re-employment services and benefits to workers who become totally or partially separated, or are threatened to become separated from employment, as a direct result of increased foreign imports or a shift in production to foreign countries that are a party to Free Trade Agreements with the United States.

Secondarily affected workers may be eligible for TAA. These are workers whose jobs are affected because they worked for a company who either produced or supplied component parts or performed final assembly and/or finishing for the Trade affected company. The Primary company must be certified.

To establish group eligibility for workers in the company whose jobs may be affected, a Trade Act petition must be filed by a group of three or more workers, their union, an official of the employer, One-Stop centers, Workforce Investment Act partners including State dislocated worker units and State employment security agencies. Petitions can be obtained from the following website:

www.doleta.gov/tradeact/

The TAA program is a federal program which is administered in Arizona by The Department of Economic Security for The United States Department of Labor.

The Trade Act office in Phoenix administers the services of Trade Programs. This office provides individual notices to each affected worker after a company is certified. Each worker laid off during the period of the certification must apply for a determination of individual eligibility prior to being approved for training and other benefits paid for by the Trade Act Program. Reemployment Services for trade affected workers may include:

- Employment Counseling
- Vocational Testing
- Job Placement, Supportive Services
- Training
- Job Search Allowance
- Relocation Allowance
- Trade Readjustment Allowances (TRA)
- Health Coverage Tax Credit (HCTC)

All TAA benefits must be approved in advance and are paid in accordance with State/Federal TAA guidelines.

TRAINING

A worker may be approved to attend remedial and/or occupational training for jobs for which there is a labor market demand. The Trade Act Representative at your local One-Stop or Job Service Office can advise workers on possible training options provided the following six criteria are met:

1. There is no suitable employment available for the worker.
2. The worker would benefit from training.
3. There is a reasonable expectation of employment following training.
4. Training is reasonably available to the worker.
5. The worker is qualified to undertake and complete the training.
6. Training is suitable for the worker and available at reasonable cost.

On-the-Job (OJT) and Customized training may be available.

Not all workers may require or be eligible to receive Trade Act training.

Trade Act Training must be able to be completed within 104 training weeks. The training includes the cost of tuition, books, school fees, required

tools and uniforms and travel, when required, and are paid in accordance with state and federal TAA guidelines. If the worker is eligible for any type of federal, state or non-governmental educational grants or scholarships, those funds must be used to pay training costs. The Trade Act will pay training costs over and above the amount of the grant or scholarship.

If the training facility is over 20 miles from the worker's home, they may apply for travel assistance. The amount paid must be based on the least expensive means of travel. If the cost of travel assistance is more than the cost of subsistence to maintain a second residence close to the school, the worker would be paid the subsistence amount.

Transportation allowances are considered in determining the total cost of the training program and whether the cost is considered reasonable within the guidelines specified in Trade Act regulations.

JOB SEARCH ALLOWANCE

A worker may be eligible to receive a job search allowance when seeking employment outside their normal commuting area. Workers may receive 90% of necessary transportation and subsistence, up to a maximum of \$1,250 per certified petition, while searching for permanent employment that exceeds 20 miles from their home. They must have a pre-arranged job interview and have obtained prior approval from the TAA representative before traveling. There are time limitations for filing for Job Search allowances.

RELOCATION ALLOWANCE

If a worker is successful in obtaining suitable employment that is outside what is considered normal commuting distance, the program offers financial assistance to help with the relocation. The Trade Act will pay 90% of the reasonable

and necessary costs of moving household goods to the new location, provided the new employer does not pay for these costs. A worker may also be eligible for a lump sum payment, up to \$1,250, to help them get settled in their new location. Prior approval must be obtained from the Trade Act representative before relocating. There are time limitations for filing for Relocation allowances.

ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE (ATAA)

ATAA is designed to allow TAA eligible workers for whom retraining may not be appropriate (and find reemployment), to receive a wage subsidy to help bridge the gap between their old and new employment. To receive ATAA benefits, the individual must be TAA and ATAA certified and meet the following conditions:

- Be at least age 50 at time of new employment.
- Obtain reemployment by the last day of the 26th week after the worker's qualifying separation from TAA/ATAA Certified employment.
- Must not be expected to earn more than \$50,000 annually in gross wages (excluding overtime from reemployment).
- Be reemployed full-time as defined by the industry where the worker was re-employed
- Cannot return to work in the same department from which the worker was separated. The application for ATAA must be filed within two years of the first day of qualifying reemployment.

The ATAA supplement shall cease in the event of one of the following:

- The individual's annualized wage, excluding ATAA subsidy, is projected to exceed \$50,000 a year.
- The individual has received \$10,000 in ATAA benefits.
- The worker has reached the end of the two year eligibility period.

A worker who begins receiving payments (wage subsidies) under the ATAA program cannot receive other TAA services except for Health Coverage Tax Credit (if appropriate).

TRADE READJUSTMENT ALLOWANCE (TRA)

Trade Readjustment Allowance is a weekly allowance paid to workers covered under a certified Trade Act Petition. The TRA weekly benefit amount (WBA) is the same as the regular Unemployment Insurance WBA payable on the U.I. claim established as a result of the first qualifying separation from the Trade Act employer. To qualify for TRA, workers must meet the following requirements:

- Be separated from a Trade employer due to lack of work.
- Must have worked at least twenty six weeks and earned at least \$30 or more a week during the one year period prior to their separation.
- Separation must be on or after the impact date and before the expiration date of the Trade Act certification.
- Must be eligible for and have exhausted all Unemployment Insurance (UI) benefits.
- Must be enrolled in approved training by the latter of 16 weeks from separation or 8 weeks from certification date of TAA petition or must have met the requirements for a waiver of training.

- Has exhausted entitlement to all Unemployment Insurance.

HEALTH COVERAGE TAX CREDIT (HCTC)

The TAA program created a Health Coverage Tax Credit (HCTC) for trade affected workers. The TAA program provides two options for eligible individuals to receive the benefit:

A tax credit of 65% of the amount paid by an individual for qualified health insurance coverage.

or

Eligible individuals may request up to 65% credit for qualified premiums be paid on their behalf on a monthly basis, as they are due, to their health insurance providers. The worker must pay the 35% premium difference, if they choose this advance option.

To be eligible for HCTC, the worker must meet certain qualifying requirements:

1. Receiving TRA payments.
2. Eligible for TRA but have not exhausted UI benefits.

and

3. Covered by health insurance coverage which may include:
 - Coverage under COBRA
 - Coverage under a spouse's group plan if spouse's employer contributes less than 50%.
 - Coverage under individual plan in which worker was enrolled for the 30-day period preceding the date of separation from the TAA employer.

Additional information regarding HCTC is available on the IRS web page or by downloading an HCTC Brochure.

www.irs.gov/individuals

For more information regarding Trade Adjustment Assistance, please contact:

Trade Adjustment Unit - Site Code 918B-3
P.O. Box 6666
Phoenix, AZ 85005
Phone (602) 495-1861

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ARIZONA

Department of Economic Security
Employment Security Administration

Trade Adjustment Assistance

Reform Act of 2002

