

## **ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

Trade Adjustment Assistance (TAA) Program

Policy: COVID-19 Emergency Policy – Trade Readjustment Allowances

Effective Date: April 5, 2020

### **I. POLICY STATEMENT**

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, which includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. Section 2102 of the CARES Act created a temporary federal program called Pandemic Unemployment Assistance (PUA) that in general provides up to 39 weeks of unemployment benefits, and provides funding to states for the administration of the program.

This policy is being issued to provide guidance and clarification regarding PUA and its impact on Trade Readjustment Allowances (TRA).

### **II. AUTHORITY**

- CARES Act (Public Law 116-136, including Title II subtitle A Relief for Workers affected by Coronavirus Act
- [Unemployment Insurance Program Letter No. 16-10](#)
- U.S. Department of Labor, [COVID-19 Frequently Asked Questions, Trade Adjustment Assistance Programs](#)

### **III. APPLICABILITY**

This policy applies to all TAA Program staff and certain program participants who are eligible for or receiving Trade Readjustment Allowances (TRA). PUA benefits may be available to TAA participants who have exhausted their entitlement to regular unemployment compensation (UC), and those who are not eligible for regular UC (self-employed or who have limited recent work history). This policy will remain in effect until the termination of the temporary federal program.

### **IV. ACRONYMS AND DEFINITIONS**

**Covered Individuals:** Individuals not qualified for regular unemployment compensation (UC), extended benefits (EB) under state or Federal law, or pandemic emergency unemployment compensation (PEUC), including those who

have exhausted all rights to these benefits. This definition also includes self-employed individuals seeking part-time employment, individuals lacking sufficient work history, or those otherwise not qualified for regular UC, extended benefits under state or federal law, or PEUC.

**Compensation:** Any unemployment compensation as defined in section 85(b) of the Internal Revenue Code of 1986 as well as regular compensation, additional compensation, extended compensation, federal supplementary compensation, and disability payments; as well as Railroad Unemployment Insurance benefits and TRA.

**PEUC:** Pandemic Emergency Unemployment Compensation

**PUA:** Pandemic Unemployment Assistance

**UC:** Unemployment Compensation

## **V. STANDARDS**

### **A. Pandemic Unemployment Assistance Eligibility**

1. Before TAA participants may receive PUA:
  - a. They must not be eligible for or must have exhausted entitlement to regular, additional, and extended unemployment compensation;
  - b. They must not be eligible for or must have exhausted PEUC under section 2107 of the CARES Act; and
  - c. They must have exhausted or been ineligible for Trade Readjustment Assistance (TRA) benefits.
2. When a participant is eligible for TRA benefits, he or she may not receive PUA benefits, and the TAA Program may not transition him or her to the PUA program.
3. Participants with a remaining TRA entitlement or remaining weeks of benefits may be ineligible to receive TRA benefits because of the requirement for “actual” participation in TAA training, specifically Additional and Completion TRA. If TAA training is suspended for any COVID-19 related conditions:

- a. The individual may meet the definition of a “covered individual” of the CARES Act if he or she is not eligible to receive TRA benefits; and
  - b. The individual may be eligible for PUA.
4. If a participant becomes entitled to TRA after beginning receipt of PUA, he or she:
  - a. Is no longer a “covered individual”; and
  - b. Would not be eligible for continued PUA because:
    - i. Regular compensation or extended benefits have not been exhausted under state or Federal law; or
    - ii. Pandemic Emergency Unemployment Compensation has not been exhausted.
5. TRA is regular compensation under Federal law. Accordingly, PUA benefits would no longer be available, and the individual may resume receipt of TRA.
6. PUA eligibility does not reduce the TRA maximum entitlement provided by [20 CFR 617.14](#).

**B. Trade Readjustment Assistance Payments**

1. PUA eligibility is like Disaster Unemployment Assistance (DUA) and is not included in the applicable reductions to TRA.
2. Any applicable reductions to the maximum TRA entitlement are applicable to Basic TRA only.
3. Any UI entitlement available to the participant during the period in which Additional and/or Completion TRA are payable only suspend the TRA eligibility.
  - a. It does not reduce the maximum number of weeks payable for Additional and/or Completion TRA.

- b. There may be a reduction in the weekly amount payable as a result of a pension or other disqualifying income under state law.
- 4. PUA eligibility, similar to DUA eligibility, as provided at [20 CFR 625.4\(i\)](#) requires that:
  - a. The participant not be eligible for “compensation” as defined at [20 CFR 625.2\(d\)](#).
  - b. PUA and DUA as the payment of last resort; therefore, extremely limited opportunity exists for these payments to be paid before TRA.

**C. Training**

- 1. A participant whose TAA training is interrupted for a COVID-19 related reason:
  - a. May continue receiving Basic TRA as provided at [20 CFR 617.18\(b\)\(2\)](#) if the training is ceased for justifiable cause.
  - b. Cannot receive Additional/Completion TRA because these benefits require “actual” participation in TAA training but may be eligible for PUA benefits.