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Trade Adjustment Assistance for Workers and the TAA Reauthorization Act of 2015

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Summary

Trade Adjustment Assistance for Workers (TAA) provides federal assistance to workers who have involuntarily lost their jobs due to foreign competition. It was last reauthorized by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA; Title IV of P.L. 114-27). This report discusses the TAA program as enacted by TAARA.

To be eligible for TAA, a group of workers must establish that they were separated from their employment either because their jobs moved outside the United States or because of an increase in directly competitive imports. Workers at firms that are suppliers to or downstream producers of TAA-certified firms may also be eligible for TAA benefits. Private sector workers who produce goods or services are eligible for TAA benefits.

To establish eligibility for TAA benefits, a group of trade-affected workers (or their representative) must petition the Department of Labor (DOL) and a DOL investigation must verify the role of increased foreign trade in the workers' job losses. Once a petition is certified by DOL, covered workers may apply for individual benefits.

Individual benefits are funded by the federal government and administered by state agencies through their workforce systems and unemployment insurance systems. Benefits available to individual workers include the following:

- *Training and reemployment services* are designed to assist workers in preparing for and obtaining new employment. Training subsidies are the largest reemployment services expenditure and support workers in developing skills for a new occupation. Workers may also receive case management services and job search assistance. In some cases, workers who pursue employment outside their local commuting area may be eligible for job search or relocation allowances.
- *Trade Readjustment Allowance* (TRA) is a weekly income support payment for TAA-certified workers who have exhausted their unemployment compensation (UC) and who are enrolled in an eligible training program. Weekly TRA payments are equal to the worker's final weekly UC benefit. Workers may collect UC and TRA for a combined maximum of 130 weeks, the final 13 of which are only available if necessary for the worker to complete a qualified training program.
- *Reemployment Trade Adjustment Assistance* (RTAA) is a wage insurance program available to certified workers age 50 and over who obtain reemployment at a lower wage. The wage insurance program provides a cash payment equal to 50% of the difference between the worker's new wage and previous wage, up to a two-year maximum of $10,000.
- *The Health Coverage Tax Credit* is a credit equal to 72.5% of qualified health insurance premiums. Eligibility is aligned with TRA. Unlike other TAA benefits, it is administered through the tax code.

TAA is a mandatory program that is supported through annual appropriations. Appropriations for the program in FY2018 were $790 million.

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Trade Adjustment Assistance for Workers (TAA) provides federal assistance to workers who involuntarily lose their jobs due to foreign competition.[1] The primary benefits for TAA-eligible workers are funding for training and reemployment services as well as income support while a worker is enrolled in training. Workers may also be eligible for other benefits, including a tax credit equal to a portion of qualified health insurance premiums. Workers age 50 and over may be eligible for Reemployment Trade Adjustment Assistance, a wage supplement program.

After a brief discussion of the program's purpose and most recent reauthorization, this report describes TAA as reauthorized by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA, Title IV of P.L. 114-27).

Program Rationale and Purpose

Reduced barriers to international trade are widely acknowledged to offer benefits to consumers in the form of increased choices and lower prices. Expanded trade may also offer expansionary opportunities to firms that produce goods or services that see increased exports. Reduced barriers to trade may, however, have concentrated negative effects on domestic industries and workers that face increased competition. TAA is designed to provide readjustment assistance to workers who suffer dislocation (job loss) due to foreign competition or offshoring. Generally, TAA provides a more robust set of benefits and services than would be available to a worker who lost his or her job for reasons other than foreign competition.[2] TAA is designed to assist workers who have been adversely affected by reduced trade barriers and increased trade. Its availability to workers who are adversely affected by declines in international trade may be limited.

TAA was created in 1962 and, historically, has been reauthorized alongside expansionary trade policies. A detailed legislative history of the program is in the **Appendix**.

Trade Adjustment Assistance Reauthorization Act of 2015

In June 2015, TAA was reauthorized by TAARA.[3] The eligibility and benefit provisions of TAARA are authorized to continue through June 30, 2021.[4]

[1] In addition to the program for workers, other Trade Adjustment Assistance programs are authorized for firms and farmers that have been adversely affected by international trade. This report discusses the program for workers. From a budgetary standpoint, the workers program is substantially larger than the programs for firms and farmers and general discussion of "TAA" often only refers to the workers program. For more information on other TAA programs, see CRS Report RS20210, *Trade Adjustment Assistance for Firms* and CRS Report R40206, *Trade Adjustment Assistance for Farmers*.

[2] For more information on other workforce programs, see CRS Report R43301, *Programs Available to Unemployed Workers Through the American Job Center Network*.

[3] TAARA also reauthorized the TAA programs for firms and farmers. For more information on TAARA and those programs, see their corresponding reports cited in footnote footnote 1.

[4] TAARA includes Sunset Provisions that take effect July 1, 2021. The Sunset Provisions put in effect a more restrictive set of eligibility and benefit provisions. The Sunset Provisions of TAARA are generally not discussed in this report. When this report discusses eligibility and benefits under TAARA, it is referring to the provisions that are set to be in effect through June 30, 2021.

TAARA was part of a bill that extended other trade-related policies. TAARA was also passed in conjunction with a separate bill that reauthorized the Trade Promotion Authority (TPA, Title I of P.L. 114-26). TPA (also known as "fast track") grants the President authority to negotiate trade agreements, which are then subject to an "up or down" vote in Congress. Since the reauthorization of TPA in 2015, Congress has not voted on any presidentially negotiated trade agreements.[5]

Applicability of TAARA Provisions

This report focuses on the eligibility and benefit provisions of TAA as enacted by TAARA. These provisions apply to all workers certified for TAA after the law's enactment. The law also had retroactivity provisions and, in some cases, workers who were parts of groups certified prior to the 2015 reauthorization may be covered under the TAARA provisions.[6]

In other cases, however, a worker who was certified under pre-2015 provisions may continue to receive benefits under the prior provisions. As such, while the version of the program described in this report will apply to all new program participants certified through June 30, 2021, it may not apply to some participants who are covered by a TAA petition that was certified prior to the enactment of TAARA. In these cases, states may operate multiple TAA programs to concurrently serve workers certified under the TAARA provisions and workers certified under other provisions.[7]

TAA Administration and Financing

TAA is jointly administered by the federal government and the states. It is funded by the federal government. The respective roles of federal and state governments in administering and financing the TAA program were in place prior to TAARA and were not substantively changed by the reauthorization law.

Administration

TAA is jointly administered by the U.S. Department of Labor (DOL) and cooperating state agencies. DOL makes group eligibility determinations, allots appropriated funds to cooperating state agencies, and oversees grantees. Individual benefits are provided through state workforce systems and state unemployment insurance systems.[8] Workers may physically receive benefits and services through local American Job Centers (also known as One-Stop Career Centers). States are responsible for collecting participation and outcome data and reporting these data to DOL.

[5] For more information on TPA, see CRS In Focus IF10038, *Trade Promotion Authority (TPA)*.

[6] Groups of workers with applications that were denied between January 1, 2014, and the enactment of TAARA also had their applications reconsidered under the TAARA eligibility criteria.

[7] For a description of pre-TAARA iterations of the TAA program, see the FY2015 Trade Adjustment Assistance Annual Report from the U.S. Department of Labor, Attachment A, beginning on p. 50 at http://www.doleta.gov/tradeact/docs/AnnualReport15.pdf.

[8] For more information on state workforce systems see CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*. For more information on state unemployment insurance systems, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*.

The Health Coverage Tax Credit, which is available to qualified TAA-certified workers who purchase qualified health insurance, is administered by the Internal Revenue Service (IRS).[9] It is administered separately from the TAA program's other benefits and services.

Financing

TAA is funded by mandatory appropriations. Typically, Congress appropriates a single sum that supports all TAA activities.[10] DOL then allocates these funds to various program activities.

Under TAARA, funding for training and reemployment services is capped at $450 million per year. These funds are allotted to the states via a grant allocation formula that considers past and anticipated program usage.[11] States may expend training and reemployment service funds in the year of allotment or in either of the next two fiscal years.

Training subsidies are states' primary expenditures out of their reemployment services funding. TAARA specifies that states must allocate at least 5% of their reemployment services funding to case management and no more than 10% to administrative costs.[12]

Funds for the Trade Readjustment Allowance income support and Reemployment Trade Adjustment Assistance wage insurance program are not capped. Appropriations for these benefits are based on congressional estimates. Funding for these benefits that is not spent in the year of allotment is returned to the Treasury.

TAA is a direct spending (also referred to as "mandatory") program and subject to sequestration under the Budget Control Act of 2011, as amended. For FY2018, the Office of Management and Budget (OMB) determined that the reduction for nonexempt, nondefense spending would be 6.6%.[13] Sequester levels in subsequent years will be determined by OMB.

FY2018 Appropriation

In FY2018, Congress appropriated $790 million for the TAA for Workers programs.[14] Of this amount, $450 million was for training and reemployment services and the remaining $340 million was for income support and wage insurance. The entire $790 million appropriation was subject to 6.6% sequestration ($52.14 million). DOL opted to apply the entirety of the sequestration to the training and reemployment services funding, reducing the funding for training and reemployment services from $450 million to $397.86 million and leaving the $340 million for income support and wage insurance unchanged.[15]

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[9] For more information on the Health Coverage Tax Credit, see CRS Report R44392, *The Health Coverage Tax Credit (HCTC): In Brief*.

[10] Funds for TAA are typically appropriated under "Federal Unemployment Benefits and Allowances" in the Labor, Health and Human Services, Education, and Related Agencies appropriations bill.

[11] For more information on the formula and allotment process, see 19 U.S.C. 2296(a)(2) and 20 C.F.R. 618.900-930.

[12] See 19 U.S.C. 2295a.

[13] See Office of Management and Budget; *OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2018;* May 23, 2017; https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/sequestration_reports/2018_jc_sequestration_report_may2017_potus.pdf.

[14] See Consolidated Appropriations act, 2018 (P.L. 115-141), Division H, Title I.

[15] Department of Labor, Training and Employment Guidance Letter No. 19-17: "Fiscal Year (FY) 2018 State Initial Allocations for Trade Adjustment Assistance (TAA) Training and Other Activities and the Process for Requesting TAA Reserve Funds," June 22, 2018, https://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-17.pdf.

Eligibility and Application Process

Obtaining TAA benefits is a two-stage process. First, a group of workers or their representative (e.g., firm, union, or state) must petition DOL to establish that their job loss was attributable to foreign trade and met statutory criteria. Once a group has been certified by DOL, individual workers covered by the group's petition apply for state-administered benefits at local American Job Centers (AJCs; also known as One-Stop Career Centers). TAA is available to workers in the 50 states, the District of Columbia, and Puerto Rico.

TAA Group Eligibility Criteria

To be eligible for TAA group certification, a group of workers from a firm (or a subdivision of a firm) must have become totally or partially separated from their employment or have been threatened with becoming totally or partially separated.[16] Private sector workers who produce goods ("articles" in the law) or services are eligible for TAA.

The petitioning workers must establish that foreign trade contributed importantly to their separation.[17] The role of foreign trade can be established in one of several ways:

- **An increase in competitive imports**. The sales or production of the petitioning firm have decreased absolutely and imports of articles or services like or directly competitive with those produced by the petitioning firm have increased.
- **A shift in production to a foreign country**. The workers' firm has moved production of the articles or services that the petitioning workers produced to a foreign country or the firm has acquired, from a foreign provider, articles or services that are directly competitive with those produced by the workers.
- **Adversely affected secondary workers**. The petitioning firm is a supplier or a downstream producer[18] to a TAA-certified firm and either (1) the sales or production for the TAA-certified firm accounted for at least 20% of the sales or production of the petitioning firm or (2) a loss of business with a TAA-certified firm contributed importantly to the workers' job losses.
- **USITC workers**. Workers separated from firms that have been publicly identified by the United States International Trade Commission (USITC) as injured by a market disruption or other qualified action.

The TAA eligibility criteria are designed to target workers who lose their jobs due to increased international trade and increased imports. The structure of the eligibility criteria mean that the program may not be available to workers who are adversely affected by reductions in international trade or declines in exports.

[16] Partial separation is defined as hours of work and wages being reduced to less than 80% of a worker's weekly average. See 20 C.F.R. 617.3(cc).

[17] The term "contributed importantly" means a cause that is important but not necessarily more important than any other cause. See 19 U.S.C. 2272(c)(1).

[18] 19 U.S.C. 2272(c)(3) defines a downstream producer as "a firm that performs additional, value-added production processes or services directly for another firm."

TAA Group Petition and Certification Process

To establish TAA eligibility, a group of workers (or their representative, such as a union, firm, or state) must complete a two-page petition and submit it, along with any supporting documentation, to DOL.[19] An additional copy of the TAA petition must also be filed with the governor of the state in which the affected firm is located.[20] After receiving the petition, DOL investigates to determine if the petition meets any of the criteria outlined in the previous subsection of this report. Determinations of TAA petitions are published in the *Federal Register* and on the DOL website.

If a petition is certified, DOL will also determine an *impact date* on which trade-related layoffs began or threatened to begin.[21] This date can be as early as one year prior to the petition. A certified petition will cover all workers laid off by the firm (or applicable subdivision of the firm) between the impact date and two years after the certification of the petition. For example, if a petition is certified on November 1, 2015, and the impact date is found to be March 1, 2015, all members of the certified group laid off between March 1, 2015, and November 1, 2017, would be eligible for TAA benefits.

If a petition is denied, the group may request administrative reconsideration by DOL.[22] Reconsideration requests must be mailed within 30 days of the publication of the initial denial in the *Federal Register*. Workers who are denied certification may seek judicial review of DOL's initial petition denial or denial following administrative reconsideration. Appeals for judicial review must be filed with the U.S. Court of International Trade within 60 days of *Federal Register* publication of the initial denial or the administrative reconsideration denial.

TAA Individual Eligibility

After DOL certifies a group of workers as eligible, the individual workers covered by the certification then apply to their local AJCs for individual benefits. To be eligible for Trade Readjustment Allowance payments, a worker must meet all of the following conditions: (1) separation from the firm on or after the impact date specified in the certification but within two years of DOL certification, (2) employment with the affected firm in at least 26 of the 52 weeks preceding layoff, (3) entitlement to state unemployment compensation (UC) benefits, and (4) no disqualification for extended unemployment benefits. Additionally, workers must be enrolled in an approved training program or have received a waiver from training.[23]

Group-certified workers who are denied individual benefits can appeal the decision. The determination notice that individual workers receive after filing their applications for each benefit explains their appeal rights and time limits for filing appeals.

[19] Petition is available at http://www.doleta.gov/tradeact/docs/RevisedPetition.pdf.

[20] Upon receiving the petition, the governor shall ensure that rapid response workforce services are made available to the petitioning workers. Rapid response services are provided by the state agency that administers federal Workforce Innovation and Opportunity Act funds.

[21] "Threatened to begin" means "in the context of impending total or partial separations, the date on which it could reasonably be predicted that separations were imminent." See 29 C.F.R. 90.2.

[22] See 29 C.F.R. 90.18-19 for detailed information on the reconsideration process.

[23] 19 U.S.C. 2291(c) defines three waiver requirements: (1) a worker is unable to participate in training due to health reasons, (2) suitable training is not available, or (3) enrollment in training is not available within 60 days.

Benefits for Certified Workers

TAA benefits for individual workers include training and reemployment services and income support for workers who have exhausted their UC benefits and are enrolled in training. Workers age 50 and over may participate in the Reemployment Trade Adjustment Assistance (RTAA) wage insurance program. Certified workers may also be eligible for a tax credit for a portion of the premium costs for qualified health insurance.

Training and Reemployment Services

TAA-certified workers may receive several types of benefits and services to aid them in preparing for and obtaining new employment. The largest reemployment benefit from a budgetary standpoint is training assistance. Workers may also receive case management services and reimbursements for qualified job search and relocation expenses.

TAARA caps annual funding for training and reemployment services at $450 million per year. Training and reemployment services funds are granted to state workforce agencies via formula.[24]

Training Assistance

Eligible workers request training assistance through their local AJCs.[25] Statute specifies that training for a worker shall be approved if all of the following conditions are met:

- there is no suitable employment available for an adversely affected worker,[26]
- the worker would benefit from appropriate training,
- there is a reasonable expectation of employment following completion of such training,
- training approved by the Secretary is reasonably available to the worker from either governmental agencies or private sources,
- the worker is qualified to undertake and complete such training, and
- such training is suitable for the worker and available at a reasonable cost.[27]

Once approved, training can be paid on the worker's behalf directly to the service provider or through a voucher system. The range of approved training includes a variety of governmental and private programs.[28] There is no federal limit on the amount of training funding an individual can receive, though some states have a cap.

[24] For more information on the formula and allotment process, see 19 U.S.C. 2296(a)(2) and 20 C.F.R. 618.900-930.

[25] American Job Centers are locally run facilities providing workforce services to individuals and serve as the local arm of the state workforce system. There are approximately 2,500 centers nationwide. For more information on AJCs, see http://jobcenter.usa.gov/.

[26] 19 U.S.C. 2296(e) defines suitable employment as "work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage."

[27] The "reasonable cost" determination considers the cost of similar training from a different provider and the cost of training relative to the expected employment outcome. See 19 U.S.C. 2296(a)(1) for legislative language and 20 C.F.R. 617.22 for expanded definitions of terms.

[28] Eligible programs include (but are not limited to) employer-based training, any training program provided by a state under Title I of the Workforce Innovation and Opportunity Act of 2014, any program of remedial education, any program of prerequisite education or coursework required to enroll in an approved training program, any training

A concise summation of TAA training programs is difficult due to the range of acceptable activities and the decentralized nature of approval and training. Data from DOL, however, offer some insight into the nature and duration of TAA-sponsored training programs.[29] In FY2015, approximately 88% of TAA training participants received what DOL describes as occupational skills training: training in a specific occupation, typically provided in a classroom setting. The remainder of training was classified as remedial, prerequisite, on-the-job, or other customized training.[30]

Among program participants who exited the TAA program in FY2015 and participated in training, 70% completed their program of training.[31] Among the training participants who completed their training programs in FY2015, the average duration of enrollment in the program was 512 days and the average training cost was $13,062.[32]

TAA does not require training programs to lead to a degree or other credential. In its FY2015 annual report, DOL reported that 89% of workers who completed training earned an industry-recognized credential, or a secondary school diploma or equivalent.[33]

Interaction of TAA Training Funding and Other Forms of Assistance

TAA funding may be the only source of funding for a worker's training costs. Statute addresses scenarios in which other resources are used in the pursuit of TAA-funded training.

In determining if the cost of a training program is reasonable, an administering state agency may consider public and private non-TAA funding available to the worker. For example, a worker may voluntarily offer to pay for a portion of a program with personal funds so that an agency may approve a program for which the costs would not otherwise be reasonable. An administering state agency may not require a TAA-certified worker to contribute personal funds or apply for other assistance as a condition of approving a TAA training program.[34]

A key exception of the policy of administering state agencies considering non-TAA aid is that the Higher Education Act specifies that certain types of federal student aid (including Pell Grants)[35] "shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds."[36] As such, a TAA-certified worker's training benefit could not be reduced on the basis of that worker's access to a Pell Grant. Guidance from DOL notes that this policy "allows a worker to use student financial assistance for

program or coursework at an accredited institution of higher education, or any other training program approved by the Secretary of Labor. See 19 U.S.C. 2296(a)(5) for legislative language.

[29] The program data in this section are from the FY2015 TAA Annual Report from DOL. This report presents data on program participants in FY2015. Many of the program participants participated in the program under TAA provisions that were in place prior to the enactment of TAARA in June 2015.

[30] U.S. Department of Labor, "Trade Adjustment Assistance for Workers Program: Fiscal Year 2015," Table 10, http://www.doleta.gov/tradeact/docs/AnnualReport15.pdf.

[31] Ibid., Table 14.

[32] Ibid., Table 14 and Table 16.

[33] Ibid., Table 15.

[34] See 19 U.S.C. 2296(a)(9).

[35] Pell Grants are the primary form of federal grant aid awarded to students with financial need who are enrolled in postsecondary education. For more information, see CRS Report R42446, *Federal Pell Grant Program of the Higher Education Act: How the Program Works and Recent Legislative Changes*.

[36] See Section 479B of the Higher Education Act (20 U.S.C. 1087uu).

living expenses instead of tuition and thus provides the worker income support during long-term training."[37]

Case Management and Employment Services

TAARA specifies that, through the administering state agencies and AJC system, DOL shall provide a series of case management and employment services to all TAA-certified workers. These services include a comprehensive assessment of a worker's skills and needs, assistance in developing an individual employment objective and identifying the training and services necessary to achieve that goal, and guidance on training and other services for which a worker may be eligible.[38] Under TAARA, states are required to use at least 5% of their reemployment services allotments for case management and employment services.

Job Search and Relocation Allowances

States may use their reemployment services funding to provide job search and relocation allowances.[39] These allowances target workers who are unable to obtain suitable employment within their commuting areas. Certified workers can receive an allowance equal to 90% of each of their job search and relocation expenses, up to a maximum of $1,250 for each benefit.[40]

- A **Job Search Allowance** may be available to subsidize transportation and subsistence costs related to job search activities outside an eligible worker's local commuting area. Subsistence payments may not exceed 50% of the federal per diem rate and travel payments may not exceed the prevailing mileage rate authorized under federal travel regulations.
- A **Relocation Allowance** may be available to workers who have secured permanent employment outside their local commuting area. The benefit covers 90% of the reasonable and necessary expenses of moving the workers, their families, and their household items. Relocating workers may also be eligible for a lump sum payment of up to three times their weekly wage, though the total relocation benefit may not exceed $1,250.

Trade Readjustment Allowance

Trade Readjustment Allowance (TRA) is a weekly income support payment to certified workers who have exhausted their UC benefits and who are enrolled in training.[41] To be eligible for TRA, a worker must be enrolled in training within 26 weeks of separation from the worker's job or

[37] TEGL 5-15, Operating Instructions for Implementing the Trade Adjustment Assistance Reauthorization Act of 2015, Section D.5.2, https://wdr.doleta.gov/directives/attach/TEGL/TEGL_05-15_Attachment1_Acc.pdf.

[38] Full requirements are outlined in 19 U.S.C. 2295.

[39] Under TAARA, states have discretion whether or not to offer job search and relocation allowances. If states opt to offer these benefits, the allowances are funded out of the state's training and reemployment services grants.

[40] Job search and relocation allowance benefits are subject to certain time restrictions relative to the worker's certification and separation. See 20 C.F.R. 617.31(c) and 20 C.F.R. 617.41(c) for details.

[41] In cases where unemployment benefits beyond state UC are available, the worker must exhaust all unemployment benefits before collecting TRA. For example, the Emergency Unemployment Compensation (EUC) program was authorized from 2008-2013 and provided benefits beyond UC. During that period, TAA-certified workers needed to exhaust both UC and EUC benefits prior to collecting TRA. Additional unemployment benefits offset TRA in the same manner as UC benefits.

within 26 weeks of TAA certification, whichever is later. In limited circumstances, a worker may obtain a training waiver.[42]

TRA is funded by the federal government and administered by the states through their unemployment insurance systems. TRA is an individual entitlement and not subject to an annual funding cap. Appropriation levels are based on estimated usage and unused funds are returned to the Treasury at the end of the fiscal year.

Individual TRA benefit levels are equal to a worker's final UC benefit. UC benefit levels are based on earnings during a base period of employment (typically, the first four of the last five completed calendar quarters). UC benefits typically replace a portion of a worker's wages up to a statewide maximum. Since states each administer their own UC programs, there is some variation in benefit levels. In July 2015, the highest maximum weekly UC benefit for a worker with no dependents was $698 in Massachusetts and the lowest maximum weekly benefit was $240 in Arizona.[43]

There are three stages of TRA

- **Basic TRA.** The weekly basic TRA payment begins the week after a worker's UC eligibility expires. To receive the basic TRA benefit, workers must be enrolled or participating in TAA-approved training, have completed such training, or have obtained a waiver from the training requirement. The total amount of basic TRA benefits available to a worker is equal to 52 times the weekly TRA benefit minus the total amount of UC benefits. For example, assuming a constant benefit level, a worker who received 20 weeks of UC benefits would be eligible for 32 weeks of basic TRA.
- **Additional TRA.** After basic TRA has been exhausted, workers who are enrolled in a TAA-approved training program are eligible for an additional 65 weeks of income support, for a total of 117 weeks of benefits. Additional TRA is limited to workers who are enrolled in a training program; workers who have received a training waiver are not eligible for additional TRA. TAA participants may only collect additional TRA as long as they remain enrolled in a qualified training program. In cases where a worker's training program is shorter than the maximum TRA duration, the worker is not entitled to the maximum number of TRA weeks.
- **Completion TRA.** In cases where a worker has collected 117 weeks of combined TRA and UC and is still enrolled in a training program that leads to a degree or industry-recognized credential, the worker may collect TRA for up to 13 additional weeks (130 weeks total) if the worker will complete the training program during that time.

[42] A worker may obtain a training waiver if (1) the worker is unable to participate in training due to a health condition, (2) enrollment in a training program is not available within 60 days, or (3) no suitable training is available. Workers who receive a training waiver may only collect Basic TRA; they are not eligible for the Additional and Completion tiers of TRA.

[43] For a more detailed discussion of UC calculations and programs, see CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*.

Reemployment Trade Adjustment Assistance

RTAA is an entitlement that provides a wage supplement for workers age 50 and over who are certified for TAA benefits and obtain reemployment at a lower wage. The program provides a cash payment to an eligible worker equal to 50% of the difference between the worker's wage at the trade-affected job and the worker's wage at his or her new job. The maximum benefit is $10,000 over a two-year period. Workers may not receive TRA and RTAA benefits simultaneously.[44]

To be eligible for RTAA, a worker must either (1) be reemployed on a full-time basis, as defined by the law of the state in which the worker is employed or (2) be reemployed at least 20 hours a week and be enrolled in a TAA-sponsored training program. Workers who receive RTAA payments while enrolled in training and working less than full time may be subject to a reduced benefit.[45]

Health Coverage Tax Credit[46]

Workers who are receiving TRA, UC in lieu of TRA, or RTAA benefits may also be eligible for a tax credit that covers a portion of eligible health insurance premiums.[47] The Health Coverage Tax Credit (HCTC) is equal to 72.5% of qualified health insurance premiums.

TAARA includes provisions specifying that a worker must elect between the HCTC and premium credits under the Patient Protection and Affordable Care Act (P.L. 111-148, amended). Unlike other provisions of TAARA, which are in effect through June 30, 2021, the HCTC is authorized through December 31, 2019.

Collection and Publication of Program Data

The Trade Act requires DOL to collect and publish specified data on TAA participation, benefits, outcomes, and spending.[48] Data to be collected and reported include (but are not limited to) the following:

- *Data on petitions filed, certified, and denied*. These data include the number of petitions filed, certified, and denied, as well as the average processing time for such petitions. Certified petitions must be disaggregated on the basis of eligibility.
- *Data on benefits received*. These data include the number of workers receiving TRA and other benefits as well as the average duration for which workers received benefits.

[44] A worker who receives RTAA payments after receiving TRA payments will have his or her maximum RTAA benefit reduced on the basis of how long the worker collected TRA. Full calculation is at 19 U.S.C. 2318(a)(4)(B).

[45] See 19 U.S.C. 2318(a)(6)(B) for full calculation.

[46] For more information on the Health Coverage Tax Credit, see CRS Report R44392, *The Health Coverage Tax Credit (HCTC): In Brief*.

[47] More information on how workers may claim the credit is available from the IRS at http://www.irs.gov/Individuals/The-Health-Coverage-Tax-Credit-%28HCTC%29-Program.

[48] See 19 U.S.C. 2323 for full legislative language.

- *Data on training*. These data include the number of workers who participated in training, the average duration of such training, and the average per-worker cost of training.
- *Data on outcomes*. These data include the percentage of workers who are in unsubsidized employment during the second calendar quarter after exit, the earnings of such workers, the percentage of workers who are in unsubsidized employment in the fourth quarter after exit, and the percentage of workers who received a recognized postsecondary credential.
- *Data on rapid response activities*. These data include whether or not a state provided rapid response services to each firm that petitioned for benefits.[49]
- *Data on spending*. These data include state and national payments for TRA benefits, training, administration, and job search and relocation allowances.

The data required by the Trade Act are collected by the state agencies that administer the TAA program. These data are submitted to DOL, which publishes the data and other relevant information in annual reports.[50] Since 2014, DOL has also published quarterly data and analysis on its website.[51]

In addition to participation data, DOL maintains a database of individual firms' TAA petitions. Users can access firm-level information, including the firm's full petition and DOL's assessment and determination of the petition.[52]

[49] Rapid response services are provided by state workforce systems after notification of a layoff. For more information, see https://www.doleta.gov/layoff/workers.cfm.

[50] Annual reports since FY2009 are available at https://www.doleta.gov/tradeact/taa-data/. As of this writing, the most recent report is for FY2016.

[51] See https://www.doleta.gov/tradeact/taa-data/participants-data/.

[52] The database is at https://doleta.gov/tradeact/petitioners/taa_search_form.cfm.

Appendix. Brief Program History[53]

Early History

The first TAA programs were enacted in 1962 but little used until the Trade Act of 1974 eased eligibility requirements. Program use expanded through the 1970s and the number of certified workers increased from about 59,000 in FY1975 to nearly 600,000 in FY1980. In light of rapidly increasing program costs, the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) cut spending by reducing benefits and emphasizing training and other reemployment services. TAA participation levels fluctuated throughout the 1980s, but were mostly well below the levels of the 1970s.

In 1988, the program was reauthorized through FY1993 by the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418). Among other changes, the 1988 reauthorization expanded eligibility for TRA but also placed a new emphasis on training by making it a program requirement.

1990s and NAFTA

The Omnibus Reconciliation Act of 1993 (P.L. 103-66) reauthorized TAA through 1998 with reductions in training funding. The North American Free Trade Agreement (NAFTA) Implementation Act of 1993 (P.L. 103-182) established a new component of TAA that offered dedicated benefits to workers whose job loss was attributable to trade with Mexico and Canada.

Trade Act of 2002

The next major reauthorization of TAA was part of the Trade Act of 2002 (P.L. 107-210). This law combined TAA, TPA, and other trade-related issues into a single piece of legislation. Among other changes, the 2002 TAA reauthorization merged the NAFTA-TAA program into the general TAA program and created the Health Coverage Tax Credit for TAA workers.

The Trade Act of 2002 reauthorized TAA through FY2007. Several short-term extensions continued the program until it was reauthorized in February 2009.

American Recovery and Reinvestment Act

In February 2009, TAA was reauthorized and expanded by the American Recovery and Reinvestment Act (ARRA; P.L. 111-5). Unlike other reauthorizations, which tended to be aligned with expansionary trade policy or budget reconciliations, this reauthorization was aligned with other domestic initiatives to spur economic activity during a time of above-average unemployment.

The ARRA reauthorization of TAA expanded the program in several ways. Among other provisions, it increased funding for training, increased the maximum number of weeks that a worker could receive TRA, and extended eligibility to service sector and public sector workers who had been displaced by trade.

[53] For a more detailed history of the TAA program and its relationship with U.S. trade policy through 2013, see archived CRS Report R41922, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy* (available to congressional clients upon request).

The ARRA provisions of TAA were scheduled to expire after December 31, 2010. A short-term extension continued the program through February 12, 2011. After that date, TAA reverted to the more limited eligibility and benefit provisions that were in place prior to ARRA.

2011 Reauthorization: Trade Adjustment Assistance Extension Act

In October 2011, the Trade Adjustment Assistance Extension Act (TAAEA; Title II of P.L. 112-40) was enacted. This reauthorization was aligned with the separate passage of three implementing bills of free trade agreements with Colombia, Panama, and South Korea.

TAAEA reinstated some, but not all, of the expansions that had been enacted under ARRA. Most notably, it re-expanded eligibility to service sector (but not public sector) workers and increased training funding to near-ARRA levels. TAAEA also curtailed benefits by reducing the eligible reasons for training waivers from six to three.

Sunset and Termination Provisions of 2011 Reauthorization

The eligibility and benefit provisions initially enacted by TAAEA were scheduled to remain in place until December 31, 2013. Beginning January 1, 2014, the TAA program reverted to a more limited set of eligibility and benefit provisions ("Reversion 2014 provisions").[54] Among other changes, the Reversion 2014 provisions ended eligibility for service workers and reduced the cap on training funding to the 2002 levels.

The Reversion 2014 provisions were scheduled to remain in place for one year before authorization expired after December 31, 2014, and the program was scheduled to begin to be phased out. The program did not, however, expire as scheduled at the end of 2014. Instead, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) provided funding for full operation of the program under the Reversion 2014 provisions through FY2015.

2015 Reauthorization: Trade Adjustment Assistance Reauthorization Act

TAA continued to operate under the Reversion 2014 provisions until the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA; Title IV of P.L. 114-27). This reauthorization was aligned with the separate extension of the Trade Promotion Authority (TPA, also known as "fast track"). Any agreements negotiated under TPA are subject to an "up or down" vote in Congress.

TAARA reinstated many of the eligibility and benefit provisions that were enacted by TAAEA in 2011. TAARA reinstated eligibility for service workers and increased training funding to a level between those of TAAEA and the Reversion 2014 provisions.

Sunset and Termination Provisions of 2015 Reauthorization

TAARA contains sunset provisions similar to those in TAAEA that took effect in 2014. Beginning July 1, 2021, the TAA program is scheduled to revert to a more limited set of eligibility and benefit provisions that are similar to the Reversion 2014 provisions. These provisions are scheduled to remain in place for one year until authorization is set to expire after June 30, 2022, and then the program is scheduled to begin to be phased out.

[54] These provisions were similar, but not identical to, the provisions that were in place under the Trade Act of 2002.

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