

Trade Adjustment Assistance (TAA)

The Trade Act of 1974 established the TAA program to assist workers employed by a firm that produces an article who lose their jobs or whose hours of work and wages are reduced as a result of increased imports or shifts in production to foreign countries.

The TAA program provides an array of reemployment and retraining services. Workers who believe they have been adversely affected by foreign trade, or others acting for those workers, may petition the U.S. Department of Labor (USDOL) for a determination of eligibility. Workers certified as eligible to apply for TAA may receive reemployment services, training in new occupational skills, a job search allowance when suitable employment is not available in the workers' normal commuting area, a relocation allowance when the worker obtains permanent employment outside the commuting area, and Trade Readjustment Allowances (TRA) while the worker is in training.

Alternative Trade Adjustment Assistance (ATAA)

There is a single petition form for both TAA and ATAA. If the worker group is found eligible for TAA, then eligibility for ATAA will also be considered. Eligible individuals in the certified group who are age 50 and over and who obtain new employment at wages of less than \$50,000 within 26 weeks of their separation may receive a wage subsidy of 50% of the difference between the old and new wages, up to \$10,000 over a period of up to two years.

Health Coverage Tax Credit (HCTC)

Eligible TAA and ATAA recipients may receive a tax credit covering 65% of qualified health insurance premium costs. The HCTC is administered by the IRS.

Petition Activity

In Fiscal Year 2006, USDOL instituted 2,440 new petitions, and issued 2,478 determinations. The determinations resulted in 1,426 certifications (of which 88% included eligibility to apply for ATAA), 837 denials, and 215 terminations for various reasons. Average petition processing time for reaching a determination was 31 days, which is well below the 40-day statutory requirement.

Funding

For FY 2006, nearly \$1.0 billion was appropriated for TAA from the Federal Unemployment Benefits and Allowances (FUBA) account, including \$259.4 million for training, job search allowances, relocation allowances, and program administration; \$52.0 million for ATAA; and \$655.0 million for TRA.



Number of Participants

In Fiscal Year 2006, states reported that 80,700 individuals participated in training, and 53,493 participants began receiving TRA. Of all participants, 61% received occupational training, 13% received remedial education, 3% received customized training, and 3% received on-the-job training. The average training duration was 59 weeks.

The typical participant is an unemployed white female, between the ages of 30 and 45, with at least a high school diploma or its equivalent, who had been working in the trade affected employment for approximately nine years at the time of layoff.

Performance Outcomes

Data reported on the Fiscal Year 2006 Trade Act Participant Report indicates that 72% of participants who exited the program entered employment in the first quarter after exit. Of those who entered employment, 90% were employed six months later. On average, those who were reemployed earned 77% of their previous wage.

Contact Information

Division of Trade Adjustment Assistance (DTAA)
(202) 693-3560

ETA Toll-Free Helpline
(877) US-2JOBS
(877) 889-5627 (TDD/TTY)

DTAA Website
www.doleta.gov/tradeact

HCTC Customer Contact Center
(866) 628-HCTC
(866) 626-HCTC (TDD/TTY)
<http://www.irs.gov/> Keyword: HCTC

