



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# Trade Adjustment Assistance for Workers: Reauthorization Proposals in the 114<sup>th</sup> Congress, In Brief

**Benjamin Collins**

Analyst in Labor Policy

May 15, 2015

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R44009

This report is designed to provide assistance in considering Trade Adjustment Assistance (TAA) for Workers reauthorization efforts in the 114<sup>th</sup> Congress.<sup>1</sup> It begins with background information on TAA and a summary of recent legislation. It then presents a table that compares recent reauthorization proposals in the House and the Senate with provisions in current and prior law.

## Purpose of Program and Program Description

TAA for Workers is a program administered by the U.S. Department of Labor (DOL) that provides assistance to domestic workers who have been adversely affected by international trade. Reduced barriers to international trade are widely acknowledged to yield net benefits to the wider population but may have concentrated negative effects on certain industries and workers that face increased competition. TAA aims to mitigate these negative effects through benefits to trade-affected workers.

The primary benefits for TAA-eligible workers are funds for retraining and income support while an eligible worker is enrolled in training. The income support is formally known as “Trade Readjustment Allowance” or TRA. TAA-eligible workers may also receive case management and other employment-related services and benefits. TAA-eligible workers age 50 and over who obtain reemployment at a lower wage may participate in a wage supplement program. All DOL-administered TAA benefits are supported through mandatory appropriations.

Establishing eligibility for TAA is a two-step process. First, a group of dislocated workers at a single firm petitions the DOL to establish that foreign competition “contributed importantly” to their job loss and met other statutory criteria. DOL then conducts an investigation. If the investigation finds that the circumstances of job loss meet the statutory criteria, the group petition is certified. Individual workers covered by a certified group petition may then pursue benefits through state workforce systems and state unemployment insurance systems.

## Recent Legislative History

TAA was last reauthorized in 2011 by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA; Title II of P.L. 112-40). TAAEA established one set of eligibility and benefit provisions that was in place between enactment in 2011 and December 31, 2013 (the “2011 provisions”). The sunset provisions of TAAEA specified that on January 1, 2014, a more restrictive set of provisions (the “Reversion 2014 provisions”) would take effect. These provisions took effect as scheduled and remain in place.<sup>2</sup>

---

<sup>1</sup> Smaller TAA programs target firms and farmers that are adversely affected by international trade. This product focuses on the Workers program. For information on the Firms program, see CRS Report RS20210, *Trade Adjustment Assistance for Firms: Economic, Program, and Policy Issues*, by Mary Jane Bolle. For information on the Farmers program, see CRS Report R40206, *Trade Adjustment Assistance for Farmers*, by Mark A. McMinimy.

<sup>2</sup> TAAEA authorized the Reversion 2014 provisions for one year and the TAA program was scheduled to be phased out beginning January 1, 2015. However, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) provided funding for the program and expressed an intent for TAA to fully operate through September 30, 2015.

Committees in both the House and the Senate have reported TAA reauthorization legislation. The reported bills' TAA for workers provisions are substantively the same.

On April 23, 2015, the House Ways and Means Committee ordered reported H.R. 1892, the Trade Adjustment Assistance Reauthorization Act of 2015. A committee report was issued May 8, 2015.

On April 22, the Senate Finance Committee met in an open executive session to consider the Chairman's mark to reauthorize TAA and amend provisions of the program. The committee approved the proposal by a vote of 17-9. On May 11, 2015, the Finance Committee issued a report for S. 1268, the Trade Adjustment Assistance Reauthorization Act of 2015.

## Comparison of Reauthorization Proposals to Current and Prior TAA Provisions

**Table 1** compares the TAA for Workers provisions of S. 1268/H.R. 1892 to the two sets of provisions that were authorized under TAAEA.<sup>3</sup> The provisions of S. 1268/H.R. 1892 reflect each bill as reported by its relevant committee. As noted previously, the 2011 provisions were in effect from 2011 through 2013, and the Reversion 2014 provisions took effect at the beginning of calendar year 2014 and remain in effect.

The table focuses on major provisions of current and prior law and changes proposed by S. 1268/H.R. 1892. The table does not attempt to provide a comprehensive overview of the TAA for Workers program. For a more detailed description of the program, funding history, and program data, see CRS Report R42012, *Trade Adjustment Assistance for Workers*, by Benjamin Collins.

The table does not discuss the non-TAA provisions of the bills. More detailed analyses of the complete bills, including the budgetary offsets are available from the Congressional Budget Office (CBO).<sup>4</sup>

---

<sup>3</sup> This report does not compare the reauthorization proposals to the TAA for Workers provisions that were enacted by the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5) and effective through February 2011. A separate memorandum that compares the reauthorization proposals to the ARRA provisions of TAA is available from the author of this report.

<sup>4</sup> See CBO cost estimates for S. 1268 as ordered reported at <http://www.cbo.gov/publication/50158> and H.R. 1892 as ordered reported at <http://www.cbo.gov/publication/50154>.

**Table I. Comparison of Trade Adjustment Assistance Provisions**

	<b>2011 Provisions</b>	<b>Reversion 2014 Provisions</b>	<b>S. 1268/H.R. 1892</b>
Duration of provisions	October 21, 2011, through December 31, 2013.	January 1, 2014 to present.	If enacted, through June 30, 2021. <sup>a</sup>
<b>Group Eligibility Criteria</b>			
Industries eligible for group certification	Workers who produce articles, and Workers who produce services.	Workers who produce articles.	Same as 2011 provisions.
Eligibility under shift in production criteria	Eligible if applicants' jobs are moved to any country.	Eligible if applicants' jobs are moved to a country with which the United States has a free trade agreement. <sup>b</sup>	Same as 2011 provisions.
Eligibility under increased imports criteria	Eligible if "imports of articles or services like or directly competitive with articles produced or services supplied by [petitioning] firm have increased."	Eligible if "imports of articles like or directly competitive with articles produced by [the petitioning firm] have increased."	Same as 2011 provisions.
Eligibility for dislocated workers who work for a firm that has been identified by the International Trade Commission as being injured by a qualified market disruption	Automatically eligible.	Not applicable. Workers may apply under other criteria.	Same as 2011 provisions.
Retroactivity for groups covered by newly enacted provisions	Required DOL to reconsider petitions denied between February 2011 and the enactment of TAAEA in October 2011 under the newly enacted criteria.  Permitted petitions certified under the newly enacted criteria to cover workers separated since February 2010.	Not applicable.	Would require DOL to reconsider petitions denied under the Reversion 2014 criteria under the newly enacted criteria.  Would permit petitions certified under the newly enacted criteria to cover workers separated since January 1, 2014.

	2011 Provisions	Reversion 2014 Provisions	S. 1268/H.R. 1892
<b>Reemployment Services and Training Benefits</b>			
Annual funding cap for Reemployment Services and Training Benefits	\$575 million cap for all reemployment services, including training and state administration.	\$220 million cap for training. Congress may appropriate additional funds for state administration and other benefits.	\$450 million cap for all reemployments services, including training and state administration.
Funding for Case Management and Employment Services	Funded out of Reemployment Services funds.  States must allocate at least 5% of their reemployment funds to case management and employment services.	Does not authorize funds for these purposes. States may use other workforce funding to provide these services.	Same as 2011 provisions.
<b>Trade Readjustment Allowance</b>			
For individual beneficiaries: Maximum Duration of combined Unemployment Insurance (UI) and Trade Readjustment Allowance (TRA) for workers enrolled in qualified training	130 weeks, the final 13 of which are only available if necessary for the worker to complete a training program and the worker meets intermediate benchmarks.	Same as 2011 provisions.	Same as 2011 provisions.
Deadline to enroll in training to be eligible for TRA	Worker must enroll in training within 26 weeks of either layoff or TAA certification, whichever is later.	Worker must enroll in training within 8 weeks of TAA certification or 16 weeks of layoff, whichever is later.	Same as 2011 provisions.
<b>Other TAA Benefits</b>			
Wage insurance program for workers age 50 and over	Called Reemployment Trade Adjustment Assistance (RTAA).  Maximum benefit of \$10,000.  RTAA beneficiaries may participate in TAA-funded training.	Called Alternative Trade Adjustment Assistance (ATAA).  Maximum benefit of \$10,000.  ATAA beneficiaries may not participate in TAA-funded training.	Same as 2011 provisions.

	2011 Provisions	Reversion 2014 Provisions	S. 1268/H.R. 1892
Health Coverage Tax Credit (HCTC)	Provided a tax credit equal to 72.5% of qualified health insurance premiums.	Not applicable. HCTC expired after December 31, 2013.	Reinstates the HCTC as a credit equal to 72.5% of qualified health insurance premiums through December 31, 2019.  Requires beneficiaries to elect between the HCTC and premium credits under the Affordable Care Act.

**Source:** CRS analysis of relevant legislation.

- a. Sunset provisions specify that more restrictive eligibility and benefit provisions would take effect July 1, 2021. These provisions, which are similar to the Reversion 2014 provisions, would be scheduled to remain in place for one year before authorization of appropriations expires after June 30, 2022.
- b. Dislocated workers are also eligible if their jobs are moved to a country that is a beneficiary under the Andean Trade Preference Act, the African Growth and Opportunity Act, or the Caribbean Basin Economic Recovery Act.

## **Author Contact Information**

Benjamin Collins  
Analyst in Labor Policy  
bcollins@crs.loc.gov, 7-7382