

# Committee on Ways and Means

## Background on Trade Adjustment Assistance for Workers

- Significant government benefits are available to eligible workers who become unemployed because of competition from increased imports or because their company moved overseas.
- The Department of Labor operates Trade Adjustment Assistance for Workers, with enhanced benefits provided by the Trade Act of 2002.
- Several types of workers are eligible under Trade Adjustment Assistance:
  - Primary workers – workers who are laid off, or threatened with layoffs, as a result of decreased sales or production by their firm directly caused by increased imports;
  - Secondary workers – laid off workers with firms that supply directly affected firms; and
  - Shift-in-production workers – workers in firms who lose their jobs because the firm relocates overseas to countries that have free trade agreements or preferential trading arrangements with the United States.
- Eligible workers can receive the following benefits while unemployed:
  - Up to 104 weeks of education benefits (such as community college or vocational training schools);
  - Income support up to 104 weeks in addition to regular state-provided unemployment insurance (usually 26 weeks);
  - Workers requiring remedial education may be eligible for an additional 26 weeks of income support;
  - Relocation and job search expenses; and
  - A 65% refundable tax credit to cover health insurance.
- The following are industrial sectors that benefit the most from the federal government's annual \$1.3 billion spending on Trade Adjustment Assistance for Workers –
  - apparel/textile (35%);
  - oil and gas (15%);
  - electronics (9%); and
  - metal/machinery (8%).