

Trade Adjustment Assistance for Workers: Sunset Provisions and “Reversion 2021”

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Trade Adjustment Assistance for Workers (TAA) provides federal assistance to workers who have lost their jobs due to international trade. 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.

TAA was most recently reauthorized by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA; Title IV of P.L. 114-27). TAARA contained sunset provisions that became effective July 1, 2021, and expire on June 30, 2022. The sunset provisions make significant changes to the program for new program participants. [Department of Labor \(DOL\) documents collectively refer to these newly effective provisions as “Reversion 2021”](#) because they largely reflect a reversion to TAA provisions that were in place under the Trade Act of 2002. After July 1, 2022, new petitions can no longer be certified and the TAA program is scheduled to be phased out. Workers covered by previously certified petitions may continue to receive benefits after July 1, 2022, as the program is being phased out.

Similar sunset provisions with a reversion and scheduled phase out were part of the immediately prior reauthorization of TAA (Trade Adjustment Assistance Extension Act of 2011, Title II of P.L. 112-40). The reversion provisions were implemented in January 2014, but [congressional action delayed the phase out provisions that were scheduled for January 2015](#) and the subsequent enactment of TAARA in June 2015 formally extended the program.

Overview of the TAA Program

TAA is jointly administered by DOL and cooperating state agencies. DOL makes group eligibility determinations, grants appropriated funds to cooperating state agencies, and oversees state grantees. Benefits for individual workers are provided through state workforce systems and state unemployment insurance systems.

To establish TAA eligibility, a group of adversely affected workers petitions DOL to establish that the workers’ job losses were due to a qualified trade-related cause. If a DOL investigation finds that qualified trade factors “contributed importantly” to the workers’ job losses, the petition is certified and the workers become eligible for benefits.

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TAA-certified workers qualify for a group of benefits to support their reemployment. To facilitate transition to new employment, TAA-certified workers can receive case management and training subsidies. Workers who are enrolled in training and exhaust [unemployment insurance](#) (UI) can qualify for Trade Readjustment Allowance (TRA), which provides weekly cash payments while the workers remain enrolled in training. The maximum duration for UI and TRA combined is generally 117 weeks, but it can be extended to 130 weeks in certain circumstances.

TAA-certified workers who pursue new employment outside their commuting area can qualify for a job search allowance, a relocation allowance, or both. Workers aged 50 and over who obtain reemployment at a lower wage can qualify for a wage insurance benefit of up to a maximum of \$10,000.

TAA is funded by mandatory appropriations. It is not exempt from sequestration. [In FY2021, the program's \\$633.6 million appropriation was reduced by 5.7%, meaning about \\$597.5 million was actually made available to DOL.](#)

[In FY2020, approximately 23,400 workers participated in the TAA programs.](#)

Applicability of Sunset Provisions

Section 406 of TAARA contains sunset provisions that took effect July 1, 2021. The sunset provisions are not retroactive and only apply to workers covered by petitions filed on or after July 1, 2021. Workers covered by petitions that were filed prior to the sunset provisions taking effect continue to be covered by the provisions that were in place when the petition that covered the workers was filed. Consequently, states need to operate multiple versions of the TAA program, providing different benefits to workers based on the filing date of each worker's certified petition.

The sunset provisions are set to remain in place for one year. Beginning July 1, 2022, DOL is not authorized to certify new petitions. Workers who are covered by petitions filed prior to July 1, 2022, will continue to be eligible to receive benefits under the applicable provisions.

Prior to the effective date of the Reversion 2021 provisions, DOL issued [guidance to state agencies on implementing the forthcoming provisions](#). When the provisions took effect, [DOL issued additional guidance](#) clarifying various details of the newly effective changes.

Changes Under Reversion 2021

The most significant changes under the sunset provisions include the following:

- **Reduction of eligible sectors.** Under prior law, both production workers and service workers could qualify for TAA. Under Reversion 2021, only production workers are eligible; new petitions from groups of service workers are no longer eligible. [In FY2020, approximately 30% of the workers certified for TAA were service workers.](#)
- **Reduction of eligible countries under “shift in production” criterion.** Under prior law, workers could qualify for TAA under the shift in production criterion if their jobs were moved to any foreign country. Under Reversion 2021, [workers are only eligible to be certified under this criterion if their jobs were moved to a country with which the United States has a free trade agreement or other specified trade preference.](#)
- **Reduction in training funding cap.** Under prior law, the statutory cap for “training and other activities” was \$450 million. Under Reversion 2021, the cap is limited to training and reduced to \$220 million.
- **Shift of case management responsibilities.** Under prior law, states were required to use 5% of their “training and other activities” funding for case management and related

- services. Under Reversion 2021, states only receive funding for training, no longer receive dedicated case management funds, and must coordinate case management for workers certified under the Reversion 2021 provisions using other workforce funds, such as funding under the [Workforce Innovation and Opportunity Act](#).

Other changes under Reversion 2021 relate to enrollment deadlines, benefit offsets for participants with earnings, and eligibility for incumbent workers. [DOL has published granular comparisons of eligibility and benefits under Reversion 2021 compared to prior laws](#).

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