

8. Readjustment

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800. FEDERAL TRAINING ALLOWANCES AND READJUSTMENT PROGRAMS

The Manpower Development and Training Act of 1962, as amended, provides during the period ending December 30, 1972, for payment of allowances to qualified individuals who are participating in MDTA training programs if the training facility certifies that they have satisfactory records of attendance and progress. The MDTA program is administered by the State agencies as agents of the United States Government. Allowances and administrative costs are paid from Federal funds appropriated by Congress. In addition, States are reimbursed for State unemployment compensation payments to persons who are entitled to training allowances except for receipt of the unemployment compensation. The Trade Expansion Act of 1962 provides for the payment of trade readjustment allowances. This program is administered by State employment security agencies as agents of the Federal Government.

805 Manpower Development and Training Act (MDTA) Allowances

805.01 *Types of allowances.*—MDTA weekly allowances consist of training allowances, subsistence allowances, and transportation allowances which may be paid during periods of approved training, provided that training allowances are not paid for more than 104 weeks to any individual. The purpose of allowance payments is to encourage the unemployed worker to accept training, to provide sustenance to him and his family while he is in training and to reimburse him for extra costs attributable to his training. Incentive payments in lieu of training allowances are payable to recipients of public assistance under certain titles of the Social Security Act and to prison inmates undergoing training in experimental programs under section 251 of the Act. In addition, expense payments up to \$10 per week are made to individuals in part-time training.

805.02 *Requirements for entitlement to training allowances.*—To be entitled to regular training allowances, an unemployed MDTA trainee selected and referred to MDTA training must have at least a year of experience in gainful employment or must have satisfactorily completed a Neighborhood Youth Corps program within the 6-month period preceding his entry into MDTA training. Training allowances ordinarily may not be paid to (1) a member of a family or household in which the head of family or household is employed, (2) any member of a family or household when the head thereof has terminated his employment for purpose of qualifying such member for training allowances, or (3) except for trainees in projects for redevelopment area residents, more than two members of a single family or household.

An individual who does not have at least a year of work experience, may be entitled to youth training allowances if he (1) is between 17

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and 22 years of age, (2) is enrolled in a special youth program, and (3) is a high school graduate, or if not a high school graduate, he has not attended school for the past year or further school attendance is not practicable for him. Such allowances may be continued when a youth becomes 22 years of age while in training providing he has completed more than one-half of his training.

Unemployed or underemployed persons who are residing in redevelopment areas and who are in training projects related to the economic development of the area (section 241 of the Act) are not required to meet the requirements for entitlement to training allowances.

805.03 *Amounts of training allowances payable.*—Except for persons selected and referred to training in Guam, American Samoa, and the Trust Territory of the Pacific Islands, the basic amount of a regular training allowance is determined by rounding to the next higher dollar amount the average gross unemployment compensation payment in the State for a week of total unemployment under the State law during the four-calendar quarters prior to the quarter immediately preceding the quarter in which a week of training began. Thus the base for the April-June quarter of any year will be the four quarters of the preceding calendar year.

The basic amount of the training allowance payable to eligible trainees in Guam is the average of payments of State gross unemployment compensation for weeks of total unemployment paid by all other States in the four-calendar quarters preceding the quarter in which the basic amount is computed. The amount payable in American Samoa and the Trust Territory of the Pacific Islands is the amount payable in the Commonwealth of Puerto Rico.

In addition to the basic amount of a regular training allowance, trainees receive \$5 per week for each dependent up to a maximum of \$30 per week. These additional amounts are paid each week for which an allowance is payable. A trainee who receives only \$5 for a single dependent will receive an additional \$5 after the 10th week of training. A trainee who has no dependent does not get an additional amount for the first 10 weeks of training. He does receive \$10 in addition to the basic amount for weeks after the 10th week. The aggregate amount payable—basic plus amounts added—may not exceed 80 percent of the average wage in employment covered under the State's unemployment compensation law.

Youth training allowances are the amount of the basic regular training allowance without augment or increase.

An individual who is entitled to unemployment compensation in an amount greater than his total regular training allowance, may receive the greater amount either as a training allowance or as unemployment compensation if payable under State law. The amount of an increased

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training allowance will be an amount equal to the unemployment compensation to which the trainee would otherwise be entitled.

805.04 *Reductions in the amounts of the training allowances.*—Payment of a training allowance to a trainee shall be reduced for each day of absence, without good cause, from training. Payment of a training allowance shall be reduced for earnings for hours worked in excess of 20 hours a week. Training allowances for on-the-job training are reduced $\frac{1}{40}$ th for each hour of compensated training.

805.05 *Subsistence allowances.*—Subsistence allowances are provided to reimburse a trainee for the cost of separate maintenance away from his regular place of residence when necessary because the trainee does not live within commuting distance of the training facility.

Subsistence allowances are payable at the rate of \$5 per day except in Alaska where the rate is \$8 a day. A subsistence allowance is not payable for days of unexcused absence.

805.06 *Transportation allowances.*—Transportation allowances are provided to any individual who is engaged in MDTA training and who has transportation expenses (including a trainee entitled to subsistence allowances), and who travels between his place of residence (temporary or regular) and the training facility.

Except for five jurisdictions, the amount of a transportation allowance payable to a trainee whose regular place of residence is not within commuting distance of the training facility will be a cost not to exceed 10 cents a mile using the most economical public transportation available. In Alaska, American Samoa, Guam, Hawaii, Puerto Rico, Trust Territory of the Pacific Islands, and the Virgin Islands, the limitation of 10 cents a mile does not apply.

Transportation allowances will be paid to such trainees at the beginning and at the end of their training, and at any time during training when they return to their regular place of residence for one or more nights, provided such allowance may not exceed the subsistence allowance to which they would be entitled if they were to remain at the training facility.

A trainee whose regular place of residence is within commuting distance of the training facility may be entitled to receive a daily transportation allowance for travel between his residence and the training facility. The amount of such allowance may not exceed the cost of the least expensive local public transportation.

810 Trade Readjustment Allowances (TRA)

The Trade Expansion Act of 1962, among other things, provides for assistance to workers who are unemployed or underemployed due to the adverse effect of increased imports as a result of trade arrangements permitted under the Act. Direct worker assistance provided by the Act consists of trade readjustment allowances, relocation allow-

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ances, and subsistence and transportation allowances during periods of referred training.

The Secretary of Labor has entered into agreements with State employment security agencies whereby such agencies will act as agents for the Federal Government in paying allowances to eligible workers. Payments and administrative costs are paid from Federal funds. The States also will be reimbursed for State unemployment insurance benefits paid for any weeks of unemployment for which workers are subsequently determined to be eligible for trade readjustment allowances.

810.01 *Certification process.*—There are two ways by which workers can be certified as eligible to apply for adjustment assistance: (1) A group of three or more workers may petition the U.S. Tariff Commission for a determination of eligibility to apply for adjustment assistance, or (2) after receiving a finding from the Tariff Commission that an industry is adversely affected by imports, the President may provide that workers in the industry can request from the Secretary of Labor a certification of eligibility to apply for adjustment assistance. Claims for trade readjustment allowances are to be filed in the local office of the State agency most convenient to the claimant. The paying State is the State in which the worker was last separated from adversely affected employment, with one exception. If the worker is entitled to State or Federal unemployment insurance in another State, this latter State is the paying State. The availability and disqualification provisions of the unemployment insurance law of the TRA-paying State apply to any worker who files a TRA claim. Once determined, the paying State remains the same unless the claimant subsequently becomes eligible for unemployment insurance in another State, or, if not, if he subsequently has another total or partial separation from adversely affected employment in another State. Associating the responsibility for paying TRA with eligibility for State or Federal unemployment insurance is intended to eliminate duplication of payments for the same week. The claimant's maximum weeks of TRA entitlement are reduced for each week in which he receives a payment of TRA, reimbursable State unemployment insurance, UCFEUCX or railroad unemployment benefits or a training allowance.

810.02 *Qualifying requirements.*—To qualify for these allowances, the worker must have had at least 78 weeks of employment at wages of at least \$15 a week within the 3-year period preceding his total or partial separation from adversely affected employment. At least 26 weeks of his employment during the 52 weeks preceding such separation must have been performed for an adversely affected firm or firms.

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810.03 *Duration.*—Generally, trade readjustment allowances are payable up to 52 weeks; however, a worker who is 60 years of age or older when separated from adversely affected work may receive up to 13 additional weeks of allowances. To permit the completion of approved training begun before the end of the 52-week benefit period, up to 26 additional weeks of benefits may be paid. In no case, however, may any one individual be paid more than 78 weeks of trade readjustment allowances during the life of the program.

810.04 *Subsistence and transportation allowances.*—An adversely affected worker may receive TRA while undergoing training under the MDTA or under any State or other program approved for him. He may also receive subsistence and transportation allowances while attending training under MDTA or any other training under a Federal law to which he is referred if such training to which he is referred is conducted at a facility which is not within commuting distance of his residence.

810.05 *Relocation allowances.*—Relocation allowances are payable under the Act to a totally separated worker who is the head of a family, who has no reasonable expectation of securing work in the area in which he lives, and who has a bona fide offer of work, which is neither seasonal nor temporary, in the area in which he wishes to relocate. Relocation allowances consist of (1) a lump-sum payment and (2) expenses incurred in moving the worker, his family and household effects to the location of his new job.

815 Worker Adjustment Assistance (APTA)

The Automotive Products Trade Act of 1965 (Public Law 89-283) provides for implementation of the agreement between the Governments of the United States and Canada for free trade in selected automotive products. The anticipated benefits to the automotive industry and the American labor force as a result of the agreement do not rule out the possibility of dislocation to individual firms and groups of workers. Because of this possibility, the Act makes available to such firms and workers the same adjustment assistance as that provided in chapter 3 of title III of the Trade Expansion Act of 1962.

Basically, assistance to American workers in the automotive industry is provided in the form of weekly allowances, and in some cases relocation assistance allowances. In addition, provisions are made for special assistance to workers in finding new jobs or assistance in entering training programs to develop new skills. The Automotive Products Trade Act, however, sets forth new standards for establishing eligibility to apply for this assistance.

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The Secretary of Labor has entered into agreements with State employment security agencies to act as agents of the Secretary in the administration of the worker adjustment assistance program. The Manpower Administrator is responsible for policies regarding the administration of adjustment assistance to workers after the group has been certified by the Board.

815.01 *Certification process.*—Under special procedures established by the Act, during the period beginning January 20, 1966, to June 30, 1968, a firm or group of workers may petition the President for a determination of eligibility to apply for adjustment assistance. By Executive Order, the President has delegated his eligibility determination authority to the Automotive Agreement Adjustment Assistance Board which consists of the Secretaries of Commerce, Treasury, and Labor. This Board, based on the findings of fact as reported by the Tariff Commission, makes the final determination and, if affirmative, the certification of the specific group of workers affected; specifies the date on which dislocation began or threatens to begin; and may terminate a certification when it has determined that the operation of the agreement is no longer the primary factor causing unemployment or underemployment of a group of workers.

A firm, or its representative, that produces an automotive product, may also file a petition for certification of eligibility to apply for adjustment assistance. A petition filed by a firm does not mean that its workers are automatically included. A separate worker petition must be filed.

815.02 *Eligibility.*—Qualifying requirements, duration and allowances available to eligible workers under APTA are those provided in the Trade Expansion Act as discussed in 810.02–810.05 above.

A group of three or more workers in a firm which produces an automotive product, as defined by the APTA, may file a petition for certification of eligibility to apply for adjustment assistance. Recognized unions or other duly authorized representatives may also file a petition on behalf of the dislocated workers. "Dislocation" as related to workers generally means unemployment or underemployment involving the equivalent of 5 percent of the workers, or 50 workers, whichever is less, in a firm, or appropriate subdivision thereof, producing an automotive product. An "automotive product" as defined by the Act, means a motor vehicle or a fabricated component used as original equipment in the manufacture of motor vehicles.

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820 Work Incentive Program (WIN)

The 1967 amendments to the Social Security Act added a program under Part C of Title IV in connection with Aid to Dependent Children and Unemployed Parents to provide incentive and assistance to appropriate persons to become economically independent through employment.

The Act establishes three priorities of assistance. The first priority is to assist a worker to obtain employment. If the worker cannot immediately be placed in employment he may be placed in training under a second priority. A worker not served under priorities one and two may be placed in special work projects under priority three.

Workers under priority two are provided incentive payments semi-monthly in the amount of \$15 per payment. Workers employed in priority three may receive supplemental assistance on a graduated basis related to the amount of public assistance otherwise payable to him taking into account earnings received in his employment in the special work projects. Child care and expense allowances related to his participation in the WIN program also are provided under the Act.