MEMORANDUM

DATE: November 15, 2010

TO: Regional Workforce Board Executive Directors

FROM: Lois A. Scott, Program Manager, One-Stop and Program Support

SUBJECT: American Recovery and Reinvestment TAA Health Coverage Tax Credit Program Expiration

Please be advised that under the American Recovery and Reinvestment Act (ARRA), Health Coverage Tax Credit (HCTC) for trade-affected workers expanded benefits are scheduled to expire on December 31, 2010. Prior to the 2009 amendment, eligible trade-affected workers who qualified for HCTC were eligible to receive an advance or end-of-year tax credit at 65 percent of their premium amount for individual or family coverage. The ARRA increased the tax credit to 80 percent of the premium amount for individual or family coverage to be paid on behalf of individuals who were covered under a certified Trade Petition and were eligible to receive Trade Readjustment Allowances (TRA) or receiving TRA benefits.

If Congress does not extend this benefit, the HCTC Program will revert to pre-ARRA operations which will:

- Change the 80 percent tax credit to 65 percent
- Not process reimbursement requests received after December 22, 2010
- Not extend COBRA coverage
- Not extend eligibility for qualified family members

This information is being provided to you in the event you receive questions from TAA candidates and participants. The changes are being monitored by HCTC and updates will be posted on the Latest News page on www.irs.gov/hctc.

If you have any questions, please feel free to contact Mershal Noble at (850) 921-3317 or via e-mail at Mershal.Noble@flaawi.com.

LAS/omn

cc: Richard Meik
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