

News from U.S. Rep. John Spratt (D-SC)

Assistant to the Democratic Leader

Ranking Member, Committee on the Budget

US House of Representatives – Washington, DC

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Contact: Chuck Fant, 202-225-5501

Spratt Lays Out Trade Adjustment Assistance Benefits that May Be Available to Springs Workers Who Lose Their Jobs

Benefits Will Depend on Approval of a Petition to be Filed by Springs with the Federal Department of Labor in August

WASHINGTON — U.S. Rep. John Spratt (D-SC) today explained the benefits available under the Trade Adjustment Assistance Act (TAA) to workers at Springs Industries who will lose their jobs.

On July 10, Springs announced the closing on September 8th of the White Plant in Fort Mill and the Lancaster Plant in Lancaster. Springs also announced that it will cut back its workforce at Grace Fabrication Plant in Lancaster.

“I do not pretend that these benefits will be equal to a good job with steady pay and benefits,” said Spratt, “but I do hope that they will cushion the blow and help build a bridge to the future for many who lose their jobs.

“Everyone should understand,” said Spratt, “that these benefits will be available *only if* the federal Department of Labor approves an application under the Trade Adjustment Assistance Act, and this will take weeks to accomplish.”

The Trade Adjustment Assistance program offers benefits, including job retraining, to workers displaced by imports or a shift of production to other countries. Once a laid-off worker has exhausted state unemployment benefits, he or she can qualify to receive supplemental benefits under TAA. These include weekly cash payments equal to unemployment benefits. To qualify, the worker must be involved in job re-training. TAA payments can last for 52 weeks if a worker is in job training and 26 weeks more if a worker needs remedial education.

The job training requirement can be waived if any one of six grounds for waiver is shown. Here are the grounds for waiver:

1. The worker is recalled by the firm from which he or she was laid-off.

2. The worker already has marketable skills for suitable employment and has reason to expect employment at equivalent wages in the foreseeable future.
3. The worker is within 2 years of retiring and meets all requirements either under Social Security or a private pension sponsored by an employer or labor organization.
4. The worker is unable to participate in training due to his or her health.
5. The worker is unable to get job retraining because immediate enrollment is unavailable.
6. The worker is unable to find approved training from either government or private sources, or no suitable training is available at a reasonable cost, or no training funds are available.

In addition to cash payments, TAA provides:

Health Care Tax Credit: Claimants certified for TAA after August 6, 2003, qualify for a tax credit paid every month that covers 65% of their medical insurance premiums. The tax credit is available as soon as a worker qualifies for the TAA program, even though the worker is still drawing unemployment insurance, and has not begun receiving cash benefits under TAA.

Older Workers Program: Older workers can qualify for an alternative TAA program, which restores 50% of the difference (up to \$10,000) between the wage they earned at Springs and the lower wage they earn at a new job. Such workers must be over 50 years of age and must have incomes of less than \$50,000 a year. They must work full time; and must find their new jobs within 26 weeks after losing their old jobs. There is a time limit of two years to this benefit.

Commuters: Up to \$1250 allowance can be paid by the TAA programs for the expenses of eligible claimants who must search for work outside their regular commuting areas.

Relocation Expenses: A stipend equal to three weeks pay at the previous job or \$1250, whichever is less, is available to apply toward the moving costs of claimants who must relocate to find work. In addition, the U.S. Department of Labor will reimburse up to 90% of reasonable costs incurred to change locations.

“We have met with Springs and with the state Employment Security Commission and the federal Department of Labor to review these benefits and the process for obtaining them,” Spratt said. “Some are so new to the law that Springs cannot file under the Trade Adjustment Assistance Act until August 6, 2003. At least several weeks will be required for the Department of Labor to process and act upon Springs’ petition. I am hopeful that TAA benefits will be approved, but none of these benefits will be available until Springs’ petitions are in fact approved by the Department of Labor. If approved, the benefits will be administered by the South Carolina Employment Security Commission. My staff and I will follow the process closely, and we will prod the Department of Labor to move the petitions once they are filed. We will publish further information once the Department of Labor has acted on Springs’ petitions.”

The Human Resource Department at Springs will provide more detailed information on how and where to apply for TAA benefits.

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