

Chapter 18 - HCTC

The TAARA of 2015 retroactively extends the 72.5 percent HCTC through December 31, 2019, for eligible TRA and A/RTAA recipients of the TAA program (all laws). The IRS is currently reviewing the recently passed legislation and expects to provide guidance in the near future. Once updated HCTC guidance is received, a revision to this chapter will be issued. For the most recent HCTC updates and correspondence, please monitor the [IRS website](#). At this time, an HCTC customer service number has not been provided. Therefore, all information should be directed to the above-mentioned website.

The HCTC is a tax credit that pays 72.5 percent of qualified health insurance premiums for adversely affected workers and their families. The HCTC is available to adversely affected workers deemed eligible under all TAA laws including TAA of 2002, TGAAA of 2009, TAAEA of 2011, and TAARA of 2015.

HCTC Eligibility

The HCTC is administered by the IRS and is available during each month the adversely affected worker is receiving A/RTAA or TRA benefits, or meets all requirements for TRA but is not yet receiving TRA because UI or extended benefits have not yet been exhausted. An adversely affected worker need not meet the enrollment in training or waiver deadline to be considered eligible for HCTC while collecting regular unemployment.

Once an adversely affected worker's monetary eligibility for TRA is established, the UIA/TRA Special Programs Unit transmits the name of the eligible worker to the IRS.

Qualified Health Insurance

Eligible health insurance plans for the HCTC include:

- 1) *COBRA continuation provision as elected during the initial general election period.
- 2) A spouse's group health plan for which the employer pays less than 50 percent of the cost.
- 3) Coverage obtained in the non-group health insurance market (state) other than coverage offered through the Health Insurance Marketplace (federal).
- 4) A health plan purchased through a VEBA that was established through the bankruptcy of a former employer or was offered in lieu of COBRA.

*A second opportunity to elect COBRA continuation coverage may be available if one of the following applies to the adversely affected worker:

- Is eligible for, or is currently receiving, TRA.
- Is eligible to receive TRA, but has not yet exhausted their UI benefits.
- Is currently receiving benefits under the ATAA or RTAA.

Dental or vision benefits purchased separately do not qualify for the HCTC. However, premiums paid for a qualifying comprehensive package that includes dental or vision benefits may be eligible for the HCTC if the dental or vision benefits do not represent substantially all of its coverage.

MWA Requirements

The HCTC regulations require that One-Stop Service Centers handle basic inquiries about the HCTC program as the first line of communication with HCTC candidates and assist with assessing information through the [IRS Website](#).

The MWAs must ensure that TAA staff is appropriately trained to handle basic inquiries relating to the HCTC program. The MWAs are also responsible for:

- 1) Notifying TAA certified individuals of the HCTC either individually and/or through group orientation sessions,
- 2) Making available sufficient copies of the HCTC Fact Sheet, and
- 3) Developing a process to ensure that required forms are completed for each newly TAA certified individual and forwarded immediately to the UIA/TRA Unit.

In order for adversely affected workers to receive the maximum benefit under the HCTC, the MWAs must ensure that individuals **immediately** complete all forms required by the TRA Unit and the UIA to determine TRA and/or ATAA/RTAA eligibility. This includes:

- 1) Form TRA-920: *Request for Determination of Entitlement to TAA/TRA* required for all adversely, affected workers.
- 2) Form TAA-244: *A/RTAA Application* required for adversely affected workers who are eligible for, and wish to receive, A/RTAA benefits (if applicable).

In addition, adversely affected workers must apply for, and be eligible for, regular unemployment benefits.

The above-mentioned documents may be submitted to the UIA via fax at **517-636-0427** or via the USPS to:

**UIA - TRA Unit
PO Box 169
Grand Rapids, MI 49501-0169**

The TRA Unit's toll-free number is **1-866-241-0152**.