

Notice to Potential HCTC Recipients

The TAA Reform Act of 2002 created a tax credit which subsidizes the cost for private health insurance coverage for TAA recipients. The Department of Treasury, Internal Revenue Service, is responsible for implementing this credit under the federal Health Coverage Tax Credit (HCTC) program.

Historically, 65% of the premium was paid in the form of a federal tax credit while the remaining 35% of the insurance premium was paid by the individual.

A new pilot program began July 1, 2007, as a result of the collaborative efforts between Ohio Workforce Development (OWD) and Ohio Department of Job and Family Services (ODJFS) Trade section. This program will provide for 100% insurance premium coverage for all trade affected individuals for 90 days or until the individual is enrolled in the Federal HCTC program, whichever occurs first. Thereafter, 65% of the affected workers health insurance premium will be paid by the IRS (by tax credit or monthly subsidy) while the remaining 35% will be paid utilizing state funds if the worker is in trade approved training. This program will remain in effect until July 1, 2008 when the pilot program will be reevaluated.

All eligibility factors and program requirements have not changed. To be eligible to receive HCTC, the worker must be receiving Trade Readjustment Allowance (TRA), or be eligible for TRA under the TAA Program, but have not exhausted regular state unemployment compensation benefits, or receiving benefits from Alternative Trade Adjustment Assistance Program.

Additionally, the affected worker must be covered by "qualified" health insurance and cannot be claimed as a dependent on another individual's tax return. They cannot have specified coverage, (including Medicare) or be incarcerated in a federal, state or local prison.

Please call your local One-Stop if you have questions.