

TRAINING AND EMPLOYMENT NOTICE	NO. 10-20, Change 1
	DATE January 7, 2021

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
AFFILIATE AMERICAN JOB CENTER MANAGERS
COMPREHENSIVE AMERICAN JOB CENTER MANAGERS
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
STATE UI DIRECTORS
RAPID RESPONSE COORDINATORS
TRADE ADJUSTMENT ASSISTANCE LEADS

FROM: JOHN PALLASCH 
Assistant Secretary

SUBJECT: Extension of the Health Coverage Tax Credit (HCTC) Program for Eligible Trade Adjustment Assistance (TAA) Recipients and Eligible Alternative TAA and Reemployment TAA (ATAA/RTAA) Recipients or Eligible Pension Benefit Guaranty Corporation (PBGC) Recipients

1. **Purpose.** To provide information and expand awareness of the extension of the HCTC Program, to advise States in assisting job seekers and workers, and to cancel, effective immediately, Training and Employment Notice (TEN) No. 10-20.
2. **Action Requested.** States should advise eligible TAA recipients and eligible ATAA/RTAA recipients of the extension of the HCTC Program through December 31, 2021. States should continue to transmit individual HCTC eligibility records to the Internal Revenue Service (IRS). States should promptly ensure that appropriate staff and workforce partners are made aware of the contents of this notice.
3. **Summary and Background.**
 - a. Summary – The Employment and Training Administration (ETA) released TEN No.10-20 on December 23, 2020, to provide information on the then impending expiration of the HCTC Program, and advise States about assisting job seekers and workers. Public Law 116-260, the Consolidated Appropriations Act, 2021, enacted on December 27, 2020, extended the HCTC Program through December 31, 2021.
 - b. Background – The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015) reauthorized the HCTC, an advanceable, refundable tax credit for a percentage of the premiums paid for specified types of health insurance coverage (including Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation

coverage). The HCTC is available to individuals in the TAA Program identified as “eligible TAA recipients” or “eligible ATAA recipients” under section 246 of the Trade Act, as amended (including “eligible RTAA recipients”) (referred to collectively in this guidance as “eligible TAA recipients”). This benefit is also extended to certain individuals who are receiving pension payments from the PBGC. Individuals who are eligible for the HCTC may choose to have the amount of the credit paid on a monthly basis to their health coverage provider as their monthly health plan premium becomes due (Monthly HCTC), or may claim the tax credit on their annual Federal income tax returns (Yearly HCTC).

4. **HCTC Extension.** Since the HCTC Program has been extended through December 31, 2021, TEN No. 10-20 is hereby cancelled, effective immediately. States should continue to follow the previously issued HCTC Program operating guidance.
5. **Inquiries.** Visit www.irs.gov/hctc for updates. Please direct questions about HCTC expiration to the HCTC Customer Contact Center at (844) 853-7210. Direct questions about general tax-related information to the IRS at (800) 829-1040. For all TAA-related inquiries, please contact your Regional Trade Coordinator.
6. **References.**
Pub. L. 116-260, the Consolidated Appropriations Act, 2021
7. **Attachment(s).** Not applicable.