



# What Happens Next?

## *A Resource Guide for Newly Laid-Off Steelworkers*

The upheaval in the economy is causing major distress throughout our union and in the lives of thousands of our members. The following resources can be used as a starting point for locals and individuals facing a layoff. While not specifically mentioned below, it is important to note that the emotional toll can be just as great as the financial toll. Turning to family, friends, professionals and others for support is both recommended and often critical to a person's well-being in the event of a job loss.

### **1. Get Information & Ask Questions**

Talk to your union officers and representatives. They should be able to help you find answers to questions like what happens to benefits, is there any salary continuance and other questions. They can also give you other information that might guide you through the layoff process.

For Local Union Leaders – Union Checklist: What To Do Once A Layoff Notice Arrives

<http://www.workingforamerica.org/documents/unionchecklist.asp>

### **2. Take Advantage of Any Dislocated Worker Sessions and Programs**

Your employer or union can enlist the services of the state government to bring in dislocated worker experts to assist as workers lose their jobs in situations where a facility is closing or there is a substantial layoff. In order to initiate these services, your state's Dislocated Worker Unit or state Rapid Response team will need to know of the impending layoffs (Note: This is not the same as the USW Rapid Response program). These sessions provide information and guidance on unemployment insurance, health insurance options, access to training and skill upgrading services and more and can be a critical first step for impacted workers in terms of qualifying for services going forward. State Rapid Response programs may also provide direct advice and assistance for laidoff workers.

If your local runs into any problem accessing these services, they should be aware that each state's AFL-CIO has a relationship with these state agencies. The state AFL-CIO can be a helpful resource for guidance and assistance.

Listing of State Agency Contacts - [http://www.doleta.gov/layoff/rapid\\_coord.cfm](http://www.doleta.gov/layoff/rapid_coord.cfm)

State Labor Federations and Central Labor Councils: <http://www.aflcio.org/aboutus/unioncities/>

*Note, also see Career One Stop Centers below under #7*

### **3. Apply for Unemployment**

Someone who has lost his or her job should apply for unemployment as soon as possible. The payments can take time to process and the sooner the application is made, the sooner the checks arrive. Many states allow

filing by phone or internet. The length of benefits is typically around 26 weeks for state benefits and the federal government can provide additional unemployment benefits.

*The American Recovery and Reinvestment Act, signed into law on February 17, 2009, adds an additional \$25/week to unemployment benefits through 2009 as well as continues a program that provides additional emergency federal unemployment benefits – possibly up to 33 additional weeks (20 weeks or 33 weeks if from a state with high unemployment) – once state benefits are exhausted through December 31, 2009. Note: Some states also qualify for “Extended Benefits” that provide additional weeks of unemployment. These benefits depend on state law. Currently only a limited number of states qualify, however additional states can qualify if they modify their laws per requirements in the Act. Finally, the Act also suspends federal income tax on the first \$2,400 of federal unemployment benefits per recipient on a temporary basis for tax year 2009.*

State Unemployment Insurance Information - <http://www.servicelocator.org/OWSLinks.asp>

#### **4. Don't Forget About Trade Adjustment Assistance**

Trade Adjustment Assistance (TAA) was established in 1974 by the government to assist workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports or shifts in production to foreign countries. Workers, or other acting on their behalf, may petition the U.S. Department of Labor for a determination of eligibility. Within the Steelworkers, it is important that this process be coordinated through your local union leadership and USW staff representative. The USW point person for TAA at the International is Marsha Zakowski, who is reachable through the Civil Rights Department at 412-562-2492.

Workers who are certified for TAA may receive reemployment services, training in new occupational skills, a job search allowance when an employment search is outside a normal commuting area, a partial tax credit for health insurance costs, a relocation allowance if a new job is a certain distance away, and other benefits. It also provides for additional weeks of income in the form of a Trade Readjustment Allowance once unemployment is exhausted and certain conditions are met.

There is also a program called Alternative Trade Adjustment Assistance (ATAA) that may come into play if a group of workers is certified for TAA. ATAA pertains to individuals from the TAA-certified group who are age 50 or older and have obtained a new job with wages less than \$50,000 within 26 weeks of their separation. These individuals may receive a wage subsidy of 50 percent of the difference between the old and new wages, up to \$10,000 over a period of up to two years.

*The American Recovery and Reinvestment Act, expands TAA benefits. Going forward, TAA will extend to service sector workers and workers affected by offshoring or outsourcing to all countries. It increases training funds, creates a TAA program for affected communities, gives automatic TAA eligibility for workers suffering from import surges and unfair trade, and allows for easier access and more flexibility with TAA healthcare, training and reemployment benefits.*

TAA and ATAA Information - <http://www.doleta.gov/tradeact/fact.cfm>

#### **5. Explore Health Care Options**

COBRA - COBRA is the Consolidated Omnibus Budget Reconciliation Act of 1986, a federal law that allows most workers to continue getting health insurance under a former employer's plan. Normally, the

entire burden of the premium plus administrative fees must be paid by an unemployed worker, so the monthly payments can be very substantial and oftentimes cost-prohibitive in unemployment. COBRA can be particularly critical when a preexisting condition would prevent a person from getting coverage otherwise.

*The American Recovery and Reinvestment Act made a very important change in COBRA. The Act provides for a 65 percent subsidy for COBRA for up to 9 months for employees laid off between September 1, 2008 and December 31, 2009. Individuals must make less than \$125,000 a year and pay the remaining 35 percent of the premium. The Act requires employers to notify individuals who leave employment for any reason between September 1, 2008 and December 31, 2009 of the new COBRA rights. Additionally, employers are required to give a second COBRA 60-day election period to individuals who are eligible for the subsidy but who did not elect COBRA before the enactment of the new law, or whose COBRA coverage terminated due to non-payment of premiums. To speak with a COBRA Benefits Advisor, call (866) 444-3272.*

Family Coverage from a Spouse – Is a spouse eligible for a family plan through his or her job? If that spouse is already taking advantage of his or her company’s health care plan, a husband or wife can generally be added at times other than open enrollment.

Adult Low Income Health Care - Many states offer health care that you might be eligible for based on your income.

Children’s Health Insurance Program – Each state offers low or no cost health care for many children that are without health care and not eligible for Medicaid – even if members of the family are working or have some income. Each state sets its own income requirements and eligibility rules.

Individual Plans – Younger, healthier workers may find that an individual plan is less expensive than the COBRA option. A broker or multiple web sites can help you compare plans. These policies generally require a medical exam, which could have a major effect on your eligibility (you may not be eligible at all with a pre-existing condition).

Explanation of COBRA - [http://www.dol.gov/ebsa/faqs/faq\\_consumer\\_cobra.HTML](http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.HTML)

Children’s Health Insurance Program - <http://www.insurekidsnow.gov/>

## **6. Assess Your Finances**

Gather all financial information (bank statements, financial records, etc.) and assess your situation as quickly as possible. Many people make the mistake of not adjusting a budget soon enough. Cutting back immediately may buy weeks of solvency.

Try to tap into any savings strategically. Checking and savings accounts earn little in interest, and don’t come with large tax bills at the end of the year. Keep tax-deferred retirement savings as a last resort. Oftentimes if they are pulled out early the money is fully taxable as regular income, which can be much higher than 15 percent and there is also a 10 percent federal penalty that can be assessed. There could also be state taxes and penalties.

If you were living paycheck to paycheck before being laid off, or have a limited amount in savings, a credit counseling service may provide some help on budgeting and credit managing for little to no cost. Steelworker members and associate members are eligible for a wide range of services like credit counseling through UnionPlus. UnionPlus is an organization created by the AFL-CIO that uses the buying power of union members to offer a variety of services and products at discounted rates. UnionPlus’ free and confidential credit counseling services can be accessed by calling Money Management International (MMI)

toll-free at 866-490-5361 or 877-833-1745. MMI is one of the nation's largest full-service nonprofit credit counseling agencies.

When the Paycheck Stops (AFL-CIO) –

<http://www.aflcio.org/issues/jobseconomy/unemployment/handbook/>

UnionPlus Benefits for Union Members – <http://www.unionplus.org>

UnionPlus Guide for How to Manage Debt – <http://www.uniondebthelp.org/>

## **6. Keep Your House**

For most working people, our homes are the single, largest investment we will make in our lifetimes. Losing a home can have a devastating impact on family. When there are large numbers of people in a neighborhood losing their homes, entire communities can be wiped out. The U.S. Department of Housing and Urban Development (HUD) offers a guide to avoid foreclosure. The Homeownership Preservation Foundation is a non-profit that provides a toll-free hotline (888-995-HOPE), as well as a website to guide homeowners who may be in danger of foreclosure.

HUD Guide to Avoiding Foreclosure – <http://www.hud.gov/foreclosure>

Homeownership Preservation Foundation – <http://www.995hope.org>

## **7. Tap into Community Resources**

Services may be available in your community for additional aid. AFL-CIO Community Services Representatives, reachable through your local Central Labor Council, can be a link to these services in your area.

United Way has a network of over 1,300 local organizations. The services accessed through local United Way agencies may differ from location to location, but many can put you in touch with agencies that deal with training services, child care, food assistance, health services and other types of programs that could be helpful in unemployment. Depending on the community and its resources, churches and other non-profit agencies could be available for assistance as well.

Search for Your Local United Way Agency – <http://www.liveunited.org/>

Central Labor Council Search – <http://www.aflcio.org/aboutus/unioncities/>

## **8. Begin the Job Search & Receive Other Employment Services**

With the high degree of uncertainty in the economy right now, even those whose workplaces have not permanently closed face an uncertain future of when work might return. The government has a network of career centers across the country that can help with the job search process. While exact services can vary from state to state and location to location, many centers provide information on job-loss services, jobseeker services, employment representatives (may require an appointment), free internet and computer access, resume assistance, etc.

It is also important to stay in touch with your local union. Occasionally job opportunities at other Steelworker-represented locations may become available.

Comprehensive Job Loss Centers - Career One Stop Centers – <http://www.servicelocator.org>