

112TH CONGRESS  
1ST SESSION

# S. 1117

To amend section 35 of the Internal Revenue Code of 1986 to improve the health coverage tax credit, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 26, 2011

Mr. ROCKEFELLER (for himself, Ms. STABENOW, and Mr. BROWN of Ohio) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend section 35 of the Internal Revenue Code of 1986 to improve the health coverage tax credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “TAA Health Coverage Improvement Act of 2011”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Improvement of the affordability of the credit.

Sec. 3. 100 percent credit and payment for monthly premiums paid prior to certification of eligibility for the credit.

- Sec. 4. Eligibility for certain pension plan recipients; presumptive eligibility.  
 Sec. 5. Clarification of 3-month creditable coverage requirement.  
 Sec. 6. TAA pre-certification period and PBGC recipient rule for purposes of determining whether there is a 63-day lapse in creditable coverage.  
 Sec. 7. Continued qualification of family members after certain events.  
 Sec. 8. Permanent extension of COBRA benefits for certain TAA-eligible individuals and PBGC recipients.  
 Sec. 9. TAA recipients not enrolled in training programs eligible for credit.  
 Sec. 10. Offering of Federal group coverage.  
 Sec. 11. Additional requirements for individual health insurance costs.  
 Sec. 12. Alignment of COBRA coverage with TAA period for TAA-eligible individuals.  
 Sec. 13. Notice requirements.  
 Sec. 14. Extension of national emergency grants.

1 **SEC. 2. IMPROVEMENT OF THE AFFORDABILITY OF THE**  
 2 **CREDIT.**

3 (a) IMPROVEMENT OF AFFORDABILITY.—

4 (1) IN GENERAL.—Section 35(a) of the Internal  
 5 Revenue Code of 1986 (relating to credit for health  
 6 insurance costs of eligible individuals) is amended by  
 7 striking “65 percent (80 percent in the case of eligi-  
 8 ble coverage months beginning before February 13,  
 9 2011)” and inserting “95 percent”.

10 (2) CONFORMING AMENDMENT.—Section  
 11 7527(b) of such Code (relating to advance payment  
 12 of credit for health insurance costs of eligible indi-  
 13 viduals) is amended by striking “65 percent (80 per-  
 14 cent in the case of eligible coverage months begin-  
 15 ning before February 13, 2011)” and inserting “95  
 16 percent”.

17 (b) EFFECTIVE DATE.—The amendments made by  
 18 this section shall apply to eligible coverage months (as de-

1 fined in section 35(b) of the Internal Revenue Code of  
2 1986) beginning after February 13, 2011.

3 **SEC. 3. 100 PERCENT CREDIT AND PAYMENT FOR MONTHLY**  
4 **PREMIUMS PAID PRIOR TO CERTIFICATION**  
5 **OF ELIGIBILITY FOR THE CREDIT.**

6 (a) IN GENERAL.—Subsection (a) of section 35 of the  
7 Internal Revenue Code of 1986, as amended by section  
8 2(a)(1), is amended—

9 (1) by striking the subsection heading and all  
10 that follows through “In case” and inserting  
11 “AMOUNT OF CREDIT.—

12 “(1) IN GENERAL.—In case”, and

13 (2) by adding at the end the following new  
14 paragraph:

15 “(2) 100 PERCENT CREDIT FOR MONTHS PRIOR  
16 TO ISSUANCE OF ELIGIBILITY CERTIFICATE.—The  
17 amount allowed as a credit against the tax imposed  
18 by subtitle A shall be equal to 100 percent in the  
19 case of the taxpayer’s first eligible coverage months  
20 occurring prior to the issuance of a qualified health  
21 insurance costs credit eligibility certificate.”.

22 (b) PAYMENT FOR PREMIUMS DUE PRIOR TO CER-  
23 TIFICATION OF ELIGIBILITY FOR THE CREDIT.—Section  
24 7527 of the Internal Revenue Code of 1986 is amended  
25 by adding at the end the following new subsection:

1       “(f) PAYMENT FOR PREMIUMS DUE PRIOR TO  
2 ISSUANCE OF CERTIFICATE.—The program established  
3 under subsection (a) shall provide—

4               “(1) that the Secretary shall make payments on  
5 behalf of a certified individual of an amount equal  
6 to 100 percent of the premiums for coverage of the  
7 taxpayer and qualifying family members under quali-  
8 fied health insurance for eligible coverage months  
9 (as defined in section 35(b)) occurring prior to the  
10 issuance of a qualified health insurance costs credit  
11 eligibility certificate; and

12               “(2) that any payments made under paragraph  
13 (1) shall not be included in the gross income of the  
14 taxpayer on whose behalf such payments were  
15 made.”.

16       (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to months beginning after the date  
18 of the enactment of this Act in taxable years ending after  
19 such date.

20 **SEC. 4. ELIGIBILITY FOR CERTAIN PENSION PLAN RECIPI-**  
21 **ENTS; PRESUMPTIVE ELIGIBILITY.**

22       (a) ELIGIBILITY FOR CERTAIN PENSION PLAN RE-  
23 CIPIENTS.—Subsection (c) of section 35 of the Internal  
24 Revenue Code of 1986 is amended—

25               (1) in paragraph (1)—

1 (A) by striking “and” at the end of sub-  
2 paragraph (B),

3 (B) by striking the period at the end of  
4 subparagraph (C) and inserting “, and”, and

5 (C) by adding at the end the following new  
6 subparagraph:

7 “(D) an eligible multiemployer pension  
8 participant.”, and

9 (2) by adding at the end the following new  
10 paragraph:

11 “(5) ELIGIBLE MULTIEMPLOYER PENSION RE-  
12 CIPIENT.—The term ‘eligible multiemployer pension  
13 recipient’ means, with respect to any month, any in-  
14 dividual—

15 “(A) who has attained age 55 as of the  
16 first day of such month,

17 “(B) who is receiving a benefit from a  
18 multiemployer plan (as defined in section  
19 3(37)(A) of the Employee Retirement Income  
20 Security Act of 1974), and

21 “(C) whose former employer has with-  
22 drawn from such multiemployer plan pursuant  
23 to section 4203(a) of such Act.”.

24 (b) PRESUMPTIVE ELIGIBILITY FOR PETITIONERS  
25 FOR TRADE ADJUSTMENT ASSISTANCE.—Subsection (c)

1 of section 35 of the Internal Revenue Code of 1986, as  
2 amended by subsection (a), is amended by adding at the  
3 end the following new paragraph:

4           “(6) PRESUMPTIVE STATUS AS A TAA RECIPI-  
5 ENT.—The term ‘eligible individual’ shall include  
6 any individual who is covered by a petition filed with  
7 the Secretary of Labor under section 221 of the  
8 Trade Act of 1974. This paragraph shall apply to  
9 any individual only with respect to months which—

10                   “(A) end after the date that such petition  
11 is so filed, and

12                   “(B) begin before the earlier of—

13                           “(i) the 90th day after the date of fil-  
14 ing of such petition, or

15                           “(ii) the date on which the Secretary  
16 of Labor makes a final determination with  
17 respect to such petition.”.

18 (c) CONFORMING AMENDMENTS.—

19           (1) Paragraph (1) of section 7527(d) of the In-  
20 ternal Revenue Code of 1986 is amended by striking  
21 “or an eligible alternative TAA recipient (as defined  
22 in section 35(c)(3))” and inserting “, an eligible al-  
23 ternative TAA recipient (as defined in section  
24 35(c)(3)), an eligible multiemployer pension recipient  
25 (as defined in section 35(c)(5), or an individual who

1 is an eligible individual by reason of section  
2 35(c)(6)”.

3 (2) Section 173(f)(4) of the Workforce Invest-  
4 ment Act of 1998 (29 U.S.C. 2918(f)(4)) is amend-  
5 ed—

6 (A) in subparagraph (B), by striking  
7 “and” at the end; and

8 (B) by inserting after subparagraph (C)  
9 the following new subparagraphs:

10 “(D) an eligible multiemployer pension re-  
11 cipient (as defined in section 35(c)(5) of the In-  
12 ternal Revenue Code of 1986), and

13 “(E) an individual who is an eligible indi-  
14 vidual by reason of section 35(c)(6) of the In-  
15 ternal Revenue Code of 1986.”.

16 (d) TECHNICAL AMENDMENT CLARIFYING ELIGI-  
17 BILITY OF CERTAIN DISPLACED WORKERS RECEIVING A  
18 BENEFIT UNDER A DEFINED BENEFIT PENSION  
19 PLAN.—The first sentence of section 35(c)(2) of the Inter-  
20 nal Revenue Code of 1986 is amended by inserting before  
21 the period the following: “, and shall include any such in-  
22 dividual who would be eligible to receive such an allowance  
23 but for the fact that the individual is receiving a benefit  
24 under a defined benefit plan (as defined in section 3(35)

1 of the Employee Retirement Income Security Act of  
2 1974).”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to months beginning after the date  
5 of the enactment of this Act in taxable years ending after  
6 such date.

7 **SEC. 5. CLARIFICATION OF 3-MONTH CREDITABLE COV-**  
8 **ERAGE REQUIREMENT.**

9 (a) IN GENERAL.—Clause (i) of section 35(e)(2)(B)  
10 of the Internal Revenue Code of 1986 is amended by in-  
11 serting “(prior to the employment separation necessary to  
12 attain the status of an eligible individual)” after  
13 “9801(c)”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to months beginning after the date  
16 of the enactment of this Act in taxable years ending after  
17 such date.

18 **SEC. 6. TAA PRE-CERTIFICATION PERIOD AND PBGC RE-**  
19 **CIPIENT RULE FOR PURPOSES OF DETER-**  
20 **MINING WHETHER THERE IS A 63-DAY LAPSE**  
21 **IN CREDITABLE COVERAGE.**

22 (a) ERISA AMENDMENT.—Section 701(c)(2) of the  
23 Employee Retirement Income Security Act of 1974 (29  
24 U.S.C. 1181(c)(2)) is amended by striking subparagraph  
25 (C) and by inserting the following new subparagraphs:

1 “(C) TAA-ELIGIBLE INDIVIDUALS.—

2 “(i) TAA PRE-CERTIFICATION PERIOD  
3 RULE.—In the case of a TAA-eligible indi-  
4 vidual, the period beginning on the date  
5 the individual has a TAA-related loss of  
6 coverage and ending on the date that is 5  
7 days after the postmark date of the notice  
8 by the Secretary (or by any person or enti-  
9 ty designated by the Secretary) that the  
10 individual is eligible for a qualified health  
11 insurance costs credit eligibility certificate  
12 for purposes of section 7527 of the Inter-  
13 nal Revenue Code of 1986 shall not be  
14 taken into account in determining the con-  
15 tinuous period under subparagraph (A).

16 “(ii) DEFINITIONS.—The terms ‘TAA-  
17 eligible individual’, and ‘TAA-related loss  
18 of coverage’ have the meanings given such  
19 terms in section 605(b)(4).

20 “(D) PBGC RECIPIENTS.—In the case of  
21 an individual who has a loss of creditable cov-  
22 erage and who has a nonforfeitable right to a  
23 benefit any portion of which is to be paid by the  
24 Pension Benefit Guaranty Corporation under  
25 title IV, the period beginning on the date of

1 such loss of coverage and ending on the date  
2 such individual receives any such benefit paid  
3 by such Corporation shall not be taken into ac-  
4 count in determining the continuous period  
5 under subparagraph (A).”.

6 (b) PHSA AMENDMENT.—

7 (1) IN GENERAL.—Section 2701(c)(2) of the  
8 Public Health Service Act (42 U.S.C. 300gg(c)(2))  
9 is amended by striking subparagraph (C) and by in-  
10 serting the following new subparagraphs:

11 “(C) TAA-ELIGIBLE INDIVIDUALS.—

12 “(i) TAA PRE-CERTIFICATION PERIOD  
13 RULE.—In the case of a TAA-eligible indi-  
14 vidual, the period beginning on the date  
15 the individual has a TAA-related loss of  
16 coverage and ending on the date that is 5  
17 days after the postmark date of the notice  
18 by the Secretary (or by any person or enti-  
19 ty designated by the Secretary) that the  
20 individual is eligible for a qualified health  
21 insurance costs credit eligibility certificate  
22 for purposes of section 7527 of the Inter-  
23 nal Revenue Code of 1986 shall not be  
24 taken into account in determining the con-  
25 tinuous period under subparagraph (A).

1                   “(ii) DEFINITIONS.—The terms ‘TAA-  
2                   eligible individual’, and ‘TAA-related loss  
3                   of coverage’ have the meanings given such  
4                   terms in section 2205(b)(4).

5                   “(D) PBGC RECIPIENTS.—In the case of  
6                   an individual who has a loss of creditable cov-  
7                   erage and who has a nonforfeitable right to a  
8                   benefit any portion of which is to be paid by the  
9                   Pension Benefit Guaranty Corporation under  
10                  title IV of the Employee Retirement Income Se-  
11                  curity Act of 1974, the period beginning on the  
12                  date of such loss of coverage and ending on the  
13                  date such individual receives any such benefit  
14                  paid by such Corporation shall not be taken  
15                  into account in determining the continuous pe-  
16                  riod under subparagraph (A).”.

17                  (2) TECHNICAL AMENDMENT.—Effective on  
18                  January 1, 2014, section 2704(c)(2) of the Public  
19                  Health Service Act (42 U.S.C. 300gg-3(c)(2)) is  
20                  amended by striking subparagraph (C) and by in-  
21                  serting the following new subparagraphs:

22                         “(C) TAA-ELIGIBLE INDIVIDUALS.—

23                                 “(i) TAA PRE-CERTIFICATION PERIOD  
24                                 RULE.—In the case of a TAA-eligible indi-  
25                                 vidual, the period beginning on the date

1           the individual has a TAA-related loss of  
2           coverage and ending on the date that is 5  
3           days after the postmark date of the notice  
4           by the Secretary (or by any person or enti-  
5           ty designated by the Secretary) that the  
6           individual is eligible for a qualified health  
7           insurance costs credit eligibility certificate  
8           for purposes of section 7527 of the Inter-  
9           nal Revenue Code of 1986 shall not be  
10          taken into account in determining the con-  
11          tinuous period under subparagraph (A).

12                   “(ii) DEFINITIONS.—The terms ‘TAA-  
13                   eligible individual’, and ‘TAA-related loss  
14                   of coverage’ have the meanings given such  
15                   terms in section 2205(b)(4).

16                   “(D) PBGC RECIPIENTS.—In the case of  
17                   an individual who has a loss of creditable cov-  
18                   erage and who has a nonforfeitable right to a  
19                   benefit any portion of which is to be paid by the  
20                   Pension Benefit Guaranty Corporation under  
21                   title IV of the Employee Retirement Income Se-  
22                   curity Act of 1974, the period beginning on the  
23                   date of such loss of coverage and ending on the  
24                   date such individual receives any such benefit  
25                   paid by such Corporation shall not be taken

1           into account in determining the continuous pe-  
2           riod under subparagraph (A).”.

3           (c) IRC AMENDMENT.—Section 9801(c)(2) of the In-  
4           ternal Revenue Code of 1986 is amended by striking sub-  
5           paragraph (D) and by inserting the following new sub-  
6           paragraphs:

7                   “(D) TAA-ELIGIBLE INDIVIDUALS.—

8                           “(i) TAA PRE-CERTIFICATION PERIOD  
9                           RULE.—In the case of a TAA-eligible indi-  
10                           vidual, the period beginning on the date  
11                           the individual has a TAA-related loss of  
12                           coverage and ending on the date which is  
13                           5 days after the postmark date of the no-  
14                           tice by the Secretary (or by any person or  
15                           entity designated by the Secretary) that  
16                           the individual is eligible for a qualified  
17                           health insurance costs credit eligibility cer-  
18                           tificate for purposes of section 7527 shall  
19                           not be taken into account in determining  
20                           the continuous period under subparagraph  
21                           (A).

22                           “(ii) DEFINITIONS.—The terms ‘TAA-  
23                           eligible individual’, and ‘TAA-related loss  
24                           of coverage’ have the meanings given such  
25                           terms in section 4980B(f)(5)(C)(iv).



1 (b) AMENDMENT TO INTERNAL REVENUE CODE OF  
2 1986.—Paragraph (10) of section 35(g) of the Internal  
3 Revenue Code of 1986 is amended to read as follows:

4 “(10) CONTINUED QUALIFICATION OF FAMILY  
5 MEMBERS AFTER CERTAIN EVENTS.—

6 “(A) ELIGIBLE INDIVIDUAL BECOMES  
7 MEDICARE ELIGIBLE.—In the case of a month  
8 which would be an eligible coverage month with  
9 respect to an eligible individual but for sub-  
10 section (f)(2)(A), such month shall be treated  
11 as an eligible coverage month with respect to  
12 any qualifying family member of such eligible  
13 individual (but not with respect to such eligible  
14 individual).

15 “(B) DIVORCE.—In the case of a month  
16 which would be an eligible coverage month with  
17 respect to a former spouse of a taxpayer but for  
18 the finalization of a divorce between the spouse  
19 and the taxpayer that occurs during the period  
20 in which the taxpayer is an eligible individual,  
21 such month shall be treated as an eligible cov-  
22 erage month with respect to such former  
23 spouse.

24 “(C) DEATH.—In the case of a month  
25 which would be an eligible coverage month with

1           respect to an eligible individual but for the  
2           death of such individual, such month shall be  
3           treated as an eligible coverage month with re-  
4           spect to any qualifying family member of such  
5           eligible individual.”.

6           (c) CONFORMING AMENDMENT.—Paragraph (8) of  
7           section 173(f) of the Workforce Investment Act of 1998  
8           (29 U.S.C. 2918(f)) is amended to read as follows:

9                   “(8) CONTINUED QUALIFICATION OF FAMILY  
10           MEMBERS AFTER CERTAIN EVENTS.—

11                   “(A) ELIGIBLE INDIVIDUAL BECOMES  
12           MEDICARE ELIGIBLE.—In the case of a month  
13           which would be an eligible coverage month with  
14           respect to an eligible individual but for para-  
15           graph (7)(B)(i), such month shall be treated as  
16           an eligible coverage month with respect to any  
17           qualifying family member of such eligible indi-  
18           vidual (but not with respect to such eligible in-  
19           dividual).

20                   “(B) DIVORCE.—In the case of a month  
21           which would be an eligible coverage month with  
22           respect to a former spouse of a taxpayer but for  
23           the finalization of a divorce between the spouse  
24           and the taxpayer that occurs during the period  
25           in which the taxpayer is an eligible individual,

1 such month shall be treated as an eligible cov-  
 2 erage month with respect to such former  
 3 spouse.

4 “(C) DEATH.—In the case of a month  
 5 which would be an eligible coverage month with  
 6 respect to an eligible individual but for the  
 7 death of such individual, such month shall be  
 8 treated as an eligible coverage month with re-  
 9 spect to any qualifying family member of such  
 10 eligible individual.”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as provided in para-  
 13 graph (2), the amendments made by this section  
 14 shall apply to eligible coverage months (as defined in  
 15 section 35(b) of the Internal Revenue Code of 1986)  
 16 beginning after February 13, 2011.

17 (2) TECHNICAL AMENDMENT.—The amendment  
 18 made by subsection (a) shall apply as if included in  
 19 section 3001(a)(14)(A) of the American Recovery  
 20 and Reinvestment Act of 2009.

21 **SEC. 8. PERMANENT EXTENSION OF COBRA BENEFITS FOR**  
 22 **CERTAIN TAA-ELIGIBLE INDIVIDUALS AND**  
 23 **PBGC RECIPIENTS.**

24 (a) ERISA AMENDMENTS.—Clauses (v) and (vi) of  
 25 section 602(2)(A) of the Employee Retirement Income Se-

1 curity Act of 1974 (29 U.S.C. 1162(2)(A)) are each  
2 amended by striking the last sentence.

3 (b) IRC AMENDMENTS.—Subclauses (V) and (VI) of  
4 section 4980B(f)(2)(B)(i) of the Internal Revenue Code  
5 of 1986 are each amended by striking the last sentence.

6 (c) PHSA AMENDMENTS.—Clause (iv) of section  
7 2202(2)(A) of the Public Health Service Act (42 U.S.C.  
8 300bb–2(2)(A)) is amended by striking the last sentence.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to periods of coverage which would  
11 (without regard to the amendments made by this section)  
12 end on or after the date of the enactment of this Act.

13 **SEC. 9. TAA RECIPIENTS NOT ENROLLED IN TRAINING PRO-**  
14 **GRAMS ELIGIBLE FOR CREDIT.**

15 Subparagraph (B) of section 35(c)(2) of the Internal  
16 Revenue Code of 1986 is amended by inserting “and any  
17 eligible coverage month beginning after the date of the en-  
18 actment of the TAA Health Coverage Improvement Act  
19 of 2011,” after “February 13, 2011,”.

20 **SEC. 10. OFFERING OF FEDERAL GROUP COVERAGE.**

21 (a) PROVISION OF GROUP COVERAGE.—

22 (1) IN GENERAL.—The Director of the Office of  
23 Personnel Management jointly with the Secretary of  
24 the Treasury shall establish a program under which  
25 eligible individuals (as defined in section 35(c) of the

1 Internal Revenue Code of 1986) are offered enroll-  
2 ment under health benefit plans that are made avail-  
3 able under FEHBP.

4 (2) TERMS AND CONDITIONS.—The terms and  
5 conditions of health benefits plans offered under  
6 paragraph (1) shall be the same as the terms and  
7 coverage offered under FEHBP, except that the per-  
8 centage of the premium charged to eligible individ-  
9 uals (as so defined) for such health benefit plans  
10 shall be equal to 5 percent.

11 (3) STUDY.—The Director of the Office of Per-  
12 sonnel Management jointly with the Secretary of the  
13 Treasury shall conduct a study of the impact of the  
14 offering of health benefit plans under this subsection  
15 on the terms and conditions, including premiums,  
16 for health benefit plans offered under FEHBP and  
17 shall submit to Congress, not later than 2 years  
18 after the date of the enactment of this Act, a report  
19 on such study. Such report may contain such rec-  
20 ommendations regarding the establishment of sepa-  
21 rate risk pools for individuals covered under  
22 FEHBP and eligible individuals covered under  
23 health benefit plans offered under paragraph (1) as  
24 may be appropriate to protect the interests of indi-  
25 viduals covered under FEHBP and alleviate any ad-

1       verse impact on FEHBP that may result from the  
2       offering of such health benefit plans.

3           (4) FEHBP DEFINED.—In this section, the  
4       term “FEHBP” means the Federal Employees  
5       Health Benefits Program offered under chapter 89  
6       of title 5, United States Code.

7       (b) CONFORMING AMENDMENT.—Paragraph (1) of  
8       section 35(e) of the Internal Revenue Code of 1986 is  
9       amended by adding at the end the following new subpara-  
10      graph:

11                   “(L) Coverage under a health benefits plan  
12                   offered under section 8(a)(1) of the TAA  
13                   Health Coverage Improvement Act of 2011.”.

14      **SEC. 11. ADDITIONAL REQUIREMENTS FOR INDIVIDUAL**  
15                   **HEALTH INSURANCE COSTS.**

16       (a) IN GENERAL.—Subparagraph (A) of section  
17       35(e)(2) of such Code is amended by striking “subpara-  
18       graphs (B) through (H) of paragraph (1)” and inserting  
19       “paragraph (1) (other than subparagraphs (A), (I), and  
20       (L) thereof)”.

21       (b) RATING SYSTEM REQUIREMENT.—Subparagraph  
22       (J) of section 35(e)(1) of such Code is amended by adding  
23       at the end the following: “For purposes of this subpara-  
24       graph and clauses (ii), (iii), and (iv) of subparagraph (F),  
25       such term does not include any insurance unless the pre-

1 miums for such insurance are restricted based on a com-  
 2 munity rating system (determined other than on the basis  
 3 of age).”.

4 (c) CLARIFICATION OF CONGRESSIONAL INTENT TO  
 5 LIMIT USE OF INDIVIDUAL HEALTH INSURANCE COV-  
 6 ERAGE OPTION.—Section 35(e)(1)(J) is amended by in-  
 7 serting “, but only” after “under individual health insur-  
 8 ance” in the matter preceding clause (i).

9 **SEC. 12. ALIGNMENT OF COBRA COVERAGE WITH TAA PE-**  
 10 **RIOD FOR TAA-ELIGIBLE INDIVIDUALS.**

11 (a) ERISA.—Section 605(b) of the Employee Retire-  
 12 ment Income Security Act of 1974 (29 U.S.C. 1165(b))  
 13 is amended—

14 (1) in the subsection heading, by inserting  
 15 “AND COVERAGE” after “ELECTION”; and

16 (2) in paragraph (2)—

17 (A) in the paragraph heading, by inserting  
 18 “AND PERIOD” after “COMMENCEMENT”;

19 (B) by striking “and shall” and inserting  
 20 “, shall”; and

21 (C) by inserting “, and in no event shall  
 22 the maximum period required under section  
 23 602(2)(A) be less than the period during which  
 24 the individual is a TAA-eligible individual” be-  
 25 fore the period at the end.

1 (b) INTERNAL REVENUE CODE OF 1986.—Section  
2 4980B(f)(5)(C) of the Internal Revenue Code of 1986 is  
3 amended—

4 (1) in the subparagraph heading, by inserting  
5 “AND COVERAGE” after “ELECTION”; and

6 (2) in clause (ii)—

7 (A) in the clause heading, by inserting  
8 “AND PERIOD” after “COMMENCEMENT”;

9 (B) by striking “and shall” and inserting  
10 “, shall”; and

11 (C) by inserting “, and in no event shall  
12 the maximum period required under paragraph  
13 (2)(B)(i) be less than the period during which  
14 the individual is a TAA-eligible individual” be-  
15 fore the period at the end.

16 (c) PUBLIC HEALTH SERVICE ACT.—Section  
17 2205(b) of the Public Health Service Act (42 U.S.C.  
18 300bb–5(b)) is amended—

19 (1) in the subsection heading, by inserting  
20 “AND COVERAGE” after “ELECTION”; and

21 (2) in paragraph (2)—

22 (A) in the paragraph heading, by inserting  
23 “AND PERIOD” after “COMMENCEMENT”;

24 (B) by striking “and shall” and inserting  
25 “, shall”; and

1 (C) by inserting “, and in no event shall  
2 the maximum period required under section  
3 2202(2)(A) be less than the period during  
4 which the individual is a TAA-eligible indi-  
5 vidual” before the period at the end.

6 **SEC. 13. NOTICE REQUIREMENTS.**

7 (a) IN GENERAL.—Paragraph (2) of section 7527(d)  
8 of the Internal Revenue Code of 1986 is amended by strik-  
9 ing “In the case of any statement described in paragraph  
10 (1) which is issued before February 13, 2011, such state-  
11 ment” and inserting “A statement described in paragraph  
12 (1)”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to months beginning after the date  
15 of the enactment of this Act in taxable years ending after  
16 such date.

17 **SEC. 14. EXTENSION OF NATIONAL EMERGENCY GRANTS.**

18 (a) IN GENERAL.—Section 173(f)(1) of the Work-  
19 force Investment Act of 1998 (29 U.S.C. 2918(f)) is  
20 amended—

21 (1) in subparagraph (A), by striking “may be  
22 used” and inserting “shall be used”, and

23 (2) in subparagraph (B)(ii), by striking sub-  
24 clause (VI) and inserting the following:

1                   “(VI) any other expenses deter-  
 2                   mined appropriate by the Secretary,  
 3                   including start-up costs and ongoing  
 4                   administrative expenses, in order for  
 5                   the State to treat the coverage de-  
 6                   scribed in subparagraph (C), (D), (E),  
 7                   or (F)(i) of section 35(e)(1) of the In-  
 8                   ternal Revenue Code of 1986, or, only  
 9                   if the coverage is under a group  
 10                  health plan, the coverage described in  
 11                  subparagraph (G), (H), or (I) or  
 12                  clause (ii), (iii), or (iv) of subpara-  
 13                  graph (F) of such section, as qualified  
 14                  health insurance under that section.”.

15           (b) FUNDING.—Section 174(c)(1)(A) of the Work-  
 16   force Investment Act of 1998 (29 U.S.C. 2919(c)(1)) is  
 17   amended—

18                   (1) by striking “and” at the end of clause (i),

19                   and

20                   (2) by adding at the end the following new  
 21   clause:

22                                   “(iii) \$300,000,000 for the period of  
 23                                   fiscal years 2012 through 2014; and”.

24           (c) REPORT REGARDING FAILURE TO COMPLY WITH  
 25   REQUIREMENTS FOR EXPEDITED APPROVAL PROCE-

1 DURES.—Section 173(f) of the Workforce Investment Act  
2 of 1998 (29 U.S.C. 2918(f)) is amended by adding at the  
3 end the following new paragraph:

4           “(9) REPORT FOR FAILURE TO COMPLY WITH  
5           REQUIREMENTS FOR EXPEDITED APPROVAL PROCE-  
6           DURES.—If the Secretary fails to make the notifica-  
7           tion required under clause (i) of paragraph (3)(A)  
8           within the 15-day period required under that clause,  
9           or fails to provide the technical assistance required  
10          under clause (ii) of such paragraph within a timely  
11          manner so that a State or entity may submit an ap-  
12          proved application within 2 months after the date on  
13          which the State or entity’s previous application was  
14          disapproved, the Secretary shall submit a report to  
15          the appropriate committees of Congress explaining  
16          such failure.”.

17          (d) TECHNICAL AMENDMENT.—Effective as if in-  
18          cluded in the enactment of the Trade Act of 2002 (Public  
19          Law 107–210; 116 Stat. 933), subsection (f) of section  
20          203 of that Act is repealed.

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