

or transportation allowances) when workers also receive a Pell Grant or other Federal student financial assistance.

**b.** Ensure that the applicable provisions of State UI law for undertaking redeterminations are used to reimburse workers whose TRA payment (or subsistence or transportation allowance payment) was reduced due to the receipt of a Pell Grant or other Federal student financial assistance.

**7. Inquiries.** Inquiries should be directed to the appropriate Regional Office.

**8. Attachment.** Justification for Revised Policy on Reducing Trade Readjustment Allowances (TRA) By Federal Student Financial Assistance

**JUSTIFICATION FOR REVISED POLICY ON REDUCING  
TRADE READJUSTMENT ALLOWANCES (TRA)  
BY FEDERAL STUDENT FINANCIAL ASSISTANCE**

A conflict exists between the provisions of the Trade Act and the implementing regulations, which require that the payment of TRA be reduced by the amount of a training allowance received pursuant to a Pell Grant or other Federal student financial assistance, and Section 479B of the Higher Education Act (HEA), as amended by Section 471 of the Higher Education Amendments of 1992 (codified at 20 U.S.C. 1087uu), which prohibits the reduction of any Federally financed benefit or assistance based upon the receipt of such student financial assistance.

**Conflicting Provisions of the HEA and Trade Act.** Section 479B of the HEA, as amended by Section 471 of the Higher Education Amendments of 1992, provides:

Notwithstanding any other provision of law, student financial assistance received under this title . . . shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State or local program financed in whole or in part with Federal funds.

Section 232(c) of the Trade Act provides:

If a training allowance under any Federal law other than this Act is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled . . . to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him . . . .

**Resolution of Conflicting Provisions.** The conflict between Section 479B of the HEA and Section 232(c) of the Trade Act and the implementing regulations will be resolved as provided below.

Section 232(c) provides that a worker's TRA payment for any week shall be reduced by the amount of a training allowance received under any Federal law. Section 617.13(c)(2) of the regulations, which implements this provision, includes Pell Grants and Supplemental Educational Opportunity Grants as among the types of assistance subject to this reduction.

Furthermore, Section 617.25(b)(4)(ii)(C)(1) of the regulations, which prohibits the consideration of indirect payment of training costs to a worker in determining the amount of Trade Act training payments, provides that such indirect payments of training costs are to be deducted from the TRA payable to the worker under Section 617.13(c)(2).

However, Section 479B of the HEA prohibits taking Federal student financial assistance into account when determining eligibility for or the amount of other Federal benefits. This prohibition cannot be reconciled with Section 232(c) of the Trade Act, as implemented by Section 617.13(c)(2) and Section 617.25(b)(4)(ii)(C)(1) of the regulations. Hence, Section 232(c) of the Trade Act and the TRA reduction requirements of Section 617.13(c)(2) and Section 617.25(b)(4)(ii)(C)(1) of the regulations are not applicable to Pell Grants and other Federal student financial assistance.

When two conflicting laws addressing the same subject matter cannot be reconciled, the latter law implicitly amends the earlier enacted law. In the instant situation, the latter of the two laws is the Higher Education Amendments of 1992, which must govern.