



## **New Reforms for Temporary Foreign Worker Program (TFWP)**

The Minister Jason Kenney of Employment and Social Development (ESDC) and Minister Chris Alexander of Citizenship and Immigration Canada (CIC) have made a joint announcement on the comprehensive overhaul of the Temporary Foreign Worker Program (TFWP). **With the reforms of the TFWP, the Government of Canada is ending the moratorium that was placed on the food services sector effective immediately.**

The comprehensive overhaul is being considered as a balanced package of reforms that will ensure the TFWP is used only as intended, as a last and limited resort to fill acute labour shortages on temporary basis when qualified Canadians are not available. By limiting access to the program, tightening the labour market assessment and implementing stronger enforcement with tougher penalties for employers who break the rules, businesses will have to make greater efforts to recruit and train Canadians for available jobs, including increasing wages.

To offer greater clarity and transparency, **the current TFWP is being reorganized and new International Mobility Programs (IMPs) are being created. The TFWP will now refer to those streams under which foreign workers enter Canada at the request of employers following approval through a new Labour Market Impact Assessment (LMIA).** The new IMPs will incorporate those streams in which foreign nationals are not subject to an LMIA, and whose primary objective is to advance Canada's broad economic and cultural interest, rather than filling particular jobs. These reorganized programs will improve accountability, with ESDC being the lead department for TFWP and CIC, the lead department for IMPs. The ESDC will also publicly post data on the number of positions for temporary workers approved through the TFWP on a quarterly basis, and will also post the names of corporations that receive permission to hire temporary workers through LMIAs.

Reforms on TFWP include the following:

1. Limiting access to the TFWP to ensure Canadians are first in line for available jobs:
  - Wage levels will now replace National Occupational Classification as the main criteria for administering the TFWP, as wages constitute a more accurate reflection of occupational level and local labour market conditions. Jobs whose wages are below the provincial or territorial median wage will be considered "low-wage", while those being paid at or above the provincial/ territorial median will be considered "high-wage".

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- The Labour Market Opinion is being replaced by a more rigorous LMIA as the screening mechanism for employers seeking to hire temporary foreign workers. The new LMIA will require employers to provide information on the number of Canadian applicants who were not hired. Employers must now also attest that they are aware of the rule that Canadians cannot be laid-off or have their work hours reduced at a worksite that employs temporary foreign workers.
- Employers with 10 or more employees applying for a new LMIA are subject to a cap of 10 percent on the proportion of their workforce that can consist of low-wage temporary foreign workers. This cap will be applied per worksite of an employer and is based on total hours worked at that worksite. To provide employers who are above the 10 percent cap time to transition and adjust to this cap, it will be phased in over the next couple of years. Employers that currently have a low-wage temporary foreign worker workforce that is above the cap, application for a new LMIA will be limited at 30 percent or frozen at their current level, which is lower, effective immediately. **This transition measure will be further reduced to 20 percent beginning 01 July 2015 and reduced again to 10 percent on 01 July 2016.** The government may consider lowering the cap further in the future. It is estimated that this measure alone can reduce the number of general low-wage temporary foreign workers by 50 percent in the next three years, based on current wage levels.
- Applications for the lowest-wage, lowest-skill, entry-level occupations in the food services, accommodation and retail trade sectors will be barred from the TFWP in areas of high unemployment (6 percent or higher).
- LMIA's for low-wage temporary foreign workers will be reduced from the current two-year standard duration to one-year periods.
- To reinforce the temporary nature of the TFWP, the cumulative period during which general low-wage temporary foreign workers will be allowed to remain in Canada will also be reduced.
- Annex Agreements of Canada with provinces and territories are being changed so that employers that used to bring temporary workers to Canada through these agreements will now be subject to an LMIA.
- Employers seeking to hire high-wage temporary foreign workers (very limited exemptions) will now be required to submit transition plans to demonstrate how they will increase efforts to hire Canadians, through higher wages, investments in training and more active recruitment efforts from within Canada.





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2. More and better labour market information for stronger screening:
  - A new enhanced Job Matching Service will allow Canadians to apply directly through the Canada Job Bank for jobs that match their skills and experience, and provide information to program officers reviewing an employer's LMIA application on how many qualified Canadians have applied for specific jobs.
3. Stronger enforcement and tougher penalties.
  - The cost of administering the TFWP, including all the reforms outlined therein, will be borne entirely by employers who use the program, not by taxpayers. As a result, **the LMIA fee is increasing from \$275 to \$1,000 for every temporary foreign worker position requested by an employer.** ESDC will be seeking the authority to impose an estimated \$100 privilege fee on employers applying for LMIAs to offset the costs of Government of Canada investments in skills and job training.
  - **On-farm primary agriculture, including Seasonal Agricultural Worker Program (SAWP), is exempt from the fee and the cap, along with the one- year LMIA duration and the reduction in the period that a low-wage temporary foreign worker will be allowed to remain in Canada, as there are proven acute labor shortages in this sector and the unfilled jobs are truly temporary. The Live-in Caregiver Program (LCP) similarly exempted from these requirements. All other measures, including stronger enforcement and tougher penalties, apply to on-farm primary agriculture, SAWP and LCP.**

Further details on the TFWP reforms are available at [www.esdc.gc.ca](http://www.esdc.gc.ca)

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