

Good afternoon,

The Government of Canada is extending measures under the Temporary Foreign Worker (TFW) Program Workforce Solutions Road Map and introduces a new requirement: for employers to periodically review the wages of temporary foreign workers. The purpose of this email is to provide details about these changes.

The Program aims to enable Canadian employers to address labour and skills shortages on a temporary basis when Canadian and permanent residents are not available, while protecting workers in Canada, including temporary foreign workers. As part of ongoing efforts to improve the TFW Program, these changes aim to reflect and address the latest economic conditions.

For more information, please see the recent announcement: <u>Government of Canada extends</u> <u>Workforce Solutions Road Map and introduces new wage requirements under the Temporary Foreign Worker Program - Canada.ca</u>

The Temporary Foreign Worker Program Workforce Solutions Road Map

The Government is adapting to current labour market conditions by extending and modifying measures in the TFW Program Workforce Solutions Road Map, launched in April 2022. These measures, which were set to expire on October 30, 2023, have been extended and are now in effect until August 30, 2024.

Measures include:

- Continuing to allow employers in seven sectors with demonstrated labour shortages to hire up to 30% of their total workforce through the TFW Program for low-wage positions;
- maintaining the employment duration of low-wage positions to up to two years; and
- adjusting the Labour Market Impact Assessment (LMIA) validity period from 18 months to up to 12 months.

The seven sectors are: Food Manufacturing (NAICS 311); Wood Product Manufacturing (NAICS 321); Furniture and Related Product Manufacturing (NAICS 337); Accommodation and Food Services (NAICS 72); Construction (NAICS 23); Hospitals (NAICS 622); and Nursing and Residential Care Facilities (NAICS 623).

New Requirement for Periodic Wage Reviews

Along with these measures, employers will soon be required to update the wages of temporary foreign workers annually to ensure that these are not lower than the prevailing wage for the occupation and region where they are employed. This update must be carried out throughout the work period, which can last up to three years, depending on the program stream.

This requirement will come into effect on January 1, 2024, when a new LMIA application is submitted.



Employers will be required to apply the prevailing wage at the beginning of a temporary foreign worker's period of employment, revising the wage annually, no later than January 1 of the following year, to ensure that it is not lower than the prevailing wage for the occupation and region where these workers are employed. As a result, it is possible that the applicable prevailing wage may be different from the wage indicated on the approved LMIA.

The Program's definition of the prevailing wage remains as the highest of either:

- The median wage on Job Bank*
- The wage that is within the wage range that an employer is paying the current employees hired for the same job and work location, and within the same skills and years of experience
- * For positions in Quebec, the instructions of the ministère de l'Immigration, de la Francisation et de l'Intégration (MIFI) continue to take precedence.

Job Bank wage rates are typically updated in November of each year. Employers will be notified of this update and the need to comply with this new requirement by the following January.

It is important to note that the wage of a temporary foreign worker cannot be lower than the wage identified on the LMIA.

Employers who fail to update wages accordingly may be subject to sanctions under the TFW Program's employer compliance regime including administrative monetary penalties and bans from using the Program.

Employers who hire temporary foreign workers for unionized positions must offer the same wage rates and forms of compensation as those established under the collective agreement. If the prevailing wage posted on Job Bank is higher than the wage stipulated in the collective agreement, the employer is authorized to pay the wage rate set out in the agreement.

You are encouraged to share this communication throughout your respective networks, and with any colleagues or peers who may need to be aware of this information. Please note that all this information will soon be available online on the TFW Program website.

If you have questions on the Temporary Foreign Workers Program, please visit Canada.ca or connect with the Employer Contact Centre.

Thank you in advance for your usual collaboration.

The Temporary Foreign Worker Program Employment and Social Development Canada