



To: _____
(Name of Financial Institution)

Re: Farm Labour Contractor – Posting Security for Employees

The *Employment Standards Act* requires farm labour contractors to be licensed. A farm labour contractor's licence is valid for 3 years from the date of issue.

The purpose of this letter is to aid financial institutions with information about a farm labour contractor's requirement to post security for their employees.

The security must be posted under the *Bonding Act* and must be of a type that is listed in section 8 of the *Bonding Regulations*. Applicants for a farm labour contractor licence must post security equal to 80 hours at [minimum wage](#) for each employee:

June 1, 2023 – \$16.75 per hour

For example: As of June 1, 2023, a first-time farm labour contractor with 10 employees would use the following calculation:

$$\$16.75 \text{ (minimum wage)} \times 80 \text{ hours} \times 10 \text{ employees} = \$13,400.00$$

Irrevocable Letter of Credit (ILOC)

Under the *Employment Standards Act*, employees have 6 months from their last day worked to file a formal complaint. Therefore, if security is posted by way of an ILOC, it must remain valid for 6 months after the farm labour contractor's licence expires. The ILOC must be **automatically extended** from the expiry date and include such a clause.

The amount of posted security can be reduced as follows if a farm labour contractor has not contravened a "core requirement" of the *Employment Standards Act*:

Period of non-contravention	Multiplier (number of hours)
1 year to less than 2 years	60
2 years to less than 3 years	40
3 years or more	20

A **signed original** ILOC must be provided to the Employment Standards Branch. Faxed or other copies are not acceptable. Mail the ILOC to:

Employment Standards Branch
P.O. Box 9570 Stn Prov Govt
Victoria, BC V8W 9K1

THE FOLLOWING MUST APPEAR CORRECTLY ON THE ILOC:

1. The beneficiary's name and address must read:

Minister of Finance
Employment Standards Branch
P.O. Box 9570 Stn Prov Govt
Victoria, BC V8W 9K1

2. The ILOC must be **automatically renewed each year.**
3. The legal name of the farm labour contractor **must be correct.**

Examples:
ABC Farms Ltd.
First name Last name operating as XYZ Farms

If you have any questions or concerns, please email ESB.Compliance@gov.bc.ca.