



Date

TO: Name of Financial Institution

RE: Farm Labour Contractors' Irrevocable Letters of Credit

The purpose of this letter is to assist financial institutions by providing information regarding requirements imposed by the Employment Standards Branch on Farm Labour Contractors to provide Irrevocable Letters of Credit.

A Farm Labour Contractor **must** be licensed in accordance with the *Employment Standards Act*, which includes posting securities in accordance with the *Bonding Act*.

A Farm Labour Contractor's licence is valid for either one year or three years from the date of issue. In accordance with the *Employment Standards Act*, an employee has six months from their last day worked to file a formal complaint. Therefore, the Irrevocable Letter of Credit must be valid for six months after the licence expires.

The letter of credit **must be automatically extended** from the expiration date.

An **original** (faxes or other copies are not acceptable) Bond or Irrevocable Letter of Credit must be provided to the Employment Standards Branch with the following calculation specified:

Minimum wage x bonding requirement (hours) x the number of employees

e.g. \$11.35 (min. wage) x 80 hours = \$908.00 x 25 employees = \$22,700.00

Applicants for a Farm Labour Contractor licence must post security in the form of a bond or a letter of credit equal to 80 hours at minimum wage (\$11.35 per hour) for each employee.

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

<i>Period of non-contravention</i>	<i>Multiplier</i>
1 year to less than 2 years	60
2 years to less than 3 years	40
3 years or more	20

PLEASE ENSURE THAT THE FOLLOWING APPEARS CORRECTLY ON THE LETTER OF CREDIT

1. Name and address of beneficiary reads as follows:

Ministry of Labour
Employment Standards Branch
A207 20159 88 Avenue
Langley BC V1M 0A4

2. The letter of credit **must be automatically renewed** each year.
3. The name of the Farm Labour Contractor **must** be correct.
(e.g. Smith's Farms Ltd. or John Smith carrying on business as Smith's Farms)

If you have any questions or concerns, please contact the farm labour hotline at 604-513-4604