



July 2018

TO: Name of Financial Institution

RE: Farm Labour Contractor - Posting Security for Employees

A farm labour contractor **must** be licensed in accordance with the *Employment Standards Act*. A farm labour contractor's licence is valid for either one year or three years from the date of issue.

The purpose of this letter is to assist financial institutions by providing information regarding on farm labour contractors to post security for their employees.

Applicants for a farm labour contractor licence must post security equal to 80 hours at minimum wage (\$12.65 per hour) for each employee.

The security must be posted under the *Bonding Act* and be of a type that is listed in section 8 of the *Bonding Regulations*.

Irrevocable Letter of Credit ("ILOC")

In accordance with the *Employment Standards Act*, employees have six months from their last day worked to file a formal complaint. Therefore, if security is posted by way of an ILOC, it must be valid for six months after the farm labour contractor licence expires.

The ILOC **must be automatically extended** from the expiration date and contain such a clause.

An **original** (faxed or other copies are not acceptable) ILOC 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. \$12.65 (min. wage) x 80 hours = \$1,012.00 x 25 employees = \$25,300.00

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*:

<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 ILOC:

1. Name and address of beneficiary must read 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 legal name of the farm labour contractor **must** be correct.
(example: ABC Farms Ltd. or Firstname Lastname operating as ABC Farms)

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