

Labour Market Impact Assessment (LMIA)

An LMIA may be required from an employer before they can hire a foreign worker. It is a confirmation from Human Resources & Skills Development Canada (HRSDC) that there is a need for a foreign worker to fill the job offered because there is no Canadian worker available to do the job.

The job should meet or exceed the prevailing wage rate at the place of work for the position.

A requirement for the LMIA application is the posting of the job on 3 advertising platforms – 1 of which is with the national Job bank or its provincial counterpart, which is mandatory. The ad must be posted for a minimum of 4 weeks and must show that it was targeted to an audience that has the appropriate education, experience and skill level needed for the occupation. Service Canada may require alternative or additional advertising if it believes that additional advertising would find qualified Canadians or permanent residents.

The employer must show that efforts were made to recruit Canadians for the position before they resorted to hiring a foreign worker and that the entry of the foreign work will have no negative effect on the Canadian labour market. HRSDC must follow the criteria set out in the Immigration and Refugee Protection Act.

Once the 4 week period expires, the application for an LMIA may be filed. Depending on the wage being offered for the job, additional information may be required from the employer on the LMIA application:

- Low-wage category positions**– offered wage is below the provincial/territorial median hourly wage
 - employers will be subject to a cap on the proportion of low-wage foreign workers. The cap will be phased in over the next 2 years to provide employers who use the Program with time to transition to a Canadian workforce.
 - Employers that have a low-wage TFW workforce will be:
 - limited to 30% or frozen at their current level, whichever is lower;
 - reduced to 20% beginning July 1, 2015; and
 - further reduced to 10% on July 1, 2016.
 - The 10% cap is the maximum percentage of low-wage TFWs that an employer will be allowed to have at a work site, as of July 2016.
- High-wage category positions** – offered wage is at or above the provincial/territorial median hourly wage
 - employers will be required to submit a Transition Plan. The Transition Plan will provide for the activities an employer is agreeing to undertake to recruit, retain and train Canadians/permanent residents or to assist the foreign worker to become a permanent resident, if a positive LMIA is issued.
 - Employers will be required to provide details of their compliance with the Transition Plan if they are selected for inspection or once they apply to renew the LMIA for the same occupation and work location.

Once the employer receives a positive LMIA, the foreign worker may apply for a work permit.