

Labour Market Benefit Plan And Transition Plan: Complete Immigration Guide



If you have heard about [LMIA](#), then you must have heard about a Transition Plan or Labour Market Benefit Plan, which could be applicable to you when you are [hiring foreign workers](#). Both of these are vital components of an LMIA application process and apply in very specific situations.

The key difference between the two is that a Transition Plan is associated with High Wage LMIA applications, while a Labour Market Benefit Plan is associated with Global Talent Stream LMIA applications. Neither of them are required for other types of LMIA applications.

What is the Transition Plan?

The purpose of the transition plan is to alleviate talent shortages in Canadian companies. It does so by allowing Canadian employees to directly learn from the foreign worker or by transitioning the foreign worker to become a permanent resident.

Remember: an LMIA application is put together when Canadian companies struggle to find skilled talent. To ensure that the Canadian company doesn't have the same problem going forward, a transition plan is put in place.

The transition plan is included as a separate section on the LMIA application. The Canadian company will have 2 options when selecting transition plan activities:

1. Selecting 4 activities to recruit, train, retain Canadian citizens and permanent residents in the same occupation as requested in the LMIA, or
2. Transition the foreign worker to become a permanent resident

Transition Plan Implementation Example

Company A struggled to find a skilled interior designer for residential homes. The company tried recruiting from inside Canada but wasn't able to find what they were looking for.

A perfect candidate appeared, but they didn't have work authorization in Canada. Company A decided to apply for [High Wage LMIA](#) for this candidate so that the candidate could later apply for the work permit and start working with the company.

In the transition plan of their LMIA application, the company decided to select 4

activities to recruit, train, and retain Canadian citizens and permanent residents in the same occupation as requested in the LMIA (interior designer).

The activities they selected were:

1. Host a career fair once every quarter
2. Develop apprenticeship programs for post-graduate students
3. Have the candidate host monthly lunch and learn sessions
4. Allocate individual budgets for interior designers at the firm for continued learning and professional development

Alternatively, instead of selecting 4 activities, the company could support their candidate with the transition toward permanent residence.

In this case, the company needs to issue a permanent job offer to the candidate and support them with the application for permanent residence.

Considering that Canada has federal and provincial programs for permanent residence, support from the company can vary depending on the program requirements.

Learn all about [LMIA Recruitment and Advertisement Requirements](#).

What is the Labour Market Benefit Plan?

Labour Market Benefit Plan, also called LMBP in abbreviation, is very similar to the transition plan. The key differences of the LMBP vs. the Transition Plan are:

- LMBP is used only for [Global Talent Stream LMIA](#) applications
- LMBP doesn't allow the Canadian company to select transition to permanent residence as its activity
- LMBP asks for 3 activities (as a minimum) as opposed to 4 activities
- LMBP activities need to cover each year of foreign worker's employment
 - for example: a GTS LMIA application asks for 3 years for foreign worker's employment. The LMBP activities will then need to cover a 3-year period

LMBP is also structured to have 1 mandatory activity, which is dictated by the GTS LMIA application category, and 2 supplementary activities that are not dependent on the category.

Category A of GTS LMIA applications asks that the mandatory activity is to create new jobs for Canadian citizens and permanent residents.

Category B asks that the mandatory activity is an investment in skills and training of Canadian citizens and permanent residents.

Recommended Supplementary Activities

The supplementary activities, as recommended by ESDC, can be any of the below:

- job creation
 - note that this can be used as a supplementary activity only for Category B
- forming partnerships with local colleges, universities or other learning centres
- offering paid co-op or internship opportunities
- engaging in initiatives that boost workplace participation of underrepresented groups
- providing continued professional development opportunities
- ensuring that the foreign worker will supervise and mentor Canadian workers at the firm to support knowledge transfer

- increasing revenue or investments for the company
- developing or improving best company practices or policies related to attraction and retention of Canadian citizens or permanent residents
- developing or enhancing partnerships with organizations that assist with identifying top domestic capital

Labour Market Benefit Plan Implementation Example

Company A is applying for Category A GTS LMIA to ask for 3 years of employment of the foreign worker. Their LMBP would look something like this:

- **Mandatory activity:** commit to create 3 new jobs for each year that the foreign worker will be working with the company
 - the new jobs can be in any role and occupation, it doesn't have to be the same as the position that is being asked in the GTS LMIA application
 - for example: the company commits to hiring 3 administrative assistants in the first year, 3 software developers in the second year, 3 marketing managers in the third year
- **Supplementary activity #1:** commit to investing \$5,000 in continued professional development opportunities for Canadian employees for each year of the foreign worker's employment
- **Supplementary activity #2:** allocate \$1,000 each year to sponsor a career fair for underrepresented groups

In our experience, ESDC will mostly accept 3 activities for an LMBP and will not ask to add a 4th one unless the Canadian company is newer, doesn't have many employees or doesn't have substantial revenue.

Just like the transition plan, LMBP will have a separate section in the GTS LMIA application. Unlike the transition plan, ESDC officers will often schedule a meeting to confirm LMBP activities.

If there is 1 best tip that we can share: select activities that are most realistic to the company. It will make it easier to complete and it will ensure continued employer compliance with the temporary foreign worker program.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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