



# What do Ontario's new temp agency and recruiter licensing rules mean for workers?

Are you a worker that uses temp agencies or recruiters to find work? Here are 4 things you need to know.

## 1. Temp agencies and recruiters must have a license to operate in Ontario

Starting July 1, 2024, all temp agencies and recruiters must have a license to operate in Ontario. Employers and companies cannot knowingly use temp agencies and recruiters that do not have a license.

## 2. There is a public database of licensed temp agencies and recruiters

If you are a worker and using a temp agency or recruiter, look them up in the [Ontario government's licensing database](#) to see if they have a license and are allowed to operate. The database also shows the temp agency or recruiter's address and contact information.

## 3. It can be easier for the government to recover workers' wages

Temp agencies and recruiters must provide a \$25,000 security to apply for a license. If the government finds that the temp agency or recruiter breaks the law, the government can use this \$25,000 security to get the money owed such as for stolen wages or violating your rights.

## 4. Temp agencies and recruiters who break the law can lose their license

Reasons for having their license application refused or license taken away include:

- Not complying with any orders issued under the Employment Standards Act (ESA) or the Employment Protection for Foreign Nationals Act (EPFNA).
- Violating EPFNA rules by charging illegal recruitment fees to workers or keeping a migrant worker's passport or a work permit.
- Convicted of crimes that involve human trafficking or kidnapping.
- Not registering with the Workplace Safety Insurance Board (WSIB) if required to or not paying their WSIB premiums.
- Not paying their federal or provincial taxes.

While these rules provide stricter penalties against temp agencies and recruiters that break the law, these rules are only as strong as they are enforced. And they can only be enforced if workers are confident and willing to stand up for their rights.

That's why if you have a question or are worried about your rights at work, you can call us at the Workers' Action Centre at (416) 531-0778. All calls are free and confidential.



## Frequently Asked Questions

### Will I get in trouble if I work for an unlicensed temp agency or recruiter?

No. There are no penalties for workers who work for unlicensed recruiters or temp agencies.

### The temp agency or recruiter I worked with stole my wages. I made a complaint and the government knows about it. Why are they still operating?

This can happen for a number of reasons including:

- If they broke the law, but then complied with the government's orders to pay you your wages, then they would keep their license.
- If they broke the law, but then made an appeal, they can keep operating until the appeal is reviewed by the Ontario Labour Relations Board (OLRB).
- If they applied for a license before July 1, 2024, they can still continue operating until they receive a decision on their application. (And unfortunately, as there are close to 4,000 applications, this backlog means many are still under review.)

### What is a temp agency?

A temp agency charges a fee to companies to fill temporary roles with workers. These workers are employed by the temp agency and not the client company. Temp agencies cannot charge fees to workers for work assignments.

### What is a recruiter?

A recruiter charges a fee to companies to find workers. These workers are employees of the company that hires them. They do not work for the recruiter.

The new licensing rules state the following are NOT recruiters:

- Employers and employees searching for workers to work for their own company
- Education institutions that help students and alumni find work
- Trade unions
- Registered charities
- Recruiters that operate only under municipal, provincial and federal government agreements to connect workers and employers in Ontario. (Such as providing employment supports for people on ODSP)

Furthermore, the \$25,000 security is exempt for recruiters who:

- do not work with migrant workers without permanent residency,
- work with migrant workers without permanent residency but only to connect them with positions with wages at or above Ontario's median hourly wage (At \$28.39/hour as of April 2, 2024)

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