

PROPERTY TRANSFER TAX ACT
ADDITIONAL PTT POLICY OPTIONS

I. ISSUE

Should the additional Property Transfer Tax (PTT) be modified to encourage skilled workers to immigrate to BC.

II. BACKGROUND

BC encourages international immigration into the province in order to meet current and future labour market shortages. The additional PTT may serve as a disincentive for skilled workers to relocate to BC from abroad as it increases the cost of purchasing a home in the GVRD. It may also discourage skilled workers who are in BC temporarily from seeking to become permanent residents of BC.

III. DISCUSSION

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Overview of Temporary Immigration Streams

Temporary Immigration Streams in Canada facilitate the temporary entry of:

- foreign workers
- international students
- and visitors, who come to Canada for personal or business travel
- (as well as the family and dependents of the above groups)

Major changes relating to temporary foreign workers were announced in June 2014. The TFWP refers to only those streams under which foreign workers enter Canada at the request of employers following approval through a new Labour Market Impact Assessment (LMIA). The International Mobility Programs (IMP) include those streams in which foreign nationals are not subject to an LMIA, and whose primary objective is to advance Canada's broad economic and cultural national interest, rather than filling particular jobs.

Figure 1: Temporary Foreign Worker Program (TFW)

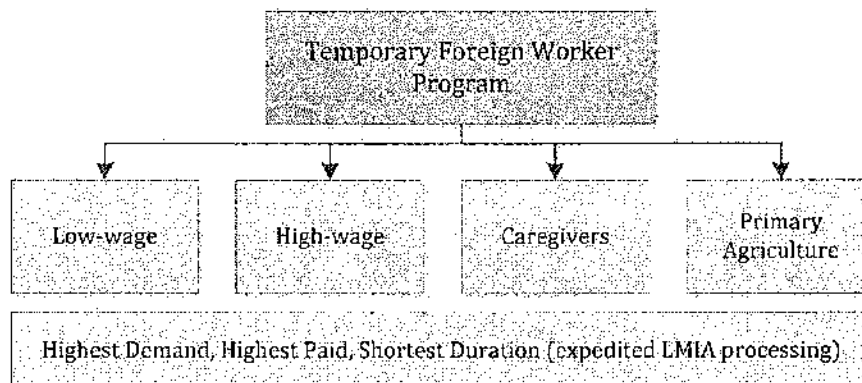
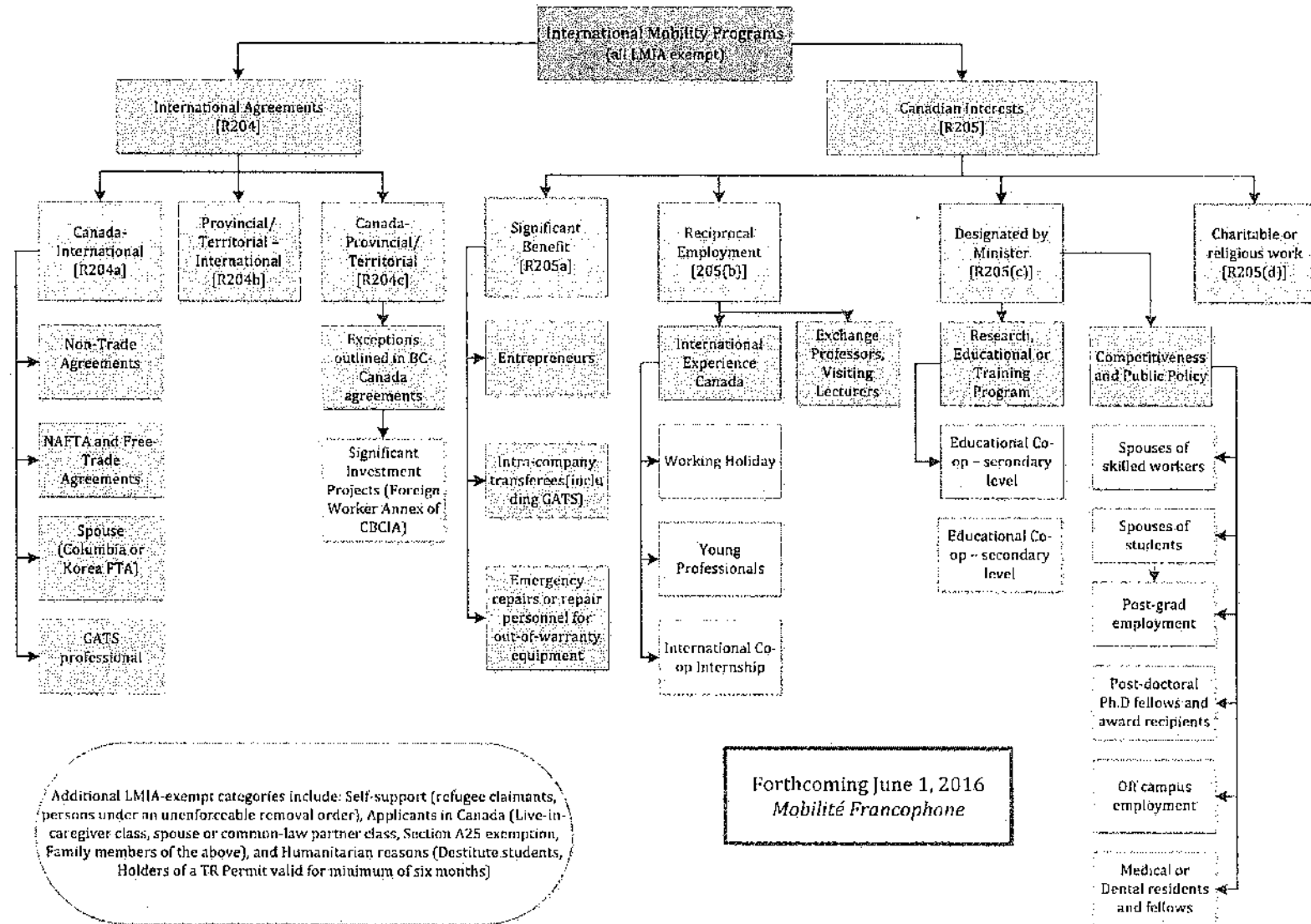


Fig. 2 International Mobility Programs (IMP)



Immigration Pathway	Who does it work for			Operational details
International Mobility Programs (IMP) <u>All LMIA Exempt</u> IMP occupations that do not require a work permit are listed here	International Agreements R204	Canada-International [R204a]	<u>Non-Trade Agreements</u> [exemption T11]	Individuals covered by very specific international agreements: E.g. airline personnel, U.S. IRS employees, Fulbright scholars, individuals working in film co-production, and <u>others</u>
			NAFTA and Free-Trade Agreements	Individuals authorized to enter Canada under NAFTA or free-trade agreements parallel to NAFTA (agreements with Chile, Peru, Columbia, and Korea). These can be a: <ul style="list-style-type: none"> - Business Visitor - Trader [exemption T21] - Investor [exemption T22] - Professional/Technician [exemption T23] - Or Intra-company Transferee [exemption T24]
			<u>Spouse (Columbia or Korea FTA)</u> [exemption T25]	For spouses coming under the Canada-Columbia and Canada-Korea Free Trade Agreements.
			<u>GATS professional</u> [exemption T33]	Both business visitors and intra-company transferees who possess citizenship of one of the 150 members of the WTO. Must possess professional qualifications in a designated occupation. <u>Eligibility criteria can be found here.</u>
		Provincial/Territorial - International [R204b]	No examples	Entry period is for 90 days

	Canada-Provincial/ Territorial [R204c]	<u>Exceptions outlined in BC-Canada agreements</u>	Significant Investment Projects (Foreign Worker Annex of CBCIA)	Projects that involve a significant investment into BC, highly mobile capital, and high wage occupations; e.g. The Microsoft Centre of Excellence Project.
Canadian Interests [R205]	<u>Significant Benefit</u> [R205a]	<u>Entrepreneurs</u> [R205ai, exemption C11]		Entrepreneurs/self-employed candidates seeking to operate a business.
		<u>Intra-company transferees(including GATS)</u> [R205aii, exemption C12]		Individuals who are citizens of one of the 150 members of countries of the World Trade Organization and have specialized (proprietary and advanced) knowledge. Executives and managers: initial work permit max. 3 years, unless office start-up (1 year); 2-year renewals allowable; total period of stay must not exceed 7 years. Criteria for workers with specialized knowledge are the same, other than the total period of stay must not exceed 5 years.
		<u>Emergency repairs or repair personnel for out-of-warranty equipment *</u> [R205(a)iii, exemption C13]		Emergency repair personnel are persons whose admission is required in Canada to carry out emergency repairs to industrial or commercial equipment in order to prevent disruption of employment regardless of whether the equipment is under warranty.
	Reciprocal Employment [205(b)]	<u>International Experience Canada</u> [R205(b), exemption C21], Programs for youth under 30 or 35 from	Working Holiday Young Professionals	Travel and work – open work permit to allow work for any employer or location in Canada to supplement financial resources Travel and work – open work permit to allow work for any employer or location in Canada to supplement financial resources

	countries with reciprocal agreements in place	International Co-op Internship	Students only - internships - employer-specific work permit to help youth gain targeted experience within their field of study.
	Academic Exchanges [R205b, exemption C22]		Guest lecturers, Teachers (elementary and secondary) and Visiting professors.
Designated by Minister [R205(c)]	<u>Research, Educational or Training Program</u> [R205(c).1-2, exemption C31]	Educational Co-op, post-secondary [exemption 32] Educational Co-op - secondary level [exemption C33]	Individuals who intend to perform work that is an essential part of a secondary, postsecondary, academic, vocational or professional training program. Individuals coming to work for International Development Research Centre of Canada (IDRC) temporarily. Post-doctoral fellows at Atomic Energy of Canada Ltd. Holders of a chair position at a Canadian university or sponsored by National Research Council of Canada (NRC) and the Natural Sciences and Engineering Research Council of Canada (NSERC).
	Competitiveness and Public Policy [R205cii]	Spouses of skilled workers [exemption C41]	Spouses/common-law partners of skilled people coming to Canada as foreign workers; no job offer required.
		Spouses of students [exemption C42]	Spouses/common-law partners of skilled people coming to Canada as foreign workers; no job offer required.
		Post-grad employment [exemption C43]	This is the Post Graduation Work Permit Program (PGWPP) that helps international students transition to PR through Canadian Experience Class.
		Post-doctoral Ph.D fellows and award recipients	Post-doctoral fellows holding a Doctorate of Philosophy (Ph.D.) or its equivalent are appointed to a time-

		[exemption C44]	limited position granting a stipend or a salary to compensate for periods of teaching, advanced study and/or research.
		Off campus employment [exemption C25]	Now work permit exempt.
		Medical or Dental residents and fellows [exemption C45]	Foreign medical (or dental) residents are holders of a medical degree equivalent to that of a Canadian Medical Doctorate who are coming to Canada to complete a residency at a Canadian hospital or in a clinical setting as part of their medical training.
		Charitable or religious work [R205(d)]	Charitable or religious workers who are carrying out duties for a Canadian religious or charitable organization and the duties themselves are of a charitable or religious nature
	Forthcoming June 1, 2016	Mobilité Francophone	Francophone foreign workers in managerial, professional and technical/skilled trades occupations (NOC skill level O, A or B) who are coming to work in francophone minority communities outside Quebec
Additional LMIA-exempt IMP categories include: Self-support (refugee claimants, persons under an unenforceable removal order), Applicants in Canada (Live-in-caregiver class, spouse class, Section A25 exemption, Family members of the above), and Humanitarian reasons (Destitute students, Holders of a TR Permit valid for min. of 6 months)			
Temporary Foreign Worker Program (TFW)	Low-skilled		Individuals earning below \$22/hr in NOC C and D jobs.
For temporary	High-skilled		Individuals earning above \$22/hr
			Cap on TFWs. Between a few weeks and months to process. 10 day LMIA processing

positions and those not wanting to immigrate	in NOC O, A and B jobs.	for skilled trades (above median wage) and highest wage (top 10%), 1 year work permit (+1 year renewal) Transition plan required.
Primary agriculture	Replaces seasonal agriculture program Eligible 2006 NOCs include: 8251, 8252, 8253, 8254, 8256, 8431, 8432, 8611.	On-Farm Primary Agriculture is exempt from the following measures: <ul style="list-style-type: none"> • LMIA fee • Cap on low-wage temporary foreign workers • 1-year LMIA duration • Reduction in the period that a low-wage temporary foreign worker will be allowed to remain in Canada (SAWP only)
Caregivers	Replaces former Live-in caregiver program	Live-in Caregiver Program (LCP) is exempt from the following measures: <ul style="list-style-type: none"> • Cap on low-wage temporary foreign workers • 1-year LMIA duration • Reduction in the period that a low-wage temporary foreign worker will be allowed to remain in Canada
Highest Demand, Highest Paid, Shortest Duration	New stream to facilitate LMIs for certain occupations: <ul style="list-style-type: none"> - Highest demand: skilled trades where the wage offered is at or above the provincial median wage 	

- Highest paid:
Wages are in the top 10% of wages earned by Canadians in a given province
- Shortest duration:
≤120 days where wages offered are at or above provincial median; renewals are not permitted

OTHER:

International Students

Foreign nationals studying at a designated learning institution in Canada. In order to obtain a study permit, the individual must provide:

- A letter of acceptance
- Proof of funds
- Additional information if asked (e.g. a medical examination)

Work Permits available to international students include:

- On-campus work
- Co-op Work Permit Program
- Off-campus Work Permit Program
- Post-Graduation Work Permit Program
- Spouses or common-law spouses of full-time students

Recent changes to the international student program require that education institutions report to CIC on individuals continued enrolment and academic status; study permits are invalidated 90 days after completing a program of study; and a study permit is not needed if you want to take short-term courses or programs of study of six months or less.

Bridging Open work permits enable TRs to work while transitioning to PR; click [here](#) for information.

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Work Permit Policy Summary and Data

- There are three major types of work permit programs: the Temporary Foreign Worker Program (TFWP), the International Mobility Program (IMP), and Humanitarian & Compassionate (H&C). The majority of permits are under IMP (70%-75%).
- The number of work permits has been declining since 2013. In 2014, 64,799 work permits were issued for people whose destination was BC. That fell to 42,349 in 2016. In the first three quarters of 2016, 33,927 work permits were issued.

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TFW Program

- Under the TFW Program, worker must have a job offer from an employer who has proven to the federal government that no Canadians are available for the job.
- 12,595 TFW Program work permits were issued in 2015 for people intending to work in BC. Of those, over 4,095 were for agriculture jobs (largely low-wage) and 1,770 were for caregivers.
- Most of the jobs held by TFW Program permit holders are in NOC B and C (semi-skilled and technical/trades jobs)
- TFW Program work permits are generally valid for no more than one year (renewals are possible). Agriculture, seasonal, or other short-duration work may have a shorter validity period.
- TFW Program work permits are only valid for work in a specific job with a specified employer.

International Mobility Program

- The IMP is an umbrella term for numerous streams under which people can get a work permit without an employer having to prove that no Canadians are available for the job.
- Examples of IMP streams include international trade agreements, youth working holiday programs, intra-company transferees, spouses of students and skilled workers, and off-campus employment for students.
- Most IMP work permits are not specific to a job or an employer – they are “open” work permits that allow the permit holder to work anywhere in Canada, in any job, for any employer.
- In 2015, 29,255 work permits were issued under IMP for individuals planning to work in BC. However, because most IMP permits are not employer/specific, there may be some inter-provincial movement of workers after arrival.

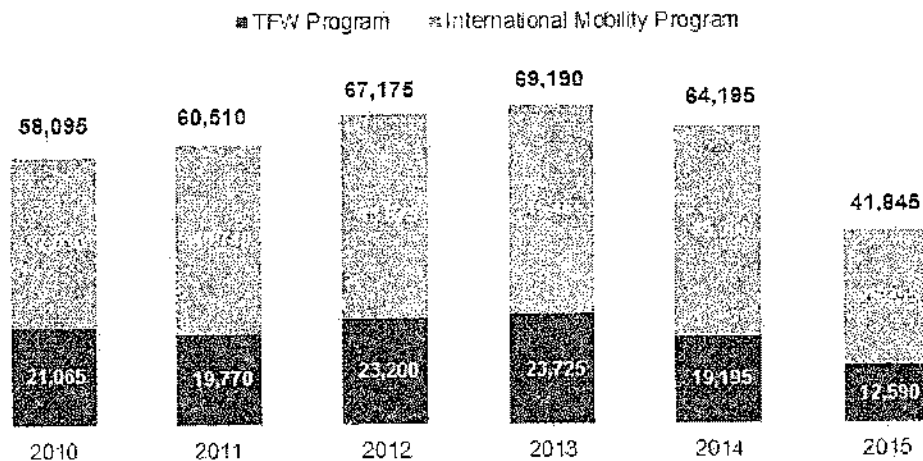
Humanitarian and Compassionate

- A comparatively small number of work permits are issued for humanitarian and compassionate reasons.
- These work permits are generally open work permits issued to people already in Canada legally and in situations where withholding a work permit would significantly impact the persons welfare. Examples are refugee claimants, destitute students (not otherwise eligible for a work permit) or holders of a temporary resident permit longer than 6 months.
- In 2015 only 490 humanitarian and compassionate work permits were issued in BC in 2015.

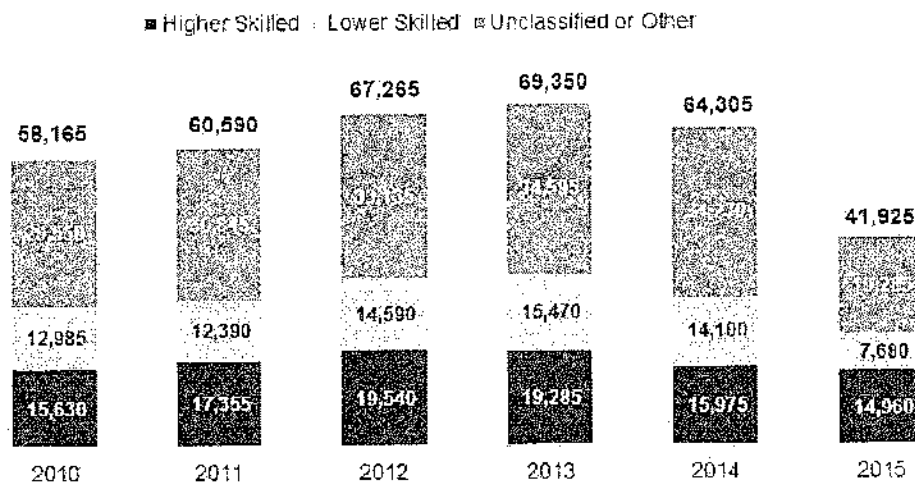
Students

- International students in Canada on a study permit are allowed to work on-campus *without* a work permit if they are a full-time student at a public post-secondary institution (or some private institutions under certain conditions).
- Some students also qualify to work off-campus *without* a work permit, but only up to 20 hours per week (and full-time during scheduled breaks such as summer holidays). To qualify the student must have a valid study permit, be enrolled full-time, and be at a designated institution in a program that leads to a diploma or degree.
- Students who have a co-op or internship component of their study program must **apply** for a separate work permit (under the IMP).

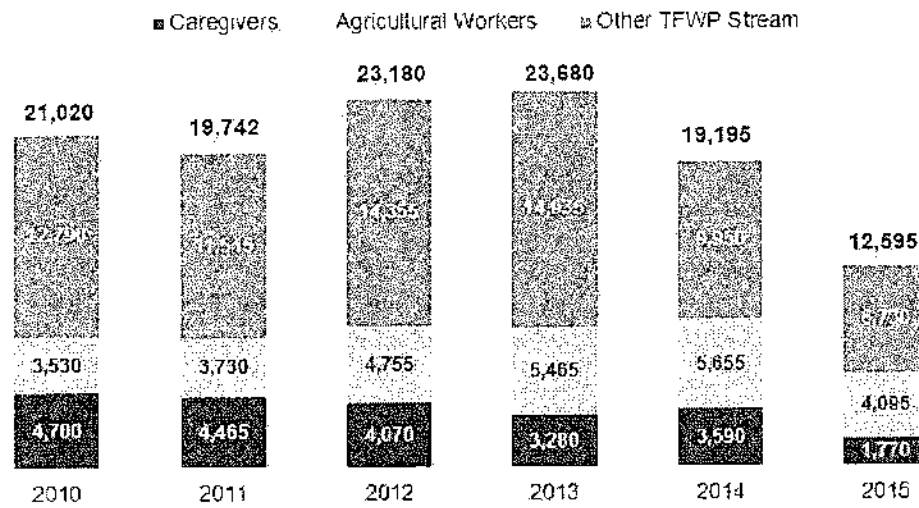
TFWs in BC by Program and Year in which Work Permit(s) became effective, 2010-2015 (IRCC Data)



TFWs in BC by Skill Level (TFWP and IMP) and Year in which Work Permit(s) became effective, 2010-2015 (IRCC Data)



TFWs in BC by Temporary Foreign Worker Program Category and Year in which Work Permit(s) became effective, 2010-2015 (IRCC Data)



TFWs in BC by International Mobility Program Category and Year in which Work Permit(s) became effective, 2010-2015 (IRCC Data)

