

GUIDANCE NOTE:

RECRUITMENT FEES AND RELATED COSTS

This guidance note supports employers of migrant workers in understanding ILO's definition of recruitment fees and related costs, identifying potential recruitment fees and related costs that may be incurred during the labour migration process and determining a transparent and sustainable price for recruitment with labour recruiters. This guidance note is comprised of the following three parts:

- A. Summary of the ILO definition on recruitment fees and costs
- B. Breakdown of recruitment fees and related costs to be borne by the employer
- C. Frequently asked questions on recruitment fees and related costs

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Summary of the ILO definition on recruitment fees and costs

Recruitment fees and related costs refer to any fees or costs incurred in the recruitment process for migrant workers to secure employment or placement regardless of the manner, timing or location of their imposition or collection.

Recruitment fees or related costs should not be collected from workers by an employer, their subsidiaries, labour recruiters or other third parties providing related services. Fees or related costs should not be collected directly or indirectly, such as through deductions from wages and benefits.

Recruitment fees	Related costs	Illegitimate, unreasonable and undisclosed costs
<h2 style="text-align: center;">RECRUITMENT FEES</h2> <p>Recruitment fees may be one-time or recurring and cover recruiting, referral and placement services that could include advertising, disseminating information, arranging interviews, submitting documents for government clearances, confirming credentials, organizing travel and transportation, and placement into employment.</p> <p>Payments for recruitment services offered by labour recruiters, whether public or private, in matching offers of and applications for employment</p> <p>Payments made in the case of recruitment of workers with a view to employing them to perform work for a third party</p> <p>Payments made in the case of direct recruitment by the employer</p> <p>Payments required to recover recruitment fees from workers</p>		

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<h2>RELATED COSTS</h2> <p>Related costs are expenses integral to recruitment and placement within or across national borders, taking into account that the widest set of related costs are incurred for international recruitment. These costs are listed below and may apply to both national and international recruitment.</p>		
Administrative costs	Medical costs	Insurance costs
Costs for training and orientation	Costs for skills and qualifications	Equipment costs
		Travel and lodging costs

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Recruitment fees	Related costs	Illegitimate, unreasonable and undisclosed costs
<div data-bbox="703 798 2033 847" data-label="Section-Header"> <h2>ILLEGITIMATE, UNREASONABLE AND UNDISCLOSED COSTS</h2> </div> <div data-bbox="703 960 2054 1032" data-label="Text"> <p>Extra-contractual, undisclosed, inflated or illicit costs are never legitimate. Anti-bribery and anti-corruption regulation should be complied with at all times and at any stage of the recruitment process.</p> </div> <div data-bbox="703 1142 2110 1284" data-label="List-Group"> <ul style="list-style-type: none"> Bribes Tributes Extortion or kickback payments Bonds Illicit cost-recovery fees and collaterals required by any actor in the recruitment chain </div>		

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This table provides an overview of potential recruitment fees and related costs that may be incurred and should be borne by the employer. This list presents an interpretation of the ILO definition; it is not an exhaustive list and needs to be adapted to the specific context of involved countries of origin, transit and destination.

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Recruitment fees and related costs to be borne by the employer	Amount
Recruitment fees	
Service fees of labour recruiters in countries of origin (also known as placement fees or service charge)	<input type="text"/>
Service fees and commissions of subagents in countries of origin (often incurred at the community level and prior to the availability of an official vacancy notice)	<input type="text"/>
Service fees of labour recruiters in countries of destination in relation to recruitment	<input type="text"/>
Administrative costs	
Obtaining government permissions for hiring migrant workers	<input type="text"/>
Job advertisements and postings/job fairs/community outreach	<input type="text"/>
Costs for the employer's attorneys, or other notary or legal fees	<input type="text"/>
Costs for language interpreters or translators (for example for translation of employment contracts, vacancy notices, etc.)	<input type="text"/>
Official translations of certificates required by the employers or country of destination authorities to meet overseas job market's requirements	<input type="text"/>
Passport and identity documents needed to obtain employment (in case the worker does not possess a passport at the onset of recruitment)	<input type="text"/>
Visas and entry permits, including any costs associated with obtaining a visa or entry permit such as appointment and express costs	<input type="text"/>
Background, reference and police/security check	<input type="text"/>

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Recruitment fees and related costs to be borne by the employer	Amount
Background, reference and police/security check	<input type="text"/>
Deposits and/or bonds	<input type="text"/>
Initial entry or work permits required for residing and working in the destination country	<input type="text"/>
Government levy, deductions or deposits/bonds required by destination country law	<input type="text"/>
Medical costs	
Costs for medical examination and tests in the country of origin that are required prior to the migrant workers' departure and post-arrival at the destination country	<input type="text"/>
Vaccinations (including for COVID-19)	<input type="text"/>
Costs for quarantines	<input type="text"/>
Post-arrival medical examinations at the country of destination	<input type="text"/>
Insurance cost	
Worker insurance (mandatory contributory schemes in countries of origin or destination, health and safety of workers and enrolment in Migrant Welfare Funds)	<input type="text"/>

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Recruitment fees and related costs to be borne by the employer	Amount
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Travel and lodging

Local transportation, lodging and subsistence costs from the worker's home directly to the nearest recruitment centre for the initial briefing and interview	<input type="text"/>
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Transportation, lodging and subsistence costs	<input type="text"/>
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Travel costs from the worker's home/recruitment agency centre in the country of origin to the workplace and/or accommodation provided in country of destination. These costs include:	<input type="text"/>
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- Domestic transportation to the port of departure
- Travel from country of origin to country of destination port of entry including airfare or any other mode of international transportation
- Domestic transportation to workplace and accommodation in country of destination
- Any fees and travel taxes, e.g. border-crossing fees and terminal fees
- Any costs associated with travel arrangements and service of travel agents
- Lodging and subsistence related to the administrative processes

Associated costs for lodging, transportation and subsistence if training location is outside the work location/dormitories	<input type="text"/>
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Training and orientation

Costs of information briefings to workers (including logistics, material costs and language interpreters or translators)	<input type="text"/>
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Costs of PDO courses (including logistics, material costs and language interpreters or translators)	<input type="text"/>
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Costs for conducting PAO, including material costs and language interpreters or translators	<input type="text"/>
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New-hire training or job-skills training at the workplace, including material costs and language interpreters or translators	<input type="text"/>
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Recruitment fees and related costs to be borne by the employer	Amount
Skills and qualifications	
Costs for interviews and skills tests to: <ul style="list-style-type: none"> • Verify workers' language proficiency • Level of skills and qualifications • Location-specific credentialing or licensure 	<input type="text"/>
Certification or licensing: <ul style="list-style-type: none"> • Certificate of good conduct • Birth certificate • Any other certifications (of education transcripts of records and diploma, license, etc.) 	<input type="text"/>
Equipment costs	
Any equipment costs charged by the labour recruiter such as uniforms, safety gear, and other equipment needed to travel to the destination country or to perform assigned work safely and effectively	<input type="text"/>
Subtotal	<input type="text"/>

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Recruitment fees and related costs to be borne by the employer	Amount
Recruitment fees	
Recurring/monthly or one-off service fees for involved labour recruiters (e.g. for onsite management services of migrant workers)	<input type="text"/>
Administrative costs	
Annual work/residence permits/renewals	<input type="text"/>
Replacement of any stolen documentation at the employer's premises. This cost also includes photo(s), providing/photocopying documents, etc.	<input type="text"/>
Renewal of passports needed for the purposes of retaining employment	<input type="text"/>
Any costs associated with paying the worker's salary (e.g. bank fees)	<input type="text"/>
Medical costs	
Annual medical examinations if required by the employer or law	<input type="text"/>
Travel and lodging costs	
Accommodation during employment	<input type="text"/>
Costs for transport to and from the workplace including for a transport service (for example shuttle service) provided by the employer or labour recruiter	<input type="text"/>
Relocation costs if migrant workers are asked to move accommodation after employment has begun	<input type="text"/>
Equipment costs	
Tools, uniforms, safety gear and other equipment needed to perform assigned work safely and effectively	<input type="text"/>
Subtotal	<input type="text"/>

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Recruitment fees

Any additional recruitment fees for labour recruiters related to extension of employment contracts of migrant workers, the change of employer (to be paid by new employer) and return or the rehiring of migrant workers	<input type="text"/>
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Administrative costs

Compensation package in case of need to terminate a worker's contract early due to downsizing, facility closure or other events that could cause early termination of contract	<input type="text"/>
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Any costs associated with extending the work visa or paying agent fees in case of contract extension	<input type="text"/>
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Costs for quarantines	<input type="text"/>
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Travel and lodging costs

Travel costs from the worker's workplace or provided accommodation in country of destination to worker's home in the country of origin. These costs include:	<input type="text"/>
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- Domestic transportation from workplace/accommodation to embarkation point in country of destination
- Travel from country of destination to country-of-origin port of entry, including airfare or any other mode of international transportation
- Domestic transportation to worker's home in country of origin
- Any fees and travel taxes, e.g. border-crossing fees, terminal fees
- Any costs associated with travel arrangements, e.g. travel agents' fees
- Lodging and subsistence throughout the entire return travel

Subtotal	<input type="text"/>
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Grand total	<input type="text"/>
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Why is it important for employers and migrant workers that no recruitment fees and related costs are charged to migrant workers?

When jobseekers and migrant workers pay recruitment fees and costs, this can lead to debt bondage, an indicator of forced labour. It means that a worker is forced to work to pay off the debt and therefore unable to leave the job. Even though the charges may be incurred at the country of origin at the early stages of the recruitment process, it can impact the entire migration, employment and return phase. Following the employer pays principle and working closely with the labour recruiters and paying all recruitment fees and related costs will help the employer to:

- Prevent and mitigate risks of exploitation and forced labour in combination with other ethical recruitment practices;
- Identify and select migrant workers based on merit and qualification rather than their ability to pay; and
- Demand high quality of services and increase accountability from the labour recruiters based.

What is the employers' responsibility in the international recruitment process?

Employers who recruit migrant workers are responsible that the entire recruitment process including the initial steps at the country of origin such as the payment of recruitment fees and related costs, advertisements and outreach to applicants is carried out in accordance with ethical recruitment principles. It is recommended that employers be therefore closely involved in the recruitment process including orientations and briefings, selection of candidates while establishing adequate monitoring of the involved labour recruiters.

How should payments of recruitment fees and related costs be handled between employers and labour recruiters?

Employers and recruiters should work together to identify a transparent and fair market price that enables the labour recruiter to comply with ethical recruitment principles in a sustainable manner. To this end, the employer is free to engage with several labour recruiters during the procurement and screening of recruitment service providers to select a preferred business partner based on social, legal and financial criteria. The recruitment fees and related costs to be borne by the employer should be paid directly and at least partially upfront to the labour recruiter(s) to prevent migrant workers from having to pay any advance costs that could create a situation of financial debt. Where it cannot be avoided for migrant workers to advance specific recruitment cost items, employers should require recruiters to inform migrant worker about accurate details at the beginning of recruitment and provide receipts for these costs to migrant workers and put in place a procedure for the reimbursement to migrant workers within 30 days upon their arrival at the destination country.

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How can employers establish adequate oversight of the recruitment process to minimize risks for any illegitimate, unreasonable or undisclosed costs charged to migrant workers or the employer?

As a general principle, employers should be treating international recruitment with the same importance and rigor as other business relationships, transactions and human resource processes during employment. Therefore, employers should follow a systematic approach for how to engage labour recruiters and migrant workers during the recruitment process. This should involve at a minimum initial screenings and assessments, formalized contractual agreements and training sessions that are all based employer's policy commitment and requirements on ethical recruitment, including that workers cannot be charged any fees or costs related to their recruitment. Employers should also be able to carry out audits or on-site assessments of their recruitment agencies and support corrective actions on side of the recruitment. It is also vital for employers to ensure that all applicants and prospective migrant workers understand early in the process that they should not be paying for their recruitment. There should be grievance channels available during recruitment to report any breaches on side of the recruiters. Upon the arrival of migrant workers at the country of destination, employers should take the opportunity to verify with migrant workers that they did not have to pay any recruitment fees or related costs. It is important that migrant workers can provide this information in confidentiality and without any fear of retaliation, dismissal or repatriation.

What can employers and recruiters do to mitigate risks of any charges to migrant workers from subagents who may be involved in the recruitment process with or without the knowledge of the employer?

It is important to understand that any informal subagents that are part of the recruitment process fall under the responsibility of the employer and official/registered labour recruiters. Therefore, employers and recruiters need to establish a recruitment model under which no informal subagents are involved or if so, that these relationships are formalized and integrated in all due diligence, screening, training, contracting and monitoring processes between the employer and recruiter. This means that any involved subagents should be covered in the payment by employer and recruiter to prevent any fees or related costs being charged outside of the agreed total fees and costs. When employers verify with migrant workers that they were not charged any fees and costs for their recruitment, there should be explicit questions about the involvement of any subagents or other intermediaries in the recruitment process (for example medical centres, money lenders, transportation service providers or others). Employers may also work together with credible local level civil society organizations to carry out monitoring of recruitment practices and support migrant workers to navigate the recruitment process.

When applicable laws in countries of origin or destination allow a deposit to be charged to the migrant workers, how can employers and recruiters still follow the principle that recruitment fees and related costs cannot be charged to migrant workers?

With the understanding that in some jurisdictions, it is legal to charge deposits to workers, the employer will issue a letter waiving the migrant worker's obligation to pay such deposits. It is the employer's and labour recruiter's responsibility to ensure that no such deposits are charged to the migrant worker. Where not possible, the employer pays the deposit on the worker's behalf.

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Do employers need to pay for passports when migrant workers apply directly with the employer and within the country of employment?

If a migrant worker initiates the application, presenting themselves to the company at the place of employment, the worker will have already covered by then passport, visa and domestic transportation, and should not expect to be reimbursed, since the employer did not seek them out in their country, province, state or region of origin (unless the employer asked them to come first and then offered employment).

What happens when migrant workers do not pass the medical examination?

Where migrant workers do not pass pre-departure medical examination, they are reimbursed for any cost incurred during the recruitment process. Their return to their hometown is covered by the employer and/or labour recruiter.

Who should pay for the transportation of the applicants to the job interview?

If the interview, whether initial or not, is the result of a formal interview invitation from the recruiter or the jobseeker needs to travel beyond what is considered a “reasonable distance” to attend the interview, the costs are borne by the employer.

Who should pay for the passport?

Costs for passports that are required to obtain employment should be borne by the employer. If workers already possess a passport prior to beginning of employment, then there is no need for employers to pay for or reimburse these costs. However, employers and recruiters cannot exclude applicants from the recruitment process if they do not possess a passport already.

Who pays for the replacement of passport replacement cost due to workers’ loss or fault?

In such case, the replacement can be paid by the workers. However, if the documentation has been stolen at the employer’s premises, it should be paid for by the employer. Outside of the employer’s premises, it is the workers’ responsibility to cover the replacement cost. This cost also includes photo(s), providing/photocopying documents, etc.

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Who pays for the accommodation of migrant workers during employment?

In several jurisdictions, employers are legally obliged to provide and cover the cost of the workers' accommodation during the employment period. If there are legal requirements for migrant workers to stay in accommodations provided by employer or third party, the workers may not be charged (including through differential salaries). In cases where employers offer accommodation even though it is not mandatory and migrant workers may be able to choose whether to stay there, this accommodation must be offered at a fair market value and at the same level as other accommodations of similar standard would costs.

Who pays for the costs for transport to and from the workplace including for a transport service (e.g. shuttle service) provided by the employer or labour recruiter?

Any fees for transport to and from the workplace, which is a mandatory requirement of the job (that is, the only reasonable mode of transportation to arrive at the place of work) cannot be charged to the worker (including through differential salaries). Transport costs charged to workers are only allowed for transport services that are truly optional and charged at fair market value.

What costs are included in the travel costs from the worker's workplace or accommodation in country of destination to the worker's home in the country of origin? Who should pay for the return travel of migrant workers?

Costs for return travel must be borne by the employer and include the following items:

- Domestic transportation from workplace/accommodation to embarkation point in country of destination;
- Travel from country of destination to country-of-origin port of entry, including airfare or any other mode of international transportation;
- Any fees and travel taxes, for example border-crossing fees, terminal fees;
- Domestic transportation to worker's home in country of origin;
- Any costs associated with travel arrangements, for example travel agents' fees; and
- Lodging and subsistence throughout the entire return travel.

The only exceptions where the employer does not need to cover these costs apply if:

- The worker has not provided full reasonable notice period;
- The worker finds alternative legal employment in the destination country; and
- The worker is summarily dismissed for gross misconduct, illegality or otherwise involuntarily terminated for cause in accordance with the employer's disciplinary procedures, before the contract's end date.

The employer should cover return costs if a migrant worker must temporarily travel home due to unforeseen circumstances such as family emergency, crisis (for example natural disasters) or critical illness. If possible and if welcomed by the migrant worker, the employer should forfeit the required notice period and arrange for workers to return to the same position or an equivalent position paid at the same rate. As another good practice, where there is no legal requirement to do so, the employer should cover the costs of the workers' home leave.