

GMS Flash Alert

Immigration

2024-091 | April 16, 2024

Canada – Changes to Temporary Foreign Worker Program

On March 21, 2024, Immigration, Refugees and Citizenship Canada (IRCC) announced changes to its Temporary Foreign Worker Program (TFWP), including modifications to the validity period of Labour Market Impact Assessments and to the cap for low-wage temporary foreign workers employed by employers in certain sectors.¹

The new measures were announced as Canada reviews its immigration policies. Due to rising challenges in housing, health-care, and other labour market conditions, Canada’s government is adjusting the TFWP to help ensure the program continues to be used for positions where there are no available Canadians or permanent residents to fill the roles.

WHY THIS MATTERS

The shorter duration for foreign nationals to apply for a work permit once they receive a positive Labour Market Impact Assessment (LMIA) and the reduction in the cap for low-wage temporary foreign workers employed in certain sectors may mean less flexibility or convenience in terms of hiring foreign nationals.

More Details

Context

The TFWP is designed to issue work permits to foreign nationals who can help fill labour shortages in Canada. Employers seeking to hire foreign nationals through the TFWP must support work permit applications with a LMIA, which demonstrates that there are no qualified Canadians or permanent residents to fill the role.

During COVID-19, Canada released a series of temporary measures to help address labour market needs, including temporarily increasing the validity period of an LMIA to 12 months.

What's Changing?

Effective May 1, 2024, LMIA's will be valid for a period of six months, resulting in a shorter duration for foreign nationals to apply for a work permit.

Additionally, the cap for low-wage temporary foreign workers employed by employers in certain sectors will decrease from 30 percent to 20 percent.

Canada's 'Soft Cap' on Temporary Residents

Immigration Minister Marc Miller also announced that Canada is expected to reduce the population of temporary residents in Canada over the next three years.² Specifically, Canada is planning to reduce the temporary resident population in Canada from 6.2 percent to 5 percent by 2027 to help manage the recent increase in temporary residents in Canada. In January, IRCC announced that it was setting an intake cap on international student applications for a period of two years (see [GMS Flash Alert 2024-036](#), February 6, 2024).

KPMG INSIGHTS

Government's Plans and Goals

The Canadian government is expected to include temporary residents in its annual immigration levels plan, which is expected to be released in the fall. IRCC will be conducting a review of the government's temporary worker permit programs, with the goal of better aligning with current labour market conditions.

As Canada continues to review current immigration policies, KPMG will continue to monitor and report on important updates.

Employers' Considerations

As Canada reviews its immigration policies, employers may need to proactively review and adjust their foreign workforce strategies.

Employers will need to assess and manage their labour needs as they may have less flexibility in hiring foreign nationals instead of Canadian citizens or permanent residents.

Employers in sectors with low-wage positions may need to fill more vacancies with Canadian citizens, permanent residents, or other residents.

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Immigration legislation and practices continue to change frequently. Individuals who have questions or concerns about the new measures are encouraged to contact their usual immigration counsel or KPMG Law LLP (see the Contacts section) for further guidance.

FOOTNOTES:

1 Employment and Social Development Canada, "[Government of Canada to adjust temporary measures under the Temporary Foreign Worker Program Workforce Solutions Road Map](#)" (March 21, 2024).

2 Immigration, Refugees and Citizenship Canada, "[Speaking notes for the Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship: Announcement related to Temporary Residents.](#)"

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Contact us

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