

# GMS Flash Alert

## Immigration

2024-102 | May 2, 2024

## Canada – Updates to International Students’ Off-Campus Work Hours, Prevailing Wage Compliance

On April 29, 2024, Immigration, Refugees and Citizenship Canada (IRCC) announced that the temporary policy allowing international students to work full-time during their regular academic semesters will not be extended.<sup>1</sup> In this *GMS Flash Alert*, we also report on the requirement for employers that utilize the Temporary Foreign Worker Program (TFWP) to review their foreign workers’ salaries to ensure prevailing wages are met.

### WHY THIS MATTERS

Historically, eligible foreign students could work off-campus for 20 hours per week during their regular academic sessions and unlimited hours during scheduled breaks. In October 2022, IRCC implemented a temporary policy that allowed students to work more than 20 hours per week during regular academic sessions.

IRCC announced that this temporary policy will not be extended past April 30, 2024. Effective May 1, 2024, students can work 20 hours per week during their academic semesters and continue to work unlimited hours during scheduled breaks, such as winter or summer holidays. IRCC has announced an intention to increase to 24 hours per week this fall.

Foreign students and their employers need to be mindful of the updated rules and take steps to adjust students’ working hours appropriately to remain compliant.

### More Details

IRCC has announced an intention to change the number of hours students may work off campus to 24 hours per week during regular academic sessions by fall 2024.<sup>2</sup> The government’s view is that allowing students to work up to 24 hours per week will help ensure they focus primarily on their studies, while having the option to work, if necessary.

This announcement is the latest in the Canadian government's review of its international student program. Earlier this year, the Canadian government announced that it will set an intake cap on international student applications for a period of two years and that most students must receive a Provincial Attestation Letter to study at a Designated Learning Institution in Canada (see [GMS Flash Alert 2024-036](#), February 6, 2024).

## Other Updates: Ensuring Compliance with Prevailing Wages

Effective January 1, 2024, Canadian employers that utilize the Temporary Foreign Worker Program (TFWP) must make sure, at least annually, that wages for their temporary foreign workers meet the prevailing wage standards according to the National Occupational Classification (NOC) code and location, as outlined by Employment and Social Development Canada (ESDC).<sup>3</sup> This new mandate builds on previous requirements for Labour Market Impact Assessment (LMIA)-based work permits, where employers already committed to reviewing employee work conditions annually. The structured change now explicitly focuses on wage compliance and introduces enforceable adjustments by January 1 following the yearly prevailing wage update that typically takes place in November.

This policy applies to TFWP applications submitted after January 1, 2024, but not to the International Mobility Program (IMP), though it remains good practice to annually review all foreign workers' salaries. An annual wage review is crucial for maintaining equitable work permit conditions, especially for categories like the C63 *Intra-company Transferee for Specialized Knowledge Workers*. Employers may choose to use a checklist-based approach during the annual wage review to verify compliance by December each year.

### KPMG INSIGHTS

It is considered good practice to document and store these reviews in a central repository that is accessible to members of the mobility or human resources team.

Employers may be subject to random audits by ESDC or IRCC, with a significant percentage of companies audited annually.

Documentation essential for audits includes the work permit, the electronic Offer of Employment form for LMIA-exempt applications, and the LMIA approval for LMIA applications. Changes in workplace location, job role, or significant salary adjustments require amendments to work permits or notifications to ESDC/IRCC before implementation.

While salary increases in line with prevailing wages do not need prior reporting, other substantial changes should be considered in consultation with immigration counsel or a KPMG Law representative.

### Penalties

Penalties for non-compliance can range from temporary bans to financial penalties up to \$1 million and even permanent exclusion from the programs. Companies can mitigate risks (in addition to the implementation of an annual wage review) by encouraging and supporting employees to seek permanent residence, allowing more flexibility in employment conditions without work permit constraints.

For compliance support or queries about hiring foreign workers, legal consultation is advised.

# Employers' Considerations

In light of the recent changes, employers should be prepared to update their foreign worker policies. Specifically, employers should review their population of international students to make sure their work hours are adjusted as needed. For students who are entering a scheduled summer break, they can continue to work unlimited hours.

Employers should also continue to review their foreign workers' salaries on a regular basis to maintain compliance with immigration regulations and prevailing wage requirements.

\* \* \* \*

Immigration legislation and practices continue to change frequently. Individuals and employers with 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.

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## FOOTNOTES:

- 1 IRCC, "[Canada to introduce new rules around off-campus work hours for international students](#)" (April 29, 2024).
- 2 Ibid.
- 3 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).

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional\* or one of the following professionals with the KPMG International member firm in Canada:



**Graeme Black**  
**Partner**  
**Canadian Immigration**  
KPMG Law LLP  
Tel. +1-416-943-7756  
[graemeblack@kpmg.ca](mailto:graemeblack@kpmg.ca)



**Amira Zubairi**  
**Manager**  
**Canadian Immigration**  
KPMG Law LLP  
Tel. +1-416-943-7889  
[amirazubairi@kpmg.ca](mailto:amirazubairi@kpmg.ca)

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