



# GMS Flash Alert

Immigration

2024-210 | October 25, 2024



## Canada – Canada Releases 2025-2027 Immigration Levels Plan

On October 24, 2024, Immigration, Refugees and Citizenship Canada (“IRCC”) released the Immigration Levels Plan for 2025-2027.<sup>1</sup>

### WHY THIS MATTERS

The federal government of Canada releases the Immigration Levels Plan (“the Plan”) every year to outline number of new permanent residents that Canada expects to welcome. Historically, the plan has set a target for the number of permanent residents that will be admitted to Canada in the coming year. However, this year, for the first time ever, the Plan also includes targets for temporary residents, including foreign workers and international students.

IRCC stated that it will be reducing the number of permanent residents that are accepted to Canada over the next three years. The reduction will occur across all categories of permanent residents, including federal economic classes, provincial nomination programs, family, and refugee/humanitarian programs.

The Plan aims to alleviate pressures on housing, infrastructure, and social services while preserving the integrity of Canada’s immigration programs. The 2025-2027 Plan is expected to result in a population decline of 0.2% in 2025 and 2026 before returning to a population growth of 0.8% in 2027.

In recent months, IRCC has made a series of significant announcements to manage the growing number of temporary residents in Canada. The Plan has been released following several announcements, including additional eligibility criteria for Post-Graduation Work Permit applicants, restrictions for international students, updated guidance on intra-company transfer work permits, as well as restrictions on the Low Wage stream of the Temporary Foreign Worker Program.<sup>2</sup>

## Background

The previous Immigration Levels Plan for 2024-2026 set a target to welcome 500,000 permanent residents to Canada in 2025, with the aim of maintaining this target in 2026.<sup>3</sup>

The 2024-2026 Plan was set to welcome approximately 281,135 immigrants under the economic class. The Express Entry target was set for 110,770 permanent resident admissions in 2024, and the Provincial Nominee Program (“PNP”) target was set for 110,000 immigrants in 2024 with plans to rise to 120,000 in 2025 and 2026, respectively.

## Immigration Levels Plan 2025-2027

### Permanent Residence Targets

The federal government has significantly reduced permanent targets for the next three years, with an overall projection set to 395,000 permanent residence admissions in 2025; 380,000 in 2026; and 365,000 in 2027.<sup>4</sup> While reductions are expected across all permanent residence streams, most of the impact will be absorbed by the federal economic program. Specifically, the allocations for provincial nomination programs are set at 55,000 permanent residents, which is about half of the target set last year.

### Temporary Residence Targets

IRCC previously announced their intention to decrease the number of temporary residents to 5% of Canada’s population by the end of 2026. Given the numerous measures announced to reduce temporary residents over the past year, Canada expects that the temporary population will decrease in coming years as more temporary residents will transition to being permanent residents or leave Canada.

Specifically, Canada expects to see the temporary population decline by 445,901 in 2025 and 445,662 in 2026, with a modest increase of 17,439 in 2027. The arrival targets for temporary residents in the 2025-2027 Plan are set for 673,650 in 2025; 516,600 in 2026; and 543,600 in 2027.

The temporary resident targets in the levels plan do not include short-term visitors or seasonal workers, who are not captured in annual population estimates. Targets are for the number of net new temporary residents entering Canada each year.

## KPMG INSIGHTS

### Considerations for Employers

**For Existing Foreign Workers:** Employers should conduct an advanced reporting analysis to review their foreign worker population that may be most impacted. Employers should work with legal counsel to assess permanent residence strategies. Employers should consider multiple permanent residence strategies, particularly employer-supported programs to maximize employees’ chances for permanent residence.

**For New Hires:** A detailed permanent residence assessment should be conducted in parallel with all temporary work permit assessments for new foreign national hires. Conducting a joint review of work permit and permanent residence eligibility will help employers better manage the long-term strategy for their foreign workforce.

**Communication:** Clear communication between global mobility teams and the business is essential in navigating the new immigration targets. Global mobility professionals should set expectations with their stakeholders regarding the increased challenges of securing permanent residence for foreign workers and emphasize the importance of early and strategic planning.

**Temporary Residence Considerations:** Employers should prepare for a potential increase in the need to support work permit extensions for employees who do not have a pending permanent residence application. Employers may consider additional budget allocations to support foreign workers' work permit extensions through employer-supported programs.

It is important to note that IRCC has announced targets for temporary residents, rather than issuing a specific cap on the number of temporary residents that will be accepted to Canada. As such, KPMG anticipates that there will be minimal impact to high-skilled work permit applications, separate and apart from meeting certain new program requirements.

Overall, Canada remains open for business when it comes to attracting highly skilled talent. The journey to permanent residence will continue to become more competitive, and employers need to provide key supports to certain temporary foreign worker populations. By strategically ensuring that key foreign talent has the necessary support and pathways to live and work in Canada long-term, employers can retain agility and a competitive edge in a rapidly changing labour market.

**Assistance**

Individuals who have questions or concerns about the new measures are encouraged to contact KPMG Law LLP (see the Contacts section) for further guidance.

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**FOOTNOTES:**

- 1 See [Government of Canada news release of October 24, 2024](#).
- 2 For previous reporting see KPMG GMS Flash Alerts [2024-186](#), [2024-102](#), [2024-091](#) and [2024-036](#).
- 3 See [Government of Canada supplementary notice of November 1, 2023](#).
- 4 See [Government of Canada supplementary notice of October 24, 2024](#).

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## Contact us

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