

GMS Flash Alert

Immigration

2025-178 | September 29, 2025

United States – Implications of a Federal Government Shutdown on U.S. Immigration Agencies

White House officials have confirmed that U.S. President Donald Trump is scheduled to meet with senior Democratic and Republican Congressional leaders on Monday to discuss government funding ahead of the September 30 deadline. A potential shutdown¹ this week is expected to be particularly disruptive, as it would be the first since the Obama administration to commence at the start of a fiscal year. Notably, Congress has yet to pass any of the 12 appropriations bills required to fund individual federal agencies. Heightening the stakes, President Trump has signaled that non-essential federal employees whose positions remain unfunded may face permanent termination rather than temporary furlough².

WHY THIS MATTERS

To avoid a shutdown (whether full or partial) of U.S. government agencies and programs, Congress must reach agreement on funding. Companies and individuals with business before the various departments and agencies dealing with labor certification and visa services may experience some interruptions.

A shutdown would have significant impact on U.S. immigration, especially cases requiring a certified Labor Condition Application or Permanent Labor Certification from the U.S. Department of Labor (DOL).

Employers and employees requiring U.S. immigration government services should be mindful of limited availability of personnel, potential delays and, in certain cases, cessation of case processing.

Key Highlights

If the government does shut down, here is how the various immigration agencies are impacted:

United States Citizenship and Immigration Services (USCIS)

This agency is fee-funded, so a shutdown would have negligible impact. A key exception is E-Verify, which would be unavailable during a shutdown. We expect that USCIS would allow employers to use the alternate process for remote I-9 document verification when/if E-Verify is down.

Department of State (DOS)

Visa and passport applications are fee-funded, so they should not be impacted by a shutdown. That said, consular operations within certain U.S. Consulates and Embassies could be limited to “life or death” emergencies if fees are insufficient to support normal operations.

Customs and Border Protection (CBP)

Personnel tasked with protecting the nation’s borders are considered essential, so a shutdown would not impact normal CBP operations. A shutdown may, however, impact CBP processing of employment-based applications (e.g., TN or L-1 applications for Canadian citizens).

Department of Labor

The Department’s websites – including the FLAG system – would be deactivated during a shutdown. This would directly impact Labor Condition Applications, Prevailing Wage Determinations, and applications for PERM labor certification. Employers with upcoming deadlines should collaborate with counsel to file as many potentially impacted applications as possible, especially PERM applications with an October filing deadline, before 11:59 pm ET on September 30.

KPMG LAW LLP INSIGHTS

Organizations with active immigration cases or pending labor certifications should monitor agency announcements and deadlines closely. The suspension of DOL systems may disrupt filing of LCAs and PERM applications, and employers with imminent deadlines should seek to file before the shutdown. The continuation of essential services, such as detained immigration court proceedings and CBP operations, may mitigate some risk for urgent cases, but will not address broader delays for non-essential filings.

Employers and representatives may wish to:

- file LCAs, PERMs, and other deadline-sensitive applications prior to September 30, 2025;
- monitor agency websites and operational status updates for changes in procedures;
- advise foreign national employees of possible delays and uncertainties;
- document impacts and missed deadlines for potential future relief or flexibility;
- prepare for alternative verification methods if E-Verify is unavailable.

KPMG Law LLP in Canada will continue to monitor this situation and update readers of *GMS Flash Alert* as important developments occur. In the meantime, employers and individuals with concerns and questions about how a government shutdown may impact them, should consult with their qualified immigration adviser or a member of the Immigration team with KPMG Law LLP in Canada (see the Contacts section).

FOOTNOTES:

1 "[Government shutdown implications](#)," American Immigration Lawyers Association (AILA), Doc. No. 25092403, published on September 24, 2025.

A. Bolton, "[Cracks form among Senate Democrats as Trump threatens big shutdown layoffs](#)," *The Hill* (online) (September 26, 2025).

Please note that by clicking on these links, you are leaving the KPMG website for an external (non-governmental, non-KPMG) site, that KPMG is not affiliated with nor does KPMG endorse its content. The use of the external site and its content may be subject to the terms of use and/or privacy policies of its owner or operator.

2 "[US Congress budget negotiations](#)," *The Straits Times* (September 29, 2025).

Hakeem Jeffries, Press Release, "[Jeffries, Schumer Demand Trump Meet To Address Gop Government Shutdown And Healthcare Crisis](#)," published on September 20, 2025.

B. Sprunt, "[Top congressional leaders head to the White House ahead of shutdown deadline](#)," NPR (online) (September 29, 2025).

Please note that by clicking on these links, you are leaving the KPMG website for an external (non-governmental, non-KPMG) site, that KPMG is not affiliated with nor does KPMG endorse its content. The use of the external site and its content may be subject to the terms of use and/or privacy policies of its owner or operator.

* * * *

Contact Us

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



Elizabeth Nanton
Partner
Immigration Law
Tel. + 1 604-691-3316
bnanton@kpmg.ca

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in Canada.

© 2025 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.