

# Employer Alert: Changes To The High-Wage LMIA Stream Designed To Reduce Employer Usage



On Oct. 21, 2024 the Minister of Employment, Workforce Development and Official Languages, Randy Boissonnault [announced major changes](#) to the high-wage Labour Market Impact Assessment (LMIA) stream.

The main change is intended to lower the use of the LMIA regime, by increasing the wage threshold required to apply for a high-wage LMIA. It is part of a series of recent changes intended to reduce the number of temporary residents in Canada.

## **What's changed**

Effective Nov. 8, 2024, to apply for a high-wage LMIA, the wage offered to the temporary foreign worker (TFW) must be **at least 20% higher than the provincial-wide median wage** for the province where the TFW will work.

Prior to the change, the threshold that determined whether an employer had to apply for an LMIA under the high-wage or low-wage stream was the provincial/territorial median hourly wage. Those figures are published annually, usually in April, on the [ESDC website](#).

On any LMIA application, employers must pay at least the prevailing wage for the specific occupation/NOC and location of work. Therefore, this change will not affect high-wage LMIA applications where the prevailing wage is already over 20% higher than the provincial median, since employers would already be offering a wage above that. Consequently, the change should not affect most managerial or professional (TEER 0 and TEER 1) positions.

The impact of this change will be most profound on lower TEER/lower skill positions, where the prevailing wage for the position/location is not higher than the new threshold. If an employer cannot or will not increase the wage to meet the new high-wage LMIA threshold, then the only option would be to assess whether a low-wage LMIA application can be made. Given the recent [tightening of the low-wage stream](#), a low-wage LMIA may not be available as an option.

[Minister Boissonnault's announcement](#) also set out that effective Oct. 28, 2024, ESDC will no longer accept CPA or lawyer attestations as proof of the [business](#)

[legitimacy](#) of the employer. For LMIA applications, employers must provide documentation to show they are providing a good or service in Canada and that they have the financial wherewithal to pay the TFW’s salary.

Our assumption is that these changes will **not** be applied retroactively to LMIA applications filed prior to the effective dates of the changes.

**New high-wage v. low-wage threshold**

Set out below is a list of the new high-wage v. low-wage LMIA hourly wage thresholds (as of Nov. 2024) for each province and territory, as well as the annualized salary figure threshold based on several different regular work weeks. The annual figures are calculated by taking the hourly wage figure and multiplying that by the regular weekly work hours and by 52 weeks.

**Note that the wage figures are subject to change by the government without prior notice. Therefore, employers must always check the up-to-date figures** before posting LMIA job listings and/or filing an LMIA application. The provincial median wage data is usually updated each April.

Province or Territory	Provincial Median hourly wages (published April 2, 2024)	New hourly Low Wage/High Wage Stream threshold effective Nov 8, 2024 (provincial median + 20%)	Annualized equivalent wage threshold effective Nov. 8, based on different regular work weeks		
			35 Hours	37.5 Hours	40 Hours
Alberta	\$29.50	<b>\$35.40</b>	\$64,428	\$69,030	\$73,632
British Columbia	\$28.85	<b>\$34.62</b>	\$63,008	\$67,509	\$72,009
Manitoba	\$25.00	<b>\$30.00</b>	\$54,600	\$58,500	\$62,400
New Brunswick	\$24.04	<b>\$28.84</b>	\$52,488	\$56,238	\$59,987
Newfoundland and Labrador	\$26.00	<b>\$31.20</b>	\$56,784	\$60,840	\$64,896
Northwest Territories	\$39.24	<b>\$47.08</b>	\$85,685	\$91,806	\$97,926
Nova Scotia	\$24.00	<b>\$28.80</b>	\$52,416	\$56,160	\$59,904
Nunavut	\$35.00	<b>\$42.00</b>	\$76,440	\$81,900	\$87,360
Ontario	\$28.39	<b>\$34.06</b>	\$61,989	\$66,417	\$70,844
Prince Edward Island	\$24.00	<b>\$28.80</b>	\$52,416	\$56,160	\$59,904
Quebec	\$27.47	<b>\$32.96</b>	\$59,987	\$64,272	\$68,556
Saskatchewan	\$27.00	<b>\$32.40</b>	\$58,968	\$63,180	\$67,392
Yukon	\$36.00	<b>\$43.20</b>	\$78,624	\$84,240	\$89,856

**Employer takeaways**

If you are an employer that is about to file a high-wage LMIA, take immediate notice of the following and obtain legal advice:

- Employers currently advertising for an LMIA position that has a salary that is over the provincial median but is not 20% above that figure should determine if they can finish the LMIA recruiting phase and file the LMIA prior to Nov. 8, as the new policy should not be applied to high-wage LMIA's filed prior to that date.
- Employers that recently started LMIA recruiting but who will not be able to complete the minimum four weeks of recruiting prior to Nov. 8 will need to review the wages offered. The advertised wage may need to be adjusted to at least 20% higher than the provincial median wage in order to be able to apply for a high-wage LMIA, if you want to continue to pursue the LMIA.

Other takeaways include:

- To pursue high-wage LMIA's, employers will have to offer at least 20% more than the provincial median wage.
- Employers already employing TFWs under high-wage LMIA's where wages are not at least 20% higher than the provincial median wage need to review their pay structure well in advance of any potential LMIA renewal. Depending on the TFW's current salary, a substantial increase in salary may be needed if the employer wants to pursue a new high-wage LMIA.
- Employers may want to take steps to support the transition of such TFWs to permanent resident status, before a new LMIA needs to be done. This would avoid the need for another LMIA.
- It will have an inordinate negative impact on post-graduate work permit holders. PGWP holders are having a tough time transitioning to PR status due to the high points needed under Express Entry, and limited quotas and options under provincial nominee programs. Some PGWP holders can only continue to work beyond the end date of their PGWP if an employer is willing to obtain an LMIA to support a new work permit. Employers may be more reluctant to do so if it means incurring substantially higher labour costs to meet the new high-wage LMIA wage threshold.

## Conclusion

The changes to the high-wage LMIA stream are far less dramatic than the [changes made to the low-wage stream](#). However, they represent yet another example of policy changes that are designed to decrease the number of temporary residents in Canada.

Employers need to be aware of these changes and should always refer to ESDC's [program requirements for high-wage positions](#) to ensure that they review the most up-to-date program requirements.

Read the original article on [GowlingWLG.com](http://GowlingWLG.com)

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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