

# Further Temporary Foreign Worker Program Restrictions Include Increased Wage Requirements, Among Others



## **At a Glance**

- Effective November 8, 2024, the minimum hourly wage for workers hired under the Temporary Foreign Worker Program (TFWP) – High-Wage Stream will increase 20% from the current level, which is the median wage in the applicable province or territory of work.
- TFWP applications, including renewals, that do not meet the higher wage threshold of the High-Wage stream, will fall under the Low-Wage stream and will be subject to the stricter rules of that stream.
- Additionally, effective October 28, 2024, employers seeking to sponsor foreign workers under the TFWP will be subject to stricter documentary requirements to prove their business in Canada is legitimate, which may be burdensome and time-consuming for employers.

## **The situation**

For the first time in the history of the Temporary Foreign Worker Program (TFWP), the government of Canada has announced changes to the program's minimum wage threshold, among other changes.

## **A closer look**

The two key reforms to the TFWP announced by the government are:

### **CHANGE**

### **IMPACT**

### **Increased minimum hourly wage under the High-Wage stream effective November 8, 2024.**

- The minimum hourly wage for workers hired under the TFWP – High-Wage Stream will increase 20% from the [current level](#), which is the median wage in the applicable province or territory of work.
- This will represent an increase of between CAD 5 and CAD 8 per hour to the existing threshold, depending on the province or territory.

- TFWP applications, including renewals, that do not meet the higher wage threshold of the High-Wage stream, will fall under the Low-Wage stream and will be subject to the stricter rules of that stream.
- The Low-Wage stream has additional requirements/rules that are not applicable to High-wage stream positions. These include:
  - A [Refusal to Process policy](#)
  - A [10% cap](#) on temporary foreign workers within the business, with few exceptions
  - A [one-year work permit duration](#), instead of three years under the High-Wage stream
  - Two additional required methods of recruitment for Canadians, permanent residents and asylum seekers in underrepresented groups
  - Additional employer [requirements](#) related to housing, transportation and healthcare
- According to the government, the change is forecasted to result in 34,000 positions moving from the High-Wage stream to the stricter rules of the Low-Wage stream.
- Higher minimum wages (and stricter requirements when not met) will make it more expensive and burdensome for employers to hire foreign workers which is likely to reduce the number of foreign nationals that employers can sponsor.

### **Stricter rules to prove business legitimacy effective October 28, 2024.**

- Employers will no longer be able to use attestations from professional accountants or lawyers, as is currently acceptable, to prove their business in Canada is legitimate (one of the criteria to sponsor workers under the TFWP).
- Instead, they may need to provide a series of other supporting documents.

- As part of the TFWP's Labour Market Impact Assessment (which proves that employers have taken steps to recruit Canadians and that employing the foreign national in Canada would be beneficial to the labour market), employers must prove that both their business and the job offer are genuine and legitimate.
- The stricter documentary requirements (which may include submitting business licenses, accounting statements, tax returns, etc.) may be burdensome and time-consuming for employers.

## **Background**

The government has been continuously adjusting the TFWP to ensure the program is only used in cases where there are no workers in Canada that can fill necessary roles, among other labour market considerations. These newly announced changes build on other recent adjustments to Canada's immigration programs, including [restrictions for spouses](#) of hired foreign nationals and [restrictions to the Low-Wage stream](#); changes to [Intracompany Transfer provisions](#); among many other [recent measures](#) to reduce the temporary resident population in Canada.

## **Looking ahead**

The government is expected to release the 2025–2027 Immigration Levels Plan by November 1, 2024, which sets targets for overall admissions per immigration category per year. According to the government, a proposed reduction of temporary residents (including those on work and study permits and visitor visas) will be reflected in the plan for the first time, which may result in additional policy changes and restrictions. Historically, the levels plans has only included permanent resident

admissions.

Fragomen will report on relevant developments.

*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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