

Navigating Canada's Evolving Immigration Landscape: Implications For Employers



Canada's immigration policies have undergone significant transformations in 2024, with further changes anticipated in 2025.

These changes are a result of the growing pressure on the Canadian government to align the inflow of newcomers to the country with the current labour market needs and infrastructure capacity.

These developments are poised to impact employers, particularly concerning the recruitment and retention of foreign workers. Below, we review the recent changes and those expected in 2025 before elaborating on how employers may be affected.

2024 Policy Shifts

1. Reduction in Immigration Levels: In October 2024, the Canadian government announced a plan to decrease permanent resident admissions over the next three years:

- 395,000 in 2025
- 380,000 in 2026
- 365,000 in 2027

This marks a departure from previous targets, which aimed for 485,000 new permanent residents in 2024.

2. Caps on Temporary Residents: As an attempt to manage population growth and alleviate pressures on housing and social services, the government has introduced controlled targets for temporary residents, including international students and foreign workers. By the end of 2026, the government aims to limit temporary residents to 5% of Canada's total population.

3. International Student Program Overhaul: The government has announced a further reduction in the intake cap for international student study permits for the year 2025. This reduction is based on a 10% decrease from the 2024 target of 485,000 new study permits issued. Consequently, the intake cap for 2025 will be set at 437,000 study permits. Additionally, the government plans to maintain this same cap of 437,000 study permits for the year 2026, meaning the number of study permits issued will remain consistent between the two years. Additionally, eligibility for off-campus work has been adjusted to a maximum of 24 hours per week (up from 20 hours per

week), and the financial proof-of-funds requirement for students has increased from \$10,000 to \$20,635 (for a single family member).

4. Temporary Foreign Worker Program reform: Employment and Social Development Canada introduced policies regarding temporary foreign workers. Key changes include:

- There is now a 10% limit on the number of temporary foreign workers that employers can hire under the low-wage stream. However, the prior 20% cap still applies to employers in the high-demand sectors, such as agriculture, construction, food and fish processing, and healthcare.
- For the high-wage stream, the starting hourly wage for temporary foreign workers will increase by 20%.
- As of September 26, 2024, certain Labour Market Impact Assessment (LMIA) applications will no longer be processed. This includes applications for positions offering wages below the provincial or territorial threshold, as well as applications for jobs in census metropolitan areas (CMA) with an unemployment rate of 6% or higher at the time of submission. Please note that the 6% unemployment rate requirement does not apply to the specified industry sectors mentioned above.

Anticipated Changes for 2025

1. Further Reductions in Immigration Targets: The Immigration Levels Plan for 2025–2027 outlines a continued decrease in permanent resident admissions, aiming for an annual admissions limit of 365,000 for 2027.

2. Enhanced Control Over Immigration Documents: Amendments to the Immigration and Refugee Protection Act are proposed to grant the federal department of Immigration, Refugees and Citizenship Canada (IRCC) the authority to suspend, cancel, or modify immigration documents like visas in cases of fraud or security risks. These measures aim to ensure that immigration processes remain transparent, secure, and fair.

3. Reforms to LMIA and the Express Entry System: The government plans to eliminate the extra points associated with LMIA-based job offers in the Express Entry system. Previously, applicants with valid job offers backed by an LMIA received additional points, which provided them with a considerable advantage in the Express Entry pool. Conversely, applicants with more qualifications but no job offer faced a significant disadvantage, reducing their chances of receiving an Invitation to Apply (ITA) for permanent residency.

On September 18, 2024, the government announced upcoming changes to work permit eligibility for family members of foreign workers. Although this policy change has not yet been implemented, spouses of foreign workers will only qualify for work permits if the foreign worker holds a position in management, professional occupations, or sectors experiencing labour shortages. This rule will apply to both the Temporary Foreign Workers Program (TFWP) and the International Mobility Program (IMP).

What are the Implications for Employers?

The implications for employers in the context of changing immigration policies present several challenges and considerations:

- **Talent Acquisition Challenges:** With reduced immigration levels and stricter controls on temporary residents, employers may face increased competition for skilled labour. Industries heavily reliant on international talent should anticipate potential shortages.

- **Compliance and Documentation:** The proposed enhancements for managing immigration documents require employers to verify that all foreign workers have valid and legitimate documentation. Failure to comply may result in legal complications, including hefty fines of up to \$1,000,000 over one year, restrictions on hiring foreign workers, public disclosure of violations, revocation of work permits linked to non-compliant employers, and denial of future work permit applications. These consequences could lead to workforce disruptions and significant costs to employers.
- **Strategic Workforce Planning:** Employers should stay informed about the evolving immigration policies and adjust their recruitment strategies accordingly.

In Manitoba, employers may also consider supporting a temporary foreign worker by supporting an application through the Provincial Nominee Program, which generally enhances the worker's chances of being invited to apply for permanent residency. In summary, the recent and upcoming changes to Canada's immigration policies signify a pivotal shift that requires employers to adapt their hiring strategies and compliance efforts. As new regulations come into effect, businesses must be vigilant in understanding the nuances of the immigration process to effectively recruit foreign workers. The implications of these changes are profound, as they demand a proactive approach to workforce planning and an emphasis on legal compliance.

[1] The low-wage stream refers to positions that offer an hourly wage to a temporary foreign worker that falls below the provincial or territorial medium wage plus 20% for that job's location. You can find the wage threshold by province or territory here: www.canada.ca/en/employment-social-development/services/foreign-workers/median-wage.html

[1] The high-wage stream refers to positions that offer an hourly wage to a temporary foreign worker that meets or exceeds the median hourly wage plus 20% for that specific province or territory where the job is located.

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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