

Mobility: Immigration alert

December 2023

Canada

Government updates the Temporary Foreign Worker Program for LMIA's

Executive summary

The Canadian government has recently announced the extension of temporary measures and changes to the Temporary Foreign Worker (TFW) Program Workforce Solutions Road Map that will be in place until 30 August 2024.

Background

Recognizing the low unemployment rate in Canada and the related importance that temporary foreign workers can play in helping to fill the labor gap, in April 2022 the federal government introduced the TFW Program Workforce Solutions Road Map. This government initiative was intended to improve the effectiveness of the TFW Program by addressing labor shortages, enhancing worker protections, and building a stronger workforce.

Although Canada is currently experiencing continued low unemployment rates, there are some signs that labor shortages are easing. Nevertheless, the Government of Canada recognizes that current economic conditions are still challenging Canadian employers. Specifically, sectors such as hospitals, food manufacturing, accommodation and food services, and construction are still encountering challenges. With the recently announced changes to the Road Map, the Government continues to maintain and adjust the TFW Program to better respond to the labor market shifts.

Key developments

With this latest announcement, the Government of Canada has extended the temporary measures outlined in the

roadmap for an additional ten months until 30 August 2024, to better reflect the current labor market conditions and the economic outlook for the future. The extended measures are intended by the government to support employers in responding to labor market needs while serving to ensure Canadian jobs and wages are prioritized. Key updates of the new changes to the program are as follows:

- ▶ Continuing to allow employers in seven sectors with existing demonstrated labor shortages to hire up to 30% of their workforce through the TFW Program for positions whose prevailing wage rates are under the provincial or territorial median hourly wage (known as "low-wage positions"). Those sectors are food manufacturing, accommodation and food services, construction, hospitals, nursing and residential care facilities, wood product manufacturing, and furniture and related product manufacturing.
- ▶ Maintaining the maximum duration of employment for low-wage positions at two years
- ▶ Adjusting the Labour Market Impact Assessment (LMIA) validity period from the current 18-month maximum to a maximum of 12-months to better respond to the labor market.
- ▶ As of 1 January 2024, employers will be required to annually review temporary foreign workers' wages to ensure they reflect increases to prevailing wages rates for their given occupation and region of work

The government has stated that they will continue to monitor labor market conditions to ensure that the program adapts to changes in the Canadian economy and protects temporary foreign workers in Canada.



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What this means

The government of Canada continues to monitor the labor market in Canada and is adjusting elements of the Temporary Foreign Worker Program in reaction to the current economic and labor market trends. The focus of the latest announcement has been primarily on the so-called low wage positions, but also recognizing that some sectors continue to have a known shortage of labor market availability in Canada. As labor market trends continue to shift with economic changes over the coming period, employers who use the TFWP may see the program further tighten up. The temporary measures will continue to be monitored and adjusted as the labor market evolves and recovers.

Should you have any questions about how this might impact your business, please feel free to contact your EY Law LLP immigration professional.

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