

Global Immigration alert

September 2024

Canada

Canada announces additional changes to temporary residence programs

Executive summary

On 18 September 2024, the Government of Canada announced that it would be tightening certain components of the Temporary Foreign Worker, International Student, and Post-Graduation Work Permit (PGWP) Programs. These additional measures are being implemented in an effort by the government to reduce the number of temporary residents in Canada, reinforce the integrity of the PGWP, and to protect vulnerable foreign nationals working temporarily in Canada. These measures are expected to come into effect later in 2024.

Background

In March 2024, the Government of Canada announced its intent to reduce the number of temporary residents in Canada from its current level of 6.5% of the population to 5% by 2027. The government stated that this is in response to changing economic conditions following the pandemic and the misuse of certain temporary residence programs. As a result, IRCC tightened the eligibility requirements for Study and Work Permits, as well as the Labour Market Impact Assessment that is required to support some Work Permits.

Key developments

On 18 September, the following changes have been announced:

- ▶ The intake cap on Study Permits for 2025 has been reduced by an additional 10% from the 2024 target, which will be maintained for 2026. This represents a reduction from 485,000 in 2024 to 437,000 for 2025 and 2026.
- ▶ For graduates from a public college program (as opposed to university level graduates), a three-year PGWP will only be available for those who graduate from a field of study linked to occupations in long-term shortage.
- ▶ As of 1 November 2024, to apply for a PGWP, applicants will need to demonstrate they meet certain language abilities in either French or English. Specifically, university graduates will need to have a Canadian Language Benchmark (CLB) level 7, and college graduates will need to demonstrate a CLB level 5. These levels are generally equivalent to intermediate or low intermediate language skills.
- ▶ Master's and doctoral students will require a provincial or territorial attestation letter when applying for a Study Permit.
 - ▶ These students will now be included in the 2025-2026 intake cap, but approximately 12% of allotted spaces will be reserved for them, ensuring that master's and doctoral students will represent at least 12% of Study Permit holders.
- ▶ Spouses of master's degree students will only be eligible for an Open Spousal Work Permit (OSWP) if the master's program is at least 16 months long.
- ▶ Spouses of temporary foreign workers (under TFWP and IMP) will only be eligible for an OSWP if the foreign worker is working in a management or professional occupation, or in sectors with labor shortages.

Some anticipated impacts?

As further restrictions on Study and Work Permits come into force and the number of international students is reduced, this could make it more difficult for employers to attract and retain qualified international talent. Employers in Canada who have historically recruited on campus may see a smaller talent pool to choose from. Likewise, an OSWP has historically had a positive impact on recruiting international talent; the reduction in availability for some OSWPs may pose an additional challenge to such recruitment. Employers should be aware of these changes and explore potential permanent resident pathways, where applicable, as early on as possible.

EY Law will continue to monitor changes and will provide updates as announced. Should you have any questions with respect to these new measures, please do not hesitate to contact your EY Law LLP professional.

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ey.com/en_ca

Batia Stein, Managing Partner
+1 416 943 3593
batia.j.stein@ca.ey.com

Melanie Bradshaw, Partner
+1 416 943 5411
melanie.bradshaw@ca.ey.com

Roxanne Israel, Partner
+1 403 206 5086
roxanne.n.israel@ca.ey.com

Marwah Serag, Partner
+1 416 943 2944
marwah.serag@ca.ey.com

Author:
Emily Rodrigues Freire, Manager
+1 514 879 8146
emily.rodrigues.freire@ca.ey.com

Alex Israel, Partner
+1 416 943 2698
alex.d.israel@ca.ey.com

Christopher Gordon, Partner
+1 416 943 2544
christopher.d.gordon@ca.ey.com

Nadia Allibhai, Partner
+1 613 598 4866
nadia.allibhai@ca.ey.com

Jonathan Leebosh, Partner
+1 604 899 3560
jonathan.e.leebosh@ca.ey.com

Stephanie Lipstein, Partner
+1 514 874 4610
stephanie.lipstein@ca.ey.com