

Global Immigration alert

March 2025

Canada

Canada removes arranged employment points under Express Entry, creating new challenges to permanent residence

Executive summary

Effective 25 March 2025, Immigration, Refugees and Citizenship Canada (IRCC) amended the rules governing the Express Entry system—the primary application management tool for Canada’s key economic permanent residence (PR) programs for skilled workers.

Express Entry uses a points-based system known as the Comprehensive Ranking System (CRS) to assess and rank candidates based on factors such as age, education, language ability, and Canadian work experience. Candidates with the highest scores are invited to apply for permanent residence in periodic draws conducted by IRCC.

Under the recent changes, candidates will no longer receive CRS points for “arranged employment.” This policy change impacts foreign nationals seeking permanent residence in Canada and will affect employers, foreign workers with active Express Entry profiles, and prospective applicants.

Key developments

Before 25 March 2025, Express Entry candidates could earn additional CRS points for arranged employment if they held a valid Labour Market Impact Assessment (LMIA) or an employer-specific work permit, and certain conditions were met. Senior-level and executive positions were eligible for 200 points. Other skilled positions were eligible for 50 points.

In late 2024, the government announced that due to general fraud concerns surrounding the LMIA process, they would

be eliminating CRS points sometime in 2025. On 25 March 2025, the government announced the elimination of these CRS points effective immediately. At the same time, they also included the CRS points that were being awarded for LMIA-exempt work permit holders who had arranged employment offers.

Impact to Permanent Residence candidates

This change, which follows a series of earlier amendments, adds to growing uncertainty in Canada's permanent residence landscape. Please refer to our previous Alerts for additional details about those changes. Furthermore, given IRCC’s recent reduction of provincial nomination allocations, there have been very few provincial nominations in 2025. At the same time, invitations under the federal Express Entry program have become more selective, with rising CRS cut-off scores and a clear emphasis on French language proficiency.

The elimination of arranged employment CRS points will make it even more difficult for candidates with eligible job offers to qualify for an invitation. Senior executives are the most negatively impacted as they are losing 200 points, compared to only 50 points for other skilled job offers.

Conversely, open work permit holders and other candidates who did not receive arranged employment points under Express Entry will benefit from this change, as their CRS points will not be reduced. It remains to be seen what the new points threshold, currently in the high 520s, will be to receive an invitation after this change.

All current and future Express Entry pool candidates will be affected by this change. Individuals with a valid Invitation to Apply or who have already submitted their PR application will not be impacted. For all other candidates, CRS scores will be automatically updated in the coming days. All candidates in the Express Entry pool should monitor their profiles and review all CRS factors to maximize their points.

In addition to prioritizing French language skills, IRCC announced in February 2025 that it will target skilled workers with work experience in the health, trades, and education sectors via category-based draws, further narrowing the chances of skilled workers outside of these sectors being invited to apply.

Implications for employers

It is important to understand that the Express Entry program and the ability for a foreign national to receive an invitation to apply for permanent residence is very dynamic. The points threshold for receiving an invitation goes up and down regularly. However, this change may affect employees' ability to convert their status from temporary worker to permanent resident, which in turn may have a negative impact on employers' efforts to retain, on a permanent basis, foreign nationals working for them in Canada, as well as their ability to attract international talent.

To mitigate impact and minimize disruption, employers are advised to proactively re-evaluate both their short- and long-term talent strategies, particularly in relation to employees who are less competitive for PR under Express Entry. Suggested strategies include:

- Reviewing current foreign talent populations to identify employees whose PR prospects are now diminished and assess potential recruitment and retention risks
- Exploring work permit extension options as early as possible to retain key talent while long-term strategies are developed
- Supporting French language development for candidates who have the potential to demonstrate intermediate French language ability, with language training to strengthen candidates' eligibility under alternative pathways
- Targeting support for high-potential PR candidates, including updating PR support policies
- Aligning immigration considerations with hiring decisions to support long-term workforce sustainability

Conclusion

Many foreign nationals will face a reduction in their CRS points and further challenges being competitive for Canadian permanent residence. This will disproportionately affect senior executives, who are often already disadvantaged in their points calculation due to age factors. In light of this increased uncertainty of Canadian permanent residence programs for skilled workers, employers are advised to proactively consider their current strategies to retain key talent in Canada on a permanent basis.

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

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