

# 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.



EY Law LLP

## 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.

**George Reis, Managing Partner**  
+1 416 943 2535  
george.reis@ca.ey.com

**Batia Stein, Partner**  
+1 416 943 3593  
batia.j.stein@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

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

**Author:**  
**Karen Aburto, Articling Student**  
+1 403 956 5795  
karen.aburto@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

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

## EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

Follow up on Twitter @EYCanada

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

### About EY Law LLP

EY Law LLP is a Canadian law firm, affiliated with Ernst & Young LLP in Canada. Both EY Law LLP and Ernst & Young LLP are Ontario limited liability partnerships. EY Law LLP has no association or relationship with Ernst & Young LLP in the US, or any of its members. Ernst & Young LLP in the US does not practice law, nor does it provide immigration or legal services. For more information, please visit [EYLaw.ca](https://EYLaw.ca).

© 2023 Ernst & Young LLP.

All Rights Reserved.

A member firm of Ernst & Young Global Limited.

EYG no. 011585-23GbI

This publication contains information in summary form, current as of the date of publication, and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for professional advice. Before taking any particular course of action, contact EY or another professional advisor to discuss these matters in the context of your particular circumstances. We accept no responsibility for any loss or damage occasioned by your reliance on information contained in this publication.

[ey.com/en\\_ca](https://ey.com/en_ca)