

HR leaders' agenda

Top 10 2025
Canadian Immigration updates
HR leaders should know



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2025 Canadian Immigration updates HR leaders should know

The past year saw rapid and substantial changes in Canadian immigration policy, affecting both temporary and permanent residence applicants and their employers. Below are the top 10 updates from 2025, their effects on foreign nationals and their employers, and some ideas and strategies for mitigating their impact.

1 | Changes to eligibility requirements for dependent work permits

As of January 21, 2025, spouses of foreign workers are only eligible for open work permits if: the foreign worker:

- Employed in a TEER 0 or 1 occupation (i.e., generally management or professional occupations) or in select TEER 2 or 3 occupations in sectors facing labor shortages or linked to government priorities,
- Holds a work permit valid for at least 16 months.

Spouses of workers under free trade agreements or transitioning to permanent residence are exempt from this new restriction. Dependent children are no longer eligible for open work permits. Spouses of international students are only eligible if the student is enrolled in a qualifying graduate or professional program.

Impact on employers:

Employers may face increased challenges in attracting and retaining foreign talent, as family members of many foreign workers and students will have reduced access to work permits. This could affect employee satisfaction and retention, especially for those with dependents seeking employment in Canada. Employers will need to carefully weigh the positions being offered to foreign workers, as well as the duration of assignments. They may need to provide additional support or incentives to offset these restrictions.



2 | Amendments to Express Entry system

As of March 25, 2025, Express Entry candidates no longer receive Comprehensive Ranking System (CRS) points for "arranged employment." This change has significantly reduced candidate CRS scores, especially for senior managers and executives who lost 200 CRS points, while others lost 50.

When combined with the reduced annual levels of permanent residence admissions that have led to higher scores required for selection, and the loss of points for age for more senior-level employees, the impact has been significant on executives' ability to be selected for permanent residence.

Impact on employers:

Employers can no longer rely on job offers to boost candidates' CRS scores, making it harder for foreign employees to transition to permanent residence. This may increase turnover and uncertainty for temporary foreign workers, requiring employers to adjust their recruitment and retention strategies, particularly for older workers and executives, given that candidates lose any points for age once they turn 45 years-old. It may also make Canada a less attractive destination for senior-level talent with skills that are in global demand.

3 | Elimination of flagpoling

Effective December 23, 2024, applications for work and study permits can no longer be processed at ports of entry for individuals who already hold valid status in Canada and are returning to Canada from the United States.

Renewals and applications to change conditions must be processed online instead, with limited exemptions, including:

- US citizens and permanent residents
- Certain professionals and technicians under free trade agreements
- International truck drivers with maintained status
- Individuals with pre-booked CBSA appointments

Impact on employers:

As processing times for work permit renewals continue to increase at the inland Case Processing Centre, foreign nationals may experience longer periods in maintained status while waiting for extensions to be issued. For those on maintained status who are required to travel internationally, the inability to process new permits when returning to Canada from the US presents additional challenges.

Employers should plan for longer lead times and proactively manage permit renewals to avoid disruptions in foreign nationals' ability to work in Canada.





4 | Reduced Provincial Nominee Program (PNP) allocations in 2025

Permanent resident visa allocations to provinces were reduced by 50% in 2025 to approximately 55,000, resulting in fewer draws and increased backlogs and more difficulty in transitioning foreign nationals from temporary to permanent status. Allocations will increase to 95,000 per annum from 2026, which will allow most provinces to select more immigrants and may alleviate some of the difficulties foreign workers face.

Impact on employers:

Employers may have found it more difficult to support permanent residence for foreign workers through PNPs in 2025, increasing uncertainty and the risk of losing talent. The upcoming increase in allocations for PNPs should improve prospects for individuals who qualify under a PNP stream, but the overall reduction in permanent residence levels during the next three years will continue to present challenges for employers seeking certainty to maintain personnel long term and reduce turnover.

Employers should assess options for permanent residence for foreign nationals early in the employment relationship – particularly for those on non-renewable open permits, such as Post Graduate Work Permit holders – so as to better manage workforce disruptions. Employers can also offer assistance with strategies that may improve candidate scores, such as language training in English or French.

5 | Ontario Immigrant Nominee Program (OINP) employer portal

In July 2025, the OINP introduced an Employer Portal, shifting to an employer-driven process for employer job offer streams. Employers must now register and submit job offer details before candidates can enter an expression of interest.

Impact on employers:

While employers are now required to assume increased administrative responsibilities in setting up a portal and entering job offer details to support the employee, the introduction of the portal offers employers greater control and involvement earlier in the nomination process. This should improve transparency and reduce the many last-minute issues that arose when the foreign national sought required employer support for their application late in the process.

6

Annual Immigration Levels Plan



Under the Annual Immigration Levels Plan tabled on November 4, 2025, temporary resident admissions will decline significantly in 2026, with international student admissions falling by almost 50%. The target of temporary foreign workers to be admitted in 2026 is 230,000, a reduction of approximately 35% from 2025.

It's anticipated that the proportion of temporary foreign workers admitted under the International Mobility Program (IMP) will rise to 74% of the allocation, further limiting the number of foreign nationals who will be issued work permits supported by a Labour Market Impact Assessment (LMIA).

The levels of permanent residents to be admitted to Canada will also be reduced, from 395,000 in 2025 down to 380,000 in 2026. The percentage of economic migrants among permanent residents will increase; however, while family, refugee and humanitarian categories will see sharper reductions.

Impact on employers:

Employers in sectors that rely on international students working off-campus and on Post Graduate Work Permit holders, or those seeking to hire temporary foreign workers under an LMIA, may face labor shortages, particularly in areas where recruitment is already challenging. Applications for LMIA will likely face more scrutiny and require employers to provide increasing evidence of the inability to find Canadian candidates to fill the available positions.

The increased focus on economic migrants may benefit some employers seeking skilled talent, but the overall reduced numbers will impact employers' overall ability to retain talent, requiring them to engage in strategic and proactive workforce planning.

The reduced permanent residence levels will make it even more difficult for those on temporary status in Canada to find an effective pathway to permanent residence. It will be crucial for employers to have a very clear understanding of the numbers of temporary residents in their workforce and to keep very close tabs on the expiry dates of work permits held by foreign nationals.

It will also be very important for employers to proactively assess options for extending or seeking new work permits for these workers, as well as any potential paths to permanent residence, well in advance of the expiry of current status documents. Doing so will allow employers to more effectively plan and reduce the potentially disruptive impact of the reduced levels on their workforce.



7

Canada's 2025 budget - immigration implications

The federal budget tabled on November 4, 2025 included a number of measures to streamline transitions to permanent residence for protected persons and temporary foreign workers, an accelerated pathway for US H-1B visa holders, increased funding for research and credential recognition and enhanced border security. The budget did not, however, provide detailed information on these new measures. We anticipate that further details will be released in 2026.

Impact on employers:

Employers may benefit from streamlined pathways for certain foreign workers and improved credential recognition, especially in health care and construction. However, increased compliance measures and border security may require greater attention to regulatory obligations.

8

Express Entry French draws - increasing francophone allocations outside Québec

Express Entry draws now prioritize francophone candidates outside Québec, with lower CRS scores for French-language proficiency draws and a significant increase in Invitations to Apply (ITAs) for bilingual candidates.

Impact on employers:

Employers outside Québec can capitalize on these draws to attract and retain bilingual talent. This should benefit foreign nationals who have at least some proficiency in French and who are looking to settle permanently in a province other than Québec. However, with this increased interest in candidates with French language ability, non-French-speaking foreign nationals may face greater difficulty obtaining permanent residence, potentially impacting industries with skilled labor shortages.

9

Significant changes to Québec's immigration rules

Québec tightened both temporary and permanent residence pathways, abolished the Québec Experience Program on November 19, 2025, introduced new French-language requirements and reduced immigration targets. Refugee sponsorships and LMIA applications for low-wage positions (offering less than \$34.62/hour) in Montréal and Laval remain suspended.

Impact on employers:

Employers in Québec will find it increasingly difficult to hire and retain foreign nationals who are not proficient in French. This may limit access to skilled labor and require greater investment in language training or recruitment of French-speaking candidates.



10

Bill C-3: amendments to the Citizenship Act

As of December 15, 2025, people born before December 15, 2025, who would have been Canadian citizens if not for the first-generation limit previously in place (and some other outdated rules) are now recognized to be Canadian citizens and can apply for proof of citizenship.

Moving forward, a Canadian parent born or adopted abroad can now pass on citizenship to their child born or adopted outside Canada, as long as the parent can demonstrate at the time of application that they spent 1,095 days in Canada prior to their child's birth or adoption.

Impact on employers:

Employers may see some cases of employees who may now be eligible for Canadian citizenship, reducing reliance on temporary work permits

A note on employer compliance

Throughout 2025, there was increased emphasis on both program integrity on the part of the authorities and on employer compliance, with more inspections and enforcement actions taken and more fines and bans imposed. We anticipate that these trends will continue and that employers will face more inspections, including in-person inspections, in 2026.

To mitigate risk, employers should have robust processes in place to maintain compliance in relation to foreign workers at all times. Some key actions include:

- Implementing tracking systems for work permit expiries, and encouraging that applications for extension of status are filed well in advance of expiry to minimize periods of time in maintained status.
- Checking in frequently with employees in maintained status to ensure that their applications remain in process, counsellng foreign nationals that they must advise the employer immediately upon receiving a refusal of an application to extend status, and removing employees from active service immediately upon a refusal.
- Implementing processes for advising global mobility and human resources personnel of any intended changes to the terms and conditions of employment of a foreign national, well before the changes are to take effect, and filing timely applications to amend the terms and conditions of employment when applicable.
- Maintaining immigration documentation files with the information required to respond to an inspection in a timely manner.
- Maintaining effective HR policies in relation to immigration compliance, workplace abuse, harassment and other similar issues, ensuring that the policies are readily available to employees and that there are effective mechanisms for reporting issues and initiating appropriate investigations.

As Canadian immigration policy continues to evolve and the government strives to find the right balance in terms of levels of temporary and permanent residents, it is increasingly important for employers to remain informed, and to approach immigration and access to foreign talent strategically and proactively. Employers who do so will be in a better position to mitigate risk and to reduce the impact of the ever-changing immigration landscape on their talent agenda.

We will continue to monitor and share future developments. For additional information, or if you wish to discuss this further, please contact your EY Law LLP professional.

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4835723

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