

Q&A on Temporary TFWP Measures for Rural Employers

On March 13, Minister Hajdu announced new measures to support rural employers under the Temporary Foreign Worker Program. The following Q&A outlines the key details of the new measures.

Hotels Canada will continue discussions with the department and share updates as they become available. If you have questions or feedback on whether these measures will make a difference for your operations, please reach out to Ava Maika at amaika@hotelassociation.ca.

1. HOW DOES THIS CHANGE IMPACT MY BUSINESS?

If you are an employer in an eligible rural region, and your province has opted in to the changes, you may be able to:

- Increase your allowable share of year-round low-wage temporary foreign workers from 10% to 15% of your workforce
- Retain your current proportion of low-wage temporary foreign workers.

In short, this means eligible rural employers may be able to maintain the low-wage TFW positions they currently rely on and hire additional TFWs when Canadians and permanent residents are not available.

2. DOES THIS MEAN MY CURRENT TFWs WILL AUTOMATICALLY BE RENEWED?

The rural measures do not apply automatically, are not tied to individual workers, and do not create a blanket approval. If measures are implemented in a province or territory, they allow employers to submit LMIA applications for consideration and assessment over and above the 10% cap. Prior to these measures, LMIA applications that pushed an employer above the 10% low-wage cap were refused for processing.

Before benefiting from the measures, employers are required to apply to the Temporary Foreign Worker (TFW) Program by submitting a new Labour Market Impact Assessment (LMIA) and demonstrating that they meet all Program requirements. This includes efforts to first hire Canadians and permanent residents and showing that no domestic workers are currently available to fill the positions. A new work permit would also be required. In some situations, the temporary foreign worker may be eligible to continue working (e.g., via maintained status). This provision falls under the authority of Immigration, Refugees, and Citizenship Canada – some limitations and requirements may apply.

3. 20% OF MY CURRENT WORKFORCE IS MADE UP OF TEMPORARY FOREIGN WORKERS WITH TWO-YEAR WORK PERMITS EXPIRING THIS YEAR, BASED ON PRE-2024 PROGRAMS CAPS. AM I ELIGIBLE TO KEEP THESE LEVELS?

Yes. This time-limited measure will allow rural employers currently employing temporary foreign workers to retain their existing proportion of temporary foreign workers (calculated in terms of percentage of their workforce at a given employment location). Employers will still have to apply for a new LMIA and demonstrate that they meet all Program requirements, including their efforts to first hire Canadians and permanent residents, and that no domestic workers are currently available to fill the positions, before benefiting from these measures. There will be no automatic extensions or renewals, including for temporary foreign workers already in Canada.

4. HOW DO I KNOW IF I AM IN AN ELIGIBLE RURAL AREA?

For the purpose of these measures, rural is defined as locations outside of Census Metropolitan Areas (CMAs), meaning areas that are classified as “non-CMA.” A CMA is defined by Statistics Canada. This definition will apply consistently across all provinces and territories and for all measures, regardless of which measures a province or territory opts into. To check, enter the complete postal code of the work location at [Census of population](#).

- If “census agglomeration” appears next to your location under “Census metropolitan area / Census agglomeration,” you are eligible.
- If neither “Census metropolitan area” nor “Census agglomeration” appear next to your location, you are eligible.

***Note:** Census metropolitan areas may include areas that appear “rural”. It is important to check whether the postal code of the work location is included in a CMA. [Learn more about CMAs and CAs](#)*

5. WHAT TYPE OF POSITION IS ELIGIBLE FOR THE INCREASED CAPS?

Low-wage temporary foreign workers employed in non-seasonal positions in eligible rural (non-CMA) areas may be eligible for these measures in P/Ts that opt in.

6. I HAVE APPLIED FOR TEMPORARY WORKERS FOR SEASONAL POSITIONS UNDER 270 DAYS. DO THE CAPS APPLY TO ME?

No. Low-wage positions in seasonal industries with employment durations of 270 calendar days or fewer continue to be exempt from caps on the proportion of low-wage TFWs. This exemption remains unchanged under the new measures. Employers may apply for the seasonal cap exemption once per year, in line with their LMIA application cycle.

7. DO THESE MEASURES TAKE EFFECT IMMEDIATELY?

No. The measures take effect only after a province or territory formally opts in. Once a province or territory submits a positive request, the measures can be implemented within two weeks and could begin as early as April 1, 2026. LMIA's submitted before the measures come into effect in your province or territory will not be eligible under these temporary rules. A positive LMIA approved before March 31, 2027 under the temporary rural measures does not expire when the measure ends and remains valid for its full approved duration.

8. WHAT IS THE TIMEFRAME FOR THIS POLICY?

The measures would be in effect for a total period of up to one (1) year effective no earlier than April 1, 2026, and ending on March 31, 2027.

9. DO I NEED TO RECEIVE A POSITIVE LMIA DECISION BEFORE THE DEADLINE FOR THESE MEASURES TO APPLY?

No, you are not required to receive a positive LMIA before the deadline. If your province/territory opts-in and you are eligible, you have until March 31, 2027 to submit a new LMIA; approval can be issued after that date.

10. WHAT DOES IT MEAN FOR A PROVINCE/TERRITORY TO FORMALLY OPT IN?

A province or territory must provide written confirmation to Employment and Social Development Canada (ESDC) indicating that it wishes to participate in the temporary measures.

A province or territory may:

- Opt into one or both of the temporary measures;
- Identify specific sectors to which the measures will apply; and
- Opt in or out once between April 1, 2026 and March 31, 2027.

11. HOW DO I KNOW IF MY PROVINCE/TERRITORY HAS OPTED IN?

ESDC will publish updates on the [Temporary Foreign Worker Program](#) website and send communiqués to stakeholders (including Hotels Canada) as provinces and territories opt in. Hotels Canada will also share this information as it becomes available.

12. ARE SPOUSES AND FAMILIES OF TEMPORARY FOREIGN WORKERS COVERED?

The measures apply only to LMIA-based positions under the TFW Program. IRCC policies regarding eligibility for spousal work permits continue to apply.

13. DO THE REFUSAL-TO-PROCESS RULES IN CMAS STILL APPLY?

Yes, the refusal-to-process rules still apply in CMAs where the unemployment rate is 6% or higher. The rural measures apply to non-CMA regions. ESDC continues to work with Statistics Canada to explore how to better reflect rural labour market realities to help inform TFW Program decisions.