

-FUTURE-



# Top Employer Strategies in Response to Major Changes to Express Entry

PLAN AHEAD TO TAKE ADVANTAGE OF THE NEW CHANGES

By Naumaan Hameed



**O**n Nov. 19, 2016, the federal government introduced fundamental changes to Express Entry – Canada’s electronic system for selecting economic immigrants. Most notably, the Comprehensive Ranking System (CRS) was modified with a reallocation of points in order to more effectively meet employers’ talent needs and Canada’s long-term economic growth.

A total of 1,200 CRS points are awarded to candidates based on their human capital factors – age, level of education, language proficiency and Canadian work experience – as well as additional factors, including having a provincial nomination or a qualifying offer of arranged employment. Candidates in the Express Entry pool are ranked by their CRS points and the government periodically sets a threshold for qualifying CRS points. Those candidates who meet the minimum points threshold are invited to apply (ITA) for permanent residence.

Many Canadian employers faced substantial challenges in attracting and retaining global talent due to the previous allocation of CRS

points. Most significantly, only a work permit issued pursuant to a positive labour market impact assessment (LMIA) qualified as an “Arranged Employment” and the candidate was entitled to receive 600 bonus points. This virtually guaranteed an ITA. As a result, many senior executives and highly skilled workers working in Canada with LMIA-exempt work permits, such as intra-company transferees, NAFTA professionals or significant benefits (C10), were unable to obtain enough CRS points to receive an ITA.

The recent changes represent a fundamental focus of the government’s priority to enhance the effectiveness of the Express Entry system. In particular, the new CRS category, “additional factors,” has the following impact for employers:

- Temporary foreign workers in senior management occupations, such as CEOs and vice presidents, will receive an additional 200 points for having an “Arranged Employment” – this will greatly enhance their ability to qualify for permanent residence.
- LMIA-based work permits





will be significantly reduced in the points allocation. For example, senior management occupations will now receive 200 points and all other occupations will receive 50 points. In short, an LMIA-based work permit no longer guarantees an ITA.

- Employer-specific work permits issued under LMIA-exempt categories such as NAFTA, GATS, intra-company transfers or significant benefits (C10) will qualify for “Arranged Employment” and the foreign workers will be entitled to CRS points after having one year of work experience in Canada. Candidates in senior management occupations will receive 200 points and all other occupations will receive 50 points.

- Foreign students will gain increased competitiveness by receiving up to 30 additional points for Canadian education credentials.
- Temporary foreign workers holding open work permits – i.e., not employer-specific – other than Post Graduate Work Permit holders will not receive any points under the additional factors category. Their competitiveness in the Express Entry pool will be negatively impacted.

Strategies that employers should consider include:

- **Develop effective talent acquisition and retention programs, including policies to support permanent residence under Express Entry.** Canadian employers should take advantage of the new changes to Express Entry,



which will create a more level playing field for many foreign nationals seeking permanent residence. A well-defined policy that supports obtaining permanent residence status can be a differentiator in sourcing and keeping key talent. Canadian companies with U.S. operations may benefit from broader talent sourcing options. In light of the high degree of uncertainty with immigration policies in the U.S. under the Trump administration, Canada may present a

strategic advantage, given the more facilitative and predictable immigration and temporary foreign worker programs.

- **Be proactive and reassess workforce prospects under Express Entry.** The new changes will drastically improve the chances of obtaining an ITA for certain foreign workers, such as executives and professionals with Canadian work experience. Simultaneously, certain new hires will have decreased competitiveness. It is critical



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for employers to understand the impact of the new changes to their temporary workforce and determine whether a provincial nomination or LMIA may be required, based on the employee's CRS points. In addition, significantly more candidates will receive ITAs from the Express Entry pool in 2017, as the inventory of applications that predated Express Entry has now been largely cleared.

- **Maintain work authorization in Canada (“Bridging Open Work Permits”).** Employers should develop appropriate strategies to ensure that employees in the Express

Entry pool can receive ITAs in a timely way, in order to obtain a Bridging Open Work Permit to continue working in Canada. Failure to implement effective processes can result in foreign workers having to stop working and potentially having to leave Canada.

In short, this means that employers now have a great opportunity to transition their workforce to permanent residence status under Express Entry. Early planning is the key.

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**BE PROACTIVE AND REASSESS WORKFORCE PROSPECTS UNDER EXPRESS ENTRY. THE NEW CHANGES WILL DRASTICALLY IMPROVE THE CHANCES OF OBTAINING AN ITA FOR CERTAIN FOREIGN WORKERS, SUCH AS EXECUTIVES AND PROFESSIONALS WITH CANADIAN WORK EXPERIENCE.**