

Could your business afford to lose key foreign workers next year?

By **Daniel Lee**

Law360 Canada (September 16, 2026, 2:23 PM EDT) -- As employers begin planning for 2027, they should take the opportunity to review the immigration status of their foreign national workforce. In addition to operational disruptions, employers may also face regulatory and compliance risks if foreign nationals work without legal work authorization.

For many years, employers could generally assume that international students would transition to Post-Graduation Work Permits (PGWP), PGWP holders would obtain permanent residence or another work permit, and workforce disruptions arising from immigration status issues would be relatively uncommon. That assumption is becoming increasingly difficult to make.



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With lower immigration levels, more restrictive policies and growing competition for permanent residence, employers are seeing more situations where foreign national employees have limited or no viable options to extend their ability to remain and work in Canada. As a result, immigration compliance is increasingly becoming a workforce planning issue rather than simply an administrative function for human resources.

International students require ongoing monitoring

Employers who hire international students should ensure they are not relying solely on a study permit obtained at the time of hire.

International students are generally limited in the amount of off-campus work they may perform during regular academic sessions while studying full-time. Employers should consider maintaining evidence of ongoing full-time enrolment and periodically reviewing an employee's status to help ensure continued compliance with immigration requirements.

An international student's circumstances can change after hiring, and employers should have processes in place to identify and address changes that may affect their authorization to work in Canada.

Graduation can trigger changes to work authorization

Employers should also pay close attention to employees approaching completion of their studies in Canada.

Although a study permit may remain valid for months after a student completes their program, work authorization based on that study permit does not necessarily continue until the study permit's expiry date.

Employers that hire international students should have processes in place to identify upcoming program completion dates and confirm whether affected employees have taken the necessary steps to maintain authorization to work in Canada, such as applying for a Post-Graduation Work Permit where eligible.

Waiting until a study permit is close to expiry may leave little time to assess available options.

PGWP expiry is becoming a greater business risk

For many employers, one of the most significant immigration-related workforce risks arises when PGWPs begin approaching expiry.

Unlike many other work permits, PGWPs generally cannot be extended. A limited exception may exist where the PGWP was not issued for its full validity period because of passport expiry.

Historically, a larger number of foreign workers were able to obtain permanent residence or transition to another work permit category before their PGWP expired. Employers can no longer assume that will be the case.

As permanent residence pathways become increasingly competitive, some employees may reach the end of their PGWP validity without a clear immigration pathway available to them. Others may continue working under maintained status while awaiting a decision on a work permit extension application.

While maintained status may allow continued employment where the underlying work permit extension application was properly filed, employers should recognize that not every work permit extension application will be approved. A refusal may have immediate consequences for an employee's ability to continue working in Canada and, in some cases, may affect business operations because they need to stop working immediately.

For this reason, employers should consider implementing clear internal procedures requiring employees to promptly report:

- Any refusal of a work permit or immigration application;
- Any loss of status or work authorization; and
- Any other material change affecting their ability to work in Canada.

Employers should also remind employees in writing that they must stop working if they no longer have legal authorization to do so.

What employers should be doing now

Employers should consider moving beyond simple work permit and study permit expiry tracking and adopting a more proactive approach to immigration risk management. This may include the following:

- Identifying employees whose legal work authorization expires within the next 12 months;
- Tracking employees who hold a work permit and assessing immigration options well before expiry;
- Monitoring employees working under maintained status;
- Establishing reporting obligations for immigration status changes; and
- Incorporating immigration considerations into broader workforce planning discussions.

Employers may also wish to ask:

- Which employees hold PGWPs or other work permits that will expire within the next 12 months?
- Which employees are currently working under maintained status?
- Are there key roles or business functions that depend on foreign national employees?
- Do affected employees have realistic pathways to continued work authorization or permanent residence?
- What contingency plans exist if a key employee is unable to continue working in Canada?

Conclusion

The days of assuming that foreign workers will seamlessly transition to permanent residence or another form of work authorization in Canada are largely behind us.

For employers, immigration compliance is no longer just about tracking expiry dates. The bigger risk is realizing too late that a valued employee has no viable pathway to continue working in Canada.

Employers that identify potential issues early, assess available legal options and incorporate immigration considerations into workforce planning will be better positioned to maintain compliance, retain talent and avoid unexpected workforce disruptions.

The real risk today is not discovering that a work permit or study permit has expired. It is discovering too late that there is no viable pathway available for the employees before it does.

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