

IRCC National Budget Correspondence

Good day,

As previously communicated, the 2026–2028 Immigration Levels Plan introduced spending reductions over three years, primarily impacting the Settlement Program. Additionally, the government launched a Comprehensive Expenditure Review (CER) in summer 2025, directing most departments to identify up to 15% in savings over the next three fiscal years, including IRCC. For IRCC, the CER decisions highlight the government's commitment to responsible, cost-effective spending that delivers results for Canadians and ensures the long-term sustainability of IRCC's Settlement Program in a more fiscally restrained context. As set out in Budget 2025, these savings will come from reducing the length of eligibility for economic class immigrants and from finding efficiencies in program delivery. The Department also intends to extend most agreements by one additional year to March 31, 2029, to provide as much stability to the sector as possible during uncertain times. IRCC is now seeking to amend your funding agreement to adjust the Settlement Program to the current funding envelope available and to the latest allocations.

Information on the notional funding amounts have been included to help prepare you for the negotiation of an amendment to your funding agreement(s). We encourage you to refer to the [Recipient Guide](#) available on the IRCC website.

Your program officer(s) (cc'ed above) will be pleased to work with you to negotiate amendments to your agreement(s) and they will serve as your primary point(s) of contact with the Department.

In the following table, you will find the notional maximum amounts of funding that the Department is able to allocate for your project(s) per fiscal year:

Agreement #	Notional Funding Amount 2026-27	Notional Funding Amount 2027-28	Notional Funding Amount 2028-29
S26485004L 25/26 – 2,513,081	\$2,173,046 -13.5%	\$2,131,493 -2%	\$1,767,222 -17%
S26485009U 25/26 – 3,592,404	\$3,067,056 -14.6%	\$2,369,900 -23%	\$1,974,533 -17%

XXX – Additional information added by RODS

The information on the notional allocations will serve as a parameter for the discussion about the activities your organization will deliver within the next 3 fiscal years. These are the maximum amounts that will guide the negotiation process.

The Department will negotiate amendments to the contribution amounts and eligible costs under Schedule 2 as per existing guidance. The goal will be to ensure that project budgets are based on costs that are eligible, reasonable, and necessary for the delivery of the project.

The Department is seeking to reach agreement to amend your agreement(s) on or before **May 27, 2026**. Should the negotiation period come to an end without both parties reaching an agreement and signing off on the amendment, the Department may consider providing notice of its intention to terminate the agreement, given the funding pressures the Program is facing. If the Department decides to terminate an agreement, it will provide three months written notice to recipients along with further instruction regarding agreement wind-down.

For any general questions about the Settlement Program changes and/or funding implications, please contact IRCC.Intake-Reception.IRCC@cic.gc.ca . For all other inquiries, please reach out to me directly.

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