

# Ending Automatic Work Authorization Will Cost Billions

What to know about the federal government's move to end automatic extensions of work authorization for long-term residents

#### The Issue

- On October 30, 2025, the Trump Administration <u>published a rule</u> that would end the practice of automatically extending the validity of employment authorization documents (Forms I-765 or EADs) for individuals in certain employment authorization categories who have filed on time to renew their EAD.
- The automatic extension was initially implemented because of lengthy USCIS processing times, resulting in individuals lapsing in their work authorization before their new documents could be issued.
- This rule will impact refugees, people who have applied for asylum, spouses of H-1B visa holders, TPS holders, individuals who have applied for green cards, and more.
- Previous analysis by USCIS found that over a period of two years, the practice of automatically
  extending work authorization for 540 days prevented 800,000 individuals from having a lapse in their
  work authorization and saved U.S. employers \$3.5 billion in labor turnover costs.
- The individuals eligible for the automatic work authorization extension are those who have legal status,
   have been vetted, and have often been in the US for many, many years or decades.

#### Why This Matters

- This rule is harmful to American businesses. Removing the automatic extension will subject
  employers to loss of personnel and disruptions to their business operations, resulting from backlogs
  in the work permit renewal process and other bureaucratic inefficiencies.
- There is a 10-year precedent for automatic work authorization extensions. In 2016, the federal government introduced the first policy granting automatic extensions of work authorization. From 2017 to 2022, this extension was for 180 days. Unfortunately, many individuals still experienced lapses in their work authorization with the 180-day extension because the processing backlogs are often more than 6 months long. In 2024, the extension was formally changed to 540 days after two years of a temporary policy demonstrated the benefits of this increased extension. This new rule will end automatic work authorization extensions in their entirety without reverting back to the 180-day extension.
- This is a big step backwards. Rather than streamlining a proven, cost-saving policy, the government is proposing a step backward that will increase waste, reduce efficiency, and expand administrative burdens for both the public and private sectors. Eliminating automatic extensions will waste government resources by forcing agencies to reprocess tens of thousands of unnecessary paperwork renewals and employer verifications, all to achieve the same result at greater cost.
- Ending automatic work authorization will harm individuals and families who have been in the
  U.S. for decades. The people who benefit from this policy are already part of our communities and
  vital to our economy. Preemptively denying people's ability to support themselves and fully contribute
  to our society is wrong.
- Automatically extending work permits is a common-sense solution. This practice protects
  businesses from processing delays while allowing sufficient time for the government to complete revetting of applicants to ensure continued eligibility.

### **How Should Businesses Respond?**

- Submit a public comment through <u>Regulations.gov</u>. Employers should submit a comment for the public record about the negative impact that ending automatic work authorization extensions will have on their business. The government needs to hear directly from employers about the harm this rule will cause their businesses. We know from previous USCIS analysis that the 540-day automatic work authorization extension saved employers \$3.5 billion in turnover costs and <u>\$1.1 billion in tax revenue</u>.
  - Employers should also highlight that this proposal adds layers of bureaucracy instead of solutions, creating government waste and inefficiency at the expense of taxpayers and businesses.
- Contact your members of Congress. Share your concern about this rule with your members of

Congress and ask them to create a public record outlining employer concerns.

## Immigrants Make Critical Contributions to the U.S. Economy

- H-4 visa holders <u>contribute</u> \$5.5 billion annually to our GDP and \$2.5 billion in federal, state, and local taxes.
  - As the spouses of H-1B visa holders, insecurity in H-4 holders' work authorization could also impact the presence of H-1B holders in the U.S. Many H-4 holders have cited their ability to work as a key factor in their family's decision to remain in the U.S.
- Of the more than 3 million people seeking asylum in the United States toward the end of 2024, roughly
   1.4 million adults are already working, helping to fill essential roles in industries facing widespread
   labor shortages, including in food, construction, and transportation.
- Temporary Protected Status (TPS) protects families while also boosting the U.S. economy. An
  estimated 570,000 TPS holders are working in the U.S. labor force, with labor force participation rates
  of long-term TPS holders considerably higher than the U.S. labor force participation rates overall.
  They contribute about \$21 billion annually to the U.S. economy, in addition to paying \$5.2 billion in
  combined federal, payroll, state, and local taxes.
- Policies that disrupt these contributions not only waste talent but also waste taxpayer dollars by forcing the government to reprocess cases and slowing economic activity that funds public services.

America should be building an immigration system that strengthens our economy and workforce, not creating roadblocks for people who are already an integral part of our communities. Join us:

Ali Procopio, Director of Education and Workforce | ali@fwd.us