

Changes to the UK Immigration Rules

The UK government recently announced changes to the Immigration Rules. The main changes affect Tier 2 (General) and Tier 2 (Intra Company Transfer) of the Points Based System.

Tier 2 (General) migrants applying for Indefinite Leave to Remain may also be affected by the changes that came into effect on 06 April 2016.

The main changes will be:

Tier 2 Immigration Skills Charge of £1,000 to be introduced to Tier 2.

In addition to the existing costs, the Home Office plans to impose a skills levy on Tier 2 employers at a rate of £1,000 per Certificate of Sponsorship per year. Tier 2 (ICT) Graduate Trainees and Tier 4 students switching to Tier 2 will be exempt and a reduced rate of £364 will apply to small and charitable sponsors.

There is currently limited information available on the proposed skills levy as the finer details are still being considered, but the levy is expected to be implemented by April 2017.

Immigration Health Surcharge for Tier 2 (Intra Company Transfer)

From autumn 2016, all Tier 2 (ICT) applicants will be required to pay a surcharge of £200 per year, although this will not apply to the Graduate Trainee sub category.

Increased minimum salary thresholds for Tier 2 (General) experienced workers

With limited exceptions, the minimum salary threshold for experienced workers will increase to £25,000 in autumn 2016 and then to £30,000 in April 2017¹. The minimum salary requirement for new entrants will remain unchanged.

Tier 2 sponsorship will soon be more expensive due to the changes in government costs, but sponsoring Tier 4 graduates will be easier.

Closure of Tier 2 (ICT) Short Term Staff and Tier 2 (ICT) Skills Transfer

The government has also announced the following substantial changes to Tier 2 (ICT):

- Tier 2 (ICT) will become a single category with a minimum salary threshold of £41,500 (except graduate trainees).
- Tier 2 (ICT) Skills Transfer: To close to new applications in autumn 2016
- Tier 2 (ICT) Short Term Staff: To close to new applications in April 2017
- Tier 2 (ICT) Graduate Trainee: From April 2017, the salary threshold will reduce from £24,800 to £23,000 and the number of trainees an employer may sponsor will increase from 5 to 20

These material changes have been announced well ahead of their implementation to allow businesses that sponsor migrants to be prepared for when they come into effect.

There are also some welcome changes which may provide businesses with more flexibility when recruiting migrant workers:

¹ or the going rate in the relevant Code of Practice, whichever is higher

Further upcoming changes to Tier 2

- From autumn 2016, Tier 2 (General) graduates will be able to switch roles within a company once they have secured a permanent job at the end of their training programme.
- From April 2017, where Tier 2 (General) sponsorship is associated with the relocation of a high-value business to the UK or, potentially supports an inward investment, the requirement to complete the resident labour market test can be waived.
- From April 2017, the minimum salary threshold for Tier 2 (ICT) Long Term Staff migrants extending their visas beyond five years will reduce from £155,300 to £120,000.
- From April 2017, Tier 2 (ICT) migrants will not need to meet the one year experience requirement if they will be paid at least £73,900 per annum

From April 2016, Tier 2 migrants must earn at least £35,000 to settle in the UK

From 6 April 2016, those applying for Indefinite Leave to Remain (ILR) under Tier 2 (General) who first applied under

the rules in place from 6 April 2011 will need to be paid at least £35,000 per annum or the going rate in the relevant Code of Practice, whichever is higher.

There are limited exceptions to this including occupations on the Shortage Occupation List and those in designated 'PhD-level' jobs. The £35,000 threshold will be held at that level until April 2018, after which it will increase.

Tier 2 (General) migrants and Indefinite Leave to Remain

Tier 2 (General) migrants are eligible ILR once they have been continuously resident in the UK for 5 years.

In addition, the minimum gross annual salary in order to be eligible for ILR is currently £35,000 or the minimum level as stated in the SOC code, whichever is higher (with limited exceptions).

Author

Stephanie Dare
Immigration Adviser

E: stephanie.dare@cliffordchance.com

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