

United Kingdom

Statement of changes to the Immigration Rules

Executive summary

On 14 March 2024, the UK government published a <u>Statement of Changes</u> to the Immigration Rules (HC 590), which introduces significant amendments to the Work and Family Visa routes and implements the Immigration Salary List (ISL), among other changes.

Skilled Workers

Under the Skilled Worker route, individuals must earn an amount equaling the general salary threshold or the "going rate" for the applicable Standard Occupational Code (SOC), whichever is higher.

The following changes will go into effect as of 4 April 2024:

- The general salary threshold will increase from GBP 26,200 to GBP 38.700.
- The going rate for all SOC occupation codes (with the exception of Health and Care visas) will increase from the 25th percentile to the 50th percentile, based on the latest 2023 pay data from the Office for National Statistics (ONS).

For new entrants (i.e., foreign nationals who newly enter the UK labor market) and PhD holders, the following changes will be implemented effective 4 April 2024:

- New entrants will be required to earn at least GBP 30,960 per year (up from GBP 20,960) or 70% of the going rate for the relevant SOC occupation code based on the 50th percentile, whichever is higher.
- ► Individuals who hold a PhD will retain the ability to obtain a percentage discount on the salary threshold. However, they will still be required to earn at least £34,830 or 90% of the going rate for the occupation code in the 50th percentile, whichever is higher.

These significant increases in thresholds may pose challenges for those intending to benefit from the new entrant and PhD concessions.

In addition, under the previous rules, individuals under the Skilled Worker route were permitted to undertake supplementary employment (i.e., work in another job outside of their contractual hours and for no more than 20 hours per week) as long as they continued working for their employer within their role. Now, individuals under this route can undertake supplementary employment if any of the following conditions are met:

- ► The job is on the ISL.
- The job is the same profession and at the same level as the one for which they are sponsored.
- ► The job is included in any of the new occupation codes.

This change will bring flexibility to the current regulations, which may lead to more Skilled Workers opting to undertake supplementary employment.

Transitional arrangements will be in force until 3 April 2030. During the transitional period:

- ▶ Individuals with existing permission under the Skilled Worker route will not be required to meet the increased salary threshold of £38,700 or the 50th percentile going rate when they change sponsors or apply to extend their status or settle.
- Individuals with existing permission under the route (i.e., who are assigned Certificates of Sponsorship before 4



April 2024) will be required to meet the going rate based on the 25th percentile (the going rate will increase in line with recent salary data based on the Annual Survey of Hours and Earnings (ASHE) 2023).

• For those applying to settle under this route, a threshold of at least GBP 29,000 or the going rate based on the 25th percentile will apply.

Applications to extend status, change employers or settle must be filed before 3 April 2030 to benefit from these provisions.

New Immigration Salary List (ISL)

The Shortage Occupation List (SOL) will be replaced with the ISL on 4 April 2024, which will remove the 20% going rate discount. This new list was compiled following a <u>rapid review</u> by the Migration Advisory Committee (MAC), and a full review of the list is expected to take place later this year.

For jobs on the ISL, the salary must equal GBP 30,960 per year (up from GBP 20,960) or the going rate for the occupation code in the 50th percentile (up from 25th percentile), whichever is higher.

Transitional arrangements will apply until 3 April 2030. During the transitional period, the salary must equal GBP 23,200 or the going rate for the occupation code in the 25th percentile, whichever is higher.

Standard Occupational Classification (SOC) system

The SOC code system has been updated from SOC 2010 to SOC 2020. This change updates the "Appendix Skilled Occupations," which now includes a new list of eligible occupation codes under the Skilled Worker and Global Business Mobility routes. Individuals holding jobs under occupation codes which have been removed from the SOL will benefit from the additional tables under Appendix Skilled Occupations in the ISL when filing applications to extend their status or settle in the UK. The UK government may ask the MAC to review the longer-term approach regarding eligible occupations.

Health and Care Visas

Workers sponsored under the Health and Care Visa route will be exempt from the general salary threshold increase to £38,700, and instead will be subject to an updated general threshold of GBP 29,000 (based on the 25th percentile as per the latest ONS pay data). The going rate will be updated based on the latest ONS pay data or other relevant national pay scales.

Senior Specialist Workers (Global Business Mobility)

Workers sponsored under this route will be subject to an increased general salary threshold (from GBP 45,800 to GBP 48,500). The going rate will remain at the 25th percentile but will increase in line with recent salary data based on the ASHE 2023.

Graduate Trainees (Global Business Mobility)

Workers sponsored under this route will be subject to an increased general salary threshold (from GBP 24,220 to GBP 25,410). The going rate will remain at 70% of the 25th percentile based on 2023 ONS pay data.

Scale-up route

Workers sponsored under this route will be subject to an increase in the general salary threshold (from £34,600 to £36,300). The going rate for SOC codes will increase based on the latest ONS pay data 2023.

Family Visas

These visas are available to family members of British nationals and Settled Persons. The following changes will go into effect on 11 April 2024:

- For individuals who sponsor family members under the five-year partner or child routes, the minimum salary threshold will increase to GBP 29,000 (from GBP 18,600). It is expected that this will further increase incrementally to the 40th percentile (currently GBP 34,500) and finally to the 50th percentile (currently GBP 38,700) by early 2025. Details regarding the timeline are yet to be released.
- ► The minimum income requirement (i.e., additional income requirement per sponsored dependent) for individuals with children will be removed.
- Individuals who apply under this route before 11 April 2024 will not be subject to the new minimum income requirement, provided they are applying to stay with the same partner.

Transitional arrangements will apply to those who submit their first application before 11 April 2024. Individuals who do not meet the minimum salary threshold will continue to benefit from discretionary consideration under the "exceptional circumstances" provision.

Long Residency

Effective 11 April 2024, "Appendix Long Residence" will be introduced to the UK Immigration Rules. This will replace clauses under Part 7 of the Immigration Rules. This route is suitable for individuals who have lived in the UK lawfully and continuously for 10 years or more, provided they meet other requirements regarding absences in line with the statutory threshold, English language requirements and knowledge of life in the UK, among others.

Individuals must have had their current permission for one year to qualify for settlement under this route. This applies only to individuals who receive permission on or after 11 April 2024.

Impact on employers

Employers are likely to face challenges in hiring and relocating foreign nationals to the UK. To benefit from the current rules, employers may wish to take immediate action. With the influx of applications, access to the Sponsorship Management System will be disabled from 2 to 4 April 2024. Employers may wish to consider assigning relevant Certificate of Sponsorships prior to 29 March 2024. Employers may also benefit from conducting an impact analysis on their existing workforce, new hires in the pipeline and their graduate population. This may enable early planning and communication, cost saving/budget planning, and talent retention, and potentially minimize disruptions while assisting employers in taking relevant actions to revisit their strategy and communicate with related entities. Employers may also take into consideration the increased salary requirements (and expected increases in the future) for individuals sponsoring Family Visas.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

Seema Farazi, Partner Global Immigration + 44 207 951 7122 seema.farazi@uk.ey.com

Kellie Sullivan, Director Global Immigration + 44 207 806 9707 kellie.sullivan1@uk.ey.com

Nikita Potdar, Director Global Immigration +44 20 7760 8208 nikita.potdar@uk.ey.com

Martin Maddocks, Senior Manager Global Immigration + 44 207 806 9078 martin.maddocks@uk.ey.com

Charlotte Hall, Senior Manager Global Immigration +44 20 7951 4353 chall@uk.ey.com

Lisa Amos, Partner Global Immigration + 44 778 715 1456 lisa.amos@uk.ey.com

Vicky Cregan, Director Global Immigration +44 20 7951 1897 vcregan@uk.ey.com

Charlotte Nicolas, Senior Manager Global Immigration + 44 207 197 5228 charlotte.nicolas@uk.ey.com

Jodie Rogerson, Senior Manager Global Immigration +44 20 7951 8136 iodie.rogerson@uk.ev.com

Gowsi Ganeshalingam, Senior Manager Global Immigration +44 20 7951 7735 gganeshalingam@uk.ey.com

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