

# Global Immigration alert

November 2025

## United Kingdom

### UK announces Earned Settlement model and opens proposals for public consultation

#### Executive summary

On 20 November 2025, the UK government announced major proposals to the legal migration system focusing on Settlement (Indefinite Leave to Remain). Building on the May 2025 Immigration White Paper, the new "Earned Settlement" model will require foreign nationals to demonstrate sustained contributions and meet integration and compliance requirements to become eligible for permanent settlement status. This will replace the automatic entitlement system based on applicants' period of stay in the country. British National Overseas (BNO) visa holders with existing Indefinite Leave to Remain (ILR), EU nationals with Brexit rights and foreign nationals with existing settlement status will be exempt.

#### Key developments

A public consultation on the proposed changes runs until 12 February 2026. The proposals remain subject to further consultation and formal rule changes. Key proposals that are open for consultation include the following:

- **Increased requirements for settlement:** The standard qualifying period of stay for most foreign nationals to apply for settlement status will increase from five to 10 years. For certain groups (e.g., individuals in lower-skilled jobs below RQF Level 6), the qualifying period of stay may be extended to 15 years. Refugees on new "core protection" support will have a 20-year path to settlement status.
- **"Earned Settlement" model:** Settlement status will be determined based on the following four criteria:
  - **Character:** Applicants must have good character and conduct, be in compliance with immigration rules, and have no criminal record or actions against the

public good. There will be a strict review of criminality thresholds. Settlement will not be granted to those who have a criminal record or fail suitability checks.

- **Integration:** Applicants must show they are meaningfully engaged with British society. They must pass the "Life in the UK" test and meet English language requirements (at least B2 level; a higher proficiency can reduce the qualifying period of stay). Evidence of participation in community life may also be considered.
- **Contribution:** Applicants must make a sustained and measurable economic contribution to the UK and have annual earnings above a set threshold for three to five years prior to applying for settlement status. Higher earnings or work experience in public service roles can reduce the qualifying period of stay. Volunteering and community service may also be considered as positive contributions.
- **Residence:** Applicants must have lawful, continuous residence in the UK. They must meet the required period of stay in the UK on a route that leads to settlement.

Unlawful entry, overstaying or entering on a visit visa can increase the qualifying period. The qualifying period can be reduced for high earners and those in public service or who volunteer or have family ties (e.g., spouses of British citizens, BNO passport holders). Individuals who claimed benefits or entered the UK illegally may be subject to penalties in addition to longer qualifying periods of stay.



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Dependents of economic migrants will have their qualifying period determined on their own merits rather than automatically matching the main applicant. In the case of children, it is acknowledged that many of the requirements in the earned reduction model, such as making national insurance contributions (NIC) or meeting an income threshold cannot be met by those who may still be children at the time that their parents become eligible for settlement. The introduction of an earned settlement system with a longer baseline qualifying period brings into focus whether and how those who turn 18 during their parents' qualifying period should be brought within earned settlement principles and be expected to qualify for settlement in their own right.

Special provisions will remain for vulnerable groups (e.g., victims of domestic abuse, bereaved partners, children who grew up in the UK without settlement status, adults with long-term care needs). No changes will be made to the EU Settlement Scheme or Windrush Scheme.

The government is consulting on whether settled status should continue to grant access to public funds, or if this should be reserved for British citizens.

The proposals respond to unprecedented levels of migration (2.6 million net migration between 2021 and 2024) and public concerns about integration, fiscal impacts, and public confidence. Forecasts suggest a spike in settlement grants between 2026 and 2030, especially from Health and Care visa holders and their dependents. The government also aims to ensure that those who settle are economically self-sufficient and integrated, and that the system is fair and sustainable.

This consultation includes questions intended to seek views on how far the implementation of the earned settlement model should be accompanied by transitional measures. Transitional arrangements refer to temporary measures or rules put in place to manage the shift from one system or policy framework to another. Without any transitional arrangements, the earned settlement policy will affect people already in the system who are not already settled when relevant Immigration Rules come into force. Transitional arrangements may be designed to ease the impact of policy changes, especially for individuals or groups who are already afforded permissions by the previous system. The consultation seeks views on whether there should be transitional arrangements for those already on a pathway to settlement.

#### **Impact on employers**

Employers may assess their sponsored workers' routes and whether the changes may delay settlement for key employees. Anyone currently on a path to settlement who does not yet hold ILR may be affected by the new rules, depending on transitional arrangements. Individuals in lower-skilled roles, or those relying on more standard routes, may face significantly longer wait times to obtain settlement status. For those in high-earning, highly skilled roles (including VIP populations), there may be opportunities to accelerate the path to settlement. It is important to note that these are proposals that are subject to consultation and may change in the final regulations.

#### **Key steps**

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

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