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3HR Legal Weekly

Immigration

Intended Changes to the Tier 2 Immigration System

As you may be aware, the government has recently announced its intended changes to the Tier 2 Immigration System – the system for skilled workers to come to the UK. These intended changes follow recommendations made by the Migration Advisory Committee.

We are pleased to confirm that the majority of the changes seem to be positive for our clients, other than an increase in the costs that will apply when making visa applications.

The key changes are:

From Autumn 2016

- Increase the minimum salary for experienced Tier 2 (General) workers to £25,000 per year.
- Close the Tier 2 (ICT) Skills Transfer category for new applicants.
- Make it easier for graduates in Tier 2 (General) positions to change their role.
- The Immigration Health Surcharge will also be payable by Tier 2 (ICT) migrants (currently set at £200 per person per year).

From April 2017

- Increase the minimum salary for experienced Tier 2 (General) workers to £30,000 per year.
- Close the Tier 2 (ICT) Short Term category for new applicants.
- Introduce a new Immigration Skills Charge – this is intended to be £1,000 per person per year, with a lower fee of £364 per person per year for small sponsors.
- Reduce the High Earner salary threshold to enable Tier 2 (ICT) migrants to stay for up to 9 years, from its current rate of £155,300 per year to £120,000 per year.
- Remove the requirement for Tier 2 (ICT) migrants to have been employed by a linked company for 12 months, for those earning above £73,900.
- Exemptions from the Resident Labour Market Test where the role is associated with the relocation of a high-value business to the UK or a significant inward investment project (further details on this are awaited).

There was some suggestion that working rights for Tier 2 dependants would be further restricted, but these have in fact remained unchanged (and therefore, other than some restrictions relating to working as doctors or dentists, Tier 2 dependants are generally free to take any employment they wish).

As mentioned, although there are increased costs associated with the above changes (in particular the Immigration Health Surcharge for ICT migrants, and the Skills Charge for both ICT and General migrants), the other changes to the ICT route in particular are likely to be beneficial to most of our clients. The removal of the requirement for one year's employment (subject to the salary requirement) and the reduction of the High Earner salary threshold should make a significant difference to the ease with which our clients can plan their expatriate resource requirements in the UK.

As always, we are able to provide advice to all our clients on their immigration planning and strategy, as well as making all necessary visa and extension applications.

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