

March 26, 2015  
2015-046

## flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

### United Kingdom – U.K. Immigration Health Surcharge from 6th April 2015

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The Home Office has introduced an Immigration Health Surcharge ("the Surcharge") as part of wider reforms aimed at ensuring that temporary migrants coming to live in the UK make a proportionate financial contribution to the cost of their healthcare, and that their access to public services reflects their immigration status.

An impact assessment<sup>1</sup> has estimated that the Surcharge, which will come into effect on 6 April 2015, will bring in an additional £1.7 billion to the National Health Service over a ten-year period. The intention is for these funds to be distributed to the four health ministries within the countries of the UK.

### Why This Matters

From 6 April 2015, applicants who fall within the scope of the Surcharge will face a significant up-front cost in addition to the standard immigration fees. Businesses that intend to cover the costs for their employees will need to take into account the financial impact of the Surcharge.

### Who is Affected?

The Surcharge is aimed at non-EEA nationals who apply to come to the UK to work, study or join family for a time-limited period of more than 6 months. It is important to note that non-EEA migrants that are already in the UK will also be affected if they intend to extend their stay.

Certain migrants are exempt from paying the Surcharge although they will still be required to go through the Surcharge process and receive confirmation of a 'nil' payment and unique surcharge reference number. These include (but are not limited to):

- those coming to the UK for less than 6 months;
- EEA nationals residing in the UK;
- Tier 2 intra-company transfer migrants and their dependants; and
- Australian and New Zealand nationals.

Visitors, such as tourists, will not be subject to the Surcharge process and will remain directly chargeable for hospital treatment as is the case now. The Department of Health is working on changes to their charging regulations which will mean that from April non-EEA visitors who use the NHS will be charged 150% of the cost of this treatment.

## The Surcharge

The Surcharge, which must be paid upfront and in full, is currently set at £200 per year for main applicants. Dependents will generally be charged the same amount as the main applicant. Students will pay a lower surcharge of £150 per year. The Surcharge will be in addition to the visa application fees.

Example: A new hire seeking entry to the UK for three years with his two dependents (e.g. wife and child) will be required to pay the Surcharge of £1,800 (i.e. £200 x 3 (applicants) x 3 (years)) in addition to the application fees. Should the family subsequently extend their stay for a further three years, they will again be required to pay the level of Surcharge applicable at the time of the extension application.

Applicants coming to the UK for less than a full year within their period of stay, will pay a pro-rata rate on the Surcharge (e.g. a single applicant seeking entry to the UK for 18-months will pay £300 (i.e. £200 x 1.5)).

## Private Healthcare Insurance

Migrants who have paid the Surcharge will be able to access the National Health Service (NHS) in the same way as a permanent UK resident (i.e. they will receive NHS care generally free of charge but may be charged for services a permanent resident would also pay for, such as dental treatment and prescription charges in England).

Those with private healthcare insurance will not be exempt from paying the Surcharge.

## Conclusion

With the imminent roll-out of the Surcharge on 6 April 2015, businesses will need to be aware of the Surcharge, the process, and to ensure that the necessary arrangements are in place for the affected individuals.

## Companies sending workers to the UK should note:

- 1 Any international assignee being sent to the UK from another group company (an intra-company transfer (ICT)) will not be impacted however they will still need to complete the process through the NHS Surcharge website. They will be informed that the payment is nil but will receive a unique surcharge number for their immigration application.
- 2 Australian and New Zealand nationals will not be impacted; however they will still need to complete the process through the NHS Surcharge website. They will be informed that the payment is nil but will receive a unique surcharge number for their immigration application.
- 3 International assignees who are new hires to the UK (i.e. do not qualify as an ICT) – the employer should be aware of an additional £200 per person cost payable when the immigration application is made.
- 4 International assignees in point 3 above who are seeking to extend their stay – the £200 per person surcharge becomes payable on the application for extension.

KPMG recommends that workers and their families from the EEA ensure that they have the European Health Insurance Card (EHIC)<sup>2</sup> to assist in their confirmation that they are not liable to the surcharge. Whilst this is not compulsory, it is beneficial to carry this card not only during their stay in the UK but also when travelling to other EEA countries.

Further guidance is due on 6th April 2015.

*Footnotes:*

1. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/251972/Health\\_imperial\\_assessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251972/Health_imperial_assessment.pdf)
2. <https://www.gov.uk/european-health-insurance-card>

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*For additional information or assistance, please contact your usual KPMG GMS or People Services professional or one of the following professionals with the KPMG International member firm in the United Kingdom:*

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*\* Please note that KPMG LLP (U.S.) does not provide immigration services.*

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