



GMS Flash Alert

Immigration Edition

2018-036 | February 22, 2018



United Kingdom – Immigration Health Surcharge to Double

On 5 February 2018, the U.K.'s Department of Health and Social Care published plans to double the Immigration Health Surcharge, with the change coming into effect later this year.¹

WHY THIS MATTERS

This will increase the financial burden for visa applicants, their families, and/or their employers who must pay the full amount due at the time of submitting their applications. Businesses that pay the charge on behalf of their migrant-workers will need to reassess assignment costs in line with the upcoming increase. The increased Immigration Health Surcharge is on top of the recently-implemented Immigration Skills Charge of £1,000 per year per worker.²

Further Details

All nationals from outside the European Economic Area and Switzerland ("EEA") coming to the U.K. for longer than six months to work, study, or join family are already required to pay an annual health surcharge of £200 per person per year as part of their visa application. The announcement says this will rise to £400 per person per year. The discounted rate for students and Tier 5 (Youth Mobility Scheme) applicants will increase from £150 to £300 per person per year.

KPMG LLP (U.K.) NOTE

We expect this increased charge to come into force in line with the tax year – this will mean it starts from 6 April 2018. However no definitive information has been provided on this or to whom it will apply if, say, an individual begins his U.K. visa application process before the change comes into effect.

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A statutory instrument will be required to increase this charge and it is at this point that we will be able to see such details. In the meantime, employers should bear in mind the change and consider accelerating applications where they determine the cost difference could be a significant issue.

The reason for this increase appears to be primarily to raise additional funds. People who do not need a visa to work in the U.K. currently make no specific contribution to access the country's National Health Service (NHS). The NHS is funded from general taxation, which most migrants will continue to pay on top of this increased charge.

The Migration Advisory Committee continues to consult on the post-Brexit immigration system for the United Kingdom.³ Until it reports, major changes of immigration policy relating to non-EEA nationals are unlikely. However tweaks like this health surcharge increase remain possible.

During this time, a combination of reduced availability of EEA migrants and increased costs for non-EEA migrants will likely continue to impact the costs of hiring in the United Kingdom.

FOOTNOTES:

1 See the 5 February 2018 News story "Health charge for temporary migrants will increase to £400 a year," from the Department of Health and Social Care at: <https://www.gov.uk/government/news/health-charge-for-temporary-migrants-will-increase-to-400-a-year>.

2 For prior coverage, see GMS [Flash Alert 2017-062](#), 6 April 2017.

3 See the Migration Advisory Committee 2017 consultation "Call for evidence and briefing note: EEA-workers in the UK labour market" at: <https://www.gov.uk/government/consultations/call-for-evidence-and-briefing-note-eea-workers-in-the-uk-labour-market>.

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Contact us

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

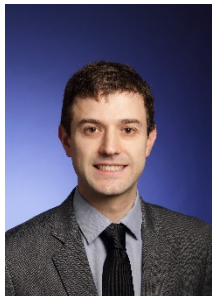
The KPMG Legal Services – Immigration Team has a wealth of experience in transactional, advisory, and compliance assurance services. We will be able to advise your business in relation to practical considerations in light of the above changes, as well as what this means for your long-term recruitment and compliance strategies.



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