

# GMS Flash Alert



## Immigration Edition

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# United Kingdom - New Points-Based System Employers' Guide Published

The U.K.'s Home Office published "An introduction to employers"<sup>1</sup> on 9 April 2020, dealing with a new points-based system, which is intended to make the employer-led process for bringing skilled workers from around the world to the U.K. more effective and straightforward.

On 31 December 2020, the post-Brexit transition period will end, and from 1 January 2021, a new U.K. points-based system will be put in place to sponsor overseas workers coming to the U.K. from this date.<sup>2</sup> The new system will apply equally to both European Union (EU) and non-EU citizens and the new Skilled Worker route is expected to open in autumn 2020 for overseas workers who wish to start their employment from 1 January 2021.

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## WHY THIS MATTERS

These changes will provide better guidance, improved structure, and more flexibility to employers intending to secure overseas workers essential for their business.

It is important to note that for EU citizens coming into the country for work and study purposes prior to 31 December 2020, visa, entry, and post-arrival processes and procedures will largely remain unchanged – and in some ways, will be enhanced – and they can exercise freedom of movement.

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# What's Different?

## Highlights

Under the new points-based system, overseas workers' eligibility will continue to be assessed on the points awarded for the skill level of their job, qualifications, salaries, and English language skills.

However, there are certain changes that employers should be aware of:

- The required skills level will be set lower at RQF3.
- The general minimum salary threshold will be reduced to £25,600.
- Points earned for PhD and shortage occupations can be traded for lower salaries, however the salary must be £20,480 or above.
- A new Graduate Immigration route will be open for international students from summer 2021.

## Changes to Skilled Worker Category (Tier 2)

### Required Skills Level

The required skills level will be set at RQF3 (currently RQF6). Employers will be able to use the ONS Occupation Coding Tool<sup>3</sup> to identify the appropriate Standard Occupational Classification (SOC) code for their sponsored workers.

### Minimum Salary Threshold

The minimum salary threshold will be reduced to £25,600. However, overseas workers must be paid the higher of the salary specific for their job – “going rate” – and this minimum salary threshold. A lower threshold of £20,480 may apply for certain cases. For example, points earned for a PhD and shortage occupation can compensate lower salaries where no points are awarded, however employers must pay £20,480 or above for the role.

### New Graduate Immigration Route

This new route will be available from summer 2021 to international students who have gained a degree in the U.K. from a recognised academic institution. Successful applicants can remain and work in the U.K. at any skill level for a period of two years after completing their studies.

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## KPMG NOTE

The Home Office guide on the proposed new system is welcome although the precise details of the new system are yet to be published. In the Home Office's view, the new points-based system will provide more flexibility to employers who wish to sponsor overseas workers. The new system will apply to both EU and non-EU citizens taking up employment in the U.K. from 1 January 2021.

EU and non-EU nationals who wish to work in the U.K. on and after 1 January 2021, can start the Skilled Worker route under the new system from autumn 2020.

## KPMG NOTE continued

Employers must continue to hold a valid licence<sup>4</sup> to sponsor overseas workers and are encouraged to obtain a license if they do not already hold one.

Visa, entry, and post-arrival processes and procedures will remain unchanged; however, EU citizens will be allowed to use online services for their visa applications as well as to demonstrate their immigration status and right to work in the United Kingdom. EU citizens will also be able to continue to use e-gates at the U.K. borders.

Further details and guidance will be published by the Home Office in due course.

Employers should familiarise themselves with the new system in order to foster compliance.

EU citizens and their families who enter the U.K. on and before 31 December 2020, can exercise freedom of movement and they will have to apply to the EU Settlement Scheme by 30 June 2021, should they wish to continue to remain in the U.K. beyond this deadline. (For prior coverage of the EU Settlement Scheme, see GMS [Flash Alert 2019-056](#), 26 March 2019.)

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## FOOTNOTES:

1 See: <https://www.gov.uk/government/publications/uk-points-based-immigration-system-employer-information/the-uk-points-based-immigration-system-an-introduction-for-employers> .

2 For prior coverage of points-based system recommendations from the Migration Advisory Committee (MAC) , see GMS [Flash Alert 2020-020](#), 31 January 2020.

3 See: [https://onsdigital.github.io/dp-classification-tools/standard-occupational-classification/ONS\\_SOC\\_occupation\\_coding\\_tool.html](https://onsdigital.github.io/dp-classification-tools/standard-occupational-classification/ONS_SOC_occupation_coding_tool.html) .

4 See: <https://www.gov.uk/uk-visa-sponsorship-employers> .

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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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\* Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.

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