

GMS Flash Alert



Immigration Edition

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United Kingdom - Immigration Health Surcharge Increase for Certain Visa Categories

The U.K.'s Immigration Health Surcharge will increase from £400 a year to £624 a year on 27 October 2020, under the terms of The Immigration (Health Charge) (Amendment) Order 2020 (SI 2020 No. 1086) made on 6 October 2020.¹ The Order also provides that applicants for a Health and Care visa are exempt from paying the surcharge. A reduced rate of £470 will apply to students, dependants of students, Youth Mobility visa holders, and anyone under 18.

WHY THIS MATTERS

Whilst the reduced rate for certain visa categories will be welcome, the higher rate can cause an increase in 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.

Background

The Conservative Party first promised to increase the surcharge during the 2019 general election campaign and gave more details in the March 2020 budget.² A draft order originally set the date of increase as 1 October, but was later replaced by the version that has just passed into law. (For prior coverage of the health surcharge, see the following issues of *GMS Flash Alert*: [2018-168](#) (21 December 2018) and [2018-036](#) (22 February 2018).)

KPMG NOTE

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, migrants already pay for the NHS through their taxes, so it might be argued that what the surcharge really represents is a tax on U.K. visas. It is levied in addition to Home Office administration fees.

FOOTNOTES:

- 1 The Immigration (Health Charge) (Amendment) Order 2020 ([SI 2020 No. 1086](#)).
- 2 See: <https://www.gov.uk/government/publications/budget-2020-documents/budget-2020> .

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You Are Invited to Join Us at Our Annual Forum Conference – Online This Year!

Also, please join us at **our 2020 KPMG Global Mobility Forum virtually!** The online registration for the 2020 KPMG Global Mobility Forum is open! Join us online at the “Virtual KPMG International Airport.” Pre-boarding is available from 19 October and your journey will begin on 27 October. Please [register](#) (we recommend you use Google Chrome, Mozilla Firefox, or Microsoft Edge web browsers for an optimal online experience). We look forward to connecting with you. Details are available [here](#).

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or the following professional 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.



Julia Picco
Solicitor, Legal Director-Immigration
Tel. + 44 (0) 203 0783292
Julia.Picco@kpmg.co.uk

* 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.

The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom.

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