

GMS Flash Alert

Immigration Edition

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United Kingdom - Immigration Health Surcharge Fees Increase from 6 February

Following the U.K. Parliament's approval of the Immigration (Health Charge) (Amendment) Order 2024¹ on 15 January 2024, the increase to Immigration Health Surcharge (IHS) fees will take effect from 6 February 2024. (For related coverage, see [GMS Flash Alert 2023-180](#), 20 September 2023.)

The IHS fee is applicable to most visa categories, whereby applicants who are filing a U.K. entry clearance or leave to remain application for a period of six months or longer will need to pay the IHS as part of their visa application. Lower IHS fees apply to some visa applicants, and certain visa categories are exempt from paying the IHS fee. Sponsored workers would, however, need to pay the IHS fee if applying for a U.K. visa that is for a period of six months or longer.

Currently, the annual IHS fee for an adult applicant is £624, which will increase by 66 percent to £1035 per annum.

WHY THIS MATTERS

For employers that employ and recruit foreign nationals, the increase will need to be carefully reviewed to assess the impact on budgeting when it comes to supporting visa application costs.

The increased IHS costs, whether supported by employers or not, will need to be reviewed against recruitment and retention policies to strike a balance between managing labour shortages, whilst formulating alternative strategies to migration such as increased investment in training and upskilling.

Further Details

The key updates that take effect on 6 February 2024, have been summarised below:

- For sponsored workers (and most adult U.K. immigration applicants), the IHS fees per applicant will increase from £624 to £1035 per annum;

- Students and Youth Mobility Scheme applicants will see an increase from £470 to £776 per annum;
- Applicants under the age of 18 will see an increase from £470 to £776 per annum.

This would mean, for example, the following increase in IHS fees for a Skilled Worker applying for a 3-year visa:

| Skilled Worker – 3-year visa | Current Fee | New Fee after 6 February |
|-------------------------------|-------------|--------------------------|
| Main applicant only | £1872 | £3105 |
| Main applicant with a partner | £3744 | £6210 |

Source: KPMG LLP (U.K.)

KPMG INSIGHTS

Employers should consider the impact of the IHS fee increases from the budgeting, talent recruitment, and employee retention perspectives. Immediate areas for focus may include prioritising the filing of any in-flight renewal and new-hire applications (where eligible) before 6 February to benefit from the current, lower IHS fees; and reviewing any downstream processes to help ensure any communications and claw-back letters issued to migrant workers are updated to reflect the increase in IHS fees.

Employers will need to think holistically and strategically around their talent recruitment and retention policies so that they may be able to secure the immediate talent they need, whilst future-proofing their workforce against increasing visa costs irrespective of whether they are borne by the employer or migrant workers themselves.

From a long-term strategic planning perspective, employers should be cognizant of where potential talent is impacted by financial constraints, the U.K. may no longer be a choice destination to seek and take up employment. This could impact access to talent, whilst requiring an assessment of skills needed across businesses and pragmatic solutions required to address these.

Further, employers should be in regular contact with their immigration counsel to review the impact of the salary threshold increases that are expected to take effect in Spring 2024.²

FOOTNOTES:

1 "The Immigration (Health Charge) (Amendment) Order 2024" at <https://www.legislation.gov.uk/uksi/2024/55/made> .

2 See Hansard, Legal Migration, Volume 742: debated on Monday, 4 December 2023, by clicking [here](#):

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Contact us

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