



GMS Flash Alert

Immigration

2024-068 | March 21, 2024

United Kingdom – New Statement of Changes in Immigration Rules Published

The “Statement of Changes in Immigration Rules” was published on 14 March 2024, providing further details on the measures announced on 4 December 2023, by the U.K. Home Secretary in his five-point plan to reduce net migration to the United Kingdom.¹ Such details in the Statement of Changes covered: clarification on the salary requirements applicable under the Skilled Worker route including those for New Entrants; minimum income requirement for the partner routes; replacement of the Shortage Occupation List with the Immigration Salary List; and requirements to qualify under the transitional arrangements for individuals already holding permission under the Skilled Worker route.

Additional announcements included, for example, those relating to changes to the salary requirements for the Senior or Specialist Worker route; undertaking supplementary employment as a sponsored worker; and changes to the long residence rules.

WHY THIS MATTERS

For employers that employ and recruit foreign nationals, the announcements will need to be carefully reviewed to assess the impact on firmwide mobility and talent programmes. The increased general-salary and going-rate thresholds for the sponsored worker routes will need to be reviewed against recruitment and retention policies to strike a balance between managing labour shortages and incentivising employees with international assignment opportunities, whilst formulating alternative strategies to global workforce planning.

Background

On 4 December 2023, the U.K. Home Secretary announced a five-point plan to reduce net migration to the United Kingdom.² One of the key drivers for this was the intention to reduce net migration levels which were at a record level in the past year. The announcement was also driven by the government's prioritisation of the plan to increase the domestic workforce through its "Back to Work Plan." Home Secretary, James Cleverly stated at the time: "My plan will deliver the biggest ever reduction in net migration and will mean around 300,000 people who came to the U.K. last year would not have been able to do so. I am taking decisive action to halt the drastic rise in our work visa routes and crack down on those who seek to take advantage of our hospitality."³

The measures which were announced included for example: an increase in the minimum general salary threshold for occupations under the Skilled Worker route; elimination of the ability for Health and Social Care Visa Workers to bring dependants to the U.K.; removing the salary discount for occupations on the Shortage Occupation List; increasing the financial requirements for those applying for family visas; and announcing a review of the Graduate visa route.

Further Details

The key changes are summarised below and will require employers to assess the impact of the changes to the salary thresholds for both their current and future sponsored worker population:

- ***Skilled Worker: increases to the immigration salary requirements***

Employers must pay Skilled Workers at least the general salary threshold or the going rate for the individual occupation, whichever is higher. Both these thresholds will be increasing from 4 April 2024, and will be based on the latest Office for National Statistics (ONS) pay data.

- The minimum general salary threshold will increase from £26,200 to £38,700.
- The going rate for the individual occupations will be raised from the 25th percentile to the median.
- Where a 20-percent discount applies to the general salary threshold, the minimum general salary threshold will increase from £20,960 to £30,960.
- All other existing Skilled Worker salary discounts, relating to holders of relevant PhD qualifications, "new entrants" to the labour market, and national pay scale occupations, are being retained and updated, based on latest ONS pay data.
- Transitional arrangements will apply to Skilled Workers who are already in this route or who apply based on a Certificate of Sponsorship issued by 7pm on 2 April 2024 if they are making an application to extend their stay, change employment, or settle.
 - The minimum general salary threshold will increase from £26,200 to £29,000 for those who fall under the transitional arrangements.
 - The going rate for Skilled Workers falling under the transitional arrangements will remain at the 25th percentile but will be based on the latest ONS pay data and/or the latest available national pay scales.
 - The transitional arrangements will only apply to applications filed before 4 April 2030.

- Those coming on the Health and Social Care visa will be exempted from the increase to the minimum general salary threshold for Skilled Worker visas.
 - However, they will be subject to the new minimum general salary threshold of £29,000 and the going rate that is applicable on the date of application (whichever is higher).

- ***Removal of discount for occupations on Shortage Occupation List***

- The government will be reforming the way individuals working in short-staffed sectors can apply to come to the United Kingdom.
- The Shortage Occupation List is being removed and replaced by a new Immigration Salary List. The roles included on the Immigration Salary List are those where the government considers it sensible to offer a discounted salary threshold, as opposed to a list of all occupations experiencing labour shortages.
- The U.K. government has adopted the Migration Advisory Committee's recommendation to no longer allow employers to benefit from a 20-percent discount to the minimum salary threshold for occupations on the Shortage Occupation List.
- Changes will be made relating to the right of asylum seekers to request permission to take up employment in line with the replacement of the Shortage Occupation List with the Immigration Salary List.

- ***Skilled Workers and supplementary employment***

- Skilled Workers will be able to undertake supplementary employment in any occupation which is eligible for sponsorship, as opposed to being restricted to undertaking a role in a shortage occupation, or in the same profession and at the same professional level as the job for which sponsorship has been obtained.
- To undertake supplementary employment, the Skilled Worker will need to remain working for the sponsor in the job for which the Certificate of Sponsorship was issued. The other employment cannot exceed 20 hours per week and must take place outside the hours when the person is contracted to work for his/her sponsor.

- ***Global Business Mobility (GBM) routes: increases to the immigration salary requirements***

- For Senior or Specialist Workers in the GBM routes, the general salary threshold is being updated from £45,800 to £48,500. Going rates will also increase in line with latest ONS pay data.
- For Graduate Trainees, the general salary threshold is being updated from £24,220 to £25,410 and going rates remain based on 70 percent of the 25th percentile, updated to the latest ONS pay data.
- For the Scale-up route, the general salary threshold is being updated from £34,600 to £36,300, with going rates being updated in line with the latest ONS pay data.

- ***Increased financial requirement for family applications***

- U.K. nationals seeking to sponsor foreign national dependants will see a drastic increase in the amount they need to earn to evidence they can support their dependants financially.
- The financial requirement for a family visa will be raised from the 2012 rate of £18,600 to £38,700, with the increases being introduced in phases before the £38,700 threshold needs to be met.
 - From 11 April 2024, the financial requirement will increase to £29,000.
 - It will then increase to £34,500 and then £38,700, with the implementation dates yet to be confirmed.
- There will no longer be a separate child element to the minimum income requirement.
- There are transitional arrangements in place for those who, before 11 April, already have a family visa within the fiancé/fiancée or proposed civil partner or five-year partner route, or who applied before 11 April and are being granted.

- ***Applying for settlement via the 10-year long residence route***

- There will be changes to the ways in which the requirement for continuous residence can be met. For example, time spent in the Channel Islands or Isle of Man cannot be counted toward the qualification period for continuous residence.
- A policy change is being introduced whereby applicants must have had their current permission for one year (or have been exempt from immigration control within 12 months immediately before their application) to qualify for settlement under this route.

KPMG LLP (U.K.) INSIGHTS

Tom Pursglove, the Minister of State for Legal Migration, and the Border, stated that "... the changes including the increase to the minimum income requirement (MIR) for those applying in the partner route, are supportive of the wider ambition for the U.K. to be a high-wage, high productivity, high skill economy."⁴ However, employers will need to think holistically and strategically around their talent recruitment and retention policies to help ensure they can secure and retain the talent they need, whilst "future proofing" their workforce against increasingly restrictive eligibility criteria underpinning the sponsored worker routes.

As an immediate action, employers may wish to consider whether the filing of immigration applications can be brought forward with an eye on the current lower salary thresholds, whilst managing employee and stakeholder communications regarding the upcoming immigration changes. Employers should also consider being in regular contact with their immigration counsel to make sure that they are undertaking the appropriate impact analysis on their business.

FOOTNOTES:

- 1 See: [Statement of Changes in Immigration Rules HC 590](#).
- 2 Home Office and The Rt Hon James Cleverly MP, "[Home Secretary unveils plan to cut net migration](#)" (4 December 2023).
- 3 Home Office and The Rt Hon James Cleverly MP, "[Home Secretary unveils plan to cut net migration](#)" (4 December 2023).
- 4 U.K. Parliament, Written Questions, Answers and Statements: Statement made on 14 March 2024 (see: [Statement made by Tom Pursglove](#)).

* * * *

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:



Nadia Idries

Director & Solicitor

Tel. + 44 (0) 7840 845983

Nadia.idries@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.

© 2024 KPMG LLP a U.K. limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2E

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.