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Immigration - Tier 2 changes

This document has been prepared by Ukie Partner Member, Sheridans and only covers the basics of the Tier 2 immigration changes, further advice should be obtained before acting on the information provided. This note is intended to be used as a guide only and is not a full review of the changes and does not constitute legal advice.

With effect from 6 April 2017, a number of changes will be made to the Tier 2 immigration route. The net effect of the changes will be an increase in cost to employers hiring migrant staff. The policy drive behind the changes is all part of the Government's effort to keep net migration down; the logic being that if it costs businesses more to employ migrant workers, they will do it less and therefore be incentivised to 'invest in training British staff'. Our view is that businesses will pay to source the talent they want and so the Government's objective is not necessarily going to be met by these changes.

Nonetheless, the changes are upon us and so employers utilising a Sponsorship Licence will need to ensure they factor in the following additional costs:

Immigration Skills Charge

An additional fee of up to £1,000 per skilled worker will be applicable for all new migrant workers who are issued with a certificate of sponsorship post 6 April 2017. The fee will be payable annually by employers sponsoring migrant workers via the Tier 2 (General) and Tier 2 (Intra-company Transfer) routes. There are some exceptions to the skills charge, including in respect of employees recruited into PHD-level roles.

Salary thresholds

Tier 2 (General) salary thresholds for experienced workers will be increased in from £25,000 to £30,000.

Immigration Health Surcharge (NHS) Charge

Currently there is a surcharge of £200 per annum for a Tier 2 (General) holder. The charge will now also be applied to Tier 2 (Intra-company Transfer) holders and a similar charge will be applicable to the main applicant's dependants.

Closing Tier 2 (Intra-company Transfer) Short Term category

The result of this is that all Intra-company Transfer workers (with the exception of graduate trainees), must now qualify under a single route with a salary threshold of £41,500. The impact of this change is that it will cost employers more to bring in Intra-company Transfers as the lower salary threshold which could be utilised under the short-term route will no longer be an available option.

Criminal Record Checks for Tier 2 applicants and dependants

From 6 April 2017, the requirement to provide a criminal record certificate will apply to those applying for entry clearance in the Tier 2 (General) route in certain roles, including those in education, healthcare, pharmacy, social work, dentistry and radiography. This new requirement will need to be factored in when considering the appropriate visa application date, particularly as some countries take longer than others to process the necessary certificates.

Hidden beneath the additional costs and bureaucracy, there is some welcome news

Immigration - Tier 2 changes

New exemption

Introducing a waiver for the Resident Labour Market Test and an exemption from the Tier 2 (General) limit for posts which support the relocation of a high value business to the UK or a significant new inward investment project.

Reduction of high-earner's salary for Intra-company Transfers

The threshold of £153,000 is reduced to £120,000. These high earners can also stay in the route for up to nine years, rather than the usual five years. The threshold reduction allows more employees to transfer under the higher earner category.

Removal of one year experience requirement

The requirement for Intra-company Transfer workers (being paid £73,900 or more) to have at least one year's experience working for the sponsor's entity overseas is removed with effect from 6 April 2017, enabling more workers to be fall within this category.

What should I do next?

For further advice please contact **Daniela Cohen** of the **Employment & Business Immigration Group** at Sheridans (dcohen@sheridans.co.uk).

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