



## IMMIGRATION NEWSLETTER - SPRING 2017

In response to the Migration Advisory Committee's (MAC) report published on 19 January 2016, the Government implemented reform to the Tier 2 category of the Points Based System in November 2016 and its second tranche is due during April and May 2017. This newsletter has been prepared to bring these imminent changes to your organisation's attention.

### 1. The introduction of the Immigration Skills Charge

On 6 April 2017, the Immigration Skills Charge (ISC) is due to come into force, provided that Parliament give their approval.

#### What does this mean?

From 6 April 2017, employers wanting to sponsor a worker from outside the European Economic Area (EEA) will have to pay an additional ISC charge. The ISC will be £1,000 per person per year for medium or large sponsors, but will be reduced to £364 per person per year for small or charitable sponsors.

#### How could it affect you?

If your organisation sponsors workers under Tier 2 (General) and/or Tier 2 (ICT) for the normal three year period, the cost of this process will increase your organisation's recruitment fees by £3,000 per worker. It is understood that this charge will be payable at the same time as the Certificate of Sponsorship. For small businesses looking to hire workers from outside the EEA, the ISC will be significant and a potential barrier to the wider market.

#### Are there any exempt categories?

Yes, an exemption to the ISC will apply to employers

sponsoring:

- Tier 4 student visa holders in the UK switching to a Tier 2 (General) visa;
- Tier 2 (ICT) Graduate Trainees;
- Non-EEA nationals sponsored in Tier 2 before 6 April 2017 who are applying from inside the UK to extend their Tier 2 stay with either the same or a different sponsor; and
- Workers undertaking a specific PhD level occupation.

#### Why is the Government doing this?

The Home Office have stated that the money collected from the ISC will be used by the Department for Education to address skills gaps in the UK workforce. The aim is that employers are incentivised to invest in training British staff and this coincides with the introduction of the Apprenticeship Levy.

### 2. Changes to Tier 2 (ICT)

- The Tier 2 (ICT) Short Term category allows employers to transfer professionals from an office abroad to a UK office for up to 12 months into a role which cannot be filled by a UK recruit. This useful visa category is to close in early April 2017, leaving employers with the stricter Tier 2 (ICT) Long Term category for transfers of this nature. Sponsors may wish to consider



processing any Tier 2 (ICT) applications before the end of March 2017 depending on the circumstances.

- From early April 2017, applicants for a Tier 2 Intra-company Transfer (ICT) visa will be subject to the Immigration Health Surcharge (IHS). The Government has not released the exact implementation date but we anticipate this to be around 6 April 2017. The IHS is payable on top of most visa application fees, at a rate of £200 per visa year, and is payable at the time of the application with any dependant(s) being charged the same amount. If the application is rejected, the applicant will receive a full refund of all IHS costs paid. For UK employers covering immigration costs for their non-EEA employees, this will be another strain on their recruitment budget.
- From April 2017, the minimum salary threshold for Tier 2 (ICT) higher earners who are able to work in the UK between five and nine years will be reduced from £155,300 to £120,000 pa. The requirement for at least one year's prior experience at the overseas entity will be removed for migrants whose salary in the UK will be £73,900 or over.

### 3. Changes to Tier (2) General

- The minimum salary level for Tier 2 (General) experienced workers is to increase dramatically from £25,000 to £30,000 in April 2017. However, the exemption categories such as nurses, medical radiographers and paramedics etc. will remain in place until July 2019. It is clear that such a large increase is pushing businesses to reduce their reliance on the migrant workforce and try to improve the skills of UK nationals. The minimum threshold for new entrants will remain at £20,800.

### 4. Increased English Language Requirement for Non-EEA Partners and Parents

From 1 May 2017, those applying for spouse or partner visas under Appendix FM of the Immigration Rules will need to show English Language at level A2 of the Common European Framework of Reference for Languages (CEFR). The previous requirement was at level A1 CEFR. This requirement will also apply to those in the UK making extension applications for leave to remain after 2.5 years on or after 1 May 2017.

#### Find out more

Please contact us to discuss your requirements or to find out more.



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