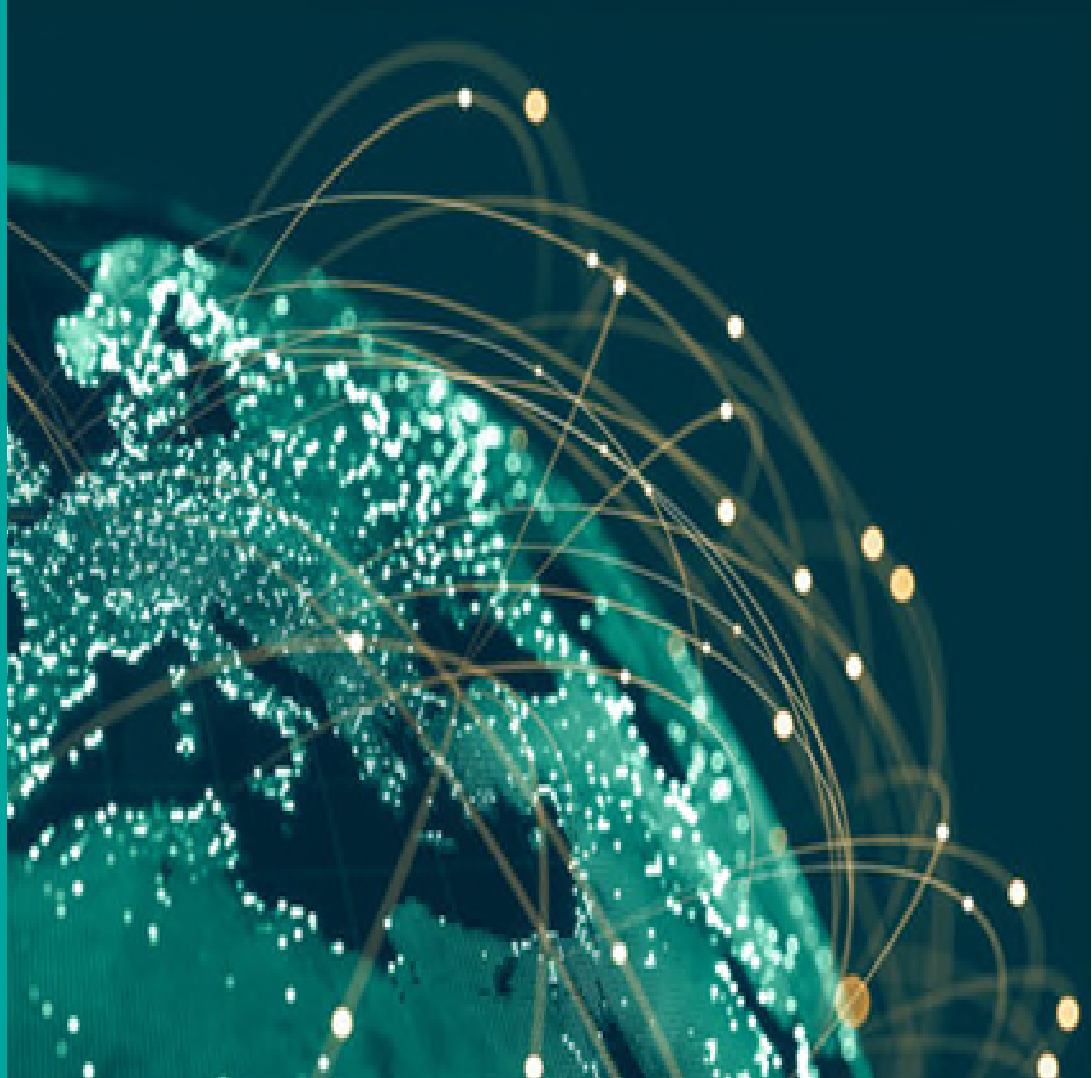


UK Business Immigration – What's in Store for 2024?

20 March 2024

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Your
presenters
today



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*“..changes are being made
to reduce net migration by encouraging businesses
to invest in the resident workforce
rather than over-relying on migration, while
bringing salaries in line with the average
full-time salary for eligible jobs”*

Explanatory Memorandum To
The Statement Of Changes In Immigration Rules
Presented To Parliament On 14 March 2024 (Hc 590)

What will we cover today?

- Skilled Worker Changes
 - Salary threshold increases
 - Transitional arrangements
 - Immigration Salary List
 - Changes to SOC codes
 - Case studies
- Other changes from 4 April
- Immediate action points and longer term considerations
- Sponsor licence renewals
- Civil Penalty Increase
- Digitalisation



Salary Increases – Skilled Worker (non ISL)

Current Rules (before 4 April)	Transitional Arrangement (from 4 April)	New rules from 4 April (unless transitional arrangement applies)
General salary threshold – £26,200 per annum	General salary threshold – £29,000 per annum	General salary threshold – £38,700 per annum
Going rate (SOC 2010) – 25 th percentile	Going rate (SOC 2020) – 25 th percentile	Going rate (SOC 2020) – 50 th percentile
Hourly rate – £10.75 per hour	Hourly rate – £11.90 per hour	Hourly rate – £15.88 per hour

Salary Increases – Skilled Worker New Entrant rates

(combined permission under SW, Graduate and/or Tier 2 must not be more than 4 years in total)

Current Rules (before 4 pril)	Transitional Arrangement (from 4 April)	New rules from 4 April (unless transitional arrangement applies)
General salary threshold – £20,960 per annum	General salary threshold – £23,200 per annum	General salary threshold – £30,960 per annum
Going rate (SOC 2010) – 25 th percentile with 30% discount	Going rate (SOC 2020) – 25 th percentile with 30% discount	Going rate (SOC 2020) – 50 th percentile with 30% discount
Hourly rate – £10.75 per hour	Hourly rate – £11.90 per hour	Hourly rate – £15.88 per hour

Salary Increases – Skilled Worker (listed Health / Education roles)

Current Rules (before 4 April)	New rules from 4 April
General salary threshold – £20,960 per annum	General salary threshold – £23,200 per annum
Going rate – as per national pay scales SOC 2010	Going rate – as per national pay scales SOC 2020 or based on 25th percentile

What is the new Immigration Salary List (ISL)?

- Replaces Shortage Occupation List
- Only 23 occupations on the ISL – all IT roles, engineering roles, vets, architects have been removed
- 20% discounts on going rate no longer applies
- Minimum rate is £30,960 (or £23,200 if discount applies) or going rate based on 50th percentile, whichever is higher



Which roles are on the ISL?

1212 Managers and proprietors in forestry, fishing and related services – only “fishing boat masters” (Scotland only)	2111 Chemical scientists – only jobs in the nuclear industry (Scotland only)	2112 Biological scientists and biochemists – all jobs
2115 Social and humanities scientists – only archaeologists	2142 Graphic and multimedia designers – all jobs	3111 Laboratory technicians – (limited jobs)
3212 Pharmaceutical technicians – all jobs	3411 Artists – all jobs	3414 Dancers and choreographers – (limited jobs)
3415 Musicians – (limited jobs)	3416 Arts officers, producers and directors – all jobs	5119 Agriculture and fishing trades not elsewhere classified – only jobs in the fishing industry
5213 Welding trades – (limited jobs)	5235 Boat & shop builders and repairers – all jobs	5312 Stonemasons and related trades – all jobs
5313 Bricklayers – all jobs	5314 Roofers, roof tilers and slaters – all jobs	5316 Carpenters and joiners – all jobs
5319 Construction and building trades not elsewhere – only retrofitters	6135 Care workers and home carers – (limited jobs)	6136 Senior care workers (limited jobs)
6129 Animal care services occupations not elsewhere classified (limited jobs)	9119 Fishing and other elementary agriculture occupations not elsewhere classified (limited jobs)	

Salary increases – Skilled Worker (ISL)

Current Rules (before 4 April)	Transitional Arrangement (from 4 April)	New rules from 4 April (unless transitional arrangement applies)
General salary threshold – £20,960 per annum	General salary threshold – £23,200 per annum	General salary threshold – £30,960 per annum
Going rate (SOC 2010) – 25 th percentile with 20% discount	Going rate (SOC 2020) – 25 th percentile with 20% discount	Going rate (SOC 2020) – 50 th percentile
Hourly rate – £10.75 per hour	Hourly rate – £11.90 per hour	Hourly rate – £15.88 per hour

Other Skilled Worker Changes from 4 April 2024

Update of Standard Occupational Classification (SOC) code system from SOC 2010 to SOC 2020

- Many occupational codes have been re-numbered
- Take care (particularly on extension) to ensure correct new code is used e.g.:
 - Under SOC 2010, Sales accounts and Business development manager is 3545; under SOC 2020, the same role is 3556
 - Under SOC 2010, IT business analyst is 2135; under SOC 2020, the same role is 2133 and 2135 is for Cyber Security professionals
- Significant risk of refusals and compliance breaches if employees sponsored under incorrect code
- Differences in the data mean that some roles eligible for sponsorship under SOC 2010, are no longer included in SOC 2020; there also some roles which did not qualify for sponsorship but will qualify from 4 April



SOC Code changes and salary assessment

SOC 2020 occupation code	Examples of related job titles (non-exhaustive)	Going rate (SW – option A)	90% of going rate (SW - option B)	80% of going rate (SW - options C and D)	70% of going rate (SW - option E)	Eligible for PhD points (SW)?
2131 IT project managers	<ul style="list-style-type: none"> Change manager (computing) Implementation manager (computing) IT project manager Project leader (software design) 	£51,900 (£26.62 per hour)	£46,710 (£23.95 per hour)	£41,520 (£21.29 per hour)	£36,330 (£18.63 per hour)	Yes

Example Occupation Code Table 1

SOC 2020 occupation code	Equivalent SOC 2010 occupation code(s)	Examples of related job titles (non-exhaustive)	Going rate (SW – option F, GBM and SCU)	90% of going rate (SW - option G)	80% of going rate (SW - options H and I)	70% of going rate (SW - option J, GTR)	Eligible for PhD points (SW)?	Eligible for GBM and SCU?
2131 IT project managers	2134	<ul style="list-style-type: none"> Change manager (computing) Implementation manager (computing) IT project manager Project leader (software design) 	£41,300 (£21.18 per hour)	£37,170 (£19.06 per hour)	£33,040 (£16.94 per hour)	£28,910 (£14.83 per hour)	Yes	Yes

Example Occupation Code Table 2

MarketingMoguls employ Jenny in the UK as an Advertising Account Manager with a Graduate visa which expires in September 2024.

MarketingMoguls want to understand if they should sponsor Jenny to obtain a 2-year Skilled Worker visa *before* the salary threshold increase on 4 April or whether they can wait until closer to her visa expiry in September 2024.

MarketingMoguls would also like to know whether Jenny's salary would need to increase if they wanted to extend her Skilled Worker visa before her 2-year Skilled Worker visa expires (at some point in 2026).

Case study 1

Question

If MarketingMoguls sponsor Jenny under the Skilled Worker route:

- **before 4 April**, her salary must be at least: (using SOC 2010 2473) **£22,050** (current new entrant rate) and if they want to extend in 2 years' time (SOC 2020 2494) it must be **£32,600** (or the going rate under transitional arrangement at that time)

- **from 4 April**, her salary must be at least: (using SOC 2020 2494) **£30,960** (new entrant rate) and if they want to extend in 2 years' time it must be **£40,000** (or the going rate at that time).

Case study 1

Answer

After 4 April, Software4U is considering sponsoring a candidate, Marco, who is sponsored by another employer as an IT Business Analyst (under SOC 2010 2135) which was under the Shortage Occupation list (before the rules changed).

The salary Software4U is looking to offer Marco is £31,000 which is in line with salaries paid to their other IT Business Analysts and meets the general salary threshold and going rate in line with sponsorship rules before 4 April.

As Marco is already sponsored under the Skilled Worker route, Software4U is hoping he is covered by a transitional arrangement and therefore a salary offer of £31,000 will be sufficient for sponsorship in the same role (SOC 2020 2133)

Is their understanding correct?

Case study 2

Question

Case study 2

Answer

Not exactly. Marco will be covered by some form of transitional arrangement but would need to be offered at least **£39,300** (rather than £31,000) for new sponsorship with Software4U.

The full transitional arrangements (including 20% discount for previously being on the Shortage Occupation List) don't apply to Marco unless he is being sponsored *in the same role with the same sponsor*.

If Marco's visa had been extended in the same role with his previous sponsor, his salary could have remained at **£31,440** at the point of extension.

This raises issues around having to increase salaries for their other IT Business Analysts.

Other changes

- For Senior or Specialist Workers in the Global Business Mobility routes, the general salary threshold is increasing from £45,800 to £48,500 (going rates are being updated using the latest ONS pay data)
- For Graduate Trainees in the GBM route, the general salary threshold is increasing from £24,220 to £25,410 (going rates remain based on 70% of the 25th percentile, updated to the latest ONS pay data)
- Supplementary work under the Skilled Worker route is being broadened to encompass all occupations eligible for the route



Immediate Action Points

- Check current workforce (and candidates in the pipeline) to see if any should and can be switched to Skilled Worker route before 4 April
- Check current sponsored employees due for extension in the next 3 months and consider applying before 4 April (in case of moderate salary increase in line with ONS 2023 pay data)
- Check CoS allocations available and request more (using priority service), if necessary
- Plan for potential material salary increases if sponsoring new hires from 4 April (if not covered by transitional arrangement)

Longer term
implications of
4 April
changes

- Eligibility for sponsorship more complicated, costly and time consuming
- Review recruitment strategies?
- Impact on retention of sponsored employees?
- Broader obligation to increase salaries?
- Obligation to sponsor at all?
- Graduate visa route is being reviewed and may be removed



Change

- No need to renew sponsor licences with expiry date on or after 6 April 2024
- Automatically renewed for 10 years
- Licences expiring before this date still need to apply to renew (no refund)

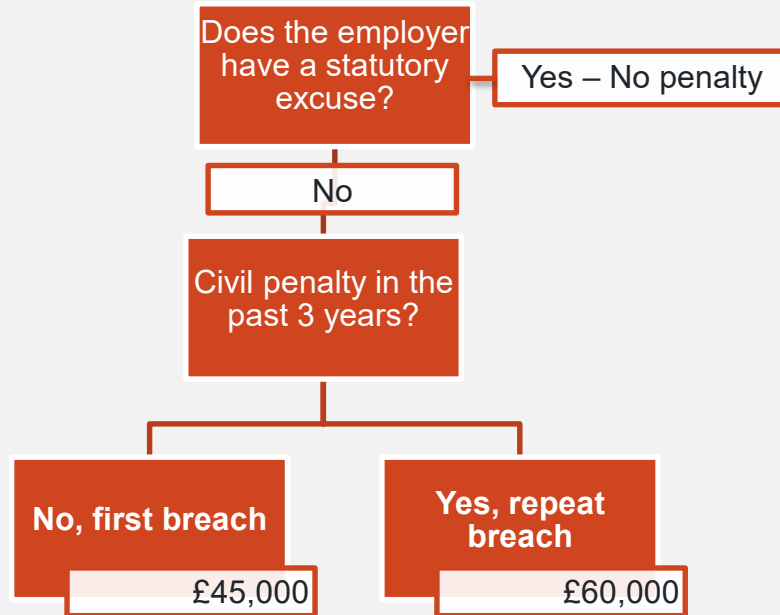
Impact

- Frees up Home Office resources for other compliance matters
- Increase in compliance visits to sponsors?
- Rise in cancellation notices
- Rise of civil penalty notices / request for information from enforcement team

Civil Penalty Increase

13 February 2024

- Fine increased to up to £60,000 per employee working illegally
- Applies to breaches occurring on or after 13 February 2024
- New statutory Code of Practice on how fines to be calculated



Mitigating factors to reduce fine:

1. Employer reported the suspected illegal working to the Home Office (before employer notified) – £5,000 reduction
2. Employer has actively co-operated with the Home Office – £5,000 reduction
3. For first breach - Employer has effective RTW practices and points 1 and 2 are met – Warning Notice only

The end of BRPs?

Change

- Valid until 31 December 2024
- eVisas going forward
- Link passports to visas accessed on online account
- Generate share codes for proof of status

Issues

- Many applications still need to be made in person at the centre
- Issues on entry to the UK – especially for visa nationals
- Technical glitches with generating share codes



- The Home Office is phasing in an Electronic Travel Authorisation (ETA) scheme for visitors who do not already need a visa for short stays to the UK, or who do not already have a UK immigration status prior to travelling.
- On 1 February 2024, the scheme opened for nationals of Bahrain, Kuwait, Oman, United Arab Emirates, Saudi Arabia and Jordan, all of whom will require an ETA to travel to the UK from 22 February 2024.
- Qatari nationals already need an ETA. Applications can already be submitted online or via an app here.
- Other nationalities cannot and do not need to apply yet – further updates will be provided throughout 2024.

Key Takeaways

- Significant change – likely more to come
- Navigating new rules more difficult than before
- More planning ahead relating to sponsorship costs recruitment and retention
- MAC to review eligible SOC codes shortly
- Increased compliance actions expected both for sponsor licences and prevention of illegal working generally



Q&A



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Useful Links

- Statement of Changes: <https://www.gov.uk/government/publications/statement-of-changes-to-the-immigration-rules-hc-590-14-march-2024>
- Appendix Skilled Occupations – to confirm current SOC codes and going/hourly rate: <https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-skilled-occupations>
- ONS SOC code tool: https://onsdigital.github.io/dp-classification-tools/standard-occupational-classification/ONS_SOC_occupation_coding_tool.html
- Home Office right to work checklist: <https://www.gov.uk/government/publications/right-to-work-checklist>
- Home Office employer right to work guidance: <https://www.gov.uk/government/publications/right-to-work-checks-employers-guide>

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