

The Home Office has published the latest [Statement of Changes to the Immigration Rules](#), so providing long-awaited detail on increases in minimum salary thresholds for Skilled Worker visas, which will take effect from 4 April.

We will cover these changes in our webinar [UK Business Immigration – What’s in Store for 2024?](#) on 20 March but here are the key points in the meantime:

Urgent Sponsor Actions

In light of the salary threshold increases detailed below, employers should assess the immigration status and salaries of current employees and any candidates on non-Skilled Worker visas (for example Graduate, Youth Mobility, Student, Dependant, Spouse/Partner or Ukraine Scheme visas) as soon as possible. If there is a need for these individuals to switch into the Skilled Worker route at any point (even if their current visa expiries are not imminent) and they are employed on medium to lower range salaries, it is possible that they will not qualify for sponsorship under the new higher salary thresholds. Employers should therefore consider whether they can be sponsored under the Skilled Worker route before 4 April.

Any employers looking to sponsor employees or candidates before 4 April from within the UK should also urgently review their Certificate of Sponsorship in-country allocations. If a request for a further allocation is needed, this may take some time to process, and demand for the limited priority service slots to expedite such requests is higher than ever.

Increase in General and Going Rate Salary Thresholds for Individual Occupations

As the Home Office first announced in December 2023, the general salary threshold for Skilled Worker visas will increase from £26,200 to £38,700 for applications filed on or after 4 April (unless covered by a transitional arrangement or a specific salary discount, such as the new entrant rate). At the same time, the going rate salary thresholds for individual occupations (excluding Health and Care Worker roles) will also increase from the 25th percentile to the 50th percentile to match median full-time salary data for equivalent jobs in 2023. In consequence, depending on the role, the minimum salary payable for a Skilled Worker visa may be significantly higher than £38,700.

For example, mechanical engineers must currently be paid at least £26,400 (including a 20% discount because the role is on the current Shortage Occupation List).

Under the new Immigration Rules, the 50th percentile rate for the same occupation (which is no longer on the Shortage Occupation List) is £42,500, which means that anyone applying under the Skilled Worker route for this type of role on or after 4 April must be paid at least £42,500 per annum for a 37.5 hour week (unless, for example, a transitional arrangement or a specific salary discount applies, as a new entrant).

Transitional Arrangements

Those already sponsored under the Skilled Worker route before the new Immigration Rules come into force on 4 April are exempt from the leap up to the 50th percentile rate (both in relation to the general salary threshold and the going rate). However, their future applications under the Skilled Worker route – whether to change role or sponsor, or extend their permission – will be subject to new salary rates based on the 25th percentile using the latest pay data. In most cases, this will mean at least a modest increase in the relevant salary threshold compared to current rates. For example, where an employee has been sponsored as a business analyst (SOC 2010 2423) before 4 April 2024 (for which the minimum salary is £32,000), if they apply to extend their Skilled Worker visa after that date, their salary must increase to at least £36,200.

New Immigration Salary List (ISL)

The Home Office has largely adopted the recommendations made by the Migration Advisory Committee in its rapid review of occupations to be included in an interim ISL which will replace the Shortage Occupation List from 4 April. In summary, this means:

- Only 23 occupations are included on the ISL, which means that a number of roles on the current Shortage Occupation List (various engineering and IT occupations as well as vets, architects and actuaries) are excluded and will therefore no longer be eligible for salary threshold discounts or reduced application fees. The roles on the new ISL are now so limited that it is unlikely to be of interest to most businesses outside the construction and healthcare sectors.
- If a role is included on the ISL, then rather than the previous 20% discount being applied to the going rate salary threshold, the minimum salary payable for Skilled Worker sponsorship will be £30,960 (except for Health and Care Worker roles, which will have a lower threshold at £23,200) or the going rate for that role, whichever is higher.
- If a role is not on the ISL, the minimum salary payable for Skilled Worker sponsorship is £38,700 (£29,000 for Health and Care worker roles) or the going rate for the role, whichever is higher.

New Entrant Reduced Salary Rate

All other existing Skilled Worker salary discounts, including those relating to holders of relevant PhD qualifications and new entrants to the labour market, are being retained but updated, based on the latest ONS pay data. This means that those under the age of 26 or holding Graduate or Student visas (among others) at the time of their first Skilled Worker visa application can benefit from a lower salary rate of £30,960 (up from £20,960) or 70% of the relevant going rate (based on the 50th percentile), whichever is higher. In other words, the new entrant rate remains in principle, but the rate itself has increased significantly and may therefore be of limited benefit.

In any event, even if a lower new entrant rate can be used for Skilled Worker visa applications on or after 4 April, it can only be relied upon for a limited period (up to four years, including any time spent under the Graduate visa route). After that period, the higher salary rates in place from 4 April will apply to any extended period of sponsorship without the benefit of any discount.

Employers should still therefore consider sponsoring eligible employees at the start of their careers (particularly those currently on Graduate and Student visas or under the age of 26) under the Skilled Worker route before 4 April, where possible. Sponsors supporting an applicant in switching from a Student visa directly would also be exempt from the Immigration Skills Charge.

The impact of these changes is wide ranging – if you need support or have any questions relating to UK visa applications, Certificate of Sponsorship allocation requests or other business immigration matters, please contact your usual Business Immigration team member or Annabel Mace, partner and head of UK Immigration.

Contacts



Annabel Mace

Partner, London
T +44 20 7655 1487
E annabel.mace@squirepb.com



May Cheung

Director, London
T +44 20 7655 1693
E may.cheung@squirepb.com