

Migration Advisory Committee Announces Call for Evidence on Tier 2 Minimum Salary Thresholds

On 10 June 2015 the Home Secretary commissioned the Migration Advisory Committee (MAC), an independent, non-departmental public body that advises the Government on migration to conduct a review of the Tier 2 route with the view to further reducing non-EEA migration to the UK [click here](#). The MAC has been commissioned to:

- conduct a review of Tier 2 salary thresholds by 21 July 2015 with a view to increasing minimum thresholds across all Tier 2 categories by the autumn; and
- conduct a wider review of the Tier 2 routes by mid-December 2015

In response to the first part of its commission, the MAC announced on 18 June 2015 an open call for evidence regarding minimum salary thresholds for all Tier 2 categories, individual occupations, experienced and new entrant rates, with a deadline of **3 July 2015** for responses. A separate call for evidence regarding a wider review of Tier 2 is expected imminently (as early as late June/early July) with responses required by September.

The second consultation focuses on proposals to restrict Tier 2 (General) recruitment to genuine skills shortages and highly specialist experts only. At this stage, the precise proposals are not yet known but it is indicated that to achieve these aims, the current shortage occupation list will be reformed, but with flexibility to include "high value" roles, key public service workers and roles which require specialist skills. The MAC will also be asked to consider if such criteria should also be applied to intra-company transfers, a route which is currently not subject to any such restrictions or any annual quota on numbers. However, this may well be subject to change in the near future. The ability of dependants of Tier 2 migrants to work in the UK without restriction will also be reviewed.

The detrimental implications of the Government's new proposals are profound and far-reaching, especially for lower-paid industry sectors such as engineering, new graduates and regional businesses. Our UK Business Immigration team will be submitting responses to both of these consultations, which together are further manifestations of the Government's dogged determination to hang on to its blunt-instrument pledge to reduce net migration to "tens of thousands" without regard to the undisputed benefits of skilled non-EEA migration to the UK or to the impact of yet further restrictions on businesses and the still fragile growth of the economy.

To assist us in our response to the MAC's first call for evidence, we invite the views of as many of our clients as possible, across all business sectors on the following specific issues.

1. *Current Tier 2 salary thresholds in place since 6 April 2015 are £20,800 for Tier 2 (General), £24,800 for Tier 2 (ICT) Short Term and £41,500 for Tier 2 (ICT) Long Term. The Government proposes to increase these thresholds again, by the autumn, to a level that "better aligns with salaries paid to highly-specialist experts or individuals filling skills shortages".*
2. *The Government also proposes to increase the minimum salary thresholds from the 10th to the 25th percentile of the pay distribution for full-time new entrant workers in each occupation and from the 25th to the 50th or 75th percentile for experienced workers. Some examples of the proposed increases include the following estimates based on available published statistics from the Office of National Statistics and which are provided for guidance purposes only:*

SOC Code	Current new entrant (graduate) rate	Proposed approximate new entrant rate depending upon percentile used (25th or 50th)	Current experienced worker rate	Proposed approximate maximum experienced worker rate depending upon percentile used (50th or 70th)
1132 Marketing & Sales Directors	£33,300	£47,900 +	£47,900	up to £99,000
2139 Information Technology & Telecommunications	£20,800	£29,900 +	£29,900	up to £52,000
3545 Sales Accounts & Business Development Managers	£25,000	£32,500 +	£32,500	up to £58,000
2423 Management Consultants & Business Analysts	£23,000	£30,000 +	£30,000	up to £54,000
2127 Production & Process Engineers	£22,900	£30,000 +	£30,000	up to £44,000

The proposed increases are significant compared to currently salaries and will particularly affect new graduates, the engineering sector which continues to experience skills shortages, and businesses operating in the regions. The increases are designed to reflect highly specialised and or highly skilled experts.

We should be grateful if you could provide your responses to the following questions or let us know about any wider concerns on these proposed changes by close of business on **30 June 2015** by emailing Annabel.Mace@squirepb.com. **All responses will be anonymous and used to inform our response to the MAC's call for evidence on this subject.**

- What would the impact of these proposed salary increases be on your business? Please provide specific examples where possible.
- Are you struggling to recruit skilled workers for specific roles? If so, please provide details.
- Would the increases dissuade you from employing a non-EEA worker or will you be forced to pay the increased salary levels as you are not able to find sufficiently skilled labour from the resident workforce?
- Should the current and proposed new salary thresholds take account of variations in regional pay and if so, how? Please give specific examples and proposals where possible.
- What is your view on yet more proposed changes to the Immigration Rules and how does this affect you as a Tier 2 sponsor?

Thank you in advance for your participation. If you have any questions in relation to this matter, or any wider questions regarding UK immigration, please contact Annabel Mace, Partner and Head of the Business Immigration Team on 020 7655 1487 or annabel.mace@squirepb.com.

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations nor should they be considered a substitute for taking legal advice.

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