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Government to reconsider post-Brexit migrant salary rules

25 Jun 2019 By Annie Makoff-Clark

Changes to £30,000 earnings threshold broadly welcomed, but experts say there will be 'no magic answer' to issuing visas



The government's migration advisers are to revisit proposals for salary thresholds for visas after Brexit, as experts urged caution before imposing "arbitrary" rules

Home secretary Sajid Javid (pictured) asked the Migration Advisory Committee (MAC) to consider scrapping the current £30,000 salary threshold for skilled migrants and look at introducing regional variations as part of the UK's post-Brexit migration system.

The MAC had previously recommended maintaining the existing thresholds of £30,000 for skilled workers and £20,800 for new entrants and recent graduates after Brexit.

Javid said: "It's vital the new immigration system continues to attract talented people to grow our economy and support business while controlling our borders.

- Post-Brexit visa regime 'will not be as restrictive as businesses fear'
 - (https://www.peoplemanagement.co.uk/news/articles/post-brexit-visa-regime-not-restrictive-businesses-fear)
- More professions must be prioritised for Tier 2 visas, government told
 - (https://www.peoplemanagement.co.uk/news/articles/more-professions-must-be-prioritised-tier-2-visas-government-told)
- Brexit: the crisis management guide (https://www.peoplemanagement.co.uk/long-reads/articles/brexit-crisis-management-guide)

"These proposals are the biggest change to our immigration system in a generation, so it's right that we consider all the evidence before finalising them."

As well as looking in more detail at how thresholds should be calculated, the MAC will also consider exceptions for workers operating in industries with skills shortages, removing the cap on numbers for skilled workers, extending skills thresholds to include A-level equivalent qualifications and speeding up work visa applications.

The review was welcomed by Neil Pattison, director at jobs board Caterer, who said the current £30,000 threshold would have a "vast impact" on industries post-Brexit. "The hospitality sector in particular is heavily reliant on EU talent. In London alone, a quarter of hospitality roles are currently held by EU workers that fall under this wage bracket," he said.

Ian Robinson, partner at immigration law firm Fragomen, also told *People Management* the initial £30,000 salary threshold was "too high and arbitrary", not least because migrants from many countries, especially less developed economies, would be unable to apply for a work visa if their earnings fell below the threshold.

Robinson added this could create a mismatch between wages in like-for-like occupations across different countries. "You can't have a situation where Brits are being paid £24,000 and someone from France is being paid £30,000 for the same job – that creates all sorts of issues," he said.

Instead, Robinson urged the committee to consider a flexible, £20,000 salary threshold with exceptions for certain occupations such as care workers and cleaners which are traditionally reliant on overseas workers.

He also warned against limiting low-skilled visas to one year as it would restrict employment potential. "You can't do much with just a one-year visa. So If we accept that we need low-skilled migration to fill jobs not taken up by Brits, then we also need more generous visa categories to cover them and allow

them to stay more than a year," he said.

Gerwyn Davies, senior labour market adviser at the CIPD, urged caution on introducing regional salary thresholds, citing evidence that showed earnings were "broadly similar" across the UK apart from London, so it would inadvertently mean some areas having a "competitive advantage" over others.

"Some employers also have concerns about introducing additional layers of complexity to the UK's immigration system, especially those who will have to use it for the first time from 2021. Many large employers with multiple sites across the UK will have particular misgivings about the additional administrative burdens regional salary thresholds bring," he said.

However, Shara Pledger, solicitor at Latitude Law, welcomed the proposal to introduce a regional salary threshold system because firms outside London often struggled to meet salary requirements, restricting their ability to source essential experience and talent. "Immigration policy shouldn't marginalise the regions, but the current arbitrary requirements can work in this way," she said.

Robert McNeil, deputy director at the Migration Observatory, said this week there would be "no magic answer" to the complicated issue of salary thresholds as it had to accommodate a huge range of different jobs and types of business.

While employers have argued for lower thresholds to encourage greater flexibility, the government also uses salary rules to ensure migrant workers receive the going rate for the job. "By commissioning the MAC to look again at salary, the government is indicating it is not convinced the current set of salary thresholds is right for the post-Brexit regime," McNeil said. "Though any set of salary rules will inevitably have winners and losers."

Last week, the Migration Observatory released data demonstrating that a quarter of all non-EU workers on Tier 2 visas were not earning above the £30,000 threshold, which it said suggested any post-Brexit immigration system would <u>inevitably be more flexible than critics feared</u> (https://www.peoplemanagement.co.uk/news/articles/post-brexit-visa-regime-not-restrictive-businesses-fear).

Jonathan Beech, managing director of Migrate UK, added that salary thresholds were just one aspect of the government's proposed immigration rules, such as the proposal to scrap the resident labour market and calls to reform the immigration skills charge – which Beech said so far had not changed the way employers recruit. "Due to the lack of available skills, most are willing to pay this [skills charge]," he told *People Management*.

Beech added: "Many of the Conservative Party leadership hopefuls were wishing to set up a new points-based system similar to those in Australia or Canada. Neither in their current state would suit the UK, but they do open the door to more measurable attributes that could make a system better than the current one."



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