

THE UK'S FUTURE IMMIGRATION SYSTEM

AND WHAT YOU NEED TO KNOW ABOUT THE POINTS BASED SYSTEM

WHAT IS A POINTS BASED SYSTEM?

When the UK leaves the EU transition period at the end of the year, the Government will implement a new immigration system, on 1 January 2021.

This is following the Government's commitment to end freedom of movement between EU countries and the UK and implement a new immigration system that sees EU and non-EU citizens subject to the same rules and entry criteria.

According to the UK Government, the Points-Based System will cater for the most highly skilled workers, skilled workers, students and a range of other specialist work routes including routes for global leaders in their field and innovators. Most UK manufacturers tend to employ non-UK citizens as skilled workers.

Manufacturers who want to employ migrants to work in the UK from January 2021, will need to ensure the employee is eligible and applies under the new Points-Based System by meeting the minimum criteria of 70 total points. Points will be awarded based on having a job offer from an approved sponsor, skill level, English proficiency and salary.

This means all UK employers wishing to employ a non-UK employee as a skilled worker must have a sponsorship license for the applicant to receive the eligible job offer, as well as meet the criteria required as part of the new system.

Meeting the criteria of 70 points:	
Mandatory: Job offer by an approved sponsor	20
Mandatory: Job at appropriate skill level (A-level or equivalent)	20
Mandatory: English proficiency	10
Tradeable: Additional points awarded based on salary, job in a shortage occupation, and/or a relevant PhD.	20

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HOW ARE POINTS ALLOCATED?

Manufacturers employing non-UK citizens need to ensure the following criteria can be met by the worker:

- **Job offered by an approved sponsor**
- **Job offered is at required skill level**
- **Employee has English proficiency**
- **Job offered can meet the salary threshold (minimum £25,600)**

If a migrant's salary for their occupation does not meet the salary threshold, there are the following alternatives:

- **If their occupation is on the Shortage Occupation List (SOL), the minimum salary threshold is reduced to £20,480 – 20pts**
- **If they have a PhD in science, technology, engineering or maths (STEM) – 20pts**
- **If they have a PhD relevant to their occupation – 10pts**

The SOL is under review with the potential to be expanded.

WHAT ELSE IS CHANGING?

The Resident Labour Market Test, previously used, will be removed and the new minimum salary threshold will be reduced from £30,000 to £25,600. However, this is the base rate. Therefore, if a migrant has a job offer that earns above this threshold, they will need to calculate the 'going rate'.

The new skills threshold has been reduced from RQF6 to RQF3. Applying for a UK job will no longer require a degree qualification or equivalent (RQF6) but now A- Levels or equivalent (RQF3) instead.

WHAT ARE THE ROUTES?

Tier 1 can now be understood as the Exceptional Talent, or Highly Skilled, route that already exists for non-EU citizens, and Tier 2 as the Skilled Worker route. Both routes require 70 points but for migrants going via the Exceptional Talent route, they do not need a job offer but the route is capped. For manufacturers employing under the Skilled Workers route, a job offer is compulsory but the number of migrants employed under this route is unlimited.

WHAT TO CONSIDER BEFORE OFFERING A JOB

- **Costs:** Companies may have to pay for an approved sponsor license, and incur additional visa fees, skills surcharges, and legal costs
- **Staff retention:** sponsored workers must remain with the employer who sponsored their job offer
- **Job title:** review the lists of eligible occupation codes and their related job titles to understand how the going rates and minimum salary offers, and PhD points are applied, at www.gov.uk/transition

Please get in touch with Make UK HR & Legal team for further information.

Book a free 30 minute consultation.

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