

UK Business Immigration: Significant Hike in Visa Salary Thresholds

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The Home Secretary has announced major changes to the UK visa system from Spring 2024 including the following:

- The general salary threshold for Skilled Worker visas will increase by nearly 50% from £26,200 to £38,700 (except for Health and Care visas). Whilst this won't affect salaries paid to existing sponsored employees for now (and transitional measures could apply when their visas are up for renewal), it will be a significant blow for UK employers (particularly regional ones) dependant on sponsoring lower-paid, but nonetheless skilled, overseas workers following the ending of EU free movement. Many of these businesses will have quite legitimately developed a recruitment strategy based on the much heralded "new points-based system" introduced in December 2020 under which the government promised that employers would be able to "recruit the skilled workers they need", though that was of course before the publication of the latest net migration figures.
- The removal of the 20% going rate salary discount for shortage occupations and the replacement of the Shortage Occupation List with a new Immigration Salary List, which will

retain a general threshold discount. The Migration Advisory Committee will review the new list against the increased salary thresholds in order to reduce the number of occupations on the list.

- Social care workers will not be permitted to bring dependants to the UK.
- The minimum salary for British citizens (or those settled in the UK) to sponsor a spouse/partner visa will increase from £18,600 to £38,700.
- A review of the graduate visa route by the Migration Advisory Committee “to ensure steps are being taken to prevent abuse”, which indicates that in future graduate visa holders may be restricted to working only in roles skilled to graduate level or above.

Further details will be revealed when the government publishes amended Immigration Rules and policy guidance but this may not happen until March 2024. In the meantime, UK employers will need to factor these increases into future recruitment strategies—particularly where they are heavily reliant on lower-paid non-British/Irish workers to meet their talent needs. Affected businesses should consider responding to any calls for evidence from the Migration Advisory Committee over the coming months, particularly in relation to the new Immigration Salary List and the graduate visa route.

All of this comes alongside significant increases in visa costs, most of which took effect in October just gone but with a further hike for the Immigration Health Surcharge from 16 January 2024 (at the earliest) meaning that, alongside hefty application fees and the Immigration Skills Charge, sponsors or applicants will have to pay £1,035 per year in most cases (up from £624) and £776 per year (up from £470) for under-18s dependants and students. The

Immigration Health Surcharge is payable in one amount at the time of application for each year of the visa being applied for i.e. £1,035 x 3 = £3,105 for a 3 year visa. Where possible, employers should consider filing visa applications before the increases take effect in January 2024. Alternatively, visa costs (apart from the Immigration Skills Charge) can be passed on to sponsored employees and many employers also put in place claw-back agreements to recoup a proportion of their costs should the employee voluntarily leave their sponsored role earlier than anticipated. However, in a competitive recruitment market, employers will need to think carefully about deterring sought-after applicants and whether reserving the largely theoretical ability to recover a small sum of money in this way is worth either the admin involved or the potentially off-putting impact on prospective hires.

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