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History Repeats Itself: USCIS To Conduct Second Round of FY2025 H-1B Lottery

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On April 1, 2024, US Citizenship & Immigration Services <u>announced</u> the results of the FY2025 H-1B lottery: more than 120,000 registrations were selected to meet the H-1B cap for the upcoming fiscal year beginning October 1. Registrants who were selected were required to submit H-1B petitions to USCIS by June 30.

Among lottery watchers, the perennial question each year is whether US employers whose registrations were selected will submit enough petitions to use up all of the congressionally allocated 85,000 H-1B visas for the fiscal year, as well as all of the additional 20,000 for individuals who hold advanced U.S. degrees (aka, the "master's cap").

We can now report that – just like last year and the year before – the answer to that question is no. USCIS has just <u>announced</u> that although sufficient petitions have been submitted and approved to meet the 20,000 "master's cap," insufficient petitions were submitted to meet the regular cap of 85,000 and thus a second round of selections for those numbers is required.

On its lottery results <u>page</u>, USCIS explains that its initial selections for FY2025 were lower (by about 36 percent) than in prior years because the agency anticipated more petitions would be filed than in prior years. This is because its selections for FY2025 were based on "unique beneficiaries" rather than registrations. This new system was formalized in a regulation, "Improving the H-1B Registration Selection Process and Program Integrity," <u>published</u> in the Federal Register in February 2024.

Under the new rule, USCIS changed to a "beneficiary-centric" process and barred multiple registrations submitted by related employers to prevent "gaming the system" to create an unfair advantage for a single individual. The new rule provides that if multiple employers submit the same beneficiary's name for the lottery, USCIS will randomly select only one of those registrations and discount the rest. Furthermore, if USCiS finds evidence of collusion among employers to gain a lottery advantage or other indicators of fraud or abuse of the lottery system, the agency will investigate and potentially bring civil or criminal charges against those employers.

USCIS's lower selection rate for FY2025 was based on the agency's belief that this new selection system would produce more, and more bona fide, petition filings overall. Nonetheless, despite USCIS's prediction, a second round is again required to meet the base H-1B cap of 85,000 numbers.

Since the advanced-degree cap of 20,000 has been met, leaving approximately 100,000 selections, the need for a second round of selections suggests that more than 15 percent of employers for those unique beneficiaries either did not submit petitions at all or their petitions were deficient, resulting in rejection or denial.

To all bona fide registrants – may the odds be ever in your favor!

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