



# NEW GOVERNMENT POLICY COULD COST £761MILLION

In [April 2016](#) the Home Office intends to change the policy for settlement of Tier 2 General skilled workers. When a skilled worker is considered for settlement after 5 years they will need to be paid at least £35,000 per annum.

The Migration Advisory Committee (MAC) has [warned](#) the Government could cost the taxpayer £3/4billion, however the Home Office [estimates](#) it will be between £181million and £575million.

Tier 2 skilled workers working in shortage occupations and who are PhD level will be exempt.

The policy was meant to support immigration controls, but experts are concerned that the policy will do more harm than good. David Metcalfe CBE, chairman of the MAC said at the time the MAC report came out that "[immigration from outside the EU leading to settlement is now unambiguously under control](#)".

It is predicted to cost the UK GDP over £761million in the first year alone.

## A Tier 2 General skilled worker:

- Offered a skilled job in the UK
- From outside the EEA (European Economic Area)

They must pay £1,128 to apply for a 5-year Tier 2 visa, along with a healthcare surcharge

After 5 years, if they wish to settle in the UK they must pay £1,500-£1,900 to apply for 'indefinite leave to remain'

## What Needs To Happen

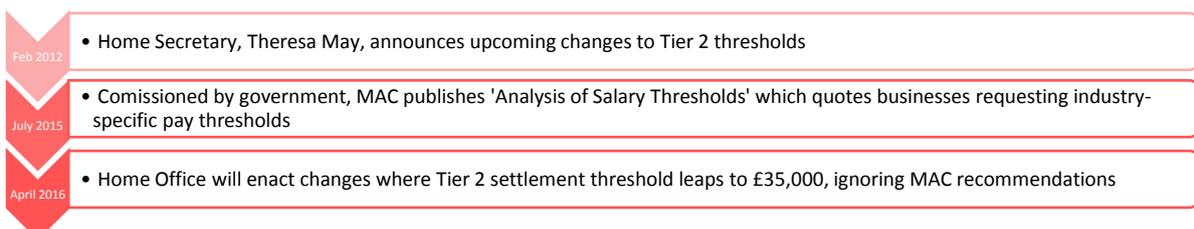
In [2011](#) and again in [2015](#), the Migration Advisory Committee (MAC) recommended a more nuanced threshold which recognised the economic benefits to the UK GDP from skilled workers in work earning less than £35,000.

**"We prefer occupation specific thresholds, based on the nth percentile for each occupation, rather than flat thresholds which apply across all occupations. Occupation specific thresholds, unlike flat thresholds, take into account the different distributions of pay within each occupation and do not prevent certain occupations from being able to recruit."** - Review of Tier 2: Analysis of Salary Thresholds (Little MAC), July 2015

In the interests of getting the best economic outcome for the UK economy and being fair to the thousands of people who will be affected, we are calling for the Government to allow sufficient time to the MAC to conduct research to calculate industry-specific pay thresholds.

- Implementation of the pay threshold to be delayed until the MAC finishes its publishes its findings
- MAC to review industry-specific threshold requests from industry leaders
- Current Tier 2 visas be assessed for settlement under the conditions for settlement that applied when they were granted their work visa

## Timeline of events without our intervention



## Predicted Skills Shortage

Nothing has been done to assist employers in training the resident population to alleviate the impact of the skills shortage, as the MAC recommended. This leaves [businesses and industries](#) vulnerable. The UK will lose people who have been working in their industries in this country for years, acquiring experience and networks that cannot be replaced. In many cases it will take a generation to replace some skilled workers. In other cases, small companies and tech businesses will be forced to close due to losing key workers.

## Opposition from Businesses

This policy has been [heavily criticised](#) by businesses since 2011. Many journalists have been warning for years of the impending economic difficulties, such as [Marley Morris from the Institute for Public Policy Research in The Huffington Post](#). Many organisations quoted in the 2011 MAC report agree with this position:

- Institute of Directors
- Lloyds Banking Group
- Deutsche Bank
- London First
- ASDA
- Microsoft
- British Chambers of Commerce
- Nissan
- ACS International Schools
- Unison

## Health Opposition

The MAC quotes the following healthcare organisations going on record to say that the £35k settlement threshold would be disastrous for healthcare services, from doctors to carers. They have successfully argued for existent nurses to be included on the Shortage Occupation List (otherwise over 42% of non-EU nurses would face deportation) but this only delays the problem for future nurses:

- Royal College of Nursing
- NHS Employers
- Four Seasons Health Care
- Scottish Government Health Directorates
- NHS Scotland
- British Medical Association

### Confederation of British Industry response to MAC call for evidence:

“It is vital that the system must be weighted to take account of the variations for occupations across all sections of the economy...otherwise key sectors will struggle.”

### Department of Education response to MAC call for evidence:

“If migrant teachers are required to leave the country after five years, this will present risks to the quality of teaching and incur further public expenditure on the training and recruitment of new teachers.”

### Microsoft response to MAC call for evidence:

“If key specialist roles must be moved due to immigration, jobs and business will move with the talent.”

- Oxford University
- Rolls Royce
- TIGA
- Confederation of British Industry
- Deloitte LLP
- IEP Management Ltd
- National Grid
- Employment Lawyers Association
- Oil and Gas UK
- Institution of Chemical Engineers
- Wellcome Trust
- Department of Education

## About Stop35k

Stop35k is an independent collection of concerned citizens determined to campaign against the unfair pay threshold.

For more information visit <http://www.stop35k.org>

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