

UK VISA FEES AND PENALTIES FOR ILLEGAL WORKING TO RISE SIGNIFICANTLY

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VISA FEE INCREASES

The UK government has now confirmed that the planned increases to UK immigration and nationality fees will come into effect from 4 October 2023. This implementation date does not include the planned increases to the Immigration Health Surcharge ("IHS"), which are due to come into effect later in autumn 2023, with the exact date yet to be confirmed. Employers should continue to consider bringing forward any potential visa applications before the increase to the IHS is applied as this will trigger an even larger increase in the cost of applications under the work visa routes.

"The proposed changes will create even higher costs for employers recruiting individuals from overseas requiring visas to work in the UK."

The changes include the following fee increases:

- core government application fees for work and visitor visas to increase by 15%;
- fees for Certificates of Sponsorship, indefinite leave to remain, all other leave to remain, entry clearance applications and priority services to increase by 20%;
- the main rate of the IHS is to increase from £624 to £1035 per year (the discounted rate for students and those under 18 to increase from £470 to £776 per year); and
- as an indicative cost, a Three-Year Skilled Worker visa application for a single applicant will typically exceed £7,000 under the new arrangements, a c. 25% increase.

The proposed changes will create even higher costs for employers recruiting individuals from overseas requiring visas to work in the UK. Employers can look to reduce costs by reviewing their recruitment plans and budget and, if possible, consider bringing forward future applications before the fee increases take effect. Employers should also consider maximising visa durations for new hires applying before the increased fees come into effect to avoid paying higher rates for potentially preventable renewals at a later date.

ILLEGAL WORKING PENALTY INCREASES

The Home Office has also announced significant increases to civil penalties for illegal working, which are expected to take effect in 2024.

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The civil penalty increases include the following:

- the penalty for a first breach will increase from a maximum of £15,000 per illegal worker to £45,000; and
- the penalty for repeat breaches will increase from £20,000 per illegal worker to £60,000.

Employers should have robust processes in place to combat illegal working in line with Home Office guidance and ensure that they are not and do not employ illegal workers. This includes proper right to work checks for all employees (regardless of nationality) and, for those who have a Sponsorship Licence, enhanced compliance and reporting obligations.

Our Employment and Immigration team is well-placed to provide further information on the proposed changes and any assistance you may require.

This article was updated on 22 September 2023. London Trainee Tabishe Arshad also contributed to this article.

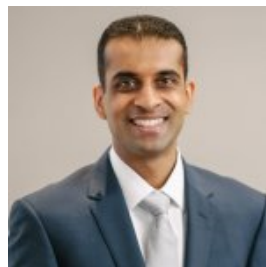
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