

# Global Immigration alert

April 2025

## United Kingdom

### Key changes to salary deductions and calculations for sponsored workers

#### Executive summary

As of 9 April 2025, significant revisions to the Immigration Rules and Home Office guidance have been implemented, fundamentally altering the responsibilities of UK sponsors in relation to Skilled Worker visas. These changes primarily focus on how salary thresholds are assessed and introduce new prohibitions and requirements for sponsors.

#### Key developments

The recent revisions introduced the following changes, which impact the sponsorship process:

- **Revised salary calculation rules:** The methodology for calculating salaries to meet sponsorship thresholds has been updated. The published guidance indicates that any deductions must be subtracted from the promised salary, which could lead to visa application denials or compliance actions if the adjusted salary falls below the required level.
- **Deductions from workers' salaries:** Deductions for immigration-related expenses, loan repayments, and investments in the sponsor's business will now reduce the gross salary used to assess compliance with minimum salary thresholds. Only genuinely optional benefits, such as salary sacrifice schemes, will be exempt from these deductions.
- **Prohibition on recovering sponsorship costs:** Sponsors are explicitly prohibited from recovering any costs associated with sponsorship from their workers, including the Certificate of Sponsorship (CoS) fee, Immigration Skills Charge and related administrative or legal costs.
- **Increased sponsorship fees:** Fees for the sponsorship process have significantly [increased](#), including the CoS fee and application fees for sponsor licenses, impacting the overall cost of sponsorship.

Under the new regulations, a Skilled Worker who appears to earn above the salary threshold and the going rate for their specific occupation may still not satisfy the salary requirements if deductions are applied to their wages. This situation could lead to the initial rejection of the Skilled Worker application or place the sponsor at risk of compliance action for violating their sponsorship obligations. Deductions related to immigration expenses, business or investment costs, and loan repayments will all lower the worker's salary for compliance purposes. However, deductions for genuinely voluntary benefits, such as salary sacrifice schemes, will not be counted as reductions to the net salary. A notable risk arises from how sponsors manage immigration-related costs. Some sponsors may choose to loan the Immigration Health Surcharge and visa application fees upfront, subsequently recouping these expenses through monthly deductions from the worker's salary. If these deductions result in the Skilled Worker's salary falling below the required threshold, the sponsor could find themselves in breach of their obligations. Additionally, any investments made by a Skilled Worker in the sponsor's business will also be treated as deductions under the new rules.

Further clarifications on these changes are expected to provide a better understanding of the implications for employers and sponsored workers. Additional policy developments are anticipated, particularly with a White Paper on immigration policy expected in Spring 2025. Sponsors may remain vigilant to avoid non-compliance amidst increasing enforcement actions by UKVI.



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### Impact on employers

The changes aim to enhance the integrity of the sponsorship framework and protect sponsored workers from potential exploitation. Employers may review and adjust their HR and recruitment practices to ensure compliance with the new regulations.

### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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