



# SECURING OUR BORDER CONTROLLING MIGRATION

## **INTERNATIONAL GROUP** POINTS BASED SYSTEM TIER 1: AN OPERATIONAL ASSESSMENT

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# POINTS BASED SYSTEM TIER 1: AN OPERATIONAL ASSESSMENT

## AIM

The aim of this paper was to establish the employment status of visa holders in the UK under Tier 1 of the points-based system.

## CONTEXT

Since 2008, potential migrants to the UK have had to satisfy the criteria of one of the five tiers of the points-based system. Tier 1 of the points-based system allows highly skilled workers, investors and entrepreneurs to come to the UK to look for work or self-employment opportunities. Unlike sponsored skilled workers (who are covered by Tier 2 of the points-based system), you do not need a job offer if you are applying as a highly skilled worker. When you apply, you are awarded points based on your qualifications, your previous earnings, your UK experience, age, your English language skills and your maintenance (funds).

Tier 1 is split into four categories, each with a different purpose:

**General** - allows highly skilled people, such as doctors, to come to the UK to look for work or self-employment opportunities. If an applicant wants to extend their stay on this visa, they will usually need to be earning at least £25,000.

**Post-study** - allows graduates from UK universities to stay here to work when they have completed their studies. It cannot be extended.

**Investors** - designed to allow high net worth individuals to make a substantial financial investment in the UK.

**Entrepreneurs** - for those investing in the UK by setting up or taking over businesses here.

If an applicant is successful under the points-based system, they are allowed to bring dependants (children under 18 years of age, a husband, wife, civil partner, or unmarried or same-sex partner) to the UK, as long as they are given entry clearance or permission to stay (known as 'leave to remain').

## METHOD

When a Tier 1 visa holder in the UK wishes a dependant to join them, the dependant's application often includes the current employment status of the Tier 1 visa holder. This report looked at all such applications submitted in June 2010, and extracted the employment status of the original Tier 1 visa holder, where given.

To categorise a job as a "skilled" profession, the operational guidance for skilled occupations under Tier 2 of the points-based system were used. This provides guidance on job titles based on the Standard Occupational Classification (SOC) 2000.

Individuals were divided into three sets as follows:

**Skilled** - those identified from the data as being higher-level, professional employees and shown to have salaries of over £25k per annum.

**Unskilled** - those who appear to be employed in unskilled employment, and/or who earn less than £25,000 (the requisite amount to satisfy the Tier 1 extension criteria), or, those who are unemployed, having arrived prior to 2010.

**Unclear** - those whose employment status is not known. This includes those who:

- appear to be working for well-known/reputable companies but their job title and/or salary details are missing from the data provided; or
- provided no employment information, or, are unemployed having arrived during 2010.

When reviewing the findings of the report important consideration should be given to the following caveats:

- The dataset is limited to those Tier 1 visa holders with dependants and therefore excludes single people.

- The quality of the data received was reliant on the applicant providing accurate information on their application form. Many job titles were vague and 26 per cent did not provide employer details.
- Some Tier 1 applicants may find it difficult to find skilled work, and this is more likely to be the case for those applicants who have spent only a limited amount of time in the UK. Economic conditions at the time of this study may also mean that this group have found it harder to acquire employment than another similar group of applicants would do in a period of economic growth.

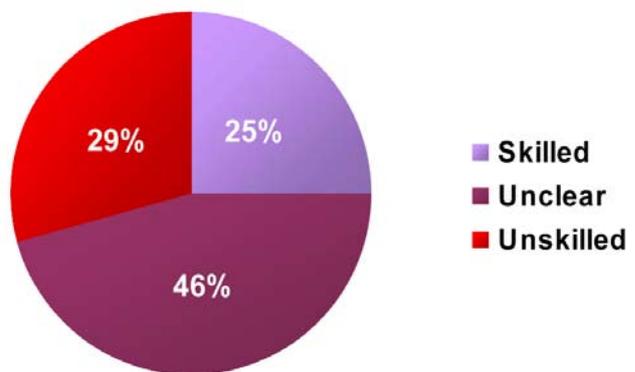
As a consequence the figures in the report should be considered indicative rather than definitive. They do, however, provide a useful indicator to the current situation for Tier 1 visa holders.

It should also be noted that highly skilled migrants working in unskilled occupations are not in breach of the conditions of their leave, as there are no work restrictions once a person has obtained a visa.

## FINDINGS

In total 1,184 records were analysed, compared to 18,780 Tier 1 visas issued during the year 2009. A sizeable proportion of the cases (29 per cent or 347 individuals) show Tier 1 visa holders to be employed in unskilled roles which would neither satisfy the earnings threshold to warrant an extension under Tier 1 (General) or meet the Tier 2 (Sponsored Employment) requirements. Unskilled employment included roles such as shop assistants, security guards, supermarket cashiers and care assistants.

Figure 1: Employment status of Tier 1 visa holders in June 2010



In 25 per cent of cases (295 individuals) the Tier 1 visa holder was in skilled work, for example as an engineer, doctor or lawyer. The remaining 46 per cent of cases (542 individuals) were unclear. Of these 29 per cent (156 individuals) failed to provide any employment details, but had only received their visa in the past 6 months. The other 71 per cent (386 individuals) had either been here longer, or had provided only partial job details.

These figures compare with a survey published by the UK Border Agency in 2009<sup>1</sup>, where 1,286 Tier 1 applicants were asked about their current employment status. The survey found that 70 per cent of respondents reported being in skilled work, 20 per cent in unskilled work and 10 per cent were not working at the time of the survey.

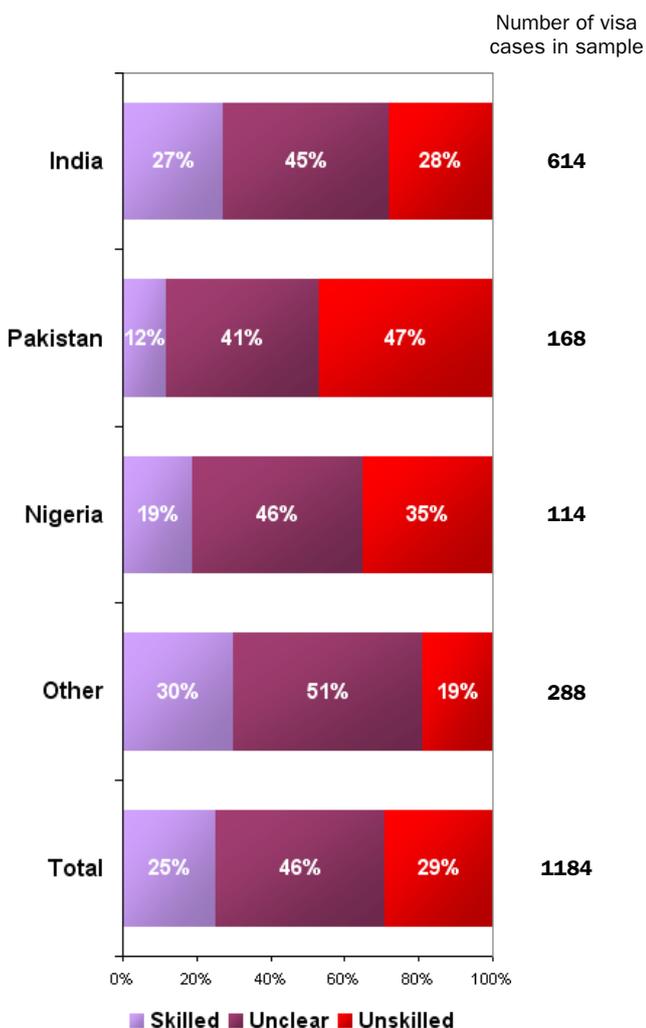
1 Points-Based System Pilot Process Evaluation - Tier 1 Highly Skilled Applicant Survey December 2009

There are sizeable variations in the numbers of visa holders from different nationalities, as shown in Figure 2.

Three nationalities (Indian, Pakistani, Nigerian) formed 76 per cent of the total number of entries in our sample, similar to actual grants of Tier 1 Visas, although they are slightly over-represented. The most common nationality granted Tier 1 visas are Indian nationals, and in the 12 months to June 2010 around 36% of Tier 1 visas were issued to them. A further 13% of Tier 1 visas went to nationals of Pakistan and 8% to Nigerians, with other nationalities making up around four in ten of Tier 1 visas in that period.

The following chart shows the percentage of each nationality in skilled, unskilled or unclear work.

Figure 2: Employment status of Tier 1 visa holders in June 2010 by nationality, expressed as percentage



Within the unskilled category, a large proportion of visa holders (47 per cent) had been issued a visa prior to July 2009, meaning that they had failed to find skilled work for at least a year (or had previously found skilled work and subsequently left it). This was particularly noticeable among Indian nationals, with 62 per cent of the Indian Tier 1 visa holders in this study in unskilled work having been issued a visa prior to July 2009.

Figure 3: Unskilled Tier 1 visa holders (June 2010 sample), by nationality and date when visa granted

Nationality	Date of Visa Issue			
	prior to 07/09	07/09 - 12/09	01/10 - 06/10	Unknown
India	108	28	26	12
Pakistan	27	24	24	4
Nigeria	8	3	20	9
Sri Lanka	4	1	4	6
China	5	5		
Bangladesh	4	2	8	2
Other	5	4	3	1

Within the four visa categories in Tier 1 of the points-based system, the “General” and “Post Study Work” sub-categories accounted for 98 per cent of the total entries in the dataset; all 347 “unskilled” visa holders fell within these categories. Consequently there were no instances of Tier 1 “Investor” or “Entrepreneur” visa holders in unskilled work (this is to be expected as neither category is designed for those seeking employment in the UK). Around three out of every five individuals in our sample in the post-study category appeared to be in unskilled employment at the time this study was carried out.

Figure 4: Employment status of Tier 1 visa holders (June 2010 sample), by sub-category

Visa Type	Skilled	Unclear	Unskilled	Total
General	265	450	194	909
Post Study	23	77	153	253
Investor	4	9		13
Entrepreneur	2	3		5
Gateway*	1	3		4
<b>Total</b>	<b>295</b>	<b>542</b>	<b>347</b>	<b>1,184</b>

\* Transitional category, no longer applicable