

Migration Advisory Committee
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17 December 2025

Rt Hon Shabana Mahmood MP Home Secretary 2 Marsham Street London SW1P 4DF

Dear Home Secretary,

I am pleased to inform you that we have today published our review of the salary requirements for work visas, fulfilling one of two reviews commissioned in the <u>letter</u> of 2 July 2025 sent to us by the previous Home Secretary. We have also published our 2025 Annual Report and its accompanying Governance Report.

In our **salary requirements report**, we consider the salary thresholds and discounts for the Skilled Worker (SW), Health and Care Worker, Global Business Mobility and Scale-up routes.

These thresholds serve multiple purposes in the immigration system. They can be used to ensure migrants are not underpaid for their work; to make overseas recruits more expensive and thus encourage employers to look to the domestic labour force first; to ensure that work migrants earn enough to be net contributors to public finances or push up average earnings or productivity; or to reduce net migration by making it too expensive for some employers to recruit from overseas. A sensible set of thresholds will vary depending on which of these goals the government prioritises.

We recommend maintaining the general threshold for the SW route at £41,700. Of the options we have considered in this review, £41,700 would maximise fiscal benefits, helping ensure that Industrial Strategy sectors can recruit the workers they will likely need in the coming years, and reflect variation in wages across the UK. A higher general threshold could feasibly lead to a small fall in net migration but would overall be less fiscally positive than £41,700 and would create the need for much longer salary discount periods for younger workers, which could have unintended consequences.

The previous government increased occupation-specific thresholds for the SW route to the 50th percentile of earnings in April 2024. If the government's goal at that time was to reduce net migration, increasing these thresholds was an inefficient way to do

so because it implicitly prioritises lower-paying occupations. As a result of this change, these thresholds no longer effectively serve their core purpose of reducing the risk of undercutting domestic workers without preventing certain jobs within occupations from using the system. The 25th percentile of earnings is adequate for this purpose, and we recommend these thresholds are returned to this level.

Our review makes a set of recommendations for discounted salary thresholds for certain groups. We recommend a single new entrant rate of £33,400 to ensure a typical graduate entrant can be recruited using the migration system; we recommend abolishing the PhD discount as there is no evidence PhD holders earn less than the average worker. If our recommendation for the SW general threshold is accepted, there would also be no need for the separate postdoctoral discount. We explain these possible permutations for all discounts in the report. We have not found compelling evidence for new discounts.

We also make recommendations on salary thresholds for the Temporary Shortage List, the Global Business Mobility route, and in-scope Health & Care occupations. Finally, we recommend that the government avoids setting up routes like the Scale-up visa given its very low uptake, unless there is a clear labour market need.

This year's **Annual Report** focuses on three areas:

- 1. The fiscal impacts of the family visa route: whilst this is not solely an economic route, migrants are initially fiscally positive but incur a net lifetime deficit. The top 10% of earners, however, make a positive lifetime contribution.
- 2. A study of overseas domestic workers: outlining issues with the route including some evidence of exploitation and some thoughts which HO may wish to consider for a future review.
- 3. The role of English language proficiency: finding it to be critical for integration and labour market outcomes.

Separately, we still await a response from the Home Office on the recommendations contained in our <u>review of family visa financial requirements</u>.

On behalf of the Migration Advisory Committee,

Yours sincerely,

Professor Brian Bell

Chair, Migration Advisory Committee

CC:

Mike Tapp MP, Minister for Migration and Citizenship Alex Norris MP, Minister for Border Security and Asylum Dame Antonia Romeo DCB, Permanent Secretary Simon Ridley, Second Permanent Secretary Daniel Hobbs, Director General Migration and Borders Group