

Working overseas supplement:

Actuarial asylum in the UK

Cherag Kalapesi gives an overview of the changing rules that affect actuaries wishing to enter the UK

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We've all heard about how an actuarial qualification is your passport to working around the globe. Many of us would also nod our heads knowingly when we hear there is a shortage of skilled actuarial resources in the UK. So why is it that barriers to entry exist for actuaries and students who wish to work in the UK?

Unless a person is a British citizen, has Indefinite Leave to Remain or has the right of abode in the UK, he or she will need permission from the UK Border Agency (formerly the Border and Immigration Agency) to work for an employer in the UK. Whether or not people from the European Union (EU) require permission to work depends upon their nationality.

At the moment, applications to work can be made in different categories, each with its own rules and regulations, advantages and disadvantages. Those most relevant to the actuarial profession are Work Permits, the Highly Skilled Migrants Programme, Working Holidaymakers and categories specifically designed for graduates who have completed a UK degree. These are:

International Graduate Scheme (IGS – formerly SEGS)

This scheme allows non-EU nationals studying in the UK at degree level or above to work in the UK for up to 12 months after they have finished their course. It covers recent graduates from recognised institutions whatever their subject of study. IGS participants can take any form of employment or self-employment.

Fresh Talent: Working in Scotland Scheme

The Fresh Talent scheme allows non-EU nationals who have successfully completed a Higher National Degree (HND), a Bachelors or Masters degree or a PhD at a university in Scotland, to apply to stay in Scotland for up to two years after completing their studies. During those two years they can take any type of employment (paid or unpaid), or self-employment.

Working holidaymakers

This initiative allows people aged 17 to 30 from particular countries to come to the UK for two years. They can spend up to 12 months of the two years working.

Business and Commercial work permits

If a person from outside the EU wishes to take a job with a specific employer in the UK, they will require a work permit. There are two levels, or 'tiers' of work permit. Tier 1 is for intra-company transfers, for senior management posts, or for work in occupations where a current shortage of UK and EU workers has been identified. The actuarial profession was listed on the shortage list until 2006, after which it was moved to the Tier 2 category for reasons that are still unknown.

The application process under Tier 2 is more cumbersome and requires greater evidence from the employer that it has exhausted its options when considering UK and EU candidates. Not surprisingly, this has made employers more reluctant to go down the work permit route for many applicants and candidates have started to rely more heavily on the Highly Skilled Migrant Programme to come to the UK.

Highly Skilled Migrant Programme (HSMP)

The HSMP has been popular among candidates as it allows people from outside the EU to come to the UK without having a fixed job offer or other arranged work before they arrive in the UK. Whether or not an applicant qualifies as 'highly-skilled' is measured by awarding points for different attributes such as academic qualifications and recent salary earned, with top-up points for those who have worked in the UK before and for younger applicants. It is necessary to demonstrate proficiency in English to qualify under the scheme. From experience in dealing with candidates from Eastern Europe, Africa and even parts of Asia, the minimum salary criteria that is imposed has been a real barrier to entry for many candidates under the HSMP.

Successful applicants under the HSMP are free to change employers when they wish, however, they are normally faced with the burden of making their own applications and also footing the costs associated with this visa class. In contrast, employers will normally manage the application process and foot the bill if they are taking out a work permit for a candidate.

Out with the old...

Now that you have your head around all these options, you may feel a slight pang of frustration when you hear the UK Border Agency has decided to get rid of all of these categories and has come up with a new points-based system. The system aims to control migration more effectively, tackle abuse and identify the most talented workers. The key elements of the new system are that it combines more than 80 preexisting work and study routes into the UK into five tiers. Points are awarded on the basis of workers' skills and the demand for those skills in any given sector, to allow the UK to respond flexibly to changes in the labour market:

- >> Tier 1 is for highly skilled workers and is currently being phased in to replace the HSMP, the IGS and the Fresh Talent scheme
- >> Tier 2 is for skilled workers who have been made a job offer by a UK company, replacing the current work permit arrangements
- >> Tier 3 is for low-skilled workers and will not operate initially, as the British government believes that demand for low-skilled workers can be met from the existing EU labour force
- >> Tier 4 will start to operate in 2009 and applies to students. Applications will only be accepted for educational establishments approved by one of the government's specified accredited bodies
- >> Tier 5 will be for temporary workers such as those under the current working holidaymakers scheme.

The HSMP is no longer an option for people who are already in the UK. If an applicant already in the UK currently holds the HSMP and wishes to extend their leave to remain, they must now apply under the new Tier 1 (General) highly skilled worker category. The UK Border Agency will start accepting Tier 1 (General) applications in countries outside the EU later this year but until this date is finalised, non-EU applicants must continue to apply under the existing HSMP. The exception is for applicants in India, who are eligible to apply under the new Tier 1 (General) highly skilled worker rules. The UK Border Agency is also introducing a means for graduates completing their degrees in the UK to work for up to two years after their study. This will be introduced under the Tier 1 (Post Study Work) section of the points-based system. This will replace the IGS and Fresh Talent: Working in Scotland scheme, probably from around the end of summer 2008. Individuals who are already in the UK with one year's IGS immigration permission when the new scheme comes into effect will be able to apply to stay for one extra year.

In the latter half of 2008, the current Work Permit scheme will be replaced by Tier 2 of the new points-based immigration system, the tier for skilled workers. Under Tier 2, employers can hire overseas workers if a vacancy is covered under the shortage occupation list or the employer has submitted a Resident Labour Market Test. This test shows that a non-EU resident could not be found to fill the vacancy.

To apply under Tier 2, applicants must have a job offer from an employer who has permission (from the UK Border Agency) to grant them a Certificate of Sponsorship in support of their application. To be successful they will be required to score 70 points from three sets of criteria: attributes (sponsorship, qualifications, and future earnings), maintenance (ability to support themselves and any dependants) and English language ability.

The working holidaymakers scheme is also due to be phased out when the new pointsbased Youth Mobility Scheme (YMS) of Tier 5 is launched. Sponsored young people from participating countries will be allowed to come and experience life in the UK for up to 24 months and will be free to do whatever work they like during their entire stay in the UK. The YMS is a temporary migration route which does not lead to settlement. Participants will be expected to leave the UK at the expiry of their 24-month stay, and will not be permitted to switch into any other points-based category from within the UK.

Watch this space

I recognise this article has not explored the actual criteria and scoring system that will be used to assess an applicant under each of the new tiers. This is due to a combination of exhaustion, confusion and a niggling feeling that it will probably all change again in a couple of years time anyway. The new system is yet to be finalised and much of the information released has only been through 'statements of intent' by the UK Border Agency.