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# GMS Flash Alert

**Immigration**

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## United Kingdom – Government Confirms Key Changes to Settlement Rules

On 2 November 2026, the U.K. government published its response to the Earned Settlement consultation, confirming significant changes to the route to Indefinite Leave to Remain (ILR) for overseas workers. The changes are expected to be introduced beginning with the December 2026 Statement of Changes, and will be rolled out during 2027, with further guidance expected in due course.[1]

### WHY THIS MATTERS

The new earned settlement framework is likely to have a significant impact on workforce planning and international talent management. By extending the settlement timeline for many workers and introducing stricter eligibility requirements, the changes may affect employee attraction, retention, and long-term mobility strategies, while also increasing the administrative and financial burden on sponsoring employers.

### Key Highlights

The U.K. government has confirmed significant reforms to the Earned Settlement Framework, with changes beginning through the December 2026 Statement of Changes and being implemented throughout 2027.

The standard qualifying period for ILR will increase from five years to 10 years for most overseas workers, with eligibility linked to earnings, compliance history, and integration.

A new tiered settlement framework will apply:

- A three-year route for high earners earning at least GBP 125,141 in three of the previous four years, and certain individuals in the highest talent category.
- A five-year route for those earning at least GBP 50,271 in three of the previous five years, as well as eligible health and education workers.
- A 10-year route as the default pathway for individuals earning below GBP 50,271, subject to minimum earnings of at least GBP 12,571 in five of the previous seven years.

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- A 20-year route for individuals with specified immigration breaches or other factors that prevent qualification under an earlier pathway, and subject to minimum earnings of at least GBP 12,571 in five of the previous seven years.

Settlement eligibility will be assessed using a “best years” approach, allowing applicants to rely on qualifying years during which earnings thresholds were met. Thresholds will move in line with future income tax changes.

There will be no general transitional protection for workers already in the United Kingdom. Individuals who have not secured settlement before the changes take effect will generally be subject to the new framework unless they fall within a specific exemption.

Certain groups will retain a five-year settlement pathway, including eligible care workers, healthcare, and education workers below RQF Level 6 who were already on a qualifying route before publication of the May 2025 Immigration White Paper. The Hong Kong BN(O) route, the EU Settlement Scheme, individuals on certain routes with a British connection (e.g., the Ancestry route and the route for spouses of British citizens) and Armed Forces routes remain unaffected.

The government has dropped its previously proposed 15-year settlement route for jobs below RQF Level 6 and replaced it with the 10-year pathway.

New mandatory settlement requirements will apply to all applicants within the scope of the framework, including:

- No U.K. criminal record.
- No outstanding government debt, including unpaid NHS charges, tax liabilities, National Insurance contributions, or Home Office debt.
- English language ability at B2 level (subject to existing exemptions).
- Pass the Life in the U.K. Test.
- No access to specified public funds during the five years preceding the settlement application.

Individuals who commit specified immigration breaches, including overstaying, breaching visa conditions, or using deception in an immigration application, may be placed on a 20-year settlement pathway.

New provisions for dependants and family members include:

- Partners accompanying the main applicant will remain eligible to settle at the same time. Partners joining later are required to complete the same qualifying period.
- The household income threshold will be GBP 25,142. Combined household earnings may be used to meet this threshold.
- Dependent children and certain young adults aged 18-24 may be able to settle with their families.
- Those aged 25 or over when their family becomes eligible will generally need to qualify independently.

The Long Residence route will close, meaning time spent on temporary routes such as Student, Graduate, Global Business Mobility, High Potential Individual, and Youth Mobility will no longer count towards settlement.

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## KPMG LLP (U.K.) INSIGHTS

Organisations might wish to consider:

- Assessing the impact on sponsored workers and their dependants, including mapping current settlement timelines, arrival dates, and salary levels against the new salary thresholds. It is not yet clear whether bonuses will count or whether salary sacrifice arrangements will affect the calculation of qualifying earnings. Employers may review remuneration arrangements for affected workers once the Home Office confirms further details.
- Identifying employees who may already be eligible, or soon become eligible, for ILR and considering whether applications can be submitted before the new framework takes effect.
- Reviewing sponsor compliance processes including tracking visa expiry dates and monitoring any work undertaken outside the terms of a worker's immigration permission. Late extension applications or breaches of visa conditions may result in the worker being placed on a 20-year pathway.
- Budgeting for increased immigration costs, including additional visa extensions, Immigration Health Surcharge payments, and sponsorship-related expenses.
- Preparing employee communications and guidance, as the changes are likely to generate questions and concerns among affected workers and their families.
- Monitoring future developments closely, including the December 2026 Statement of Changes and any accompanying Home Office guidance.

These steps may help organisations assess potential workforce impact, manage employee expectations, and plan for the additional costs and administrative obligations arising from the new settlement framework.

If assignees and/or their programme managers have any questions or concerns about the scope of the policy update, its application and potential impacts, and appropriate next steps, they should consult with their qualified immigration professional or a member of the Immigration team with KPMG in the United Kingdom (see the Contacts section).

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## ENDNOTE:

1 Home Office, Government of the United Kingdom, "A fairer pathway to settlement," published in November 2026.

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## Contacts

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the United Kingdom:




**Kelly Whiter**
**Partner**
**Immigration Services**
**KPMG UK Immigration team**
**kelly.whiter@kpmg.co.uk**



**Alina Fosh**
**Senior Manager**
**Immigration Services**
**KPMG UK Immigration team**
**alina.fosh@kpmg.co.uk**



**Sheetal Gaur**
**Senior Manager**
**Immigration Services**
**KPMG UK Immigration team**
**Sheetal.Gaur@kpmg.co.uk**


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**The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom.**


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