

**INTERNATIONAL  
STUDENT  
EMPLOYABILITY  
GROUP**



# **Recruiting International Graduates**

## **A Guide for Employers**

Hiring options under the Graduate and Skilled Worker routes

# Contents

<b>How could hiring international graduates help my business?</b>	<a href="#"><u>2</u></a>
<b>What are my hiring options under immigration law?</b>	<a href="#"><u>3</u></a>
1. Hire without sponsoring for two or three years under the Graduate route	<a href="#"><u>3</u></a>
2. Hire longer-term on the Skilled Worker route	<a href="#"><u>4</u></a>
What is a new entrant? What salary will I need to offer?	<a href="#"><u>4</u></a>
Fact check: Compare the routes	<a href="#"><u>5</u></a>
ATAS	<a href="#"><u>5</u></a>
I already have a licence – what do I need to do?	<a href="#"><u>6</u></a>
I don't have a licence – how do I get one?	<a href="#"><u>6</u></a>
<b>Answering your questions</b>	<a href="#"><u>6</u></a>
Discrimination, permission to work and the Resident Labour Market Test	<a href="#"><u>6</u></a>
Graduate route	<a href="#"><u>7</u></a>
Skilled Worker route	<a href="#"><u>8</u></a>
<b>Useful sources of information and support</b>	<a href="#"><u>9</u></a>
<b>Supporting organisations</b>	<a href="#"><u>10</u></a>

It has never been easier to hire from the rich pool of international graduate talent coming from UK higher education providers. This guide highlights the **unique skillset international graduates bring**, and **explains your hiring options under the Graduate and Skilled Worker routes**.

*Thank you to solicitors Kingsley Napley for checking the information in this guide which is accurate as of April 2021 and may be subject to change. Kingsley Napley advise employers, universities and students on immigration and employment law. Contact partner Ilda de Sousa [IdeSousa@kingsleynapley.co.uk](mailto:IdeSousa@kingsleynapley.co.uk)*

## How could hiring international graduates help my business?

Last year, the UK hosted around 560,000 international students from all over the world – notably China, India, the United States and the EU, all important trading partners for the UK. Many are studying higher-level qualifications such as Master's and PhDs, predominantly in business and STEM subjects, providing an **important source of high-skilled workers**.

Including international graduates in your recruitment mix could make **good business sense**, as well as protecting your organisation from discrimination claims:

- Employers with a diverse workforce benefit from **higher profits<sup>1</sup>, increased innovation and creativity<sup>2</sup>** and enhanced **brand appeal**
- International graduates can help you **fill skills gaps** in areas such as engineering, IT, and biological science
- **Grow your exports** by harnessing international graduates' home country knowledge, and languages such as Mandarin and Arabic.

1 Firms with high cultural and ethnic diversity on executive teams are 36% more likely to outperform their rivals on profitability, according to the [CBI](#).

2 [Forbes](#)



560,000

International students  
from all over the world

## Growing Yee Kwan's ice cream exports to China

*"I used my language skills, together with my knowledge of PR and marketing, to get two large orders from Chinese companies"*

Leanne Liu, MA Intercultural Communication,  
University of Sheffield

## What are my hiring options under immigration law?

The full range of hiring options are detailed in the latest [government guidance](#). We highlight here the **two most relevant options** for employers interested in recent international graduates applying for work from the UK.

This includes EU nationals, unless they have successfully applied for settled or pre-settled status under the EU Settlement Scheme, which will give them the right to work in the UK.

### 1. Hire without sponsoring for two or three years under the Graduate route

The Graduate route allows international graduates to stay in the UK for up to two years (or three if they have a PhD) to work or look for work. The work is not subject to a minimum skill level or salary threshold. This means that it is **now much easier** for employers to hire international graduates:

- **No need to sponsor** – international students apply to this unsponsored route themselves
- **No employer fees** to pay
- **Trial opportunity** – see how your new hire performs, before committing to sponsorship. If you wish to extend beyond the period of the Graduate route, as long as the job you are offering meets the requirements (and you are willing to become a sponsor, if you are not already), your employee can **apply to switch into the Skilled Worker route**. As well as allowing you to retain a valuable employee, this is more cost effective than going back out into the job market to hire and train a new recruit. (Your employee can apply to switch to the Skilled Worker route at any point during the Graduate route period).
- **Flexible** – the Graduate route is ideal if you have a fixed-term project or if you aren't yet sure of your longer-term requirements.
- **Accessible** to smaller employers, and the non-profit, creative and heritage sectors who may not always be able to meet the minimum salary requirements of the Skilled Worker route or who do not have a licence to sponsor Skilled Workers.

## 2. Hire longer-term on the Skilled Worker route

The former Tier 2 visa has been replaced by the Skilled Worker visa, which offers more benefits to employers:

- **More flexibility over skill level:** you can sponsor jobs at or above the minimum skill level of RQF 3 (this is A-level or equivalent) – all graduates will meet this level. A much [wider range of roles](#) can therefore now be sponsored.
- **No limit** on the length of time which can be spent under the Skilled Worker route and no cooling-off period between a person’s Skilled Worker visa and their next – giving you **greater control over your staffing plans**
- **No cap on numbers and no Resident Labour Market Test** – which has removed **up to 8 weeks** from time taken to sponsor a Skilled Worker compared with the previous system
- **Lower salary commitment** – the lower “new entrant” rate has been extended from three to four years<sup>3</sup>, making hiring international graduates **more affordable**

The person you wish to hire under the Skilled Worker visa must score 70 points. 50 are untradeable:

- 20 points if the job offer is from an approved sponsor
- [20 points if the job is on the list of eligible occupations](#) (Immigration Rules Appendix Skilled Occupations)
- 10 points if their English Language is at least level B1 (graduates will have had to demonstrate at least this level to study here so will not need to take additional tests).

They must also score at least 20 points from a range of tradeable criteria, which include being a **new entrant** to the labour market.

### What is a new entrant<sup>4</sup>? What salary will I need to offer?

Graduates **switching in the UK** to the Skilled Worker route from either the Student route or the Graduate route are **new entrants**<sup>5</sup>. (So are graduates under 26, or graduates applying less than 2 years after their student visa or Graduate route permission expired, including those applying from their home country).

The salary you offer new entrants must be at least £20,480, at least £10.10 per hour AND it must also meet 70% of the “going rate” for the job. You can look up the going rates and the relevant 70% rate in the [Immigration Rules Appendix Skilled Occupations](#)

<sup>3</sup> The four years includes any time spent under the Graduate route

<sup>4</sup> [Full explanation of new entrant at paragraphs 56-58 of government guidance](#)

<sup>5</sup> As long as their Student sponsor is listed on the register as “Student sponsor – Track record”

## Case study: New entrant

Evie is 26 years old and is in the UK, having studied a veterinary science degree at a UK university and begun her career here under the Graduate route. She wants to carry on working in the UK and has been offered a job as a veterinarian with a starting salary of £22,900. She meets all the mandatory criteria under the points-based system, scoring 50 points.

Evie must now score a further 20 points to be eligible to switch into the Skilled Worker route. As Evie is switching from the Graduate route, she scores 20 points as a new entrant to the labour market. Her salary is above £20,480, AND it is higher than the 70% of the going rate, which is £32,500 for veterinarians. (£32,500 x 70% = £22,750. £22,900 is higher).

## Fact check: Compare the routes

	Graduate route	Skilled Worker route
Employer sponsorship	Not needed	Yes
Maximum employment length	2 years (3 if PhD)	You can apply to extend your visa as many times as you like as long as you still meet the eligibility requirements.  After 5 years employee can apply to extend or settle permanently in UK
Employer fees	None	Certificate of Sponsorship (“CoS”) £199 unless applicant has passport from one of the <a href="#">26 CESC countries</a>  Exempt from Immigration Skills Charge if graduate switches in UK from the Student route. Need to pay this if applicant applies from outside UK - £364 or £1,000 depending on employer size.  <a href="#">Sponsor licence application fee</a> if not currently a licence holder: Currently £536 for small or charitable sponsors or £1476 for medium or large sponsors.
Salary	No minimum (beyond national minimum wage)	For new entrants, £20,480, £10.10 per hour or <a href="#">70% of the job’s SOC (Standard Occupational Classification) code if higher</a>
Job skill level	No minimum	RQF level 3 – A level equivalent

## ATAS

For some PhD level jobs, some applicants must obtain ATAS security clearance and the employer must confirm this on the Certificate of Sponsorship. For relevant jobs, subject areas and exempt nationalities, see [Annex S1 of the sponsor guidance](#)

## I already have a licence – what do I need to do?

Tier 2 (General) licences have automatically been **replaced with new licences** for Skilled Worker, and unrestricted Tier 2 (General) Certificates of Sponsorship (CoS) allocations will automatically be **replaced with new CoS allocations**.

## I don't have a licence – how do I get one?

Many more employers are now taking out a licence, as EU citizens also now fall under the new points-based immigration system, unless they have settled or pre-settled status<sup>6</sup>.

- Apply online - read the [government guidance on becoming a sponsor](#)
- Fees are £536 for small or charitable sponsors and £1,476 for medium or large sponsors (one-off, not annual. However, you will be required to pay a fee again when the licence is up for renewal. This usually happens every four years.)
- Government currently advises that most applications (8 out of 10) are dealt with in less than 8 weeks. You may be able to pay £500 to get a decision within 10 working days.

## Answering your questions

### Discrimination, permission to work and the Resident Labour Market Test

*Is it discriminatory not to consider applications from international students? For example, is it OK for us to state on our website or in our recruitment process that all applicants must have permission to work in the UK?*

It is illegal for employers to discriminate against international students: whilst the law requires employers to only employ individuals with a right to work in the UK it is **unlawful not to accept applications from or employ someone on the basis of their nationality**. Some exemptions apply (for example roles relating to national security), but in general employers that refuse to accept applications from people just because they may need a visa could be open to claims of discrimination (which is what happened in the case of [Osborne Clarke Services v Purohit](#)). **Avoid possible claims of indirect race discrimination by** instead:

- accepting and considering applications from any candidates with suitable skills and experience, **irrespective of their nationality**
- using statements such as: “the successful candidate must **by the start of their employment** have permission to work in the UK”

<sup>6</sup> [See government pages on settled status](#)

- only **seeking evidence** that someone has the right to work in the final stages of the recruitment process, rather than at the initial application stage.

*Does this mean if we are advertising a job that meets the requirements to be sponsored under the Skilled Worker route, we should be prepared to sponsor successful candidates – even if we are not a current licence holder?*

Many employers recruit graduates far enough in advance to be able to factor in the timescales for [applying for a licence](#), which usually takes around 8 weeks. It can take longer if UK Visa and Immigration (UKVI) conduct a visit to review your HR practices and understanding of sponsor obligations. It's important to take advice and ensure you are able to pass UKVI's checks prior to submitting your application.

*Will we have to apply the Resident Labour Market Test (RLMT) if we want to hire under either the Graduate route or the Skilled Worker route?*

No – the Resident Labour Market Test, which for a Tier 2 application required employers to show there was no suitable EEA (including British) candidate who can take the proposed role, has been abolished for all types of Skilled Worker application. This applies whether the graduate is applying from inside the UK, or outside. However, the UKVI caseworker must have no reason to believe that the job does not exist, is a sham, has been created mainly for the immigration application, or amounts to work for a third party who is not the sponsor<sup>7</sup>.

## Graduate route

*Does the time period granted under the Graduate route start from a graduate's previous visa expiration date or from day 1 at their new employer?*

It starts from when their Graduate route application is granted.

*Can I hire an international graduate to a permanent job (or a graduate scheme exceeding the Graduate route duration) under the Graduate route?*

Yes. You can start hiring them under the Graduate route and at any point during your employee's stay under that route they can apply to switch to the Skilled Worker route, as long as the job meets the necessary requirements. Alternatively, if the job meets the requirements, you could also choose to hire the graduate under the Skilled Worker route right away – in which case they can apply to switch straight from their Student visa to the Skilled Worker route.

<sup>7</sup> See [Appendix Skilled Worker, paras SW 5.5, 5.6](#). For details of what records should be kept of the recruitment, see [Sponsor Guidance Appendix D: keeping records for sponsorship](#).



The Graduate route is non-extendable, so once your employee's application has expired, they will need to switch to the Skilled Worker route in order to stay in the UK.

Note that requiring applicants to have a **permanent** right to work in the UK would not be in line with government guidance, which states: “*Job applicants should not be treated less favourably if they produce acceptable documents showing a time-limited right to work in the UK*” ([Avoiding Unlawful Discrimination While Preventing Illegal Working, May 2014](#)).

*What if after the Graduate route period has finished, I want to keep employing my hire, but I'm unable to offer sponsorship because the job doesn't meet the salary requirements?*

At the end of their time on the Graduate route, employees will still be a “new entrant.” As your staff member will have gained valuable skills and experience during their time with you, it is likely that their remuneration *will* meet the discounted rate of 70% of the role's SOC code, £10.10 per hour or £20,480 whichever is higher.

However, if that is not the case, subject to the prevailing Immigration Rules on switching from the Graduate route and if the role was suitable, you could explore the possibility of sponsorship (potentially for two years) under the [government authorised exchange scheme](#), which has flexible salary requirements. The role must be supernumerary, or in excess of ordinary staffing requirements. An [overarching body](#) sponsors your hire, and you just need to comply with their terms. If you are really unable to offer continued employment, you will still have benefitted from your international graduate's rich skillset whilst they were with you. It is worth bearing in mind that a domestic graduate might be looking to move on by that point anyway, as there is naturally a lot of movement<sup>8</sup> in the early stages of a career.

## Skilled Worker route

*When can graduates apply for their Skilled Worker visas? Do I need to wait until they have passed their course?*

You do not need to wait until they have passed their course. Graduates seeking to apply as new entrants can apply up to three months before they have completed their courses provided you have assigned them a Certificate of Sponsorship. If you are employing a graduate before their result is out, you will need confirmation from the provider of the course the student has been taking and expected date of completion. You can sponsor a PhD student before they have completed their degree if they have done at least 12 months of their course. If they are not applying as a new entrant, students can apply at any time.

*Can the graduate start the graduate job before they get their Skilled Worker visa?*

<sup>8</sup> Trendence UK Graduate Survey 2019 stated that 49% of students questioned expected to stay in their first job for one to two years

If the student qualifies for sponsorship from you under the Skilled Worker route and has submitted their Skilled Worker application to the Home Office, in most cases they are eligible to start the permanent graduate role immediately, as long as they are within 3 months of completing a full-time course of study at degree level or above with a higher education provider with a track record of compliance.

Whilst in theory the student could apply for the Graduate route to bridge any gap between their student visa expiring and the Skilled Worker application being submitted, they would have to pay an application fee of £700 and the Immigration Health Surcharge so this scenario is best avoided.

*What are the implications if my candidate is applying from outside the UK?*

If a graduate has returned to their home country, you can still hire them under the Skilled Worker route, at the new entrant rate, if they are under 26 or if they are applying less than 2 years after their student visa or Graduate route permission expired. Otherwise, the rate will be determined according to the other [tradeable points criteria](#).

*What costs do I need to pay to hire under the Skilled Worker route?*

See our **Fact check: Compare the routes table** above. In addition, some employers offer to cover or contribute to their [graduate candidates' costs](#), but this is your choice. These costs include:

- a visa fee, which ranges from £464 to £1408 depending on whether the graduate is applying from within or outside UK, whether the job is in a shortage occupation, and if they are applying to be in the UK for up to or more than 3 years.
- The Immigration Health Surcharge – usually £624 per year
- A biometric information fee £19.20 and sometimes a visa application centre fee which can be in the region of £260

## Useful sources of information and support

1. The Home Office UK Visas and Immigration (UKVI) provides a specialist support service for employers who want to check whether a person can work legally in the UK: [gov.uk/check-job-applicant-right-to-work](https://gov.uk/check-job-applicant-right-to-work). They also run a [sponsorship helpline](#)
2. Find advisors accredited by the [Office of the Immigration Services Commissioner](#) or immigration solicitors regulated by the [Solicitors Regulatory Authority](#)

3. [UK Council for International Student Affairs \(UKCISA\)](#) provides information on immigration routes for international students and graduates to remain in the UK to work.
4. Careers services and student visa services. It is always worth checking with your potential recruit what level of support they can access as it is, of course, in everyone's interests that their application is not rejected for an avoidable reason.

## Supporting organisations

**The Association of Graduate Careers Advisory Services (AGCAS)**

**Association of Colleges (AoC)**

**British Council**

**The British Universities' International Liaison Association (BUILA)**

**Confederation of British Industry (CBI)**

**Federation of Small Businesses (FSB)**

**Independent Higher Education**

**Institute of Directors (IoD)**

**Institute of Student Employers (ISE)**

**National Association of Student Employment Services (NASES)**

**National Centre for Universities and Business (NCUB)**

**Prospects / Jisc**

**Student representatives**

**The UK Council for International Student Affairs (UKCISA)**

**Universities Scotland**

**Universities UK International (UUKi)**