

## Advance Payments Policy for Tier 2 Visa Applicants

### **Purpose of the Policy**

The purpose of the policy is to support new employees from overseas (usually academic appointments) during their first month's employment at the School by guaranteeing their financial eligibility for a School sponsored Tier 2 visa. The terms of the policy are drafted to help ensure that the School is financially protected when a salary advance is requested in these circumstances.

The Policy addresses a specific issue resulting from the recent changes to the immigration system, and is not intended to provide for salary advances in any other circumstances, or to amend existing School policies. A separate project is underway to review the relocation and housing assistance provided by the School to new employees.

### **Tier 2**

Tier 2 applicants must score a minimum of 50 points under the UKVI system in order to apply for a Tier 2 visa. In addition a key requirement of Tier 2 is that an individual must demonstrate that they have had "the Minimum Sum" (currently £945 plus additional savings of £630 for each accompanying dependant\*), in their bank account for a continuous 90-day period prior to submitting the application.

\*This figure may vary; it will be the Minimum Sum required by the UKVI at the date the application is granted.

The balance of the account must not drop below the Minimum Sum, even for one day, or UKVI will reject the application as not meeting the maintenance requirement.

Some individuals, for example, those who have not yet completed, or have recently completed, their PhDs may therefore not be able to demonstrate that they have access to this funding.

There is a provision in the Points Based Immigration System for A-rated sponsors (the School is A-rated) to provide a written undertaking that, should it become necessary, the sponsor will maintain and accommodate the migrant until the end of the first month of employment. The provision states that the sponsor may limit the amount of the undertaking, but that limit should not be less than the Minimum Sum.

### **Numbers of Employees requiring support for Tier 2 Visa Applications**

We estimate that approximately 40 new joiners per year will need to obtain a Tier 2 visa before commencing employment with the School, although not all Tier 2 applicants will require the School to guarantee their maintenance and accommodation for the first month of employment. HR will maintain a record of the numbers of Tier 2 applicants requiring the maintenance guarantee, and those who

then go onto apply for the salary advance provided by the maintenance guarantee, in order to review this policy annually.

### **Process for Offering the Maintenance Guarantee**

The School will issue a supplementary letter (Appendix 1) to offer a maintenance guarantee to new employees for Tier 2 visas who are unable to demonstrate the Minimum Sum in their bank account for a continuous 90-day period prior to the submission of the visa application. The maintenance guarantee will also cover the employee's accompanying dependants - defined as the husband, wife, civil partner or unmarried or same-sex partner of the employee, and their children under 18 years old. The size of the potential advance will be limited to the UKVI's Minimum Sum requirement at the date the letter is issued, so that it is not regarded as benefit-in-kind, (which may have tax implications for the individual and the School) and to minimise the School's risk in making a salary advance to a new employee.

### **Process for Approving and Administering Advance Payments**

Should the new employee decide to apply for a salary advance under the terms of the supplementary letter, they must make a written request to the Head of Payroll, stating:

- What attempts they have already made to cover their first month's maintenance and accommodation for example: relying on savings in a number of accounts; obtaining a loan; sale of assets; relying on credit cards; etc. and why these attempts have been unsuccessful.
- How the employee has calculated the level of salary advance they seek and submitting appropriate documentation with the request e.g. recent bank statements; proof of accommodation costs; etc.
- The name, date of birth, and relationship to the employee, of each accompanying dependant, and submitting a photocopy of the picture page of the passport for each accompanying dependant.

These requests will be stored on the employee's personal file and processed by Payroll. Once the Head of Payroll is satisfied by the new employee's application for the salary advance, Payroll will write to the new employee to agree the salary advance, and the repayment arrangement.

The salary advance will be paid to the employee on their first day of employment with the School, or as soon as possible thereafter. The payment cannot be made until the employee has commenced employment with the School. It will be repaid in monthly instalments direct from salary up to a maximum of six months, as agreed in writing with the individual.

No additional payments will be made to the individual, including but not limited to, accommodation deposit, rent, travelling expenses (including travel to the UK) and

food. It is expected that all necessary accommodation and associated living expenses will be paid for by the salary advance.

There will be no additional payments made to support any dependants of the individual. Employees will be expected to maintain and accommodate any dependants using the salary advance.

**Written by:**

Human Resources and Payroll

**Agreed by:**

Director of Finance

Director of Human Resources

**Appendix 1 – Supplementary Letter**

Dear [ ]

*I write further to your appointment letter dated [ ] which confirms the terms of your appointment with the London School of Economics.*

*It is expected that you will make every reasonable effort to support yourself and any dependants on arrival in the United Kingdom. However, in order to enable you to meet the maintenance requirements of the Home Office's Tier 2 Visa Category, it is agreed that the School will help maintain and accommodate you during the first month of your employment by advancing to you up to a maximum up to a limit of [£945 plus £630\*] per accompanying dependant, on your first day of employment with the School, or as soon as possible thereafter. Accompanying dependants are defined as your husband, wife, civil partner or unmarried or same-sex partner, and your children under 18 years old.*

*The application for the salary advance should be in writing and addressed to the Head of Payroll, Finance Division, LRB502 Lionel Robbins Building, Houghton Street, London, WC2A 2AE or emailed to [fin.div.payroll@lse.ac.uk](mailto:fin.div.payroll@lse.ac.uk) and indicate the size of the salary advance you are seeking, how you have justified this sum and what other options you have pursued to cover your maintenance and accommodation during your first month in the UK.*

*In the event that you apply and are granted a salary advance to help maintain and accommodate you during your first month of employment, this advance will be repaid in equal instalments as deductions from future salary payments over a period of not more than 6 months. The exact period over which this advance will be deducted, and the monthly instalments, shall be agreed and confirmed in writing on commencement of your employment.*

*In the event that you leave your employment with the School prior to repayment of any salary advance, the School will deduct the amount advanced from any monies due to you and seek to recover any outstanding balance.*

\*This figure may vary; it will be the Minimum Sum required by the UKVI at the date the letter is issued.