



## BRIEFING PAPER

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# The Immigration Health Surcharge

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## 1. Summary

Most non-EEA nationals applying for temporary leave to remain in the UK are required to pay an '[Immigration Health Surcharge](#)' (IHS) to the Home Office, in addition to the immigration application fee.

The IHS is intended to “ensure that migrants make a proper financial contribution to the cost of their NHS care.”

The charge has doubled since it was introduced in 2015. The current rate, in place since January 2019, is £400 per year (£300 for certain visa categories). It is scheduled to increase again in October 2020, to £624 per year (£470 for certain visa categories). It will also apply to EEA nationals moving to the UK after the Brexit transition period.

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The charge – and proposed further increases – have generated some controversy, particularly against the backdrop of the Covid-19 pandemic. Some NHS workers whose visas are due for renewal before October 2020 have been (temporarily) exempted from paying the IHS, but there are calls for the Government to go further, such as by abolishing the charge for all NHS workers. The Home Office was already developing plans for an ‘NHS visa’ prior to the Covid-19 outbreak. Speaking during the daily coronavirus update on 25 April, the Home Secretary indicated that the IHS was one of a range of measures that the Home Office was keeping under review.

### Box 1: Useful information sources

[Official practical information about the IHS](#) is available from the [GOV.UK website](#). This includes details of which application categories are affected, how to pay, and online tools to enable applicants to calculate how much they will have to pay.

## 2. Legislative basis

The power to make regulations requiring certain categories of migrant to pay the IHS derives from [section 38 of the \*Immigration Act 2014\*](#).

The detailed arrangements about the amount, consequences of non-payment, and scope to apply exemptions, reductions, waivers or refunds, are set out in the related regulations: the *Immigration (Health Charge) Order 2015*, SI 2015/792 (as amended, most recently by the *Immigration (Health Charge) Amendment Order 2018*, SI 2018/1389).

Parliamentary scrutiny of the regulations is through the [affirmative procedure](#).

### 2.1 Why was it introduced?

A [Home Office news release](#) issued in March 2015 summarised the policy intention as to “ensure that migrants make a proper financial contribution to the cost of their NHS care”.

Before the IHS existed, temporary non-EEA migrants had access to free NHS care soon after arrival in the UK. The Coalition Government considered that this was overly generous, and inconsistent with other conditions attached to their visas (notably no eligibility for welfare benefits or social housing).

## 3. Who must pay the charge?

In general, non-European Economic Area (EEA) nationals (and any dependants) must pay the charge if:

- they are applying to come to the UK for longer than six months; or
- they are applying from within the UK for temporary permission to stay (including for stays of six months or less).

Visitors do not have to pay the charge. They can only stay in the UK for up to six months. Instead, they pay at the point of access should they need NHS treatment whilst in the UK.

People applying to stay in the UK permanently (i.e. for 'Indefinite Leave to Remain', sometimes referred to as 'settlement') do not have to pay the charge.

EEA citizens and family members resident in the UK under EU law before 31 December 2020 do not have to pay. The Government has said that EEA citizens coming to live in the UK from January 2021 (after the end of the Brexit transition period) will have to pay the IHS.

Broadly speaking, migrants who have paid the surcharge can access NHS services free of charge for the duration of their visa. They are subject to the same NHS charges as UK permanent residents (e.g. for prescriptions in England). Since August 2017, they have also been subject to charges for assisted conception services in England.

### 3.1 Grounds for exemptions, reductions, etc.

[Certain categories of applicant are exempt](#) from paying the surcharge but still have access to free NHS treatment. They include victims of slavery or trafficking, children taken into care, and dependants of armed forces personnel.

People sometimes ask if they can be exempted from the charge if they take out private medical insurance instead. The answer is no - people who don't fall into one of the exempt groups do not have a choice about whether to pay the IHS.

The regulations give the Home Secretary discretion to reduce, waive or refund all or part of a charge.

Home Office policy is that refunds will be given if an application is refused or rejected as invalid. Partial refunds will be given if a visa is granted for a shorter length of time than was paid for.

The Home Office's [fee waiver policy](#), which applies to human rights-based and certain other specified categories of application, sets out the scope for reductions or waivers of the charge. In short, evidence of destitution or "exceptional financial circumstances" is required.

### 3.2 Coronavirus: Concession for NHS workers and family members

Certain NHS staff (and their family members) whose visas are due to expire before October 2020 will have them automatically extended for a year, under a concession [announced by the Home Office](#) on 31 March. The visa extensions will be free of charge and the IHS will not apply.

There is some uncertainty about the parameters of the concession and its legal basis. A Home Office news story states that the move will benefit "around 2,800 migrant doctors, nurses and paramedics, employed by the NHS whose visa is due to expire before 1 October", as well as their family members.

Speaking during the daily coronavirus update on 25 April, [the Home Secretary indicated](#) that the IHS was one of a range of measures that the Home Office was keeping under review to support frontline NHS workers and in recognition of the contribution that migrant healthcare workers have made to the response to the Covid-19 pandemic.

## 4. How much is it?

The actual amount that applicants must pay depends on the type and duration of the visa they (and any dependants) are applying for.

The regulations specify the annual charge per person. In January 2019 the charges as introduced were doubled to:

- £300 per year for international students and their dependants
- £300 per year for Tier 5 (Youth Mobility Scheme) Temporary Migrants
- £400 per year for all other applicants

In practice, most temporary immigration categories (e.g. student, skilled worker, family member) give permission to stay for longer than one year, so the amount that migrants need to pay is usually higher than the figures quoted above. For example, a skilled worker applying for a five year visa for themselves and a dependant family member would have to pay £4,000 for the IHS, in addition to the visa fees..

The charge must be paid for, in full, at the point of applying for a visa. Some sponsoring employers cover the costs of the IHS (and other visa fees associated with sponsoring migrant workers), but there is no obligation to do so.

### 4.1 How is the charge calculated?

Successive governments [have said](#) that the charges are intended to reflect the range of health services available to migrants in the UK, as well as the need to ensure that the UK remains an attractive destination for the “brightest and best” migrants.

The Government has said that the increased rate, to be introduced from October 2020, will reflect the full costs of migrants accessing NHS services.

### 4.2 Why was the charge doubled?

A [2018 impact assessment](#) for increasing the IHS to its current rate said:

The increased rate of the Surcharge will better reflect the costs to the NHS of treating those who pay it, whilst remaining below cost recovery level, in keeping with the ‘fair contribution policy’.

The increase had been prompted by a 2018 Department of Health review, which found that the average annual cost to the NHS in England of treating migrants subject to the charge was around £480.

The impact assessment summarised the basis for the Department’s calculations:

DHSC looked at actual data on surcharge-payers who use the NHS and their length of stay in the UK between April 2015 and December 2017 inclusive, and estimated the NHS costs of treating the average IHS payer (with average length of stay in the UK). The estimated average primary, secondary care and some other services cost across all IHS payers (including those who did not access health services) was around £480 per person per annum (an estimated £310 on secondary care and other services costs and £170 for primary care per person). The average cost to the NHS of those who used secondary care was around £1,300.

A PQ answered in July 2019 gives some further details of the approach taken ([PQ 279372](#), answered 25 July 2019).

The impact assessment maintained that the increased charges “would still be a lower level than equivalent charges on average in other comparable countries” and remarked that the changes were less than had been signalled in the Conservative Party’s 2017 general election manifesto (£600/£450 for students).

[The Department of Health has not collected data](#) on how many and what proportion of people paying the IHS required healthcare in 2018-19, and what the cost to the public purse was.

## 5. Further increases later this year

The Conservative Party’s 2019 General Election manifesto committed to increasing the health surcharge “to ensure it covers the full cost of use.” A [press release](#) issued during the election campaign gave further details:

**An increase to the international health surcharge of £625 and extending it to all foreign workers, including EU migrants after Brexit** to ensure they are making a sufficient contribution towards our health service. UK citizens pay for the NHS all year round through their taxes and it is only fair that new migrants make a fair contribution for its long-term sustainability. Under the current system, people on a work, study or family visa incur average NHS costs of £625 per year but only pay a £400 surcharge. This measure will raise over £500m a year, which can be put towards NHS services.

The organisation Full Fact [queried the basis](#) of the Government’s figures:

[Last month the government](#) said that the cost of treating people who paid the surcharge was £480 each per year. The only other source we can find which refers to the cost of treating people who pay the surcharge as being £625 is from [an article](#) in the Mail on Sunday in October.

The Department of Health and Social Care confirmed to us that the Mail on Sunday’s figure came from a leaked document and it wasn’t able to comment further. We’ve asked the Conservative party for more information about the figures it used.

It’s also incorrect to suggest that people coming to live and work in the UK from overseas at the moment *only* pay the £400 international health surcharge to contribute to the NHS.

Like people permanently living in the UK, those from [overseas pay](#) things like VAT, income tax, fuel duty, tobacco duty and any other regular taxes which go into the pot of money the government uses to pay for things like the NHS.

The March 2020 Budget confirmed that the Government intends to introduce the increased charge of £624 per year from October 2020. The discounted rate will increase to £470 per year and will be extended to all children under 18, in addition to the other categories of applicant currently eligible.

From January 2021, new temporary EEA-national migrants will also be subject to the IHS.

The Government [has calculated](#) that these changes will raise an additional £150 million in 2020-21, and an additional £355 million in each of the following two years.

## 6. How is the money spent?

As detailed in the impact assessment for the 2018 regulations, money raised from the charge goes to general government funds and is then distributed to devolved health administrations:

Income from the Surcharge, minus an amount the Home Office retains to cover its costs, is distributed between the devolved health administrations for health spending purposes under the Barnett Formula. NHS revenue for the UK from the Surcharge was £164 million in 2015/16, £204 million in 2016/17 and similar revenue to the latter is expected in 2017/18.

Doubling the charges in 2019 was calculated to raise a possible additional £220 million a year for the NHS.

## 7. Arguments for and against the charge

Successive Ministers have maintained that the IHS remains a good deal for temporary migrants, and highlighted the benefits to temporary migrants and the NHS:

The surcharge provides comprehensive access to NHS services regardless of the amount of care needed during a person's time in the UK, and includes treatment for pre-existing conditions. This represents excellent value when compared to the alternatives and ensures that individuals do not need to worry about insurance or pay for unexpected treatment whilst they are here. The surcharge also reduces the administrative burden on the NHS frontline associated with identifying chargeable patients and recovering charges. ([PQ 248608](#), answered 8 May 2019)

But some stakeholders have raised concerns that the additional burden of paying the IHS may [act as a deterrent](#) to migrant workers that the UK needs, such as nurses.

Some people object to the IHS on principle, arguing that the charge represents a double taxation for temporary migrants who, like other UK residents, already contribute to the NHS through regular taxes.

Other common objections relate to how the IHS is applied in practice. For example:

- Whether certain additional groups should be exempt – e.g. NHS staff, teachers.
- The amount charged, and cumulative impact of the IHS and application fees on certain categories of applicant – e.g. lower-paid migrants, undocumented children and adults, who must make successive applications for temporary leave before becoming eligible for indefinite leave to remain.
- The absence of flexibility over how and when the charge must be paid, and the high threshold for satisfying the fee waiver policy.

Many of the arguments for and against the IHS, and issues related to how it is applied, were aired in debate on the 2018 regulations ([HL Deb 28 November 2018 c634-655](#)).

The Government hasn't yet confirmed the details of its proposed 'NHS visa' for migrants coming to work in the NHS. There have been [reports](#) that this will include permission to pay the IHS in instalments through salary deductions. But [some argue](#) that NHS workers should not be liable for the charge at all, given the nature of their work.