



Global Immigration alert

January 2025

United Kingdom

Sponsors prohibited from recouping additional sponsorship-related costs from Skilled Workers

Executive summary

Effective 31 December 2024, sponsors are no longer permitted to recoup additional sponsorship-related costs from Skilled Workers. These include administrative fees and costs related to applying for a sponsor licence or adding the Skilled Worker licence tier to an existing licence.

Key developments

The latest update to the sponsor guidance aligns with commitments made in the Home Office Statement on 28 November 2024 to prevent the “exploitation and unfair treatment” of sponsored workers, who are “in some cases burdened with unsustainable levels of debt to their employers.” Under the updated guidance, sponsors are prohibited from transferring the fees incurred on obtaining a Skilled Worker sponsor licence or certificate of sponsorship to the workers they sponsor, similar to the existing prohibition on passing on the immigration skills charge. The consequences for sponsors that fail to comply are detailed in [Annex C2](#) of Part 3 of the guidance, which outlines that the Home Office will normally revoke these companies’ sponsor licence.

While this new prohibition currently affects only the Skilled Worker route, it is expected to be extended to all sponsored routes in the near future.

Impact on employers

Given the substantial costs associated with sponsoring individuals for Skilled Worker visas, many employers implement a “claw back” clause to recoup immigration fees from sponsored workers. These companies may:

- Review and adjust immigration and employment policies/contracts concerning cost recovery from foreign workers accordingly
- Conduct thorough financial planning to understand the potential budgetary impacts of the new rules

Failure to comply with the new regulations could result in severe repercussions for employers, including licence revocation, reputational harm and financial setbacks, as well as for sponsored workers, who may need to secure a new sponsor or depart the UK.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.



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