

Baroness Lister of Burtersett
House of Lords
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BY EMAIL ONLY

6th October 2020

**Immigration and Social Security Co-ordination (EU Withdrawal) Bill: Lords
Report 30 September follow up**

During the course of the Lords Report debate on the Immigration and Social Security Co-ordination (EU Withdrawal) Bill on 30 September, I undertook to write in response to a question you raised in relation to the Minimum Income Requirement.

In our exchanges on the Minimum Income Requirement on day four of Committee stage, the noble Lord Green of Deddington mentioned three different figures as possible thresholds. I would like to provide some clarification as to how the current level was arrived at, and the significance of other amounts that are sometimes mentioned.

The work of the Migration Advisory Committee in this area led to three options for setting a minimum income threshold. It could be set according to levels of pay prevalent in the UK such as the national minimum wage, the “living wage”, or a proportion of national wage distribution ; or it could be benchmarked to the benefits system, that is to the level of income beyond which the family would not be entitled to income-related benefits, including tax credits; or it could be set at a level of net fiscal contribution, the point at which more is paid in tax than is consumed in public services, such as health and education, as well as welfare benefits.

Desirable as a pay based approach or a net fiscal approach might be on their own terms, the Government’s wish was to set the Income Requirement at a level where family migration would not be a burden on the tax-payer and it accepted the advice of the Migration Advisory Committee that this was achieved by a threshold of £18,600 a

year, the point at which a two adult household would not be entitled to any income-related benefits, including tax credits and housing benefit. Further adjustments were then made for dependent children. As I set out in my letter to their Lordships on 29 September, the Supreme Court has endorsed the approach of setting an income requirement for family migration that prevents burdens on the taxpayer and ensures migrant families can integrate into our communities. Clearly as with all policies, it is important that the threshold is reviewed over time and, as I said during the debate, I am sure that this will take place in due course.

A copy of this letter will be placed in the libraries of both Houses so it may be referred to.

A handwritten signature in black ink, appearing to read 'Susan', is centered on a light yellow rectangular background.

Baroness Williams of Trafford