

# **Skilled Migrant and Essential Skills — remuneration threshold changes**

On 24 February 2020 the wage or salary thresholds for Skilled Migrant Resident Visas and Essential Skills Work Visas will increase.

## **Annual review of remuneration thresholds**

Once a year we update the remuneration or pay rate thresholds for the Skilled Migrant Category (SMC) Resident Visa and the Essential Skills Work Visa.

The new thresholds are based on the New Zealand median salary and wage rate of NZD \$25.50 per hour (up 2% from last year) which is equivalent to NZD \$53,040 per year for a 40-hour per week job.

Note

Changes to the income thresholds will not affect the duration or conditions of visas that we have already granted.

**2019 review**

We normally update the thresholds in November each year. This year we are updating them later so that workers and employers have more time to prepare for the changes. The changes come into effect on 24 February 2020.

## **Future reviews**

In future we will continue to update the thresholds in November, but we will communicate the changes earlier.

## **New hourly rates for SMC Resident Visa applicants**

From 24 February 2020, we are making changes to what an applicant applying for a SMC Resident Visa must earn to be awarded points for skilled employment. The annual salaries below are based on a 40 hour per week job.

### **Skilled employment in an occupation at ANZSCO skill level 1 to 3**

From 24 February 2020, SMC applicants must be paid NZD \$25.50 or more per hour (NZD \$53,040 per year) to be awarded points for skilled employment.

Before then — between 26 November 2018 and 23 February 2020 — they must be paid NZD \$25.00 or more per hour (NZD \$52,000 per year).

## **Skilled employment in an occupation at ANZSCO skill levels 4 and 5**

From 24 February 2020, SMC applicants must be paid NZD \$38.25 or more per hour (NZD \$79,560 per year), to be awarded points for skilled employment.

Before then — between 26 November 2018 and 23 February 2020 — they must be paid NZD \$37.50 or more per hour (NZD \$78,000 per year).

Some occupations at ANZSCO skill levels 4 and 5 are treated as an exception. From 24 February 2020 the threshold for skilled employment for these occupations will be NZD \$25.50 per hour (NZD \$53,040 per year) or above.

[List of ANZSCO occupations treated as an exception](#)

## **Pay rate to claim bonus points in an application**

From 24 February 2020, SMC applicants must be paid NZD \$51.00 or more per hour (NZD \$106,080 per year).

Before then — between 26 November 2018 and 23 February 2020 — they must be paid NZD \$50.00 or more per hour (NZD \$104,000 per year).

## **If you were invited to apply for SMC before the increase**

We will assess your application against the thresholds in place on the date your expression of interest (EOI) was selected.

For example, if your EOI was selected before 24 February 2020 and you were invited to apply after 24 February 2020, the old remuneration thresholds will apply, even though you were not invited to apply until after the new thresholds were introduced.

## **New hourly rates for Essential Skills Work Visa applicants**

From 24 February 2020, we are making changes to what an applicant applying for an Essential Skills Work Visa must earn. The annual salaries below are based on a 40 hour per week job.

### **Mid-skilled employment in an occupation at ANZSCO skill level 1 to 3**

From 24 February 2020, Essential Skills applicants must be paid NZD \$21.68 or more per hour (NZD \$45,094 per year).

Before then — between 26 November 2018 and 23 February 2020 — they must be paid NZD \$21.25 or more per hour (NZD \$44,200 per year).

### **Higher-skilled employment, including**

## **occupations at ANZSCO skill levels 4 and 5**

From 24 February 2020, Essential Skills applicants must be paid NZD \$38.25 or more per hour (NZD \$79,560 per year).

Before then — between 26 November 2018 and 23 February 2020 — they must be paid NZD \$37.50 or more per hour (NZD \$78,000 per year).

## **Lower-skilled employment at any ANZSCO level**

From 24 February 2020, Essential Skills applicants paid NZD \$21.67 or less per hour (NZD \$45,074 per year), will be lower-skilled.

Before then — between 26 November 2019 and 23 February 2020 — they were lower-skilled if they were paid NZD \$21.24 or less per hour (NZD \$44,179 per year).

## **Lower-skilled employment at ANZSCO Levels 4 and 5**

From 24 February 2020, Essential Skills applicants paid NZD \$38.24 or less per hour (NZD \$79,539 per year), will be lower-skilled.

Before then — between 26 November 2019 and 23 February 2020 — they were lower-skilled if they were

paid NZD \$37.49 or less per hour (NZD \$77,979 per year).

Some occupations at ANZSCO skill levels 4 and 5 are treated as an exception and can be mid-skilled. From 24 February 2020 the threshold for mid-skilled employment for these occupations will be NZD \$25.50 per hour (NZD \$53,040 per year) or above.

[List of ANZSCO occupations treated as an exception](#)

## **If you apply for an Essential Skills Work Visa before 24 February 2020**

If you apply for, or have applied for, an Essential Skills work visa and we receive your application before 24 February 2020, the old thresholds will be used to assess and determine your visa application.

## **If you apply for an Essential Skills Work Visa on or after 24 February 2020**

Only new applications we receive on or after 24 February 2020 will be assessed against the new threshold.

The new thresholds will apply, even if the employment agreement was signed before 24 February 2020.

If you are applying for a further visa, this may mean the conditions or visa duration of the next visa could be different. For example, a chef paid NZD \$21.50 an hour

would currently be considered mid-skilled, as the occupation is ANZSCO level 2 and the pay is above the existing threshold of \$21.25. If they applied for a further visa after 24 February 2020 they would be considered low skilled, unless their pay increased to above the new threshold of NZD \$21.68.

### Clarification:

- \* Someone earning below \$21.68 it will be a one year low-skilled work visa.
- \* Someone earning \$21.68-38.25 per hour in an ANZSCO skill level 1-3 role, it will be a 3-year visa.
- \* Someone earning \$38.25 or above - a 5 year high-skilled visa.

Mid 2020 \$25.50 will become the new line between low and mid-skilled

From 24 Feb 2020:

- \* The threshold for applying for Skilled Migrant Residence goes from \$25 to \$25.50 per hour.