



Greater Birmingham  
Chambers  
of Commerce



Black Country  
Chamber of  
Commerce



Coventry & Warwickshire  
Chamber of  
Commerce  
The Ultimate Business Network

# Briefing Paper

## The EU Settlement Scheme

September 2020

Supported by



**West Midlands**  
Combined Authority

Connect. Support. Grow.

## What is the EU Settlement Scheme?

The EU Settlement Scheme was set up by the UK Government for EU and EEA citizens who currently live in the UK. The scheme allows EU citizens and their family members to continue living, working and studying in the UK after the 30th June 2021. They will also continue to have access to education, healthcare and pensions, and their family members can join them in the UK.

It is important to note that applicants to the scheme are designated either settled status or pre-settled status. EU citizens are eligible for settled status if they were living in the UK by 31st December 2020 and have lived here for 5 years continuous residence. This means that you need to have lived in the UK for five years in a row and spent at least six months here in any given twelve-month period. EU citizens can spend up to five years in a row outside of the UK before losing their settled status. They will also be able to apply for British citizenship.

Pre-settled status is for those who have yet to build up five years continuous residence in the UK. Individuals who are awarded pre-settled status can remain in the UK for a further five years from the date that they were awarded it. If they wish to stay for longer, they will need to apply for settled status after they have built up five years continuous residence in the UK. Those with pre-settled status can spend a maximum of two years in a row outside the UK without losing their status, but this time will not count towards their five years continuous residence if they later want to apply for settled status.

EU citizens can apply by completing a short online application form using a computer tablet or mobile phone. They will need to provide proof of their identity, continuous residence in the UK and their relationship to a family member from the EU living in the UK (if applicable). For those applying for settled status, they also need to prove that they have 5 years of continuous residence in the UK. All applicants over the age of 18 will also be subject to criminal background checks. If they have only committed a minor offence then they will still be eligible, with more serious convictions being judged on a case by case basis.

Once EU citizens have completed their application and it has been reviewed, they will receive a letter via email confirming their settled status or pre-settled status. Once their status has been approved, they will be able to view their status online and will be provided with a share code to prove it to others such as employers. If their application is unsuccessful then they will be able to apply again at any time until the deadline and will also have the opportunity to apply for an administrative review or appeal the decision.

The EU Settlement Scheme is fully open now and those eligible for the scheme will have until the 30th June 2021 to apply. You can find out more information on the scheme and how to apply by visiting the UK government website [here](#).

## How will the EU Settlement Scheme affect my business?

It is important to note that there is no legal obligation for employers to communicate the EU Settlement Scheme directly to their employees and the responsibility to make an application is firmly on the individual. However, businesses may wish to raise awareness of the scheme amongst their employees, signposting them to further information and support on how to apply. It is important that employers take care not to provide immigration advice to their employees unless they are qualified to do so.

After the 31st June 2021, there will be changes to right to work checks and employers will need to undertake additional checks when employing EU citizens with Settled or Pre-Settled Status. Applicants will need to provide employers with the share code they have been issued from the online system which is valid for up to 30 days as well as their date of birth. Employers will then be able to undertake the checks but they will not need to check retrospectively for those who commenced employment before the 1st January 2021.

It is important that businesses familiarise themselves with these changes and make the necessary preparations. Employers should undertake a review of their organisations policies and processes and ensure that HR personnel have received the necessary training to perform the additional document checks correctly. Businesses should take a careful look at their on boarding processes for EU citizens that arrive between the 1st January and the 30th June 2021. They will need to distinguish between those who need to apply for settled status and those that need to apply under the UK's new immigration system.

## **What are the Chambers of Commerce's views on the EU Settlement Scheme?**

The results from our Q1 Quarterly Business Report show that 76% of the businesses surveyed were aware that EU citizens (living in the UK) would need to apply for settled status by the 30th June 2021 in order to continue to live, work and access services as they do now. Of those organisations that had EU citizens in their workforce, 56% said that they had proactively communicated with the EU Citizens in their workforce about the need to apply for Settled Status. 44% said that they had offered to support EU citizens in their workforce with their applications and 22% of employers had sought external support. Less than one in four (24%) answered that they had had not taken any proactive steps.

Whilst there is no legal obligation, EU citizens make a valuable contribution to businesses across the region and it is important that employers communicate with the EU Citizens in their workforce about the scheme and direct them to further information on how to apply. The government have produced a toolkit for businesses containing information and best practice on how to support and inform employees about the scheme. The GBCC would encourage local businesses to take a look at the government guidance [here](#) and ensure that their EU employees are aware of the support available to them and the need to apply before the 30th June 2021 deadline.

We would encourage local businesses to take a look at the government guidance here and ensure that their EU employees are aware of the support available to them and the need to apply before the 30th June 2021 deadline. The UK's new immigration system is set to come into effect from next year and this will result in the end of freedom of movement for EU Citizens. It is important that employers familiarise themselves with the UK government's proposals for the new immigration system and identify the areas of their business that rely heavily on EU nationals and may be susceptible to future skills shortages. We would also encourage businesses to prepare for the new arrangements by reviewing their processes to ensure ongoing compliance with their right to work duties.