

# Review of the Proposed Roadmap for Increasing Minimum Annual Remuneration Thresholds for Employment Permits

Prepared by the Department of Enterprise, Trade and Employment

# 1. Review of the Proposed Roadmap for Increasing MAR Thresholds for Employment Permits

The Economic Migration Policy Unit of the Department of Enterprise, Trade and Employment invites submissions from employers, employees, their representatives, and other interested stakeholders to a consultation to review the proposed Roadmap for increasing minimum annual remuneration (MAR) thresholds for Employment Permits (hereafter referred to as the Roadmap).

You are invited to make a submission with your observations on the implementation of the Roadmap to date, the future of the Roadmap as it impacts your sector and your suggestions on how to ensure sustainable and equitable salary thresholds for employment permit holders. We are interested in any factors that you consider likely to impact your industry's ability to implement the Roadmap as it stands and, if applicable, what you consider to be a more appropriate timeline to increase MAR thresholds, thus avoiding any future stagnation of salaries for employment permit holders.

The submission process is an opportunity for stakeholders to provide evidence, experiences and different perspectives on the Roadmap for increasing MAR thresholds for employment permits. Stakeholder submissions are an important source of information and views, helping inform the Department's final assessment on the Roadmap.

#### 1.1 Observations of other Government Departments

Respondents are advised that copies of submissions received may be forwarded to the relevant lead government departments for their sector and their observations and input sought in respect of those submissions. This is to promote an integrated approach to addressing the impact of the Roadmap on industry in the State.

#### 1.2 Publication of Submissions and Freedom of Information

Any personal information, which you volunteer to this department, will be treated with the highest standards of security and confidentiality, strictly in accordance with GDPR. However, please note the following:

- The information provided in the submission form may be shared with relevant government departments during the review process.
- The department will publish the outcome of the review on its website, and

- as information received by the Department is subject to the Freedom of Information Act, such information may be considered for possible release under the FOI Act. The department will consult with you regarding such information before making a decision should it be required to disclose it.
- If you wish to submit information that you consider commercially sensitive, please identify that information in your submission and give reasons for considering it commercially sensitive.

## 2. Economic Migration Policy

Ireland operates a managed employment permits system maximising the benefits of economic migration and minimising the risk of disrupting Ireland's labour market. The employment permits regime is designed to facilitate the entry of appropriately skilled non-EEA nationals to fill skills and/or labour shortages in the State, required to develop and support enterprise for the benefit of our economy. However, this objective must be balanced against the need to protect the domestic and EEA labour market.

The system is, by design, vacancy led and driven by the changing needs of the labour market, expanding and contracting in tandem with its inherent fluctuations.

Under the Employment Permits Acts, in order to work in the State, all non-EEA nationals require:

- a valid employment permit; or
- a relevant immigration permission from the Minister for Justice which allows them to reside and work in the State without the requirement for an employment permit.

The legislation also sets out various criteria that must be met when considering an application for each of the permit types including providing evidence of a lack of suitable labour within the domestic labour market, eligibility, minimum annual remuneration and duration of proposed employment.

The State's general policy is to promote the sourcing of labour and skills needs from within the workforce of Ireland, the European Union and other EEA states. Employment opportunities which arise in Ireland should, in the main, be offered to suitably skilled Irish and other EEA nationals and should only be offered to non-EEA nationals who possess those skills where no suitable candidate emerges from within Ireland the EEA to fill the vacancy. This policy also fulfils our obligations under the Union Preference principles of membership of the EU.

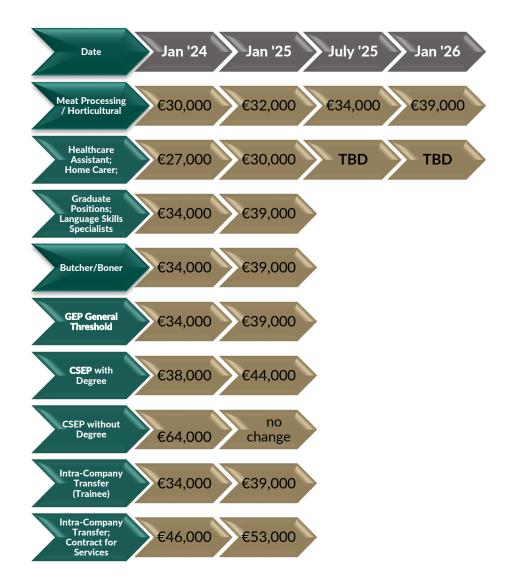
To implement this policy, Ireland currently operates an employment permits regime that:

- focuses on key sectors and skills shortages, especially in economically strategic enterprises with potential for jobs growth;
- adheres to the principle of Union Preference and avoids disrupting the labour market or reducing the employment opportunities for the resident population;
- ensures that employment permit holders are making a positive net contribution to the Irish economy;
- minimises the potential for abusing the employment rights of migrants, is clear and consistent and therefore attractive to migrants and employers;
- is administratively effective and efficient, has a clear legislative basis, and is sufficiently flexible to react quickly to changes in the labour market.

# 2.1 The Review of the Roadmap for Increasing MAR Thresholds for Employment Permits

Following the review of the Occupational Lists in 2023, it was determined that the existing income thresholds for issuing employment permits were out of date, with some having not been increased since 2014. The annual remuneration threshold for a General Employment Permit (GEP) at that time was €30,000, which had been established by the 2014 Employment Permits (Amendment) Act. In 2014, the CSO calculated national median annual income was €27,570, which meant that the MAR threshold was 9% above this median income. In 2022, the national annual median earnings as estimated by CSO were €41,823, meaning that median earnings had risen to 40% higher than the GEP threshold. This wage stagnation made Ireland a less attractive prospect for economic migration and increased the difficulty for permit holders to meet the increased cost of living in Ireland, as well as making it difficult to meet the Department of Justice's family reunification thresholds.

In December 2023, the following phased approach for increasing MAR thresholds was announced by Minister of State, Neale Richmond. The Roadmap raised the MAR thresholds for most roles to €34,000 in January of 2024, with an increase to €39,000 in 2025. Exemptions were made for the lower paid roles of meat processing operative and horticulture workers, with a later exemption introduced for healthcare assistants (HCAs). These are set out in the diagram below.



The Roadmap is a short-term measure intended to rectify the stagnation of MARs since 2014. Following the signing into law of the Employment Permits Act 2024, a new provision on indexation has been introduced to the Employment Permits legislation. Indexation will allow the Minister to assess on a yearly basis whether MAR thresholds are in line with any increase in average earnings and to adjust the MAR thresholds accordingly.

The first increases to MAR thresholds for most permit types came into effect in January 2024. Following the introduction of the first increase, the demand for new permits and renewals has increased. Applications for new GEPs in 2024 to date have increased by 13% compared to the same period in 2023, while applications for renewals of GEPs have increased by 490%.

#### 2.2 The Review Process

Over the course of this year, the Economic Migration Policy Unit has had extensive engagement with employers, sectoral bodies and employee advocates in the form of meetings, correspondence and submissions.

To bolster this engagement the EMPU is now hosting a formal consultation for four weeks, seeking evidence-based input from employers, employee representatives and other interested stakeholders. The purpose of this consultation is to understand the impact the January 2024 increase in MAR thresholds has had on businesses and employees and the predicted impacts the future increases might have. The focus is on seeking constructive feedback on how to ensure MAR thresholds do not stagnate as was previously the case and how to ensure that this policy objective is achieved in a sustainable and equitable manner.

Following the consultation process, the Economic Migration Policy Unit will analyse the submissions along with CSO data on average weekly earnings and in consideration of the upcoming indexation provisions of the Employment Permits Act 2024 and will prepare a report to make recommendations as to whether any amendments are required for the Roadmap or if an alternative process should be considered.

There will be no further increases to MAR thresholds (not including the planned move to €30,000 for Healthcare Assistants and Home Carers in January 2025) until the current review has been completed.

### The consultation form can be accessed here

Thank you for your participation.

Please ensure any commercially sensitive information included in this submission has been indicated.