



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

August 2021

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 living in the UK prior to the 31 December 2021. 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.

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.

The EU Settlement Scheme closed for applications on the 30 June 2021. However, there are limited exemptions whereby you will be able to apply after the deadline; for example, on medical grounds. Those who have previously applied and been designated pre-settled status, will need to apply for settled status before their pre-settled status expires.

You can find out more information on the EU Settlement Scheme by visiting the UK government website [here](#).

## How will the new right to work checks affect my business?

Since the 1 July 2021, there has been changes to right to work checks and employers now need to undertake additional checks when employing EU citizens with either settled or pre-settled status. The six-month grace-period which began on the 1 January 2021 has now ended and EU citizens are no longer able to use an EU passport or national identity card (alone) to prove their right to work in the UK.

Applicants will now 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 online, but they will not need to check retrospectively for those who commenced employment before the 30 June 2021. For those granted pre-settled status, employers will be required to carry out a follow-up check as they have a time-limited right work in the UK.

EU citizens that have outstanding applications to the EU Settlement Scheme, up to and including the 30 June 2021, can continue to live and work in the UK until they have received a decision on their application. They are issued with a Certificate of Application (CoA) which will enable them to prove their right to work using the online service.

Employers should not employ EU citizens that apply for a job after the 30 June 2021, if they have not made an application to the EU Settlement Scheme before the deadline, or do not hold any other immigration status in the UK.

If an employer identifies an EU citizen in their workforce (after 30 June) who has not applied to the scheme by the deadline, nor holds any other lawful status in the UK, then you do not need to cease employment if they were employed prior to the 30 June 2021. There are transitional measures in place until 31 December 2021, which require employers to advise their employee that they must make an application to the EU Settlement Scheme (EUSS) within 28 days and provide you with confirmation that they have made an application.

If they have not made an application within 28 days then the employer must start the process for ceasing their employment in line with right to work legislation. For those that make an application, employers are required to request a right to work check from the online checking service.

It is important that businesses familiarise themselves with these changes. 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.

Click [here](#) for Home Office guidance on the changes to right to work checks introduced from 1 July 2021.