

The German Immigration Reform of 2023/2024

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This policy paper summarizes the key changes initiated by the German Parliament's immigration bill passed on 23 June 2023, which is likely to enter into force by March 2024.

To compensate for the skilled labour shortage, on 23 June 2023, the German Parliament passed a new immigration bill that creates and expands immigration pathways for skilled workers from non-EU countries.

What major changes have been adopted by the German Parliament?

- ► The relaxation of pathways for applicants with vocational experience, with reduced requirements regarding German language skills and recognition of educational qualifications;
- The introduction of a points-based 'Opportunity Card,' which offers a one-year (renewable) residence permit for the purpose of seeking employment in Germany to eligible applicants;
- The ability for foreign nationals to undertake any role for which they are qualified, as opposed to being restricted to roles specifically linked to their formal education experience;
- The ability of information technology or educational professionals with sufficient vocational experience to apply for an EU Blue Card, even if they lack formal education;
- The reduction of the period of required residence in Germany to qualify for permanent residence;
- The lowering of statutory salary levels for the EU Blue Card;
- The introduction of short-term and long-term travel and work mobility for EU Blue Card holders (due to mandatory implementation of the revised EU Blue Card Directive); and
- The extension of the 'Western Balkans Regulation,' both in time and quota.

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Legislative changes in detail

The new immigration bill rests on four categories: the skilled labour pillar for foreign talents with a job offer and a recognized degree; the experience pillar for individuals with a job offer and professional experience, but without a degree recognized in Germany; and the opportunities pillar, which is open for foreign talents without a job offer based on a points-based system. The fourth category of the system is the "Best Friends" category, which grants privileged access to Germany for nationals of certain countries, such as the United States, Canada or Japan.

First pillar: Skilled immigrants with recognized degrees

The core category of this pillar is the EU Blue Card, which is available for foreign nationals with a recognized degree and a job offer. To broaden the applicability of this category, the government has decided to lower the salary requirements.

Under the current scheme, the salary limit amounts to EUR 58.400 gross (regular salary limit), which corresponds to two-thirds of the annual income threshold of the general pension scheme; or rather to EUR 45.552 gross (lowered salary limit, for special professions, see below), corresponding to 52% of the annual threshold of the general pension scheme. According to the new regulations, the salary limit is to be lowered to 50% (regular salary limit), or rather 45.3% (lowered salary limit) of the annual income threshold for contributions to the general pension insurance scheme. This would be EUR 43,800 gross or rather EUR 39,682.80 gross. As the threshold of the general pension scheme is yearly adjusted, it is possible that the government will amend these amounts before final implementation.

Another regulation is the expansion of the professional groups to which the lower salary limit applies. Previously, only natural scientists, mathematicians, engineers, physicians and professionals in information and communications technology were eligible. Now, teachers, healthcare professionals (e.g., pharmacists, physical therapists), veterinarians, managers in the provision of specialized services (such as in childcare or care for the elderly), managers in the provision of information and communications technology services and managers in production, mining, construction and in logistics are among the privileged professions.

The eligibility requirements of the EU Blue Card are altered to include individuals without a degree but with professional experience in the information technology sector, as well as teachers. In addition to the lowered salary requirement, the employee must prove at least three years of professional experience in the information and communication technology sector, and for teachers, acquired in the last seven years.

Furthermore, holders of an EU Blue Card issued by another EU Member State will be able to enter Germany without a visa and can work there for 90 days within a rolling 180-day period, if this work/business activity has a direct link to the employee's obligations according to the employment contract upon which the EU Blue Card was issued.

Currently, this new so-called EU Blue Card short-term mobility is not an available option. After residing for at least 12 months in an EU Member State under an EU Blue Card, the holder of the EU Blue Card will be able to apply for another EU Blue Card in Germany under much less restricted conditions (which the bill has not specified in detail) than a regular EU Blue Card applicant. Currently, this so-called EU Blue Card long-term mobility is not an option.

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Furthermore, the period for acquiring permanent residence will be shortened from four to three years for skilled workers, and from 33 to 27 months for EU Blue card holders.

Finally, another far-reaching regulation of the first pillar is that skilled workers (except for EU Blue Card applicants) will be allowed to perform any qualified employment and will not be restricted to their professional education as far as unregulated professions are concerned. For example, an administrative employee could also work as a logistician. The German legislator thus leaves it to the employer's discretion to determine if an applicant can perform the role.

Second pillar: Skilled immigrants with degrees and professional experience

For the second pillar, the German Parliament has decided that foreign nationals with work experience, but without a degree recognized in Germany, will be allowed to work in skilled, but unregulated positions as well. The education pursued abroad must have lasted at least two years and must be recognized in the country of origin. Also, the employee must prove two years of work experience within the last five years before the application. The employee must earn at least 45% of the annual income threshold of the general pension scheme, which corresponds to EUR 39.420 gross. As the threshold of the general pension scheme is adjusted annually, it is possible that the government will amend these amounts before final implementation as well. An exception to this threshold will apply to employers under collective bargaining agreements that employ employees under such an agreement.

Finally, German language skills will no longer be required for applicants under this second pillar. This includes the important information technology specialist work permit, which formerly required at least language skills on a B1 level under the Common European Framework of Reference for Languages.

Third pillar: Points-based system for job searchers

Under the third pillar, a new job searcher permit will be introduced to allow applicants to look for a job in Germany. The new permit will be named "Opportunity Card" (Chancenkarte) and is expected to apply to foreign professionals with recognized vocational training or university degrees and to foreign nationals with at least six points according to a new points-based system.

This system is based on qualifications, language skills, work experience, connection to Germany and age. For example:

- German language skills at a B2 level under the Common European Framework of Reference for Languages, applicants will receive three points.
- Applicants who are younger than 35 years old will be awarded two points.
- Two years of work experience within the last five years in the field of foreign vocational training or a university degree (both recognized in the home country) will be worth two points.
- One point will be granted for a stay in Germany of at least six months in the past five years.

This new residence permit can be issued for up to one year and it is once renewable. It can also be used for trial employment lasting up to two weeks.

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"Best Friends" category and other regulations

The "Best Friends" visa will see an extension regarding its second sub-category, the Western Balkans regulation, which is currently bound to expire by the end of 2023. The government has lifted the expiry, which was initially scheduled for the end of 2023, and raised the annual quota from 25.000 to 50.000. The Western Balkans Regulation allows nationals of Albania, Bosnia and Herzegovina, Kosovo, the Republic of Northern Macedonia, Montenegro and Serbia access to temporary work visas in Germany, provided that the applicant has a job offer from a German employer.

What impact will the adopted bill have on the German immigration system?

- **Entry is no longer limited to those with degrees.** The new professional experience work permit is likely to bring major changes to the German immigration landscape as it means an end to the long-standing policy of allowing immigration with recognized degrees only. The new immigration category will largely consume the EU Blue Card scheme as most immigration under the EU Blue Card takes place within the applicability of the new work permit (unregulated profession, at least two years of professional experience).
- Potential reduction to backlog. The far-reaching new regulations concerning the EU Blue Card will make this permit type even more attractive, especially as far as applicants without an academic degree are concerned. In addition, the new regulations relating to short-term and long-term mobility may contribute to the reduction of the number of work authorizations being assessed at any one time and may thus ease the current workload faced by German immigration authorities.
- Skills shortages could improve. By lifting the formal education link with the concrete occupational role and thus enabling foreign skilled workers (except EU Blue Card applicants) to perform any role for which they are qualified, this change is expected to have a broad and positive impact to effectively overcome the skills shortages in many industries.
- **Best Friends permit to encourage low-skilled labour.** The extension of the Best Friends permit category means that in effect, the system can be described as resting on four rather than three pillars. In terms of numbers, the Best Friends permit has been highly successful and offers a significant pathway for the immigration of low-skilled labour into Germany.

Need to know more?

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Due to the circumstances, there are frequent changes. To keep up to date with all the latest updates on global immigration, please visit our <u>dedicated COVID-19 site</u>, subscribe to our <u>alerts</u> and follow us on <u>LinkedIn</u>, <u>Twitter</u>, <u>Facebook</u> and <u>Instagram</u>.