

Apprenticeship Levy

What you need to know



From **6th April 2017** all employers will have to pay for apprenticeships either through the Apprenticeship Levy or through a co-investment cash contribution.

Who pays the Levy?

£3m
Employers with a payroll in excess of **£3 million** will pay the Levy.



How will employers reclaim the funds?



Employers paying the Levy will need to hire apprentices to claim back their tax in a form of digital vouchers.

How do I access my Levy fund?

Funds can be accessed through a new **Digital Apprenticeship Service** account.



What can I spend my Levy fund on?

The Levy can only be spent on apprenticeship training and assessment with approved training providers. This can be for both new and existing staff.



What is the Levy allowance?

A 'Levy Allowance' of **£15,000 per year** has been introduced.

This means the total annual bill payable will be **0.5%** of your wage bill, minus **£15,000**.



Will my fund expire if I don't use them?

Funds will expire **24 months** after they enter your digital account unless you spend them on apprenticeship training with a training provider.



What is the Levy rate?

Employers with an annual **pay bill of more than £3 million** will pay **0.5%** of their total pay bill into the Apprenticeship Levy.



How do I pay the Levy?



PAYE Online for employers

You pay through your PAYE portal to HMRC.



How do the top ups work?

The government will apply a **10% top up to the fund** you have for spending on apprenticeship training in England.



For more information on apprenticeships contact Julie Weirs

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Apprenticeship Levy

How will it affect you?



<50
employees
and salary bill of
<£3m

>50
employees
and salary bill of
<£3m


I have a salary bill of
>£3m

Government will pay
100%
of total training costs

Contribute
10%
of total training costs
(monthly instalments)

Contribute
0.5%
of your annual salary bill
into the Apprenticeship Levy

Funding available to upskill
existing staff / support to
recruit apprentices



(Even those at degree level)

Funding available to upskill
existing staff or
recruit apprentices



(Even those at degree level)

Upskill existing staff or
train apprentices using
funds that will be located
in your digital account.
These funds expire
after 18 months



£1,000

Cash incentive for recruiting an apprentice aged 16-18 and 19-24 year olds formally in care or have an educational health care plan



Get out more than you put in

For every £1 that enters your digital account, you get £1.10 to spend

