

The Apprenticeship Levy - Are You Ready?

FAQs

Will my company pay the Apprenticeship Levy?

The Apprenticeship Levy is calculated on 0.5% of the payroll bill of all employees across the whole of the UK including Scotland, Wales and Northern Ireland. Employers will not be required to pay the first £15,000, meaning the payroll bill has to be over £3m before you are eligible to pay. Although payrolls vary in value, if you have over 150 employees it is likely that you may be eligible to pay.

When is the Levy being introduced and when will it be paid?

April 2017 is the first month that the Levy will be collected. HMRC are responsible for managing this process and payroll data will be used to confirm that the ongoing monthly payments continue. All directly employed staff will be included. Contractors will not be included.

How will it work?

Employers will be asked to register with and use a government Apprenticeship Service account. The virtual account will be credited with the value of the Levy that has been paid and will be topped up with an additional 10% of value by government. Employers can then choose and agree to use this value with a registered training provider such as TSP Learn to pay for the training and assessment costs of providing an Apprenticeship.

How much will an Apprenticeship cost?

Apprenticeship programmes have a different funding band/value dependent on the subject and level that you choose. TSP Learn offer a wide range of subjects/standards and can help you find the most appropriate Apprenticeship for your staff. Many of TSP Learn's Apprenticeship programmes are in the region of £1500-£2500. English and Maths provision is a feature of Apprenticeships and are funded separately, directly to your chosen training provider. Staff with additional support requirements will also be supported by funding that will be routed through your training provider.

Who could be an Apprentice?

Both existing and new employees of any working age can be trained. The Apprenticeship training route is usually appropriate if someone is new into a particular role or is being developed to take on new responsibilities. If an Apprentice is taken on and is aged 16-18, a minimum incentive payment is available that is paid directly to employers of at least £1000.

What happens if we only have a small Apprenticeship Levy value and wish to train more Apprentices?

If a 'small' employer recruits Apprentices aged 16-18, funding will be made available to cover the cost of training.

Larger employers who are not eligible to pay the Levy or who use up their full Levy value, will be required to contribute 10% of the value of training toward each Apprenticeship. Government will contribute the balance of cost of 90%. Payment will be made direct to the training provider.

Many of TSP Learn's existing Apprenticeship programmes are in the region of £1500-£3500. 10% of this would be £150-£350.