

The Apprenticeship Levy - FAQ's

Does 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 are not 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.

APPRENTICESHIP LEVY & CO-INVESTMENT KEY FACTS

Levy calculated at 0.5% of pay bill
Every employer receives £15,000 allowance to reduce Levy amount you have to pay

EMPLOYER EXAMPLES

Pay bill £3m

$0.5\% \times £3m =$
£15,000

£15,000
- £15,000 Allowance
=£ 0 to pay

- Co-Investment Funding Route:**
- You don't need to register for an online account.
 - You would pay 5% of Apprenticeship training cost with a recognised training provider such as TSP Learn.
 - Government pays 95% of Apprenticeship training cost.

Pay bill £6m

$0.5\% \times £6m =$
£30,000

£30,000 Levy
- £15,000 Allowance
=£ 15,000 to pay

- Levy Funding Route:**
- You register for an online account and your payments are made into this.
 - The government adds 10% top up.
 - You can use these funds to pay for recognised Apprenticeship training for new and existing staff with training providers such as TSP Learn.
 - Funds are available for 24 months.

When will it be paid?

- 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 does it work?

- Employers register with and use a government digital 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 £3000-£6000.
- 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 other incentive payments are made available by government dependent on age group and TSP will advise if you are eligible to receive these.

What happens if we only have a small Apprenticeship Levy value or don't pay the levy and wish to train 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 5% of the value of training toward each Apprenticeship. Government will contribute the balance of cost of 95%.
- Payment will be made direct to the training provider.
- Many of TSP Learn's existing Apprenticeship programmes are in the region of £3000-£6000. 10% of this would be £150-£300.