

Funding, tax breaks & incentives

Levy paying employers



The Apprenticeship levy funds the recruitment of enthusiastic young people into the your workforce as well as supporting the skills development of your existing employees.

If you're an employer with a pay bill *more* than £3 million each year, you must pay the Apprenticeship levy. You will report and pay your levy to HMRC through the PAYE process.

Sharing funds with another employer

If you are in a group of companies paying the levy together, your group can already set up a single shared Apprenticeship account and pool your funds

You can support Apprenticeships in other organisations by transferring a percentage of your Apprenticeship funds to other employers. The rate available to transfer is **25%** of the annual value of funds entering the Apprenticeship Service Account. These funds can be transferred to any employer, including smaller employers in your supply chain.

Levy-paying employers who wish to transfer funds will have to agree the individual Apprenticeships that will be funded by a transfer with the employer receiving the funds. Employers receiving transferred funds will only be able to use them to pay for training and assessment for Apprenticeship standards. Transferred funds cannot be used to pay for training and assessment for Apprenticeship frameworks.

Annual salary bill of more than £3m	16-18 year olds*	19-24 year olds	24+ year olds
Employer Apprenticeship payment	Money drawn down from the Apprenticeship Service Account		
Government Apprenticeship funding	Money drawn down from the Apprenticeship Service Account		
National Insurance tax break	Removal of secondary Class 1 (employer) NIC on earnings up to the Upper Earning Limit (currently 43k)	None	
Employer incentive	£1,000 per Apprentice	None	
Approved Apprenticeship training provider incentive	£1,000 per Apprentice	None	
Cost of provision of Maths & English	No cost to employer. 100% funded by the Government		
Skills Funding Agency (SFA) funding rules	Apprenticeships are funded in line in line with SFA funding rules Visit www.gov.uk/guidance/sfa-funding-rules		

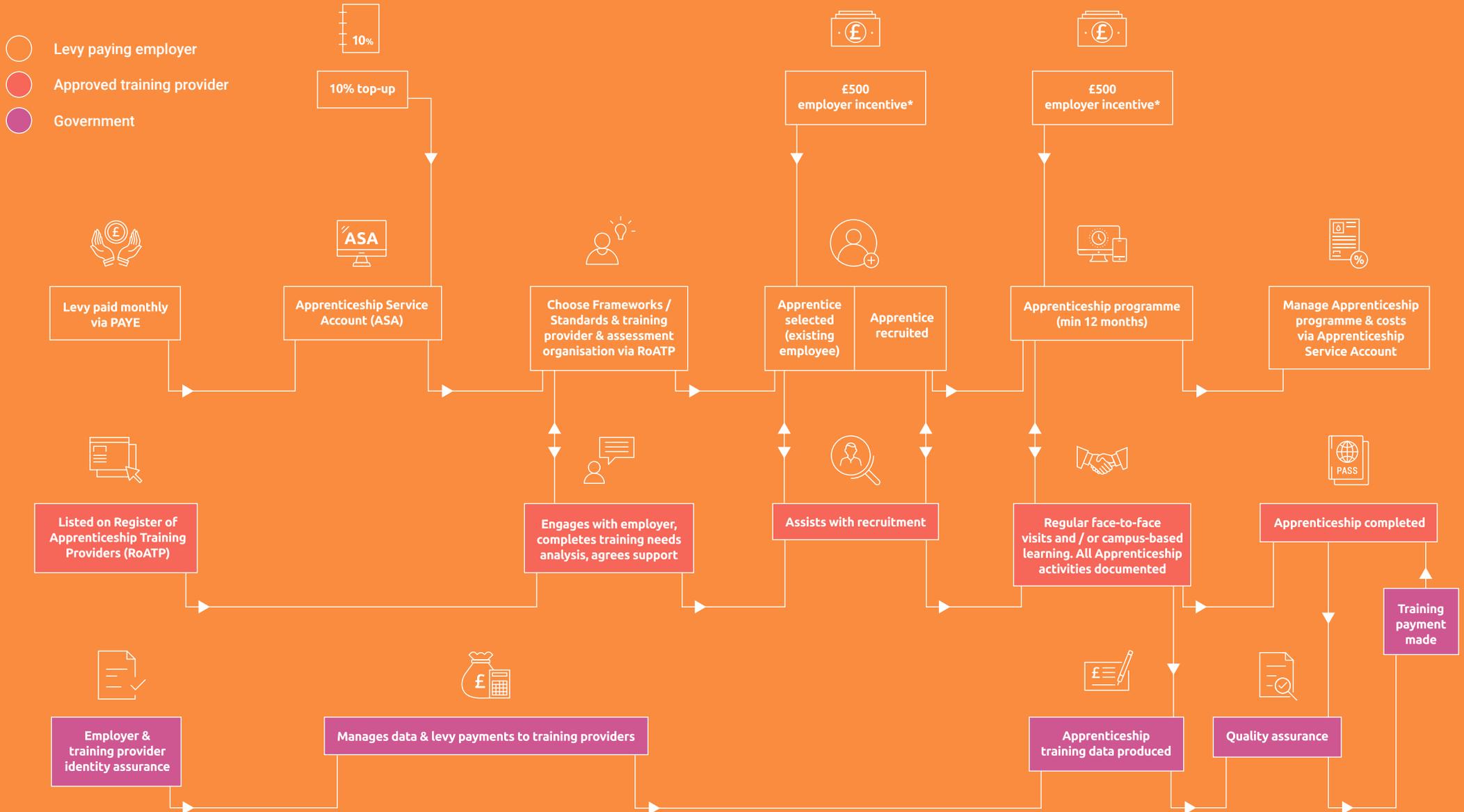
**also applies to 19-24 year olds who have an education, health or care plan or who have been in the care of the local authority*

Supported by
National Apprenticeship Service



How it works

Levy paying employers



*Employer incentive of £1,000, paid in two instalments of £500. Applicable to those who employ Apprentices aged 16-18 or those aged 19-24 and eligible at start.