

Apprenticeship Reform

Changes to the apprenticeship funding systems



What's really happening?

“Apprenticeships benefit employers and individuals, and by boosting the skills of the workforce they help to improve economic productivity. Our apprenticeship reforms will support an increase in the quality and quantity of apprenticeships so that more individuals have the chance to pursue a successful career - whether this is their first step on the employment ladder or progression within a current employer or sector.”

Apprenticeship Levy

1

INTRODUCING
THE
APPRENTICESHIP
LEVY

2

INTRODUCING
A NEW 'CO-
INVESTMENT'
RATE

3

INTRODUCING
THE
APPRENTICESHIP
SERVICE

- **When does it start?**

The Apprenticeship Levy comes into action May 2017.

- **Who has to pay?**

If you have a pay bill of over £3 million each year, you must pay the apprenticeship levy.

- **How do I pay it?**

You will pay through the PAYE process.

You have to pay monthly.

It is just like paying your Income Tax or National Insurance contributions.

- **How much do I have to pay?**

Apprenticeship Levy is charged at 0.5% of your annual pay bill.

- **Which apprentices will be affected?**

It will NOT affect apprentices who started an apprenticeship programme before 1st May 2017 - you have to continue funding them the way you have been.

Wage Bill Under £3 Million?

- **What is ‘co-investment’?**

Co-investment is where the employer and the government share the cost of the training and assessing of their chosen apprentices.



- **How much do I have to pay?**

- From May 2017, a non-levy paying employer, will pay a minimum of 10% towards to the cost of

apprenticeship training.



- The government will pay the remaining amount up to the government funding band maximum.
- We will happily discuss any Government pots of funding that the employers might be able to tap into.

- **Am I allowed to use the Apprenticeship Service to pay for apprenticeship training and assessments?**

If you are not a levy-paying employer, you will not be able to register for an apprenticeship service account until [at least] 2018.

- **How do I pay for apprenticeship training and assessments then?**

You will have to agree a payment schedule with your chosen provider and pay them directly. After the training provider has shown proof you have paid your contributions, the government will then pay their contribution.

Apprenticeship Service

- **Who can use the apprenticeship service?**

Levy-paying employer's can use the apprenticeship service.

- **How do I access the apprenticeship service?**

In order to access the apprenticeship service, you must register and create an account.

- **Once I have an account, what can I do with the apprenticeship service?**

You can: Receive levy funds for you to spend on apprenticeships.

Manage your apprentices

Stop / pause / continue payments to your training provider

- **What if I am not a Levy-paying employer?**

If you are not a levy-paying employer, you will not be able to register for an apprenticeship service account until [at least] 2018.

- **What you can buy with funds in your apprenticeship service account?**

- Apprenticeship Training
- Apprenticeship Assessment

As long as they are within the funding band maximum, otherwise you will have to pay the difference with other funds.

(Your Apprentices have to work at least 50% of the time in England to qualify them for the funds to be used on them)

- **What can't I use my funds for?**

You can not use your funds to pay for an apprentice's wages, travel or subsidiary costs.

- **What is the 'English percentage'?**

- The apprenticeship service only supports the English apprenticeship system.
- Therefore, the funds in each employer's account will depend on how many of their employees live in England.

- **How do I spend the funds in my apprenticeship service account?**

- Firstly, you have to choose a training provider.
- You can then agree a total price for each apprentice (includes cost of training and assessing) and plan a payment schedule.
- Once your payment plan is set up on your apprenticeship service and the apprenticeship training has commenced, monthly payments will be taken from your account.

You will see funds entering your account each month after you have declared the levy to HMRC,

and funds leaving the account each month as you pay for training.

“Funds that you don't use will expire 24 months after they enter your account.”

All information for this leaflet has been taken from GOV.UK

For further information contact the Apprenticeship Employer Helpline

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