

THE APPRENTICESHIP LEVY

Maximise your investment through the Apprenticeship Levy.

What's changed?

The Government has set a target of creating 3 million apprenticeship starts by 2020. In order to achieve this the Government is undertaking a series of reforms to give employers more control on how Apprenticeships are designed, run and funded.

To help fund this, the government has introduced an Apprenticeship Levy. The Levy will raise up to £2.5bn per year which will be used to pay for training in companies across the UK.

Will my company be affected?

The Levy will be charged at a rate of 0.5% of an employer's pay bill. A £15,000 allowance for employers will mean that the levy will only be paid on pay bills over £3 million.

For example;

Company A

- Annual Pay Bill = £4,500,000
- 0.5% Levy = £22,500.00
- Less £15,000 Allowance
- Cost To Company = £7,500 per year.

Company B

- Annual Pay Bill = £4,500,000
- 0.5% Levy = £22,500.00
- Less £15,000 Allowance
- Cost To Company = Nil as Levy total is covered by allowance.

What do I need to do if I am required to pay the levy?

The Levy due and any allowance will be calculated monthly as part of your normal HMRC return. However as funds will be accumulating in your online account, you do need to consider what Apprenticeships you want in the future. We can help by outlining the options available.

What if I am a non-Levy paying employer?

Non-levy paying employers will share the cost of training and assessing their apprentices with the government - this is called 'co-investment'.

From May 2017, you will pay 10% towards to the cost of apprenticeship training and government will pay the rest (90%), up to the funding band maximum. This is something at TAW that we will discuss with you in more detail.

It's not just about money, I want good quality training for my staff!

Any Training Provider who delivers Apprenticeships is subject to inspection from Ofsted. So you can be assured the training we deliver meets the highest quality standards. What's more, you're in control of your Digital Apprenticeship account, so only pay for training that meets your expectations.

I want to take on a young person as an apprentice, what do I do?

We specialise in recruiting young people between 16 and 24 for your vacancies. We are a government licenced Apprentice Training Agency which means we recruit and employ the apprentice on your behalf, minimising cost and risk. And when it's right, you can employ the apprentice directly, free of charge.

So let's talk business, contact us for more information or a visit.

But I also have staff over 25 that I want to get trained!

The funds in your Digital Apprenticeship account can be used to train staff of all ages. They could be new staff you recruit, or very often will be existing employees who need to develop new skills.

How we help

We recognise that for many companies these changes will seem confusing, but we will remove the hassle and uncertainty for your business.

We can

- Help ensure that you recover funds that you pay into the Levy by helping you recruit and train high quality apprentices
- Make sure Apprenticeships make a real impact for your business
- Provide quality, flexible Apprenticeship training that's focussed on your business needs
- Help you manage your online Apprenticeship Account, submit any information or returns required by the Government or HMRC
- Make sure the training meets all the government rules, ensuring you maximise your entitlement to Apprenticeship training

You can

- Act now to secure funding under the existing arrangements
- Call us to arrange our visit from our Advisors to explain the new system in detail and plan how make the most of the new system