

# THE APPRENTICESHIP LEVY

## What is it?

In April 2017 the Government introduced an Apprenticeship Levy. The Levy will raise up to £2.8bn per year which will be used to pay for training in companies across the UK.

Alongside the Levy, the way in which Apprenticeship standards are designed and used by employers is changing. The aim is to make Apprenticeships simpler and more relevant to the skills needed by business.

## 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 = £2,400,000
- 0.5% Levy = £12,000.00
- 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 and any allowance due will be calculated monthly and collected as part of the HMRC RTI Return (in the same way as Employers NI). The Government will also pay a 10% Top Up on your Levy contributions. This means you will get 110% of what you pay in.

But you need to consider how you can maximise your investment. By talking to our Brokers we can help you plan effectively to ensure you get the full return wat you pay alongside improving the skills of your business.

## I'm a small company, so I won't be paying the Levy

You will still benefit though. Small & medium sized employers who don't pay the levy will get a 90% Government subsidy towards the Apprentice training costs. So, for just a 10% contribution, we will create a customised programme to recruit, train and assess staff that bring bottom line benefits to your business.

## How we help

We will remove the hassle and uncertainty by working with you through the whole process, right from accessing funding through to designing training and recruiting staff to drive your business forward.

## We provide an end to end service, to

- Help ensure that you maximise all 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 high quality, flexible Apprenticeship training that's focused 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

## A Proven Track Record

With over twenty years' experience, we work with over 2300 small, medium and large companies throughout the UK, supporting more than 6500 Apprentices. 93% of employers and 91% of learners rate our programmes as good or outstanding.

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