

AN EMPLOYER REFERENCE GUIDE FOR THE

APPRENTICESHIP LEVY FOR BUSINESSES WHO HAVE AN ANNUAL PAY BILL OF MORE THAN £3 MILLION



THIS GUIDE AIMS TO HELP YOU UNDERSTAND THE NEW APPRENTICESHIP LEVY AND HOW IT WILL AFFECT YOUR BUSINESS.

THE APPRENTICESHIP LEVY

As of the 6th April 2017, the way the government funds apprenticeships in England changes. Employers operating in the UK, with a salary bill over £3 million each year, will be required to contribute to a new Apprenticeship Levy. Employers can then access funds to train existing staff as well as new apprentices.

The Apprenticeship Levy will not affect any apprentices who started an apprenticeship programme before 1st May 2017.

This new payroll tax will help the government reach their target of 3 million new apprenticeships by 2020.

PROCESS AND PAYING THE APPRENTICESHIP LEVY

You will start paying the Apprenticeship Levy in May 2017. You need to:

- Let HMRC know you are paying the Apprenticeship Levy
- Register with the new Digital Apprenticeship Service account (DAS)
- Include the Apprenticeship Levy you need to pay in your usual PAYE payment to HMRC

HOW YOU CAN SPEND THE APPRENTICESHIP LEVY YOU CONTRIBUTE

You can only spend funds in your Digital Apprenticeship Service Account (DAS) on training from a government-approved training provider/s.

USING YOUR APPRENTICESHIP LEVY PAYMENTS

Once you have paid the levy to HMRC, you will be able to access that money to fund apprenticeships through the new Digital Apprenticeship Service account (DAS).

All you need to do is:

1. Access the DAS to select an apprenticeship framework or standard.
2. Choose the Training Provider or Providers for your training needs. If you are recruiting new apprentices, the Provider or Providers you select will also promote your apprenticeship vacancies.
3. Agree the price with the Training Provider/s.
4. Pay for apprenticeship training and assessment through DAS. Monthly payments will be automatically taken from your digital account and sent to the Training Provider/s.

You will be able to

- Spread this contribution for the duration of the apprenticeship and agree a payment schedule with your Training Provider/s.
- Stop or pause payments - for example, if your apprentice/s stops their training or your apprentice/s takes a break from training.
- Monitor the funds, as they will expire 24 months after they enter your Digital Apprenticeship Service account.

