

## Apprenticeships – Non-Levy Paying Employers

The Apprenticeship Levy is a government initiative that was originally announced in the 2015 Summer Budget.

The Apprenticeship Levy is being introduced as part of the government's plan to help fund 3 million new Apprenticeships by 2020.

The Levy payment will only be paid by employers who have an annual payroll of more than £3 million, which represents only 2% of UK Employers.

### What is involved?

For those employers, whose annual pay bill does not exceed £3 million, there will be no requirement to pay the Apprenticeship Levy.

Employers with fewer than 50 employees, and who recruit an Apprentice aged 16-18, will have 100% of the cost of training and delivery for the Apprenticeship paid by the Government.

Existing staff aged 16-18 can also undertake an Apprenticeship, which will also be 100% funded by the Government.

An additional grant of £1000 will be available to all non-levy paying employers who recruit an apprentice aged 16-18. This is paid in equal instalments at month 3 and month 12, via the training provider.

Employers of any size, who recruit an Apprentice aged 19+ will be required to contribute 10% of the cost of training, with the remaining 90% paid by the Government.



If an employer has more than 50 staff, they will be required to also contribute 10% of the cost of training regardless of the Apprentices age.

### Funding Example

Cost of Apprenticeship = £3200  
Government Funding at 90% = £2880  
Cost to Employer = £320  
Length of Programme = 12 months  
Cost per month = £26.60  
Cost per week = £6.66

### Further Information

[www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work](http://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work)

### For more information:

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