

Apprenticeship Levy Information and Guidance



What is the Apprenticeship Levy?

In the 2015 Autumn Statement, the UK Government outlined plans to increase apprenticeship participation to 3 million by 2020 by making funding changes and introducing an apprenticeship levy.

It affects all organisations above a certain size, committing them to paying a percentage fee of their PAYE wage bill.

With the levy now upon us, now is the right time for organisations to review their current apprenticeship scheme, consider the implications of the levy and consider how to maximise the opportunity and minimise the risk.

The facts

- The apprenticeship levy affects large employers who have an annual payroll in excess of £3m, with the first payments made in April 2017 at a rate of 0.5% paid through Pay as You Earn
- The levy applies to employers across all sectors regardless of whether they already employ apprentices or not
- All employers receive an allowance of £15,000 to offset against payment of the levy
- Training can either be given to new recruits or existing staff
- Employers who pay the levy and are committed to apprenticeship training will be able to get more than they pay into the levy through a top up to their digital accounts
- The levy will need to be paid by larger organisations regardless of whether they reclaim voucher funds to purchase apprenticeships
- Smaller companies can still take advantage of available Government funding, which may include an employer contribution

How can we help?

In response to a number of enquiries, Guildford College Services to Business has set up a Levy Support Service that helps employers to maximise the return on investment of the levy.

What the Levy Support Service offers:

- Advice and guidance clinics
- Levy calculator
- Training needs analysis
- Workforce planning support
- Recruitment service for new apprentices
- Upskilling and reskilling service for existing staff using apprenticeship frameworks

Training options available

- Apprenticeships for new employees
- Apprenticeship funding used to develop and upskill existing staff
- Programmes for all ages
- Development of core skills such as English and Maths

What can be achieved

- Recruitment programme for new employees using apprenticeships
- Staff development of existing staff using apprenticeship funding
- Maximise your return on investment

Levy payment example:

Employer of 300 employees, each with a gross salary of
£25,000

Pay bill: $300 \times £25,000$
£7,500,000

Levy sum: $0.5\% \times £7,500,000$
£37,500

Less allowance of £15,000
£22,500

Levy payment by employer
£22,500

To find out exactly how much you'll contribute and for more information, advice and guidance contact us on:

T: 01483 44 85 30

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