

Apprenticeship Levy

Overview

Apprenticeships are government funded via the Apprenticeship Levy.

The Levy is a mandatory government scheme, designed to help companies offer more apprenticeships to their employees.

Levy Paying Companies

All companies that have greater than a 3 million pound spend on wages per annum must pay into the Levy, and the contribution amounts to 0.5% of the employer's total payroll.

That money is then held in an account for the company, to be drawn from to provide apprenticeship training for employees.

If the money is not used by the company within two years, it is moved into a national general fund.

If the company has used all available Levy funding, then the employer can reserve 95% funding from the Government, and must pay the remaining 5%.

Non-Levy Paying Companies

Even if a company's wages bill is not sufficient to be paying into the Levy, they can still access Levy funding from the national general fund, but will be required to pay 5% of the total cost of the apprenticeship training i.e. it is **95% funded**.

Alternatively, a Levy paying company will be able to transfer funding to a non-Levy paying company, so their apprenticeship training is 100% funded.

Government Apprenticeship Requirements

- Minimum duration of 12 months.
- 6 hours per week off the job learning – this includes work related continuous improvement initiatives and projects.
- There must be a business need for the apprenticeships.
- Maths/English qualifications – if no evidence of prior achievement to GCSE/O-Level standard, there is a requirement to pass Level 1 Functional Skills for Level 2 apprenticeships, and Level 2 FS for Level 3 and above apprenticeships.

