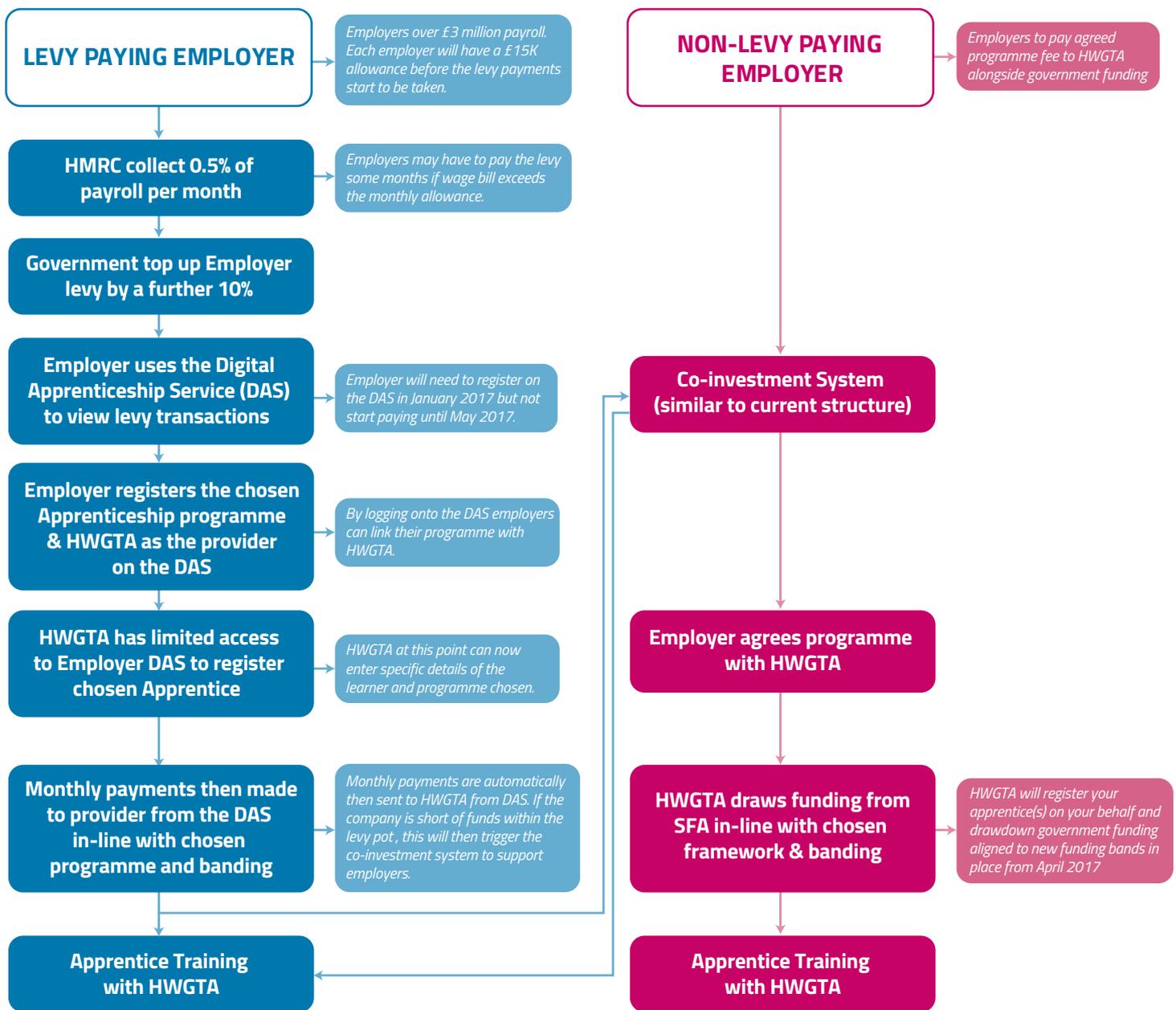




## FUTURE FUNDING MODEL FOR LEVY & NON LEVY EMPLOYERS



See over for frequently asked questions...

'training is our future'





## APPRENTICESHIP LEVY FREQUENTLY ASKED QUESTIONS

### WHY HAS THE GOVERNMENT INTRODUCED AN APPRENTICESHIP LEVY?

The levy will be introduced on April 6th 2017 with first payments going out of your payroll and to HMRC in May 2017. The government is hoping the levy will help to meet its target of 3 million Apprenticeships starts.

### WHO DOES THE LEVY APPLY TO?

The Apprenticeship levy applies to all those who have a payroll in excess of £3 million per year. However some employers slightly under this figure may also have to pay into the levy.

### HOW MUCH WILL I PAY?

The levy rate has been set at 0.5% of an employer's payroll, however there is a £15K allowance to offset per annum, similar to that of personal tax allowance.

*Example:*

**If a company has a pay bill of £10 million, then:**

**Levy at 0.5% = £50,000**

**Minus the £15,000 allowance = £35,000 for actual levy payable**

### HOW WILL THE GOVERNMENT COLLECT THE LEVY?

The levy will be collected through the employer's Pay As You Earn (PAYE) on a monthly basis.

### WHAT IF MY MONTHLY PAY VARIES?

Monthly payroll can vary, however, liability to pay the levy arises monthly. It is understood that employers with a pay bill of over £2.8 million will have to register themselves as levy-payers. Further clarification is still required on this point.

### WHAT HAPPENS TO COMPANIES THAT DO NOT NEED TO PAY THE LEVY?

The government will continue to fund Apprenticeship training similar to the current system, however there are now new funding bands that current frameworks have been allocated to. It is understood that current non levy paying employers will move across to the new DAS system by 2020.

### WHAT IF I ALREADY PAY AN INDUSTRY LEVY?

Unfortunately you are still required to pay the Apprenticeship levy in addition to the industry set levy, however the industry training boards are looking closely at this.

### HOW CAN I SPEND LEVY FUNDS?

Based on current funding rules, the levy can only be used for approved Apprenticeship training. The levy cannot be used for overheads, supervision costs or Apprentice's wages. You can however use your levy funds on current staff if enrolled onto an approved Apprenticeship.

### WHAT HAPPENS IF EMPLOYERS DON'T SPEND THEIR LEVY FUNDS?

Levy funds remain available to employers for 24 months maximum. The levy funds are then lost.

Herefordshire Group Training Association, Holmer Road, Hereford HR4 9SX ■ Tel: 01432 274310  
Worcestershire Group Training Association, Sunnyside Road, Worcester, Worcestershire, WR1 1RL  
Tel: 01905 729993 ■ [www.hwgta.org](http://www.hwgta.org)