



Apprenticeship Levy  
Key Facts

# How will the Apprenticeship Levy affect your organisation?

As some of you may know, the Apprenticeship Levy will come into effect on 1st May 2017. Hawk Training already supports over 3000 apprentices and more than 700 employers with apprenticeships and is committed to supporting the government reach the target of 3 million apprenticeship starts by 2020.

We would like to provide you with information, advice and guidance to recover your tax, invest in your workforce and grow your workforce in a sustainable way.

## What is the Apprenticeship Levy?

The Apprenticeship Levy was announced in November 2015 and is a mandatory tax for all employers with an annual wage bill that exceeds £3,000,000. This will come into effect from 1st May 2017.

## Who will need to pay the Apprenticeship Levy?

The rate for the levy will be set at 0.5% of an employer's wage bill where it exceeds £3,000,000 and will be collected via PAYE. Employers affected by the levy will receive an allowance of £15,000, as well as a monthly top-up. The levy will only be payable on wage bills more than £3,000,000 and will affect less than 2% of UK employers.

## What if your wage bill is under £3,000,000?

Employers with a wage bill below 3 million will have to pay towards the cost of an apprenticeship. Those employers are expected to pay a 10% contribution and the government will pay the remaining 90%. If you're an organisation with 50 staff or fewer, the government will be providing 100% of funding for 16-18 apprentices.

To find out more, please contact Hawk Training on 020 8891 0992  
[www.hawktraining.com](http://www.hawktraining.com) [enquiries@hawktraining.com](mailto:enquiries@hawktraining.com)

## Examples of an Apprenticeship Levy payment

If the employer's annual wage bill is over £3,000,000, the government will provide the employer with a £15,000 allowance per year.

If the employer's annual wage bill is £4,000,000 then 0.5% of the bill, will be taken as part of the levy, equating to £20,000. The government will provide the employer with a £15,000 allowance per year. Taking in to account the allowance, the total annual levy payment will equate to £5,000.

## Is the Apprenticeship Levy mandatory?

The Levy is a 'hypothecated tax'; this means the funding can only be used on apprenticeships. Employers can use training providers registered with the Register of Approved Training Providers (RoATP), such as Hawk Training, to deliver the apprenticeship.

Hawk Training is passionate about the quality of apprenticeships and as an Ofsted 'Outstanding' provider; we are committed to raising the awareness of apprenticeships and delivering quality provision.

## Can the Apprenticeship Levy be used to train existing staff, as well as recruited apprentices?

Yes, the Apprenticeship Levy can be used to develop existing staff, if the training meets an approved standard or framework and the individual meets the apprentice eligibility criteria.

## Apprenticeship Service

The Apprenticeship Service (AS) is a new online portal to select apprenticeship programmes, training providers and process payments. You can register your account here: <https://manage-apprenticeships.service.gov.uk/>. Please let us know if we can support you with setting up your account.

## 16-18 year olds incentives

To support employers and providers with the extra costs of supporting 16-18 year olds, young care leavers and young people with an Education and Health Care (EHC) plan; a £2,000 incentive will be provided - split £1,000 to the employer and £1,000 to the training provider.

## Funding bands

The current funding model will change to provide a simpler funding system across the board. All apprenticeship starts from April 2017 will be funded from one of 15 bands, each with an upper limit ranging from £1,500 to £27,000. It will then be up to employers to negotiate prices with providers

## Co-investment

This determines how much an employer will be required to pay towards apprenticeship training and assessment if they do not pay the levy, or, if they pay the levy but do not have sufficient funds in their digital account to cover the training and assessment costs in a month. The government proposes that employers co-invest 10% of the costs, with government paying the remaining 90%.

## English and maths

The government is committed to helping apprentices gain the minimum standard of Level 2 in English and maths. The government will pay training providers to deliver these qualifications.

## Additional Learning support

This is the extra amount the government will pay the training provider to support the costs required for additional learning support as a result of conditions such as dyslexia, learning difficulties, or disabilities.

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## How do employers get back more than they put in?

The government will apply a 10% top-up to monthly funds entering levy-paying employers' digital accounts, for apprenticeship training in England from April 2017. All funds entering a levy payer's account will be increased, so every £1 will be increased to £1.10 in value.

## Who can provide the training?

The levy can only be spent on apprenticeship training with approved providers such as Hawk Training. Employers can become a training provider, however, they will need to register to become an approved provider and will be subject to Ofsted inspections and other obligations.

## What should employers do now?

If you are an employer currently supporting apprentices, please use the 'estimate my apprenticeship funding'\* tool. Use this tool to estimate if your organisation will pay the apprenticeship levy, how much your organisation will have available to spend on apprenticeships and how much the government will contribute towards the cost of training. Please contact us if you wish to have a discussion to support you in your ongoing apprenticeship strategy.

If you are an employer who doesn't currently take on apprentices and you will be affected by the levy, please use the 'estimate my apprenticeship funding'\* tool and we advise that you start to consider setting up a pilot apprenticeship scheme so you are in the best position to make use of your levy funds in 2017. Hawk Training can provide you with advice and guidance to support you in setting up your apprenticeship strategy.

## Why Hawk Training

Provide you with a FREE no obligation consultation to support you with your apprenticeship strategy

Create a partnership, working closely with you, the employer, to provide you with regular progress and financial reports, meeting reviews, account management

Support you to upskill your existing staff and recruit apprentices

Provide you with the latest updates regarding government policies

Support you in setting up your Digital Apprenticeship Service (DAS)

Support you in processing your levy spend and maximize the benefits

Support you to set up an apprenticeship strategy including planning, costs, etc.

## Useful links

[\\*Click here](#) to use the 'estimate my apprenticeship funding' tool

[Click here](#) to view the 'how to pay your Apprenticeship Levy and report your payments'

[Click here](#) to view the Apprenticeship Levy: How it will work.

If you would like more information, please email Annalisa Deufemia at [Annalisa@hawktraining.com](mailto:Annalisa@hawktraining.com).