

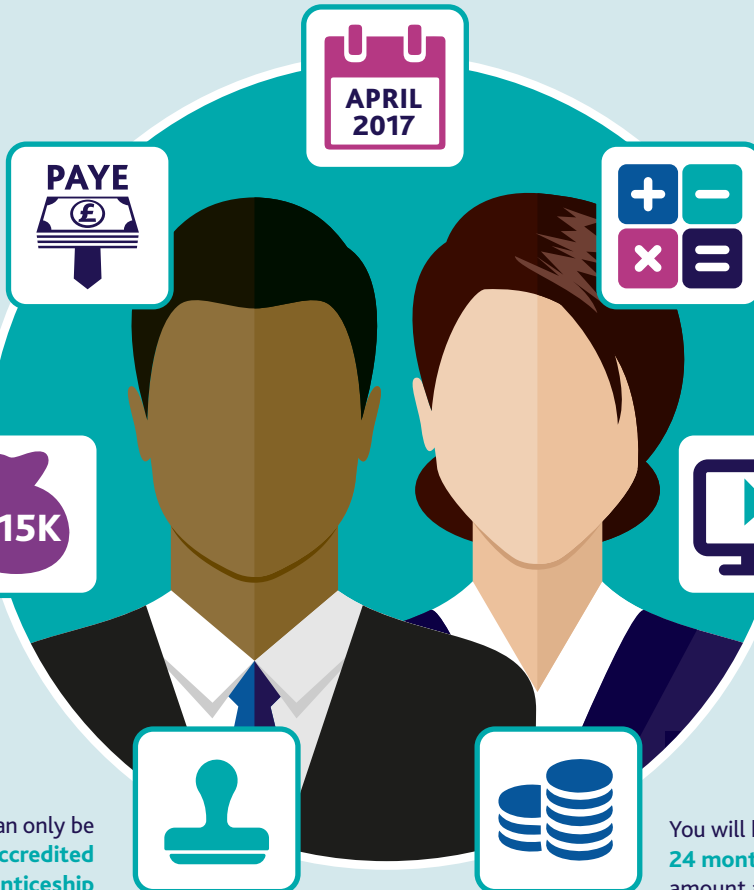
The Apprenticeship Levy

Are you ready for the levy?

The Apprenticeship Levy is a **0.5%** tax on all businesses with an annual payroll of over **£3 million** and will be collected from **6 April 2017**.

All employers with a payroll of over **£3 million** will be taxed **0.5%** on that pay bill from **April 2017**

This levy applies to **anyone you pay via PAYE** - so an employment business or intermediary will pay the levy on their permanent staff as well as any contingent labour on your payrolls.



What you pay will automatically be determined via **HMRC's Real Time Information** and calculated on all employee earnings subject to Class 1 National Insurance Contributions

There is a **£15,000** allowance per year - meaning companies with a pay bill below £3m will not pay the levy and £15k will be deducted from levy payments made by companies above this threshold

The levy amount will be transferred to a **digital account** specifically for your organisation and made available from **1 May 2017** to spend on apprenticeships in your company

The levy can only be spent on **accredited apprenticeship programmes**

You will have up to **24 months** to spend the amount accumulated in your digital account



If you have a bill of less than £3 million...

You can still access levy funding to support apprenticeships in your business



If you/your staff are in Scotland, Wales or Northern Ireland

You will still pay the levy but how you reclaim the levy for apprenticeships may vary and you should check with the funding authorities

Next steps...



To calculate your apprenticeship levy, use the SFA tool – <https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk>



Talk to your REC account manager to discuss your apprenticeship training options



Tell us about your experiences of the levy so we can continue to lobby government on your behalf about this tax on contingent labour. Email your feedback to policy@rec.uk.com