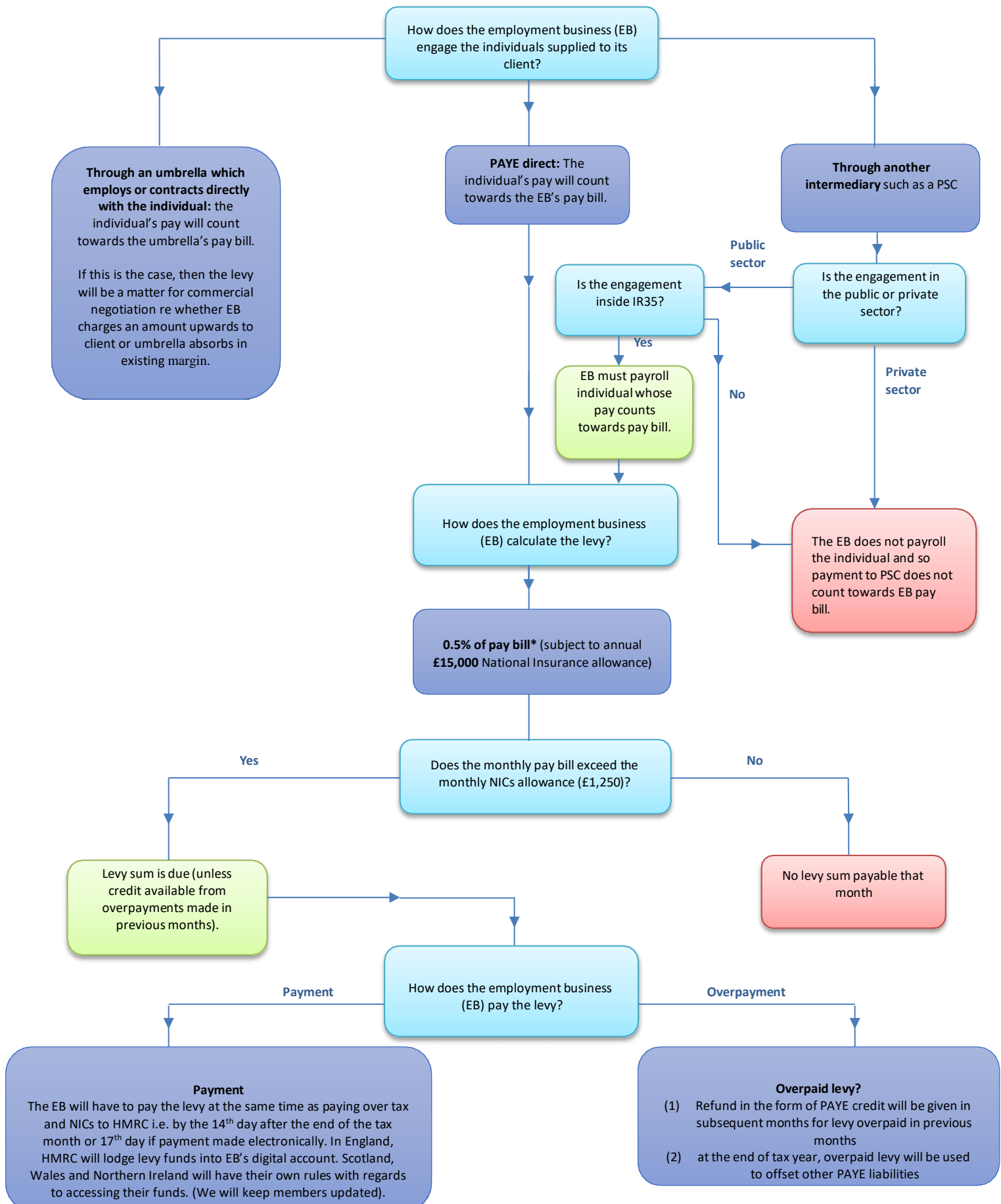


## Apprenticeship Levy Flowchart

The Apprenticeship Levy comes into effect in April 2017.  
This flowchart is designed to help recruiters understand their liability to pay the levy. Recruiters need to consider the pay bill for their own staff as well as for temporary workers they supply to clients.



\*This is set out in Regulation 147B of the Income Tax (Pay As You Earn) (Amendment) Regulations 2017 which reads:

*“‘monthly pay bill’ means the total amount of earnings paid by a person in a tax month on which Class 1 secondary contributions are payable but for the condition in section 6(1)(b) of the Contributions and Benefits Act (liability for Class 1 contributions)(f).”*

This is further explained in HMRC guidance [here](#) which states:

*“Your annual pay bill is all payments to employees that are subject to employer Class 1 secondary National Insurance contributions (NICs) such as wages, bonuses and commissions. You must include payments to:*

- *all employees earning below the Lower Earnings Limit and the Secondary Threshold*
- *employees under the age of 21*
- *apprentices under the age of 25*

*Your pay bill doesn’t include:*

- *earnings of employees under the age of 16*
- *earnings of employees who aren’t subject to UK NICs legislation*
- *earnings on which Class 1A NICs are payable, such as benefits in kind”*

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