

# Apprenticeship levy

## What is the Apprenticeship Levy?

This new funding system supports the English apprenticeship funding system only.

Scotland, Wales and Northern Ireland have their own arrangements for supporting Employers to access Apprenticeships, through each devolved Assembly.

The Levy forms part of a broader programme of apprenticeship reforms that the Government is introducing. The Government believe that Apprenticeships are good for business and a great way to develop the skills of the workforce both now and in the future. The aim of the Apprenticeship reforms is to deliver more Apprenticeships of a better quality to help improve economic productivity.

The Levy will apply to Employers who have a pay bill of more than £3 million per year.

The Levy will be paid to HMRC through the Pay as You Earn (PAYE) process, alongside the Employer's tax and National Insurance Contributions (NICs).

The Levy payment will be set at 0.5% of their total UK pay bill.

This total payment will be split by UK authority (England, Scotland, Wales, and Northern Ireland) pro-rata against the home addresses of a company's Employees, based on HMRC data.