

HOW DO I PAY FOR APPRENTICESHIP TRAINING

FAQS



1. What is the Apprenticeship Levy?

The Apprenticeship Levy is part of the government's plan to increase the quantity and quality of Apprenticeships. The Levy is a new tax which aims to fund three million new Apprenticeships in England by 2020.



2. Do all organisations need to pay the Levy?

All UK employers who have a total employee pay bill above £3m a year will pay the Levy. This includes public and private sector, charities and educational providers such as academy groups and universities. The Levy rate was set at 0.5% of the pay bill.



3. What can apprenticeship funding be spent on?

Funds can only be used towards the costs of apprenticeship training. They cannot be used on other associated costs such as apprentice wages, travel and subsidiary costs or the costs of setting up an apprenticeship programme.



4. Can I pay for salary and uniforms using apprenticeship levy?

No, you can't use funds in your account to pay for other costs associated with your apprentices (such as wages, statutory licenses to practice, travel and subsidiary costs, work placement programmes or the setting up of an apprenticeship programme).



5. Can I pay for my apprentice using my organisation's budgets?

Apprenticeships can only be entered onto the digital service if they are funded via a transfer, levy or reserved funding. You can still choose to privately pay for an apprenticeship using your own organisational budgets as long as the apprenticeship meets the legal definition of a statutory apprenticeship.*



6. Will privately funded apprenticeships count towards my public sector target?

Only Government funded apprenticeship (levy, transfer or co-investment) will be included in the public sector target data or in any government published data. See [methodology for statistical releases](#) for further details.



7. How do I draw down Levy?

In England, you need to register your details online with the apprenticeship service, along with the details of your apprentice. You can see how much can be drawn down for each apprentice in your account. You can then use these funds to spend on training with registered apprenticeship training organisations.



8. Do my levy funds expire?

Funds will expire 24 months after they enter your digital account unless you spend them on apprenticeship training. Money is spent when it leaves your digital account as a payment to a training provider.



*The [Enterprise Act 2016](#) stipulates the conditions under which a course can and cannot be described as an apprenticeship.