

**What is the apprenticeship
levy?**

The apprenticeship levy was introduced in April 2017 and is paid by all employers who have an annual pay bill of three million pound or more. The rate of the levy is set at 0.5 per cent of the total pay bill and is paid to HMRC through the PAYE process.

Levy-paying employers set up an online account to access levy funds which are paid each month. The levy funds are used to pay for apprenticeship training costs, not employment costs. Any funds that are not used expire 24 months after they enter the account. To help minimise the risk of funds expiring, payments are taken from those funds that entered the account first.

To prevent levy funds from being left unused, organisations can transfer up to 25 per cent of their contributions to another organisation or speak to their local council and local enterprise partnerships for transfer opportunities. Explore the options and opportunities for transferring apprenticeship levy funds to or from another employer on our apprenticeship levy transfer page.