HOW APPRENTICESHIPS WORK

WORK

Apprentices need to have a contract of employment. They can work both full- or part-time.

WAGE

They must be paid the minimum apprenticeship wage or a salary equal to their job role.

STUDY

They can study through a combination of day release, block release, blended learning or independently.

QUALIFICATION

They will work towards both their apprenticeship and the underpinning qualification. The underpinning qualification is the same value as if achieved through the traditional route.
Apprenticeships are no longer reserved for younger new starters. Now any employee can become an apprentice at any stage of their career. And because the employer pays for it – it is free!
THE EMPLOYER PAYS FOR THE APPRENTICESHIP

Apprenticeships are co-funded between the employer and the Government which makes them an affordable solution for upskilling workforce and business growth.

SMALL COMPANIES
Under 50 employees
Government 90%
Employer 10%

LARGE COMPANIES
Over 50 employees
Government 90%
Employer 10%

Government 100% contribution for younger apprentices or 19+ with Health Care Plan.

Paid through invoices to the University.

LEVY PAYERS
Over £3M PAYE

Money taken through HMRC and put into Digital Apprenticeship Service (DAS) on a monthly basis.
WHAT IS APPRENTICESHIP LEVY?

0.5% OF PAYE MONTHLY RING-FENCED DAS ACCOUNT

ONLY USED ON APPRENTICESHIPS

24 MONTHS TO USE IT
### An Example of the Cost Breakdown for Employers

- 15 pricing bands for each apprenticeship
- Between £1,500 and £27,000
- Most higher and degree apprenticeships will be in the top bands
- Prices can be negotiated by the employer

<table>
<thead>
<tr>
<th>LEVY PAYER</th>
<th>NON LEVY</th>
</tr>
</thead>
<tbody>
<tr>
<td>£27,000 from DAS</td>
<td>Only 10% of £27,000 = £2,700 (£900 per year)</td>
</tr>
<tr>
<td>(£9000 per year for 3 years)</td>
<td>This is only £75 per month</td>
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WHAT IS THE OUTCOME OF THE APPRENTICESHIP CHANGES?

VALUE OF APPRENTICESHIPS
People will begin to see the value of apprenticeships as a way to continue lifelong training not just for lower levels or younger people.

UK WORKFORCE WILL GROW
Smaller businesses will be able to grow and train new talented staff.

ECONOMIC GROWTH
Business growth means economic growth and the UK will become competitive.

MORE QUALIFIED STAFF
Staff will be able to train and retrain becoming more employable. Employers can reward staff through continual training.

GOLD STANDARD
Longer-term, all professional qualifications can be delivered through apprenticeships. From medicine to law. This will raise the profile.