

## Amendments 22, 23 and 24 to Clause 88: Charge to apprenticeship levy

### Summary

1. The amendments to clause 88 have the effect of setting out that the value of the annual levy allowance for employers is £15,000 except where it is split by a group of companies or group of charities under sections 90 or 91. The other exception is where section 92 (which deals with where an employer enters into avoidance arrangements) provides otherwise.

### Background

2. The Apprenticeship Levy was announced at Summer Budget 2015. It will be a Levy on employers to fund new apprenticeships. The Levy will support the Government's commitment to improving productivity by increasing the quantity and quality of apprenticeships. The Levy will be charged at a rate of 0.5% of an employer's total pay bill. Each employer will receive an allowance of £15,000 to offset against their Levy payment, which will mean the Levy will be payable on pay bills in excess of £3 million a year. The Levy will be introduced from 6 April 2017.
3. Amendments are also being made to clauses 90 and 91 to allow connected companies and connected charities to share the levy allowance in the group as they choose.
4. The amendments to clauses 90 and 91 are in response to representations received.