

10% levy Transfer rules

Employers who have unused funds in their apprenticeship account will be able to transfer up to 10% of those funds, this is currently limited to **one** other employer until functionality is developed in the digital account. The number of employers you will be able to transfer funds to will increase over time.

Employers who want to transfer funds can find employers who want to receive a transfer in a number of ways, for example:

- Work with an employer in your supply chain
- Get in touch with employers in your industry
- Get in touch with an Apprenticeship Training Agency (ATA)
- Work with regional partners

Employers can transfer a maximum of 10% of annual funds. This is worked out from the total amount of levy declared, with the English % applied, plus the 10% government top-up payment. For Portsmouth City Council this will be approximately £60,000.

These funds can only be used to pay for the training and assessment cost of the apprenticeships agreed with the receiving employer and will be paid monthly for the duration of the apprenticeship.

Only levy-paying employers can make a transfer. Any employer can receive and use transferred funds, but they have to be registered on the apprenticeship service. A transfer can only be used to pay for training and assessment for apprenticeship standards, and can only be used for new starts.

From May 2018:

- Employers who pay the apprenticeship levy will be able to fund apprenticeships in **one** other organisation through a transfer
- Receiving organisations will be able to start adding details of their apprenticeships to the service

From June 2018:

- The first transfer payments will be made

Noteworthy Funding Rules

- You must agree with the receiving employer which apprenticeship standard their chosen apprentice will be undertaking and the price that they have agreed with their chosen provider and end-point assessment organisation. You will need to confirm these details through the apprenticeship service and ensure you do not exceed your 10% transfer cap.

- By agreeing to fund an apprenticeship with a transfer you are committing to fund the apprenticeship until completion. You will not be able to stop payments once you have approved the apprenticeship on the apprenticeship service.
- A transfer of funds will not take place where the receiving employer is eligible for full government funding, because they have fewer than 50 employees and the apprentice is:
 - 16-18 years old; or
 - An eligible 19-24 year old.

If an employer has less than 50 employees they are eligible for full government funding if they recruit or upskill existing staff aged 18 and under or anyone aged 19 to 24 who has a local authority care plan.

- You must not impose conditions on the transfer, such as choosing the receiving employer's training provider or end-point assessment organisation for them.
- You must not seek or accept any incentives or inducements or any other payments not authorised by us in exchange for sending a transfer
- If you are a training provider who is also a levy-paying employer, you must not deliver training to apprentices you are funding through a transfer. This includes where you are acting as a main provider or a sub-contractor.
- As a sending employer, you will not be able to receive any transferred funds from another levy-paying employer, while you are funding a transfer.
- If you are a levy-paying employer, if at any point the 'sending' employer has insufficient funds to cover the cost of your apprenticeship training and you have sufficient levy funds available then these funds will automatically be used before you enter co-investment.