

# What is the difference between the Government Apprenticeship Levy and the CITB Levy?

	GOVERNMENT APPRENTICESHIP LEVY	CONSTRUCTION INDUSTRY TRAINING BOARD ('CITB') LEVY
How do I know if I need to pay this Levy, and if I do, would I be expected to pay both?	<p>If you meet the criteria, this levy is payable in addition to any CITB Levy you may pay.</p> <p>The Apprenticeship Levy (introduced in April 2017) is, in effect, a tax on UK employers with an annual wage bill of more than £3 million to fund new apprenticeships. It is charged at a rate of 0.5% of an employer's paybill. Each employer will receive an allowance of £15,000 to offset against their levy payment.</p> <p>Levy paying employers access their funds through the online apprenticeship service. The funds in their accounts are available to spend on apprenticeship training in England. For guidance on how to register and use the apprenticeship service as an employer <a href="#">visit this page</a>.</p> <p>The levy is there to fund apprenticeship training for <b>all employers</b>. Any unspent levy funds are used to support existing apprentices to complete their training and to pay for apprenticeship training for smaller employers.</p>	<p>If you meet the criteria, this levy is payable in addition to any Government Apprenticeship levy you may pay.</p> <p>You will be required to pay this if you are 'engaged wholly or mainly in construction industry activities'. In other words, when construction activities take up <b>more than half</b> of your total employees' time (including subcontractors).</p> <p>Levy is calculated on your <b>annual total wage bill</b>, i.e. individuals on the payroll and Construction Industry Scheme (CIS) subcontractors who you make a CIS deduction from.</p> <p>The rates are:</p> <ul style="list-style-type: none"> <li>• 0.35% on total payments to all employees on the payroll</li> <li>• 1.25% on Construction Industry Scheme (CIS) subcontractors who you deduct CIS tax from (commonly known as net CIS sub-contractors)</li> </ul> <p>This levy calculator may help: <a href="#">click here</a></p>
What is the aim of this levy?	To create 3 million+ apprentice opportunities and to encourage upskilling of existing staff.	To encourage employers in the construction industry to support the development of skills and training of their workforce.
How do I pay this levy?	The levy is paid to HMRC through the Pay-as-you-earn (P.A.Y.E) process alongside payment of Income Tax and National Insurance contributions, and is held in a 'Digital Fund'.	<p>There are two ways you can pay the Levy:</p> <ol style="list-style-type: none"> <li>1. By Direct Debit in up to 10 interest-free monthly instalments. This service helps you to spread the payments across a year and is easy to set up.</li> <li>2. In full as one lump sum.</li> </ol>
How do I draw down funds against this Levy?	<p>Payment is made <b>directly to training providers</b> for as long as the apprentice remains on the scheme. Employers do not draw down funds directly.</p> <p>Monies in the 'Digital Fund' remain available for 24 months from the date of payment. Any amount that remains unspent after that period will expire and will be reclaimed by HMRC.</p>	<p>You can draw down grant against the cost of your training by way of "The CITB Grants Scheme".</p> <p>The training <b>must be construction related</b>.</p> <p>You can apply for grants if you are an employer registered with CITB and you send a correctly completed Levy Return to CITB by 30 November each year</p> <p>Grants are for training and qualifications completed in the Grants Scheme year: 1st April – 31st March.</p> <p>Helpful link: <a href="#">click here</a></p>
I am a micro/small employer, do I still need to pay this levy, and if so, will I get any help/assistance to reflect the size of my company?	Only employers with an annual wage bill of more than £3 million pay this levy.	<p>If your total wage bill (payroll and Net CIS) is under £80,000, your organisation <b>will not</b> have to pay the levy.</p> <p>This is called the '<b>Small Business Levy Exemption</b>'.</p> <p>If your total wage bill (payroll and Net CIS) is between £80,000 and £399,999 your organisation <b>will</b> receive a 50% reduction on your levy.</p> <p>This is called the '<b>Small Business Levy Reduction</b>'.</p>
Responsibilities	The use of the levy for funding apprenticeships is the responsibility of the Department for Education and the Skills Funding Agency in England. There are separate arrangements in Scotland, Wales and Northern Ireland, since apprenticeships are a devolved policy.	You must still complete a Levy Return even if you don't need to pay the Levy, as it is a Statutory Requirement: <a href="#">click here for info</a> .
Helpful Links to conclude	<a href="#">Click here for info.</a>	<a href="#">Click here for info.</a>