

Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24) Employer Fact Sheet – March 2012 (version 5)

The AGE 16 to 24 year olds is aimed at helping eligible employers to offer young people employment through the Apprenticeship programme, by providing wage grants to assist employers in recruiting their first apprentice.

The National Apprenticeship Service will provide up to 40,000 Apprenticeship grants to small-medium sized employers recruiting 16 to 24 year olds with a value of £1,500 to encourage new employers to take on new apprentices.

The £1,500 is in addition to the training costs of the Apprenticeship framework which are met in full for young people aged 16 to 18 and 50% for those aged 19 to 24.

When will this new Apprenticeship grant be available?

The AGE 16 to 24 grant is available from 1 February 2012 until March 2013 for eligible employers recruiting their first apprentice, who is aged 16 to 24.

What financial support is available to employers?

The new Apprenticeship grant of £1,500 is payable in two instalments, for up to 40,000 eligible employers who commit to employ one or more 16 to 24 year old apprentices for the first time.

The payment is a grant and is exempt from VAT.

Which employers are eligible to receive this new AGE 16 to 24 payment?

The Grant is to support small-medium sized employers with less than 250 employees and we expect to support at least 40,000 of these employers to recruit an apprentice for the first time.

Large employers (more than 250 employees) are **not** eligible for support through this initiative. But we do want to encourage take up within their small-medium enterprises (SME) supply chain.

It is expected that most employers will want to access AGE 16 to 24 to support the recruitment of one apprentice. However subject to budget availability and the employer's commitment to support the apprentice to the end of their programme, up to 3 grants can be made to any one employer. However, the employer must commit to the total number of apprentices they wish to take on through the grant at the upfront agreement stage.

What is an employer's commitment?

Employers will sign an agreement which will include:

- Confirmation of the number of apprentices they will be taking on as a result of this incentive (to a maximum of 3)
- Confirmation that they wouldn't have taken the apprentice on without this additional incentive.

- A commitment to employ the apprentice for a minimum of 12 months or the time it takes to complete the Apprenticeship framework, whichever is the greater. If they fail to do this some, or all, of the grant will be withheld from the employer.
- Confirmation that they are aware of and do not breach any state aid rules.
- Agreement to pay the minimum Apprenticeship wage of £2.60 per hour – although this is a minimum and most employers pay more.
- Confirmation that they have not taken on an apprentice in the previous three years*

**Not eligible if the employer employs an apprentice with an Individual Learning Record (ILR) start date of April 2009 or after.*

To check if you are eligible and to apply for AGE 16 to 24 you can:

- Contact your local Training Provider direct
- Visit apprenticeships.org.uk to find out more about recruiting an apprentice
- Call the National Apprenticeship Service on **08000 150 600** when you are ready to recruit an apprentice. An adviser from the National Apprenticeship Service will contact you to discuss the support available in more detail.

Q & A

1. What about employers who have already taken on apprentices, or would have taken one on anyway?

Our aim is to support employers to offer new Apprenticeships in support of young people. Therefore we will be targeting those employers who would not otherwise have been in a position to recruit an apprentice at this point in time.

2. Can existing employees starting an Apprenticeship within their existing employer attract the incentive?

No - our aim is to support employers to create new jobs for 16 to 24 year olds.

However part-time employees that move in to a new full-time Apprenticeship job role could fall within the remit of the grant. i.e. where the AGE 16 to 24 payment has incentivised an eligible employer to transfer a current 16 to 24 part-time employee (contracted to work less than 20 hours per week) to a new full-time Apprenticeship job role (minimum 30 hours per week).

3. Can large (250-4,999) and macro (5000+) employers be supported?

No - large and macro employers are not eligible. However, NAS may agree to make the grant available to eligible employers through large employers who already hold a provider contract. We would also encourage large or macro employers to support eligible employers in their supply chain to access AGE 16 to 24.

4. Must all of the vacancies created by AGE 16 to 24 be advertised on Apprenticeship vacancies?

Apprenticeship vacancies is a dedicated free on line recruitment service to help employers recruit their apprentice - matching candidates interested in an Apprenticeship with employers offering them. Wherever possible, employers taking part in AGE 16 to 24, should advertise on Apprenticeship vacancies. The supporting training provider can assist you with this service.

5. Which young people are eligible?

All 16 to 24 year olds who are looking to start a career through an Apprenticeship, whether they are just leaving school, have been working or are seeking to start a new career. You just need to be living in England and not taking part in full-time education.

6. How will employers receive the AGE 16 to 24?

Quality assured training providers will be responsible for processing payments to employers. Employers will receive two prompt* payments - £750 when the young person completes week 8 of their Apprenticeship programme, with a further £750 paid on completion of 12 months employment.

** NAS defines 'prompt' under the terms of AGE 16 to 24 as the employer receiving the payment within 30 days of the apprentice completing 8 weeks or 12 months. Providers are responsible for administering the payments in this timely manner.*

7. What if the young person leaves – will the employer have to reimburse NAS all/any of the £1,500?

As an employer you will sign an agreement which commits you to employing the young person until they complete their Apprenticeship programme, or for a minimum of 12 months whichever is greater.

You will receive the first payment for £750 once the apprentice has completed the 8th week of their Apprenticeship programme.

You will receive the second payment of £750 once the individual has completed month 12 of their Apprenticeship programme.

Should the apprentice leave or be dismissed, a proportion of the grant should be withheld from the employer at the following levels:

- If the apprentice leaves or is dismissed between weeks one and eight the employer will not receive either instalment.
- However if at this 8 week stage another eligible 16 to 24 year old is recruited as an apprentice within four weeks of the dismissal/leave date, the first instalment will not be withheld.
- If the apprentice leaves or is dismissed before completion of 12 months employment the employer will not receive the second payment of £750.