

APPRENTICESHIP TRANSFERRING LEVY FUNDS



Getting Started

To get started the sending and receiving employer must agree on the scope of the transfer. This will include the number of apprentices, the apprenticeship standard and the cost. The apprenticeship service will include functions to help track and view the financials relating to the transferred funds.

Both employers must [register on the apprenticeship service](#). Once registered they must:

1. Connect with each other on the apprenticeship service site. This is done via an account ID issued by the receiving employer to the sending employer. The sending employer then adds this to the transfer section on the apprenticeship service site.
2. The receiving employer adds the apprentice details. This can also be completed by the training provider.
3. Both parties confirm the transfer.
4. The funds will be paid in and drawn down by the training provider on a monthly basis.



How?

Employers who pay the apprenticeship levy and have unused funds can find employers who want to receive funds.

This may be working with employers in your supply chain, getting in touch with employers in your industry, using an apprenticeship training agency or working with regional partners.



How Much?

Levy payers can transfer a maximum of 25% of their annual funds.

Levy payers can make transfers from their apprenticeship account to as many employers as they choose up to the maximum transfer value.

The total annual funds are calculated as:

The total levy declared in the previous tax period x *English % applied + additional 10% top up.

(*English % = the % of payroll bill spent on employees that are resident in England)



Transferred Funds

Any funds transferred can be used to pay for training and assessment by the receiving employer.

It is important for both parties to understand that:

- Funds are paid monthly for the duration of the apprenticeship.
- Only levy-paying employers can make a transfer.
- Any employers can receive, and use transferred funds.
- Sending and receiving employers have to be registered on the apprenticeship service.
- A transfer can only be used to pay for training and assessment for apprenticeship standards.
- Transfers can only be used for new starts.

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How to Transfer the Funds

The process for the transfer of the Apprenticeship Levy Funds from the Sending Employer to the Receiving Employer must proceed according to the requirements listed below:



Sending Employer

Prior to making any transfer of funds you must ensure that:

1. You have enough funds to transfer to another employer.
2. You have fully considered and forecast the cost to you. This will cover the full duration of the apprenticeship.
3. Understand that you will be funding 100% of the total apprenticeship cost.
4. That you have a clear agreement with the receiving employer.
5. You cannot transfer funds if you are currently in receipt of a transfer. If you are currently transferring funds you cannot receive transferred funds.
6. Transfer payments will leave your account first, each month.
7. If the apprenticeship you are funding stops, the transferred payments will also stop. The sending employer will not be able to stop funds whilst the apprenticeship is still active.
8. You will be required to re-sign the employer's apprenticeship agreement with the ESFA.



Receiving Employer

Prior to receiving any transferred funds, you must ensure that:

1. You can only use the transferred funds for training and assessment.
2. Transferred funds can only be used for apprenticeship standards.
3. You will sign an agreement with the ESFA. This will happen when you set up your apprenticeship account.
4. If the apprenticeship stops the funding will also stop but you will not have to pay back any funds to the sending employer.
5. If the sending employer runs out of funds you will be required to make a 5% contribution, the government will pay the remaining 95%.
6. Transfers can fund up to the maximum funding band of the standard. Any additional costs will require payment made directly to the training provider
7. The employer who transfers funds to you cannot deliver the training for that funded apprenticeship.

All parties must ensure they are familiar with the [funding rules](#) around transferring funds.

For more information visit <https://www.gov.uk/guidance/transferring-apprenticeship-service-funds>