Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24)
Employer Fact Sheet – October 2012 (version 9)

The Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24) aims to support businesses to grow by providing incentives to assist in offering young people employment through the Apprenticeship programme.

The grant targets employers who are new to Apprenticeships and recruiting their first apprentice, and also supports employers who have not been in a position within the previous twelve months to commit to employing an apprentice again.

The National Apprenticeship Service will provide up to 40,000 Apprenticeship grants to employers with up to 1000 employees recruiting 16 to 24 year olds with a value of £1,500 to encourage 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 an apprentice who is aged 16 to 24.

What financial support is available to employers?

The Apprenticeship grant of £1,500 is payable for up to 40,000 eligible employers who commit to employ one or more 16 to 24 year old apprentices (to a maximum of 10 payments).

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 employers with up to 1000 employees and we expect to support up to 40,000 of these employers to recruit an apprentice. Eligible employers are those who have never employed an apprentice or have not done so in the last 12 months.

Very Large employers (more than 1000 employees) are **not** eligible for support through this initiative. But we do want to encourage take up of eligible businesses within their supply chain.

Subject to budget availability and the employer's commitment to support the apprentices to the end of their programme, up to 10 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 10 payments)
- Confirmation that they wouldn't have taken the apprentice on without this additional incentive.
- Confirmation that they have not taken on an apprentice in the previous 12 months*
- 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.
- Confirmation that they are aware of and do not breach any state aid rules.
- Agreement to pay the minimum Apprenticeship wage of £2.65 per hour – although this is a minimum and most employers pay more.

**12 months is calculated from the ILR start date of this new apprentice. The employer is not eligible if they have started an apprentice within that 12 month period*

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 grow their business and 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 very large (1000-4,999) and macro (5000+) employers be supported?

No – very large and macro employers are not eligible. We would also encourage very 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. However if you recruit outside of the Apprenticeship vacancies system this does not preclude you from claiming AGE.

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 one prompt* payment of £1500 - after the young person completes week 13 of their Apprenticeship programme

** NAS defines 'prompt' under the terms of AGE 16 to 24 as the employer receiving the payment within 30 days of receipt of the funds from the Skills Funding Agency. 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 £1500 payment once the apprentice has completed week 13 of their Apprenticeship programme.

If the apprentice leaves or is dismissed between weeks 1 and 13 you (the employer) will not receive the grant.

If the apprentice leaves or is dismissed after completion of the 13 weeks and following receipt of the grant there will be no requirement to re-pay the grant. However as defined in the signed employer agreement, employers are expected to provide ongoing employment to the Apprentice, subject to satisfactory performance as an employee.