

# GROWTH AND SKILLS LEVY REFORMS

## WHAT EMPLOYERS NEED TO KNOW



UK Government

The government is reforming apprenticeships to prioritise young people and better meet employers' needs, backed by **£725million** in additional investment.

## NEW PRODUCTS

### Foundation apprenticeships

Jobs with training at Level 2, providing job specific skills and employability behaviours to support the transition from education to work.

For **young people age 16 to 21**, or under 25 with an Education Health Care (EHC) plan, care leavers, or prisoners/prison leavers.

Have a minimum duration of **8 months** and are available in construction and the built environment, digital, engineering and manufacturing, health and social care, catering and hospitality, and retail service, supply and administration.

Can lead onto more specialised or higher level apprenticeships.

Find a training provider at [Find apprenticeship training](#) or advertise vacancies through your [apprenticeship service account](#).

### Updated apprenticeship offer

A new **Level 2 Administrative Assistant apprenticeship**, for 16 to 24 year olds. Available for starts from **1 August 2026** - providing a new opportunity for young people.

### Apprenticeship units

Short, flexible training courses that upskill existing employees aged 19+ in critical skills areas to support business growth and productivity.

They last between **30 and 140 delivery hours**, can be delivered over a period of one to 16 weeks and are available in:

- AI leadership – AI Strategy and opportunity
- AI leadership – AI adoption, procurement and governance
- AI leadership – AI delivery and organisational transformation
- Battery manufacturing
- Electric vehicle charging point installation and maintenance
- Electrical fitting and assembly
- Mechanical fitting and assembly
- Permanent modular building assembly
- Solar PV installation and maintenance
- Welding - mechanised

Focusing on these sectors allows us to test what works and refine and expand the offer over time.

Fully funded for non-levy paying employers. Levy payers can use their levy funds to pay for apprenticeship units.

Register employees through your apprenticeship service account, or visit our [Apprenticeship Units Support page](#) to find out more.



Visit our [Growth and Skills Levy page](#) for further information

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New and existing financial support available. Employers can claim more than one of these payments.

Payment		Employer type	Age eligibility	Schedule
<b>£1,000</b>	Additional payment for hiring apprentices	All employers	16 to 18 (and under 25 with an EHC plan or care leavers)	We pay this in two equal instalments, at day 90 and one year after apprenticeship started (or day 242 if apprenticeship under 12 months). Claimed by the training provider and passed on to the employer.
<b>£2,000</b>	Foundation apprenticeship incentive	All employers	16 to 21 (and under 25 with an EHC plan, care leavers, or prisoners and prison leavers)	We pay this in three equal instalments, at day 90, day 242 (eight months) and the final payment when an apprentice progresses onto their next apprenticeship. Claimed by the training provider and passed on to the employer.
<b>£2,000</b>	Apprenticeship hiring grant for non-levy employers. Policy will take effect from 1 October 2026, as long as they have joined their employer from July 2026	Non levy employers only	16 to 24 (new employees)	We pay this in two equal instalments at day 90 and day 365 (or day 242 if apprenticeship under 12 months). Earliest payment from January 2027. Claimed by the training provider and passed on to the employer.
<b>£3,000</b>	New Youth Jobs Grant incentive (June 2026)	All employers	18 to 24, if apprentice has been on universal credit for six months or more	Payment schedule to be confirmed. Paid directly to employers by the Department for Work and Pensions.

### Additional benefits for taking on a young person

- No employer National Insurance contributions for apprentices under 25 (see [HRMC guidance](#) for details)
- 100% training costs covered for under 25s (non-levy) from August 2026
- £3,000 [bursary](#) available to care leavers and young people in care under 25 starting an apprenticeship



### APPRENTICESHIP INCENTIVES

Financial support for hiring young apprentices



For further information on apprenticeship funding rules and eligibility, visit [Apprenticeship funding rules](#).

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### System changes from August 2026

#### Non-levy employers

##### Fully funded apprenticeships

Apprenticeship training for non-levy will be fully funded for under 25 year olds.

#### Levy employers

##### Co-investment rate

When levy funds are exhausted, the employer contribution will increase from 5% to 25% for new starts (government funds the remaining 75%). Existing apprentices already on programme retain the current 95% government rate.

##### 10% top-up removed

The current 10% government top-up on monthly levy contributions will stop.

##### Levy expiry period

The expiry period for new funds entering accounts will reduce from 24 months to 12 months. Funds already in accounts before August 2026 will retain the 24-month expiry.

### Withdrawing government funding for apprenticeship standards

The apprenticeship offer has grown to more than 700 standards, with some predominantly used as Continuing Professional Development (CPD) for established employees aged 25 and over, rather than supporting young people into skilled careers.

To refocus investment on young people and critical skills gaps, funding will be withdrawn from 16 apprenticeship standards for all new starts (regardless of age) from September 2026. All training providers delivering these standards will now have controls on starts to support the transition.

<b>Level 2</b> Professional Security Operative, Cleaning Hygiene Operative	<b>Level 3</b> Custody and Detention Professional, Facilities Management Supervisor, Learning and Skills Assessor, Team Leader, Security First Line Manager, Public Sector Compliance Investigator and Officer	
<b>Level 4</b> Improvement Practitioner, Learning and Skills Mentor, Lead Practitioner in Adult Care	<b>Level 5</b> Operations Manager, Outdoor Learning Specialist, Coaching Professional	<b>Level 6</b> Chartered Manager (degree), Improvement Leader

Existing apprentices will be funded through to completion. During the transition period, there will be limits on new activity.

Employers can continue to fund these standards privately. National Insurance exemptions for apprentices under 25 will still apply.

