



Finance Act 2016

2016 CHAPTER 24

PART 6

APPRENTICESHIP LEVY

Basic provisions

98 Apprenticeship levy

- (1) A tax called apprenticeship levy is to be charged in accordance with this Part.
- (2) The Commissioners are responsible for the collection and management of apprenticeship levy.

99 Charge to apprenticeship levy

- (1) Apprenticeship levy is charged if—
 - (a) a person has a pay bill for a tax year, and
 - (b) the relevant percentage of that pay bill exceeds the amount of the person's levy allowance (if any) for that tax year.
- (2) The amount charged for the tax year is equal to—

$$N - A$$

where—

N is the relevant percentage of the pay bill for the tax year, and

A is the amount of the levy allowance (if any) to which the person is entitled for the tax year.

- (3) The person mentioned in subsection (1) is liable to pay the amount charged.

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- (4) Except so far as section 103 provides otherwise, a person who has a pay bill for a tax year is entitled to a levy allowance for the tax year.
- (5) The amount of the levy allowance is £15,000 (except where section 101 or 102 provides otherwise).
- (6) For the purposes of this section the “relevant percentage” is 0.5%.

100 A person's pay bill for a tax year

- (1) A person has a pay bill for a tax year if, in the tax year—
 - (a) the person is the secondary contributor in relation to payments of earnings to, or for the benefit of, one or more employed earners, and
 - (b) in consequence, the person incurs liabilities to pay secondary Class 1 contributions.
- (2) The amount of the person's pay bill for the tax year is equal to the total amount of the earnings in respect of which the liabilities mentioned in subsection (1)(b) are incurred.
- (3) For the purposes of this section a person is treated as incurring, in respect of any earnings, any liabilities which the person would incur but for the condition in section 6(1)(b) of the Contributions and Benefits Act.
- (4) The Treasury may by regulations provide for persons specified in certificates in force under section 120(4) of the Social Security Contributions and Benefits Act 1992 (employment at sea: continental shelf operations) to be treated for the purposes of this section as the secondary contributor in relation to payments of earnings to which the certificate relates and as liable to pay secondary Class 1 contributions to which the certificate relates.
- (5) For the purposes of this section—
 - (a) references to “payments of earnings” are to be interpreted as they would be interpreted for the purposes of determining liability to pay secondary Class 1 contributions under the Contributions and Benefits Act;
 - (b) the amount of any earnings is to be calculated in the same manner and on the same basis as for the purpose of calculating the liabilities mentioned in subsection (1)(b).
- (6) In this section references to liability to pay secondary Class 1 contributions are to liability to pay secondary Class 1 contributions under Part 1 of the Contributions and Benefits Act ^{F1}(including a case where the amount of a liability to pay a secondary Class 1 contribution is £0)].

Textual Amendments

F1 Words in s. 100(6) substituted (15.3.2022) by [National Insurance Contributions Act 2022 \(c. 9\), s. 9](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)