

A new path

✓ **Neil Scott explains the training that will be provided through the new Workplace Pensions Trailblazer Apprenticeship standard, and the support the government will provide in the training of apprenticeships**

Apprenticeships continue to be high on the government's agenda and the Pensions Management Institute (PMI) is delighted to have contributed to the development of the new Workplace Pensions Trailblazer Apprenticeship standard – an entry-level apprenticeship for workplace pensions consultants or administrators – now available for employers to offer to assist in the development of staff working in these areas.

The PMI has also worked alongside five other professional bodies and a wide range of employers on the Higher Level 6 Financial Services Professional Apprenticeship, recently announced in March 2017, which includes a workplace pensions option and covers a range of roles and skills crucial to a career in the global financial services industry. This standard can also be used for existing members of staff looking to progress their careers.

In the past, apprenticeships were usually offered to young people and included on-the-job training, a competence element, and completion of a recognised technical or professional qualification. However, the new Trailblazer Apprenticeships are available to individuals of any age. Trailblazer apprenticeships have sought to build on the existing apprenticeship concept, and put employers at the forefront of the design of the standards to ensure they are as relevant as possible.

Apprenticeships are available in around 1,500 job roles, covering more

than 170 industries, from advertising to youth work and from environmental engineering to legal. After finishing, seven out of 10 apprentices (77 per cent) stay with the same employer. The government suggests that apprenticeships boost productivity to businesses by on average £214 per week.

The benefits of apprenticeships are clear. The apprentice has the opportunity to obtain work-based training – to 'earn and learn'; gain a professional qualification and membership of a professional body' and also improve their chances of finding a permanent position and a rewarding career. The employers enjoy subsidised training costs; fill skills gaps; are assisted with recruitment, and can give staff a clear training framework for career development.

Looking to strengthen the role of apprenticeships, in April the government introduced an apprenticeship levy. This levy must be paid by all employers operating in the UK with a pay bill over £3 million each year, and is charged at a rate of 0.5 per cent of the annual pay bill. It is paid to HM Revenue & Customs (HMRC) through the Pay as You Earn (PAYE) process.

Here is an example for an employer paying the levy with an annual pay bill of £5,000,000. The levy sum is calculated as 0.5 per cent x £5,000,000, which equals £25,000. The £15,000 levy allowance is then subtracted, leaving an annual levy payment of £10,000.

The apprenticeship levy was introduced as the mechanism by which employers (with a pay bill over



£3 million) are required to contribute to the funding of apprenticeships. Once an employer has paid the levy to HMRC it will be able to access funding for apprenticeships through a new digital apprenticeship service account. Therefore, an employer will be able to use this to pay for training and assessment for apprentices in England. It should be noted, though, that funds will expire 18 months after they enter a digital account, unless they have been spent on apprenticeship training.

Therefore, an employer can use these levy funds to support training that is delivered, and professional examinations/qualifications undertaken, as part of the Workplace Pensions Trailblazer apprenticeship. The levy applies to all UK employers, and equally levy funding can be used across a full range of apprenticeships. Smaller, non-levy paying employers can also access government funding for apprenticeships, up to approximately 90 per cent of costs.

The PMI will have a wide variety of qualifications included in the new apprenticeship and will also be the end-point assessment organisation for this apprenticeship. This will ensure all apprentices have met the required standards, and in effect sign off each apprenticeship. The intention is that new entrants will have greater access to training and relevant qualifications and a clear route in to the profession.

✎ **Written by Neil Scott, head of professional standards, PMI**