

# Apprenticeship Levy

SELECT PAY



# COMMERCIAL STATEMENT

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# APPRENTICESHIP LEVY IN SELECTPAY

Employers with a pay bill of over £3 million each year must pay the apprenticeship levy from April 6<sup>th</sup> 2017. The total amount of levy due across the year is 0.5% of the pay bill minus any levy allowance available (maximum of £15,000 per company/group for a year).

In SelectPay version 2017R1 onwards, there is an Apprentice Levy tab shown in the 'System > Company Details' screen which will show the previous year pay bill value and the current year's details, as below:

The screenshot shows the 'Company Details' screen with the 'Apprentice Levy' tab selected. The 'Calculate Apprentice Levy' checkbox is checked. The summary table shows the following values:

Field	Value
Annual Levy Allowance	15,000.00
Remaining Levy Allowance	13,750.00
Apprentice Levy Rate	0.50 %
Previous Tax Year Pay Bill	419,801.03
Current Tax Year Pay Bill	900,000.00
Levy Before Allowance	4,500.00
Levy Due	3,250.00
Levy Adjustment	0.00
Levy Remitted	3,250.00

If the previous year's pay bill is over £3m, the system will automatically tick the box to calculate the levy values, or users can manually tick the box if/when the need arises (e.g. the company grows and the projected pay figure is going to exceed £3m across the year, or the sum of master and slave database pay bills will reach £3m).

The apprentice levy checkbox can only be ticked where the database is not a slave (i.e. it is a stand-alone payroll, or is the master of a group). Slave databases will show the calculations in the screen above, but will not directly submit any levy values to HMRC.

If the company PAYE reference of the payroll(s) in question does not have the full £15,000 allowance across the year, this value must be changed via Payroll > Parameters > Apprentice Levy: (from the master database only if there are multiple linked payrolls)

The screenshot shows the 'Apprentice Levy Parameters' screen. The 'Rates take effect from' date is set to 06/04/2017. The 'Allowance' field is set to 15000 and the 'Rate' field is set to 0.50 %.

For databases that do not have the multiple datafile submission option ticked, every statutory return update will include the apprentice levy value due once the allowance has been deducted.

Any allowance that the payroll has will be proportioned evenly across the year based on the total number of pay periods, and the relevant fraction of the total will be used each pay run to decrease the amount due to be paid each time.

For example, where a monthly payroll has an allowance of £15,000 a year, period 1 will use £1,250 allowance, periods 1 & 2 together will use £2,500 of the allowance, periods 1, 2 & 3 will use £3,750 and so on up to £15,000 by month 12.

For payrolls that are linked under the same PAYE reference, it is **only the consolidated statutory return report which will show the apprentice levy amount due**, and the relevant value will be submitted to HMRC when the EPS is sent from the Master database.

The pay bill values must be included when entering the figures for slave databases into the wizard each period: (this field is only available once the Apprentice Levy flag is ticked in Company Details)

Consolidated Statutory Return Wizard - Entry

If your due payment to HMRC is to be reduced because of the NIC holiday scheme, enter the value of the reduction here

CIS Deductions Suffered 0.00

CIS Deductions from Accounts 0.00

NIC Holiday Reduction 0.00

Current Period

Unique ID 2 WEEKLY

PAYE	0.00	SPP Recovered	0.00
Student Loans	0.00	NIC Comp on SPP	0.00
Employer's NI	0.00	ASPP Recovered	0.00
Employee's NI	0.00	NIC Comp on ASPP	0.00
		SAP Recovered	0.00
SMP Recovered	0.00	NIC Comp on SAP	0.00
NIC Comp on SMP	0.00	ShPP Recovered	0.00
		NIC Comp on ShPP	0.00
		<b>Employer Pay Bill</b>	<b>0.00</b>

Click 'Add' to add another database, 'Remove' to remove the current database, 'Next' to continue, or 'Cancel' to exit the wizard

Add Remove Next > Cancel

Many clients make the mistake of thinking that the wage bill is the Gross/taxable payments that are shown on the payment summary report, and so may raise a support call if this total does not match the wage bill shown on the stat return. There is rarely an issue when this is reported, so the user should simply be reminded that the wage bill is based on payments subject to ERs NIC, and asked to provide further evidence if they still believe there is a problem.

The figure that clients must contribute to the levy each period is calculated in the SYS\_P32\_HISTORY table in SelectPay, in the MASTER database only. Calculations are made based on the total wage bill figures on rows with type '2', which are the summary rows that add the master and slave figures together for the relevant period. This summary row was introduced to resolve the problem whereby a master database has more than 12 payment periods in the year (i.e. more frequent than monthly – a problem for NViro & Glen every period, and Churchill once a year on their 4 weekly master). It has been found in the past that this summary row is not always summed correctly, so the total may need to be manually checked if a client raises an issue. Such problems may be related to a duplicate slave figure being picked up as an example. A type '0' row is added directly as a result of updating the stat return in the db in question. Type 1 is a manual/imported slave row.

The SYS\_P35\_HISTORY table has rows of type 0 and 2, where 0 is the database in question only, and 2 is the sum of all entries in the P32 table that have already been updated/submitted.

The below SQL can be used to extract levy details from the P32 table:

```
select P32_PRIMARY as [Primary], P32_UNIQUE_ID as [Unique Id], P32_NICER_GROSS as [Wage Bill], P32_APPRENTICE_LEVY as [App Levy], P32_PAYE as [PAYE], P32_NICERS as [NIC ERS], P32_NICEES as [NIC EES], P32_PRINTED as [Printed], P32_SUBMITTED_DATE as [Submitted] from SYS_P32_HISTORY where P32_YEAR = 2018
```



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