

EMPLOYER INCENTIVES FOR APPRENTICESHIPS

**LEARN, EARN,
TRANSFORM TOMORROW**



Suffolk
New
College





LOOKING TO GROW YOUR TEAM WITHOUT GROWING YOUR COSTS?

Apprenticeships offer a powerful way to recruit and develop talent, and now with significant financial incentives and reduced employment costs.

1. YOUNG APPRENTICE PAYMENT

Value: £1,000

Availability: Available now



What it is:

A government payment to support employers hiring younger apprentices.

What it includes:

- Applies to apprentices aged 16–18, or 19–24 with an EHCP
- Available to all employers
- Payments are made via the training provider

2. FOUNDATION APPRENTICESHIP INCENTIVE



Value: £2,000

Availability: Available now

What it is:

An incentive to support employers taking on new entrants through foundation apprenticeships. Designed for those not yet ready for a full apprenticeship, but will support progression into skilled employment.

What it includes:

- Applies to age **16- 21+**
- **22-24 with ECHP, Care experience or custodial background**
- Supports those with:
 - **Little or no prior experience**, or
 - **A career change**
- Available for **employers of all sizes**
- Payments are made via the **training provider**
- Designed to help people progress into **skilled employment**

3. NON-LEVY HIRING GRANT

Value: £2,000

Availability: From **October 2026**



What it is:

A hiring incentive for non-levy paying employers recruiting new apprentices.

What it includes:

- Applies to **non-levy paying employers**
- For **additional apprentices** aged **16-24**
- An apprentice must be **new to the employer**
(can have been with the organisation for up to 3 months before their apprenticeship start date)
- Supports costs alongside:
 - Fully funded training for under 25s
 - Potential National Insurance relief (where applicable)



4. YOUTH JOBS GRANT



Value: £3,000

Availability: From **June 2026**

What it is:

A grant to help employers recruit young people who may face barriers to work.

What it includes:

- Applies to young people aged **18–24**
- Focus on individuals:
 - **On Universal Credit**
 - Seeking work for **6 months** or more
- Available to **employers of all sizes**
- Paid **directly to the employer**





HOW EMPLOYERS CAN STACK THESE INCENTIVES

Employers may be able to combine multiple incentives for the same apprentice, depending on eligibility.

Key Points:

- Incentives are designed to work together, not separately
- An employer could potentially access:
 - Youth Jobs Grant (£3,000)
 - PLUS Non-Levy Hiring Grant (£2,000)
 - PLUS Apprenticeship incentives (e.g. £1,000 or £2,000)
- This creates a significant total funding package per apprentice
- Exact combinations will depend on:
 - Employer type (levy / non-levy)
 - Apprentice age and circumstances
 - Final government guidance on claiming







NATIONAL INSURANCE SAVINGS FOR APPRENTICES

Employers Pay £0 National Insurance for Many Apprentices

What it is:

Employers do not pay Class 1 National Insurance contributions for eligible apprentices, helping to significantly reduce employment costs.

What it includes:

- Applies to apprentices:
- Aged under 25
- Earning under £50,270 per year
- Available to all employers
- Applies to the employer's NI contributions only (not the employee's)



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