

Topics

1. Apprenticeship and Training Pay
2. Emergency Budget

We hope you have all been enjoying the recent sunshine and it hasn't been too overcast by the England football results. We won't dwell on this though. Suffice to say the only difference between the England team and a tea bag is that the tea bag stays in the cup longer.

APPRENTICESHIP AND TRAINING PAY

Following our last newsletter and the article regarding the New National Minimum Pay Rates we felt we needed to explain the Apprenticeships in more detail.

At the moment there is no National Minimum Rate for Apprenticeships. However there is a general agreement that employed apprentices should be paid £95 per week. From 1st October 2010 a new **NMW** rate for Apprentices has been introduced of £2.50 per hour.

You need to apply the £2.50 rate for all apprentices aged 16 to 18 and apprentices aged 19 and over who are in their first year. If you have an apprentice who is 19 or over and are not in the first year of the apprenticeship you need to apply the standard National Minimum rate for their age group.

Some young people train with a business without being employed by it. If this is a Programme Led Apprenticeship (**PLA**) they may be entitled to an Education Maintenance Allowance (**EMA**) up to £30 per week depending on the household income.

What is a PLA?

Programme Led Apprenticeships are to help people start an apprenticeship without being in employment. They also enable employers, on a

low budget to offer training opportunities.

Apprentices can begin studying at a learning provider until a suitable employer is found where they move to a full Apprenticeship framework.

Helpful contacts

NMW Helpline: 0845 6000 678

EMA Helpline: 0800 121 8989

EMERGENCY BUDGET

The emergency budget included a few payroll changes which are to come into effect from April 2011.

Income tax

In 2011-12, the income tax personal allowance for under 65s will be increased by £1,000 taking it from £6,475 to £7,475. Basic Rate Limit and Higher Rate threshold figures to be announce in the autumn.

National Insurance Contributions

The level at which employers start to pay NICs will increase by £21 per week above indexation, figures to be announced in the autumn.

Employee's NIC to be increased from 11% to 12% above the threshold to the upper earnings limit.

Above the upper earning limit is to increase from 1% to 2%

Employer's NIC to be increased from 12.8% to 13.8% for all earnings above the threshold.

We will of course provide more detail nearer the start of the tax year 2011/12.

If there are any topics you would like us to cover in our newsletter please drop us a line.

Enquiries: If there are any areas you would like to discuss further or have any queries, you can contact Rico Liverani, Managing Director or Sherree Patterson, Office Manager on 0191 5147009 we look forward to hearing from you, DCS Payroll.