

Federal Apprenticeship Subsidy COVID-19 FAQ

Apprenticeship Subsidy



Employer Apprentice Subsidy

Overview

1. What is *Supporting Apprentices and Trainees*?

As part of the Government's Economic Response to the Coronavirus, \$1.3 billion will be made available to 70,000 small businesses to help keep around 117,000 apprentices and trainees across the country in work and training.

Supporting Apprentices and Trainees provides a wage subsidy to small businesses (including those using a Group Training Organisation) to support the retention of their existing apprentices and trainees. This recognises the benefits of training already undertaken by apprentices and trainees and the significant investment made by employers.

The wage subsidy is also available to employers of any size, including a Group Training Organisation, if they re-engage an apprentice or trainee that has been displaced from a small business.

The subsidy will support businesses to manage cash-flow challenges and help small businesses retain their apprentices and trainees. This will help to ensure the continued development of the skilled workforce that employers need.

2. How much will be available to employers?

Eligible employers will receive assistance in the form of a wage subsidy reimbursed in arrears at 50 per cent of the apprentice's or trainee's wage.

The wage subsidy will be available for a maximum of nine months, covering wages paid over the nine-month period 1 January 2020 to 30 September 2020, or paid from the date of re-employment for an apprentice or trainee who has been displaced.

Employers will be reimbursed up to a maximum of \$7,000 per quarter, per eligible apprentice or trainee.

3. When will *Supporting Apprentices and Trainees* be available?

Employers can register with an Australian Apprenticeship Support Network (AASN) provider for the subsidy from 2 April 2020.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an AASN provider and following submission of a claim form and other supporting documentation by the employer.

Final claims for payment must be lodged by 31 December 2020.

4. How do employers access *Supporting Apprentices and Trainees* payments?

Supporting Apprentices and Trainees payments will be available from 2 April 2020.

Employers should contact an AASN provider for assistance.

5. What are the key dates for determining eligibility for *Supporting Apprentices and Trainees*?

1 March 2020 - an Australian Apprentice must be undertaking an Australian Apprenticeship with a small business employer on 1 March 2020.

1 January 2020 – payments can be claimed for wages paid from 1 January 2020 where the Australian Apprenticeship commencement or recommencement date is on or prior to 1 January 2020.

30 September 2020 – payments can be claimed for wages paid over the nine-month period 1 January 2020 to 30 September 2020.

31 December 2020 – an employer must lodge all claims for *Supporting Apprentices and Trainees* with their Apprenticeship Network provider by 31 December 2020.

6. Is there a limit on the number of eligible apprentices or trainees per employer?

No. There is no limit. Employers can receive *Supporting Apprentices and Trainees* for any number of eligible apprentices or trainees, provided they meet the eligibility criteria.

7. Is there a cap on the number of eligible employers who can attract *Supporting Apprentices and Trainees*?

No. There is no cap on the number of eligible employers who can attract *Supporting Apprentices and Trainees*.

8. Does the Australian Apprentice need to be employed by the employer for the entire three-month period up to the effect date?

No. The Australian Apprentice must be undertaking an Australian Apprenticeship with a small business employer on 1 March 2020, and claims can only be made where the Australian Apprentice is undertaking an Australian Apprenticeship that has a formally approved Training Contract in place.

9. What is the retention criteria?

The retention criteria supports small business to retain their apprentice or trainee.

An employer will meet the retention criteria where:

- ☑ the employer is a small business; and
- ☑ the apprentice or trainee was undertaking an Australian Apprenticeship with the employer on 1 March 2020.

10. Re-engagement criteria. What is the re-engagement criteria?

The re-engagement criteria supports employers to engage an apprentice or trainee where a small business is not able to retain the apprentice or trainee.

An employer will meet the re-engagement criteria where:

- the Australian Apprentice was undertaking an Australian Apprenticeship with a small business employer on 1 March 2020; and
- the Australian Apprentice was released from their Australian Apprenticeship with the small business employer after 1 March 2020; and
- a subsequent employer of any size (including all small, medium or large businesses or Group Training Organisations) has re-engaged the Australian Apprentice

11. Are school-based apprentices and trainees eligible?

Yes. Employers of school-based apprentices and trainees may be eligible to attract *Support for Apprentices and Trainees*.

12. Is *Supporting Apprentices and Trainees* only available where apprentices and trainees are in a certain age group?

No. *Supporting Apprentices and Trainees* is available for apprentices or trainees of any age, subject to meeting the eligibility criteria.

13. What is a small business?

For the purposes of *Supporting Apprentices and Trainees*, a small business is a business that employs fewer than 20 people (Head count not FTE).

14. What evidence is required to confirm eligibility for *Supporting Australian Apprentices*?

As per the requirements for all payments available under the *Australian Apprenticeships Incentives Program* a claim for payments may not be lodged until:

- the STA has approved the Training Contract; and
- training has commenced; and
- on or after the effect date.

Evidence that training has commenced must be provided.

In addition, the following evidence must be attached to the claim:

- payroll prints, time and wages sheet or payslips for each pay period included in the claim which confirms the gross wage paid to the Australian Apprentice.

15. Will eligible Group Training Organisations be required to pass *Supporting Apprentices and Trainees* payments to the host employer?

Yes. Group Training Organisations must pass *Supporting Apprentices and Trainees* payments to the host employer, where the Australian Apprentice is being retained by the host employer.

Further questions talk to your AASN or your Group Training Company.

