

Financing adult learning database

Name of the instrument - Local language	Taxe d'apprentissage
Name of the instrument - English translation	Apprenticeship tax
Scheme ID	87
Country	 France
Reporting year	2020
Type of instrument	Training fund
Sub-type of instrument	National level collection and sectoral level distribution
Type of entry	Single instrument

Short description	<p>All companies (with some exceptions) are obliged to participate in the financing of the expenses for the development of apprenticeships and initial technological and vocational education by paying the so-called training tax. In general they contribute 0.68% of the gross annual wages of the previous year. Self-employed do not contribute to the apprenticeship tax. The funding capital is used to give grants to training providers as well as to companies providing initial technological and vocational education and training. Expenses and payments made by companies for this purpose, through a collection institution (Organismes Collecteurs de la Taxe d'Apprentissage, OCTA), are deducted from the tax, and any remaining balance is paid to the Treasury. OCTAs are also responsible for transferring the money to beneficiary institutions. Funding is made via levy on companies, where companies are obliged to contribute to the fund, according to different tax rates of the gross annual wages of the previous year, depending on different considerations (size of the company, geographical location, percentage of apprentices in the workforce, etc). The 2018 reform has significantly changed the financial system of vocational training and apprenticeship. OCTA have disappeared. The collection of the single company contribution to vocational training and apprenticeship will be operated by URSSAF (Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales - Organisations for the payment of social security and family benefit contributions). As a transitional measure, for the year 2020, the collection is carried out by OPCO (Opérateurs de Compétences).</p>
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Law No 2014-288, 5 March 2014; The recent 5th September 2018 Law introduces significant changes in the apprenticeship system (https://www.francecompetences.fr/la-formation-professionnelle/apprentis...)
Objective(s) and target(s)	Development of training
Year of implementation	1925
Year of latest amendment	2018
Year of termination	2020
Operation/management	The apprenticeship tax is a tax liability for companies in order to participate to the financing of apprenticeships and of initial technological and vocational education and training. Expenses and payments made by companies for this purpose, through a collection institution (Organismes Collecteurs de la Taxe d'Apprentissage, OCTA), are deducted from the tax and any remaining balance is paid to the Treasury. OCTAs are also responsible for transferring the money to beneficiary institutions. Since 2019, OCTAs have become OPCO (Operators of Competences) (OCTA disappeared with the 5th September Law and the creation of OPCOs).
Eligible group(s)	The apprenticeship tax is due by any companies registered and subjected to the corporate income tax.
Education and training eligible	Apprenticeship training, initial technological and vocational education and training.
Source of financing and collection mechanism	Levy on companies. Companies are obliged to contribute to the fund. The tax rate is set at 0.68% of the gross annual wages of the previous year (0.44% for the departments of Moselle, Bas-Rhin and Haut-Rhin). For companies of 250+ employees and 2000+ employees, an additional tax is foreseen depending on the percentage apprentices represent in their staff. For companies of 250+ employees, the additional tax is of 0.4% if apprentices represent less than 1% of employees, 0.2% if between 1% and 2%, 0.1% if between 2% and 3%, and 0.05% between 3% and 5%. For companies of 2000+

	employees, the additional tax is of 0.6% if apprentices represent less than 1% of employees, 0.2% if between 1% and 2%, 0.1% if between 2% and 3%, and 0.05% between 3% and 5%.
Financing formula and allocation mechanisms	OCTAs are required to respect the allocation requests made by companies, after checking the liability discharge nature of these applications under current regulations. In 2015, the allocations have to respect these ceilings: 51% to regions to fund apprenticeships (regional fraction); 26% to apprenticeship providers (quota fraction); 23% to initial technological and vocational education and training providers, outside apprenticeships (out-of-quota fraction). This fraction has to be divided according to two categories of qualification levels: 35% for levels I and II (e.g. Bachelor, Master Degrees) and 65% for levels III, IV and V (e.g. brevet d'études professionnelles, certificat d'aptitude professionnelle, brevet professionnel, brevet de technicien, baccalauréat professionnel, baccalauréat technologique, diplôme des instituts universitaires de technologie, brevet de technicien supérieur). Companies can pay the apprenticeship tax to their OCTA without indicating to which CFA/schools they want their taxes to be allocated (excepted for the obligatory financial contributions to the CFA providing apprentices to the company). The OCTA must then submit a proposal for the distribution of unallocated funds under the quota fraction to its Region, which will in turn make a recommendation to the OCTA.
Eligible costs	Eligible costs include the financing of apprenticeship costs for companies.
Volumes of funding	In 2018, contributions amounted to EUR 3 226 206 000.
Beneficiaries/take up	Number of apprentices, this is: 495 000 in 2020485 800 in 2019437 000 in 2018
Organisation responsible for monitoring/evaluation	Conseil national de l'emploi, de la formation et de l'orientation professionnelles (Cnefop)/ Comité régional de l'emploi, de la formation et de l'orientation professionnelles (Crefop).
Most relevant webpage - in English	Not available
Most relevant webpage - local language	More recent weblink: https://www.alternance-professionnelle.fr/fonctionnement-taxe-apprentis...
Recent changes	2018. By the 5th September Law, the apprenticeship system is reformed, as well as the vocational training financial system (including apprenticeship). Before 2018, the apprenticeship tax was collected by dedicated organisations (Organismes Collecteurs de la Taxe d'Apprentissage, OCTA); from 2019, the apprenticeship tax is to be directly collected by URSSAF (Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales, meaning the Organizations for the payment of social security and family benefit contributions) at the same time as social contributions. The main objective of the amendment is to simplify fiscal procedures and to reduce administrative burden.

Sources

<http://www.arftlv.org/Fiches-techniques/Formation-des-salaries-et-finan...>