

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	2015
Type of instrument	Training fund
Type of entry	Single instrument

Short description	Companies are obliged to participate to the financing of the expenses for the development of apprenticeships and initial technological and vocational education by paying the so-called training 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.
Short description of the related instruments	nap

Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Legal basis	Law No 2014-288, 5 March 2014;
Year of implementation	1925
Year of latest amendment	2014
Operation/management	The apprenticeship tax is a tax liability for companies in order to participate to the financing of apprenticeships

	<p>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.</p>
Eligible group(s)	<p>The apprenticeship tax benefits two types of education and training institutions: those who train apprentices (Centre de formation d'apprentis, Sections d'apprentissage, Unité de formation par apprentissage) and those providing initial technological and vocational education and training: vocational secondary schools, universities, engineering schools.</p> <p>In general, one cannot start an apprenticeship in France if older than 25 at the start of the apprenticeship, unless the person is: (i) recognised as a disabled worker, (ii) taking over a business and in need of a mandatory examination containing his training in apprenticeship.</p>
Group(s) with preferential treatment	None
Education and training eligible	Apprenticeship training, initial technological and vocational education and training.
Source of financing and collection mechanism	<p>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).</p> <p>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%.</p>
Financing formula and allocation mechanisms	<p>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</p>

	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	specific arrangement
Volumes of funding	In 2013, contributions amounted to EUR 2 080 000 000.
Beneficiaries/take up	na
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).
Monitoring/evaluation reports available	na
Most relevant webpage - in English	na
Most relevant webpage - local language	http://www.arftlv.org/Fiches-techniques/Formation-des-salaries-et-finan...
Recent changes	From January 2016, OPCAs (managed by boards composed of an equal number of representative of employers and employees) will collect the apprenticeship tax at national level (with the exception of a few OCTAs that will collect the tax until 2018). At regional level, consular chambers will collect the tax (one consular chamber per region will be designed after an agreement).
Sources	http://www.arftlv.org/Fiches-techniques/Formation-des-salaries-et-finan...