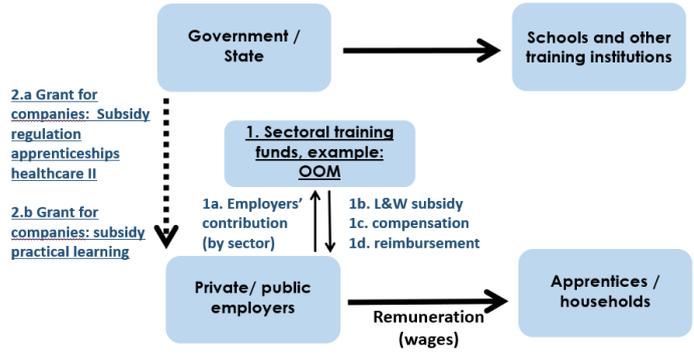


Scheme name	Dual pathway
Country	 Netherlands

Duration	1-4 years (depending on qualification level)
Apprentices remuneration - characteristics	<p>Type: wage paid by the employer; fixed amount per hour (but the payment is monthly)</p> <p>Remuneration setting: by collective agreements. The starting salary amounts to at least the legal minimum wage (for youth) and increases are sector specific, and so are the agreements concerning remuneration of the school day.</p> <p>Coverage: on-the-job training (wage)</p> <p>Variation(s): by the year of apprenticeship, age of apprentice, trade and qualification level</p>
Apprentices remuneration - amount	<p>Average regulated remuneration: EUR 1,330.60 per month (minimum remuneration for an apprentice that is 21 year old (above 24 year-olds is the biggest share of apprentices)).</p> <p>▼ Read more ▼</p> <p>For 1 July 2017 the following minimum remuneration/wage is agreed on by law for apprentices. For 15 years old: 469.60 EUR per month; 16 years: 540.05 EUR per month; 17 year: 618.35 EUR per month; 18 years: 712.25 EUR per month; 19 years: 821.85 EUR per month; 20 years: 962.70 EUR per month; 21 years: 1330.60 EUR per month.</p> <p>Level in PPS: 1,196.58 per month Share of the national minimum wage: 85% (calculation based on the min wage of EUR 1,565.4 in 2017, S2)</p> <p>Remuneration (annual gross income) in 3 selected occupations (EUR): hairdresser: 1st year: 6,403.92; 2nd: 7.311.36; 3rd: 8,399.88; 4th: 9,684.60 (for above 23 year olds: EUR 18,446.40) motor mechanic: 1st year: 6,403.92; 2nd: 7.311.36; 3rd: 8,399.88; 4th: 9,684.60 (for above 23 year olds: EUR 18,446.40) bricklayer: 1st year: 4,669.92; 2nd: 5,376.48; 3rd: 6,193.44; 4th: 7,153.92 (for above 23 year olds: EUR 12,177.12)</p> <p>▼ Read more ▼</p> <p>Hairdresser: data extracted from the collective labour agreement for the sector (lonen salonmedewerker per 1 juli 2016). The salary is also dependent on the age (higher salary for every year between 14 and 23 years old. From 23 years and older, it is fixed. The collective labour agreement only provides gross income per month. The salary is multiplied by 12 months to</p>

	<p>calculate the annual gross income. Gross income for an apprentice 16, 17, 18 and 19 years old was taken into account, resembling the 1st, 2nd, 3rd, and 4th year of apprenticeship. The minimum salary for VMBO leerling was considered.</p> <p>Motor mechanic: According the collective labour agreement (Collectieve overeenkomst voor het motorvoertuigenbedrijf en tweewielerbedrijf 2014-2018) the salary equals the minimum income as defined by law. The collective labour agreement only provide gross income per month. The salary is multiplied by 12 months to calculate the annual gross income. Gross income for an apprentice 16, 17, 18 and 19 years old was taken into account, resembling the 1st, 2nd, 3rd, and 4th year of apprenticeship.</p> <p>Bricklayer: data is extracted from the collective labour agreement for the building sector (Collectieve Arbeidsovereenkomst Bouw & Infra, 1 februari 2017 t/m 31 maart 2018). The salary is also dependent on the age (higher salary for every year between 14 and 21 years old. From 22 years and older, the salary is fixed. Salary also differs per level (BBL2 or BBL3). The collective labour agreement only provides gross income per hour. The salary is multiplied by 23 hours, 4 weeks, and 12 months, to calculate the annual gross income. Gross income for an apprentice 16, 17, 18 and 19 years old was taken into account, resembling the 1st, 2nd, 3rd, and 4th year of apprenticeship. The minimum salary for BBL 2 was considered. This salary is applicable after 1 September 2015.</p>
<p>Time foreseen for on-the job-training</p>	<p>More than 50% of the overall duration of apprenticeship Number of hours per year (average): 1,280. There are 1,600 study hours per year for a MBO student, and 4 out of 5 days is the company part of the training (0.8*1,600=1,280).</p>
<p>Apprentice social insurance</p>	<p>Paid by: the employer and the apprentice Rights: health, pension, unemployment, annual leave.</p>
<p>Additional support for apprentice</p>	<p>-</p>
<p>Financing on-the-job training</p>	<p>The employers cover the costs of apprenticeship, however, they are partly compensated through different financing instruments such as the State lump sum payment Subsidy practical learning or Stage fund healthcare. They all provide general compensation for employers on costs related to apprenticeships (budget is not labelled to a specific cost). In 2016, the State spent EUR 196,500,00 on the subsidy practical learning and EUR 112,000,000 on stage fund healthcare (this sums up to EUR 308,500,000).</p> <p>Source: https://www.s-bb.nl/bedrijven/subsidies-en-fondsen</p> <p>Salary costs differ per individual (age and qualification level), company, and sector. Some apprentices earn far below the minimum youth income while others earn above.</p> <p>▼ Read more ▼</p>

	<p>According to the research (a study of the Central Planning Bureau, CPB (2016), Ionen van BBL-leerlingen en wettelijk minimum jeugdloon)</p> <p>15-19: 3% earns less than 90% of minimum income; 22% between 90 and 110%; 70% more than 110%</p> <p>20-24: 3% earns less than 90% of minimum income; 17% between 90 and 110%; 75% between more than 110%</p> <p>Above 24: 3% earns less than 90% of minimum income; 12% between 90 and 110%; 78% more than 110%</p> <p>For 6% of the population no income characteristics are known.</p> <p>Nevertheless, some rough estimation can be made. For example, the minimum gross youth income of a 19 year-old in 2016 is EUR 860.95 month (EUR 10,331.40 a year). Employers need to pay taxes and social contribution of around 30% above the gross income, making the total minimum wage costs EUR 13,430.82 for a 19 year-old. The annual public support of EUR 2,700 (through Subsidy Practical Learning) is 20% of the minimum salary costs of an employer for a 19 year-old. This calculation is done while making many assumptions and is simplistic by nature and the user should therefore be very careful using this statistic.</p>
<p>Financing off-the-job training</p>	<p>Companies contribution: training materials, facilities, instructors/mentors/tutors/in-company trainers</p>
<p>Financing of the scheme overall</p>	<p>No definite answer possible as only data on the government part subsidizing the apprenticeship scheme (BBL) is available: EUR 308,500,000 (196.5 million for the subsidy practical learning + 112 million for stage fund healthcare). The figure does not include the government financing of the school-based part of training (funding of VET schools). No EU funding is involved.</p> <p>There is no information/estimation of the costs borne by employer such as wages, social contributions, material costs; in-company training, travel and subsistence costs, mentor costs, payments to sectoral training funds, etc.). Interviewed experts were not keen on providing an estimation.</p> <p>Salary costs differ per individual (age and qualification level), company, and sector (see 'Financing on-the-job'). Employers need to pay taxes and social contribution of around 30% above the gross income, making the total minimum wage costs EUR 13,430,82 for a 19 year-old. The annual public support of EUR 2,700 is 20.1% of the minimum salary costs of an employer for a 19 year-old. This calculation is done while making many assumptions and is simplistic by nature and the user should therefore be very careful using this statistic.</p> <p>There are a few examples of financial incentives from sectoral training funds (like OOM).</p> <p>Apprentices pay tuition fees for the school based part (for 2016/2017 this was EUR 236 for level 1-2 and EUR 573 for level 3-4). No data is available of the total cost of</p>

<p>Illustration: sources of funding and financial flows</p>	<p>the scheme.</p>  <p>The diagram illustrates the financial flows in the Dutch apprenticeship system. At the top, 'Government / State' provides a grant (2.a) to 'Schools and other training institutions'. Below this, 'Private / public employers' provide a grant (2.b) to 'Schools and other training institutions'. The 'Government / State' also provides a grant (2.a) to 'Private / public employers'. 'Private / public employers' provide 'Remuneration (wages)' to 'Apprentices / households'. 'Private / public employers' also contribute to '1. Sectoral training funds, example: OOM' (1.a). '1. Sectoral training funds, example: OOM' provides 'L&W subsidy' (1.b) and 'compensation' (1.c) to 'Private / public employers'. '1. Sectoral training funds, example: OOM' also receives 'reimbursement' (1.d) from 'Private / public employers'.</p>
<p>Assessment of financing arrangements</p>	<p>The strength of the Dutch system is that there is one general funding instrument for apprenticeships, providing a lump-sum per apprentice to companies and they are free to allocate the money. This funding instrument is transparent for companies.</p> <p>The disadvantage is that the more companies make use of this subsidy the less money is available per apprentice (there is a ceiling in the budget and the budget is equally shared amongst applicants, with a maximum of EUR 2,700 per apprentice). Additionally, there are some sector specific subsidies (like stage fund healthcare; subsidy family doctors; subsidy internal job coach; subsidy language training ('tel mee met taal') and subsidies from sectoral training funds (differs per sector). There is fragmentation between sectors also leading to unequal access to financial support for apprentices and companies.</p> <p>Apprentices themselves are not directly financially supported by the government.</p>
<p>Trends</p>	<p>In general, the following trends can be observed: decreasing number of participants in BBL (apprenticeship) versus BOL (school-based VET). Huge difference between economic sectors and qualification levels. This is caused by the economic crisis leading to a preference for the school based track; demographic developments and increasing qualification level; poor image of BBL; termination of tax incentives for employers to compensate wages for apprentices; the requirements for general subjects (language and numeracy) in BBL; limited capacity of SBB to assure sufficient apprenticeship places; no public funding for the VET school, in case no working and learning agreement is made between the employer and apprentice, before 31 December that school year.</p>
<p>Contextual information</p>	<p>Minimum wage: EUR 1,537.2 per month (2016, S2); EUR 1,551.6 per month (2017, S1); EUR 1,565.4 per month (2017, S2) Average yearly working time (hours) for a full time job: 1,684</p>

More on financing instruments for this scheme

Subsidy regulation apprenticeships healthcare II

 NETHERLANDS
Grants for companies

Subsidy Practical Learning

 NETHERLANDS
Grants for companies

Learning Contribution for the Sectoral Training Funds for Metal Workers

 NETHERLANDS
Training funds

More on this apprenticeship scheme

Dual pathway

 NETHERLANDS

Source URL: <https://www.cedefop.europa.eu/tools/financing-apprenticeships/apprenticeship-schemes/dual-pathway>