Employer Incentives for Apprenticeships in 2026

The Government is delivering the biggest package of employer incentives for apprenticeships in over a decade. These incentives sit alongside fully or majority funded training for many under 25s and employer National Insurance relief where applicable.

THE FOUR EMPLOYER INCENTIVES

Young Apprentice Payment

£1,000

AVAILABLE FROM

Now

Applies when you recruit:

- An apprentice aged 16-18, or
- 19-24 year olds with an EHCP or care leaver status
- Available for employers of all sizes
- Payments are processed by the training provider

Payment is available now for eligible apprenticeships.

Fully funded apprenticeship training for smaller businesses (non-levy employers) for 16 to 21 year olds (up to 24 with education, health or care plan or care leavers). This will change to cover all eligible 16 to 24 year-olds, from August 2026.

£3,000 bursary available to care leavers under 25 starting an apprenticeship.

Foundation Apprenticeship Incentive

Up to £2,000

AVAILABLE FROM

Now

Applies when you recruit a foundation apprentice who is:

- Aged 16-21, or 22-24 with EHCP care experience or custodial background
- Available for employers of all sizes
- Payments are processed by the training provider

Supports young people not yet ready for a full apprenticeship, with progression into skilled employment.

Non-Levy Hiring Grant

£2,000

AVAILABLE FROM

October 2026

Applies when a non-levy paying employs and recruits an additional apprentice aged 16-24:

- Payments are processed by the training provider
- Applies when an employer recruits an apprentice can have joined the employer up to 3 months before their apprenticeship training start date

Sits alongside:

- Full or majority funding of training costs for many under 25s Employer National Insurance relief where applicable

Youth Jobs Grant

£3,000

AVAILABLE FROM

June 2026

Applies when you hire an 18-24 year old who has been:

- On Universal Credit, and has been seeking work for six months or more
- Available for employers of all sizes
- Payments made to the employer directly
- Managed by the DWP

Designed to reduce recruitment risk and help employers engage young people who may otherwise struggle to access opportunities.

HOW THE INCENTIVES WORK TOGETHER

Youth Jobs Grant

Helps employers hire young people furthest from the labour market.

Work & Experience Training

Provides work experience and support to build skills and confidence.

Apprenticeship Incentives

Supports progression into sustained, skilled employment.

Pipelines into skilled, sustained work for young people.

WHAT DCTPN MEMBERS SHOULD CONSIDER

Clear, Consistent Messaging

Ensure employers understand eligibility and timing.

Promote Progression Routes

Position apprenticeships as the next step from Jobs Guarantee and Youth Jobs Grant roles

Focus on Early Support & Retention

Most payments are linked to milestones - success depends on sustained engagement.

Work Together Locally

Collaboration with Job Centre Plus, Youth Hubs and employers will be essential to maximise impact.

Quality & Progression Matter

Incentives must translate into starts, progression and sustained jobs.

STACKING OF INCENTIVES

While final delivery guidance is still being developed, government announcements make clear that the Youth Jobs Grant, Jobs Guarantee and Apprenticeship incentives are separate measures designed to work together. Employers may be able to access more than one incentive for the same young person where eligibility criteria are met.

All information contained within this document is correct at time of printing. Employers should visit the government website for up to date information.