



Name of the instrument in English	Apprenticeship tax
Country	 France
Type of instrument	Training funds

Level of operation	National
Part of the country where the instrument applies	nap
Region(s) in which the instrument applies	nap
Sector(s) in which the instrument applies	nap
Legal basis	Fiscal code
Objective(s) and target(s)	The apprenticeship tax was set to finance the apprenticeship training and vocational or technological training.
Year of introduction	1925
Year of termination	No foreseen end to the instrument (on-going)
Governance (management, operation, monitoring and evaluation)	Since the apprenticeship tax is divided in three parts involving different actors (State-Regions, collecting joint bodies, companies), there is no real overall management of the instrument, except for the part involving State and Regions. The government is working on the global economy of the apprenticeship tax and on regulation. Regional councils execute the regional apprenticeship policy, regulate and monitor the apprenticeship policy, as well as they ensure the economic balance of the apprenticeship training centers. As for the second part, the tax is managed by the joint collecting bodies. The "Commission des Comptes" from CNEFOP (national center for vocation training) carries out analyses of the apprenticeship training financial accounts. Evaluation falls within Court of Auditors ("Cour des Comptes") competencies or within senators.
Eligible group(s)	All companies
Education and training eligible	The instrument funds apprenticeship and other vocational or technological initial training.
Source of financing and	Levy on companies (regulated by law). The tax is divided

collection mechanism	in three parts (see 'Source and collection' for more details). 1) 51% corresponds to the regional part (the tax is paid to the State and then repaid to the Regions, 2) 26% corresponds to the part allocated to apprenticeship, 3) 23% corresponds to the part allocated to apprenticeship or to other vocational/technological training (in this case, the company can decide to pay the tax to training center of its choice).
Financing formula and allocation mechanisms	Companies pay the levy but they are not direct beneficiaries. They pay the tax to joint collecting bodies which allocate the funds to training centres.
Eligible costs	Off-the-job training costs (could be the material, trainers, all the costs linked to a training center (running costs, etc.). It does not cover any on-the-job training costs. It is used to finance the apprenticeship training centers, not the companies (the apprenticeship tax is directly allocated to CFAs).
Volumes of funding	In 2014, some EUR 949,000,000 were collected from companies via apprenticeship tax (this is the total amount of the apprenticeship tax applied to the financial cycle of apprenticeship training; the amount represents a part of the apprenticeship tax which is used to finance apprenticeship). No EU funding involved.
Beneficiaries/take up	The number of the companies that contribute to the fund is not available. The companies are not direct beneficiaries of the instrument. The collected funds are allocated to training centers. Companies may receive other subsidies such as apprenticeship annual bonus, social tax exemption, corporate credit tax.
Monitoring/evaluation results	The apprenticeship tax has grown over the last 10 years, from EUR 603 million in 2004 to EUR 949 million in 2014. In parallel, the number of apprentices studying to obtain a secondary school diploma is declining since 2008, whereas the number of tertiary apprentices is growing. This trend raises a general comment and criticism: initially, apprenticeship training was set up to train craftsmen, i.e. young people who decide to stop at 16 and to enter an apprenticeship training center. Nowadays, it appears that in some regions the apprenticeship tax is used to develop tertiary apprenticeship. The main risk is an increase of the unemployment rate of the less qualified. In the last years, the number of apprentices has grown slower than the total expenses for apprenticeship. Consequently, the cost per apprentice has risen (+ 32% between 2004 and 2014). The main criticism is the inequality in the distribution of the apprenticeship tax. Inequalities are regional, they are also relative to the nature of the schools (secondary or tertiary: a region can decide to promote tertiary apprenticeship at the cost of secondary apprenticeship; private or public schools). Another issue is the scope of the apprenticeship tax: the tax is used to finance apprenticeship training and other vocational or technological initial training. The main difficulty of the apprenticeship tax mechanism is the complexity of the financial cycle and the number of stakeholders involved within the financing system. A

	recent reform of the apprenticeship financing system intended to introduce slight changes in the financing system by reducing the number of joint collecting bodies and improving the transparency of the system. As for the labour market outcomes of graduates, they depend on the level of diploma. Within each level of diploma, there are differences between apprenticeship training and other educational pathways. In the case of France, a lot of diplomas can be obtained by the way of apprenticeship or scholar track. Research had been carried out to compare the impact of apprenticeship vs scholar tracks, trying to isolate the diplomas that can be obtained by both way of training. The impact of apprenticeship is different for post-secondary graduates and tertiary graduates. In both cases, apprenticeship training has a positive impact on labour market outcomes. For post-secondary graduates, the probability to get a job within 3 years following the graduation is higher for apprentices. Wages are similar, as well as occupations. For tertiary graduates, probabilities to get a job are comparable among graduates from different pathways, but wages are higher for those graduating from apprenticeship pathway.
Recent or planned changes	The 2013 Financing Law created a new apprenticeship tax which merges the new tax with a previous tax into a single apprenticeship tax. The new levy amounts to 0,68% of the payroll of the company. The tax is divided in three parts (see 'Source and collection' for more details).
Sources	CNEFOP (national center for vocation training) Court of Auditors ("Cour des Comptes"), https://www.ccomptes.fr/fr

Related financing adult learning database instrument

Apprenticeship tax

 France

Training fund

Related apprenticeship schemes

Apprenticeship contract

 FRANCE

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