

## **Q&A – Tax Free Boost to Take Home Pay of Apprentices**

### **Why is this initiative being introduced?**

The Australian Government recognises that the first and second years of apprenticeships can be particularly difficult, with average annual wages of between \$15,000 and \$19,500 respectively.

By providing a tax free payment of \$1,000 per year for each of the first two years of an eligible full-time Australian Apprenticeship, paid in 6 monthly instalments, the Government is helping young Australians during this early stage of their careers. The wage “top-up” is also an additional incentive to attract young people into technical and trade training, to ensure that Australia has the skilled workforce to meet our future needs.

### **When does it commence?**

The initiative will commence from 1 July 2007. Both new and existing Australian Apprentices may be eligible. New and existing Apprentices will receive their first payment from January 2008.

### **Who is eligible?**

All first and second year apprentices under the age of 30 who are undertaking a trade apprenticeship in an area of skills shortage will be eligible to receive the wage “top-up”.

### **What is an area of skills shortage?**

The Migration Occupations in Demand List (MODL) provides a list of the trades that are currently in skills shortage. The MODL can be viewed online at [www.immi.gov.au/skilled/general-skilled-migration/skilled-occupations/occupations-in-demand.htm](http://www.immi.gov.au/skilled/general-skilled-migration/skilled-occupations/occupations-in-demand.htm).

### **Why is the initiative only targeted at younger Australian Apprentices?**

The Australian Government has already recognised the need to assist Australians aged 30 years and over who want to pursue a career in the trades. From 1 July 2007, the Support for Mid-Career Apprentices initiative will provide a wage subsidy of up to \$13,000 for mature aged apprentices.

Further information about this initiative can be viewed online at [www.australianapprenticeships.gov.au/documents/brochures/Skills\\_For\\_The\\_Future/Mid\\_Career\\_Information\\_Sheet.pdf](http://www.australianapprenticeships.gov.au/documents/brochures/Skills_For_The_Future/Mid_Career_Information_Sheet.pdf)

**How much will I receive?**

The apprenticeship wage “top-up” is \$1,000pa, tax free, for each of the first two years of an eligible full-time Australian Apprenticeship paid in bi-annual instalments of \$500.

**How often is it received?**

Payments of \$500 will be made every 6 months to full-time Australian Apprentices. Part-time Australian Apprentices will receive payments of \$500 annually.

**How do I claim the payment?**

Your Australian Apprenticeships Centre will send you a claim form when you are eligible for payment. Both the Australian Apprentice and their employer will need to complete the claim form before returning it to the Australian Apprenticeship Centre for processing.

Payments will be paid directly into the apprentice’s nominated bank account.