Fact Sheet

CITB Levy (2026)

PRAGMATIC CONSULTING

What is the CITB Levy?

The Construction Industry Training Board (CITB) Levy is a statutory training levy applied to employers in the UK construction industry.

It is collected under the Industrial Training Act and is used to fund training, skills development, and workforce growth across the industry.

In simple terms:
Construction employers contribute to a central fund, which is then reinvested back into the industry through grants, funding, and training support.

Who needs to pay the CITB Levy?

The levy applies to employers who are:

- Wholly or mainly engaged in construction activities
- Using PAYE employees and/or CIS subcontractors

If construction activities make up more than 50% of your business, you are likely required to register and submit a levy return.

How much is the CITB Levy?

The levy is calculated based on your total wage bill, including:

- PAYE employees
- CIS subcontractors (where CIS deductions are made)

Proposed Levy Rates (2026–2029 period)

The current proposals for the next levy period confirm that rates will remain unchanged:

- 0.35% on PAYE payroll
- 1.25% on net CIS subcontractor payments

These proposals apply for the 2026–2029 levy period, including the 2026–2027 assessment year.

Levy thresholds, exemptions & reductions

To support smaller businesses:

- Under £150,000 wage bill → No levy to pay (exempt)
- £150,000 – £499,999 → 50% reduction
- £500,000+ → Full levy applies

Important:
Even if exempt, you must still submit a Levy Return each year.

What is the CITB Levy used for?

The levy is reinvested into the construction industry to:

- Fund training grants and qualifications
- Support apprenticeships and workforce development
- Develop industry standards and qualifications
- Address skills shortages and future workforce needs

What can employers claim or use it for?

Employers registered with CITB may be able to access:

- Short course grants (e.g. health & safety, technical training)
- Qualification grants (NVQs and longer-term training)
- Apprenticeship support funding
- Additional funding for specific initiatives or sectors

Key point:
The levy is not a “tax” you lose — it can be claimed back through grants and funding if used effectively.

How to register and apply

Step 1: Register with CITB
Employers must register with CITB if they meet the criteria.

Step 2: Complete an annual Levy Return
You must submit details of your wage bill each year.

Step 3: Receive your Levy Assessment
CITB will calculate how much you owe (if anything).

Step 4: Pay the levy (if applicable)
Payment can be made:

- In full
- Or via interest-free instalments (Direct Debit)

Important rules to be aware of

- The levy is **paid by the employer,** not workers
- Employers **cannot legally “pass on” the levy** to subcontractors without agreement
- CITB is the **only organisation authorised** to collect this levy

Why the CITB Levy matters

The levy plays a key role in ensuring the construction industry has:

- A skilled and competent workforce
- Access to funded training opportunities
- Support for future skills and emerging technologies

For employers, it provides a way to:

- Offset training costs
- Upskill teams
- Stay compliant and competitive

Need help using your CITB Levy?

At Pragmatic Consulting Ltd, we support construction and utilities businesses in making the most of their training investment and most of our courses are eligible for CITB Grants.

Get in touch with our team to discuss your training needs.

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