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# ***School-To-Registered Apprenticeship Program and Tax Credit***

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Michigan's School-To-Registered Apprenticeship (STRA) program has much to offer young people who are looking for rewarding careers *and* employers who are looking for good employees. Participating students must be age 16-19 and enrolled in high school or a GED test preparation program. In the STRA program, the students are employed part-time, and their structured on-the-job training is combined with classroom work. Employers who participate in the program and meet the eligibility requirements (listed below) qualify for a tax credit of up to \$2,000 annually for every registered apprentice trained.

More than 800 careers qualify for the apprenticeship program. They include automotive technician, aircraft technician, carpenter, electrician, machinist, tool-and-die maker, firefighter, computer programmer, paralegal, medical laboratory technician and many more. The STRA program is available through more than 70 certified sites throughout Michigan.

## ***Benefits To Students***

Students who participate in the School-to-Registered Apprenticeship program can learn skills from masters in their fields. While students learn, they earn a competitive salary. In addition to paying wages, the employer may pay for college tuition as part of the classroom instruction. The duration of a STRA program is usually three or four years, after which an apprentice achieves journey status. The student will receive a Certificate of Completion to document his or her achievement. The skills a student learns can facilitate a smooth transition from high school to a career. In fact, many apprentices are offered full-time employment with the employer who trained them.

## ***Benefits To Employers***

Employers who participate in the program qualify for a \$2,000 Single Business Tax credit. The credit covers 50 percent of the wage-related costs of the apprentice, including salary, fringe benefits, and other payroll expenses. It also covers 100 percent of classroom instruction costs including tuition, fees, and books for college-level courses taken while the apprentice is enrolled in high school.

Through participation in the program, employers can prescreen potential employees. Student apprentices can become qualified and motivated job applicants. The program helps to reduce training costs and may reduce employee turnover.

## ***Tax Credit Eligibility***

- An apprentice must be involved in a program registered by the Bureau of Apprenticeship and Training in the U.S. Department of Labor.
- The apprentice must be enrolled in high school or a GED preparation program and be 16-19 years old.
- The program cannot be less than 4,000 hours in length.
- Employers must submit a copy of an approved apprenticeship agreement with their Small Business Tax return.

For more information, call the Michigan Department of Career Development at 517-241-4000 (voice) or 1-888-605-6722 (TTY) and ask about the School-To Registered Apprenticeship program and tax credit. The fax number is 517-373-0314.