



Hamilton

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# Provincial Wage Enhancement Grant (WEG) & Home Child Care Enhancement Grant (HCCEG) 2023 Guidelines

City of Hamilton  
Children's and Community Services

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## Introduction and Overview

Registered early childhood educators (RECEs) and other child care program staff play a key role during the critical years of a child's development. The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings and Provincial Wage Enhancement will continue to be funded for 2023.

Purpose of this initiative is to:

- Close the wage gap between RECE wages in the education sector and licensed child care sectors;
- Stabilize licensed child care agencies by helping them retain RECEs/child care staff;
- Support greater employment and income security; and
- Support higher quality consistent child care services to support children's learning and development.

As established by the Ontario Ministry of Education, Provincial Wage Enhancement Grant (WEG) funding is to be distributed solely to eligible employees to increase wages; and Home Child Care Enhancement Grant (HCCEG) funding is to be distributed solely to eligible providers.

These guidelines provide information about the implementation, eligibility, distribution and reporting on the Provincial Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG).

### **IMPORTANT NOTE:**

- All eligible child care operators must sign and submit a 2023 Schedule "D".
- WEG funding cannot be used to meet minimum wage requirements.
- The WEG supports an increase of up to \$2 per hour, plus 17.5 per cent benefits for eligible program staff in a licensed child care centre.
- WEG funding can only be distributed to eligible staff working in eligible positions.
- Child care operators shall not spend this funding on any other child care programs expenses, child care centre expansion or to reduce fees.
- The ministry has established an hourly wage maximum of **\$29.59** per hour for WEG and **\$285.90** per day for full HCCEG (\$171.54 for partial HCCEG).
- The wage enhancement wage cap aligns with the existing school board Educator Salary Matrix for RECEs working in the Kindergarten program.
- **NEW in 2023** - Associated Base Wage definition has changed effective January 1, 2023 to include the base wage only.

**Base Wage** is the hourly wage paid to the employee, by the employer, prior to any wage supplements such as General Operating Grant (GOG), Wage Enhancement Grant (WEG), CWELCC Annual Increase Grant (AI) and CWELCC Wage Floor Grant (WF)

- Licensees must pay employees a Base Wage of at least minimum wage (i.e. \$15.50/hr effective Oct 1, 2022)

## Section 1: Application Process

- Operators must submit the Wage Enhancement application by the due date.
- Funding approvals are based on the 2023 application.

## Section 2: Conditions and eligibility for application

Operators that have outstanding actions in regard to prior years Provincial Wage Enhancement Grant (WEG) or Home Child Care Enhancement Grant (HCCEG) Funding may not be eligible to receive funding in 2023.

To be eligible to receive 2023 Wage Enhancement funding, **Home child care** programs must:

- Be a licensed home child care agency operating in the City of Hamilton, and
- Have eligible home visitors and home child care providers

### Eligibility for Wage Enhancement funding: Home Visitors

WEG funds are to be distributed to **all eligible home visitors** for all hours worked in 2023.

#### Full Wage Enhancement Grant

To be eligible to receive the full WEG funding of \$2 per hour plus 17.5 per cent in benefits, staff must:

- Be employed in a licensed child care agency and receive a T4;
- Be in a position categorized on the ministry licence as a home visitor; and
- Have an associated base wage excluding prior year's wage enhancement of \$26.54 or less per hour (i.e. \$2 or more below the wage cap of \$28.59).

#### Partial Wage Enhancement

Where an eligible **Home Visitor position** has an associated base wage excluding prior year's wage enhancement between \$26.60 and \$28.58 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$28.59 per hour without exceeding the cap.

### Eligibility for Home Child Care Enhancement Grant (HCCEG) - Providers

#### Full Home Child Care Enhancement Grant

To be eligible to receive the full HCCEG of \$20 per day the provider must:

- Have a contract with a licensed agency that applied and was approved for HCCEG funding;
- Provide services to one child or more (including privately placed children, excluding provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees, excluding prior year's HCCEG, of \$265.90 or less (i.e. \$20.00 below the cap of \$285.90).

#### Partial Home Child Care Enhancement Grant

To be eligible to receive the partial HCCEG of \$10 per day the provider must:

- Have a contract with a licensed agency that applied and was approved for HCCEG funding;

- Provide services to one child or more (including privately placed children, excluding provider's own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees, excluding prior year's HCCEG, of \$161.54 or less (i.e.\$10.00 below the cap of \$171.54)

***Additional notes regarding HCCEG:***

- Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.
- A provider who has a contract with more than one home child care agency may only be funded their eligible amount up to the maximum cap of: \$20.00 for full or \$10.00 for partial. Home child care agencies must agree and confirm which agency will apply for funds, provide the detail of the distribution (example: \$10.00 per each agency if shared providers is fulltime) and distribute funds to shared providers.
- If a home provider stops serving children at any time, the home care agency must terminate the transfer of Provincial Home Child Care Enhancement funds to the provider. Funding can be reinstated by the home child care agency once the home provider resumes serving children.

**Section 3: Determination of Centre funding**

***Home Child Care Enhancement Grant (HCCEG) - Providers***

The HCCEG grant is calculated based on the information provided on the 2023 application.

***Wage Enhancement Grant (WEG) – Home Visitors***

The WEG is calculated based on the hours worked in the previous year for each eligible position. Do not include vacation, sick time or public holiday pay.

**Wage Enhancement (WEG) Salary:**

The salary portion is calculated based on the information provided on the 2023 application.

**Wage Enhancement (WEG) Benefits:**

The benefit entitlement of 17.5% benefits is included for all operators. Once all statutory benefit requirements are met [Canada Pension Plan (CPP), Employment Insurance (EI), Workers Safety Insurance Board (WSIB), Employer Health Tax (EHT), two weeks' Vacation Pay and nine public holidays], any remaining funding within the 17.5% can be used to:

- Fund other benefit expenses paid by the employer on behalf of the employee; and
- Support wage enhancement salaries - there is funding flexibility from the benefit component to the salary component. Operators may use any remaining benefits funding for salaries; however, the flexibility is one way: salary funding cannot be used for benefits.)

Please note: if your program provides benefits at a higher rate than 17.5%, the supplemental grant may be used for the additional benefits cost.

**Supplemental Grant:**

The ministry has provided an additional supplemental grant of \$150 for each eligible home visitor FTE and \$50 for each eligible home child care provider.

## Section 4: Grant Distribution

Agencies shall not spend this funding on any other program expenses, expansion or to reduce fees.

Agencies should have a policy and procedure available for their home visitors and providers that outlines how the funding is distributed to eligible positions/providers.

Payment must include all hours worked retroactive from January 1, 2023 and include a WEG/HCCCEG payment on each paycheque/provider payment rather than as a lump sum.

Payment to eligible home visitors/providers is to be paid out to the individuals currently working in these positions based on their actual hours worked in 2023/actual days providing service and the salary component of the WEG payment paid per staff **cannot exceed \$2.00 per hour.**

Operator must ensure that salary, benefits, supplemental grant and administration funding are used as follows:

### Salary Component:

- Operators must provide the WEG Funding to eligible Home Visitor staff as of January 1, 2023 in addition to their existing compensation, planned raises, pay equity payments and any other funding sources.
- The funding is above the Provincially-legislated minimum wage
- The salary component paid to individual staff will not exceed \$2 per hour
- For full WEG entitlement, eligible staff with a base wage of \$26.59 or less must receive \$2 per hour
- For partial WEG entitlement, eligible staff with a base wage between \$26.60 and \$28.58 must be paid at the amount that brings the wage up to \$28.59
- Funds are to be assigned to eligible positions and not individuals.
- The portion of funding provided through the Wage Enhancement Grant must clearly be communicated to staff and labelled on pay cheques as *Provincial Wage Enhancement*
- No more than 17.5% of the salary expenditure is allocated toward benefits. However, if there is a surplus in benefit funding, this may be allocated to salaries, but **a surplus in salary funding may not be used for benefits.** Supplemental grant may be used to support deficiency in this category
- Staff must be made aware in advance that there is a possibility that the WEG funding received may run out before year end and if this is the case, payouts to staff may need to stop before the end of December 2023.
- There is flexibility to use the Supplemental Grant toward new eligible positions in 2023.
- The final 2023 wage enhancement payment must be issued for each eligible position/staff in the payroll that covers December 31, 2023 (no carry over of funds into 2024 is permitted).
- Operators are required to track individual employee's funding entitlements to ensure distribution is paid out according to the Ministry guidelines or until funding is exhausted.
- All unassigned funds must be reported and returned to City of Hamilton.

## Benefits Component:

The 2023 wage enhancement includes an entitlement of 17.5% benefits for all operators.

*Mandatory Benefits (1)* – this portion of the benefit covers the operator's costs, it is not distributed as a payment to staff:

- CPP (Canada Pension Plan), funded at 5.95% for the employer contribution portion
- EI (Employment Insurance), funded at 2.28% for the employer contribution.
- WSIB (Workers Safety & Insurance Board), funded at 1.30%.
- EHT (Employer Health Tax), if applicable, funded at variable rate based on agency's total remuneration. Certain employers are exempt.

*Mandatory Benefits (2)* – this portion of benefit funding is payable to staff.

- Vacation pay – funded at 4% as per Employment Standard Act. Employees could have higher vacation pay than 4%
- Public Holiday Pay – funded at 3.59% for 9 stat days (New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas and Boxing Day). If the operator pays for Easter Monday and Civic Holiday those two days increase the percentage for Public Holiday pay to 4.39%

Once the above statutory benefit requirements are met, any remaining funding within the 17.5% can be used to:

- Fund other benefit expenses paid by the employer on behalf of the employee; and
- Support wage enhancement salaries - there is funding flexibility from the benefit component to the salary component in 2023. Operators may use any remaining benefits funding for salaries; however the flexibility is one way: salary funding cannot be used for benefits.)

## Supplemental Grant:

The Ministry is providing a supplemental grant of \$150/funded FTE which provides operators with flexibility for the following:

- The grant can be used to fund additional eligible staff and/or hours in program, vacation days, sick days, training and/or other benefits.
- The supplemental grant must be used to support staff, home visitors and providers' hourly/daily wage or benefits and provides operators with the flexibility to cover salary shortfalls due to increased hours or staffing, and additional benefits (e.g. additional time in program, new staff or providers, vacation days, sick days or PD days and/or other benefits) once mandatory benefits are covered.
- The supplemental grant **cannot be used** for any other operational expenses, lowering or offset parent fees or to meet minimum wage requirement.

## Recovery/Variance:

- All unspent funding must be reported on the Reconciliation form
- Any funding that is not used according to these guidelines will be recovered

### Administration Funding:

- The administration funding entitlement for each agency is determined based on the available funding and is calculated based on the total FTE. This funding must only be used for the administration of the WEG/HCCEG funding.

### Closure of a Child Care Program:

If a centre receiving WEG closes or is planning to sell, City of Hamilton Child Care System Support must be notified immediately.

If a program closes in 2023, the eligible staff would receive wage enhancement funding for the hours worked until the program closure. The grant for the remaining year must be returned along with a reconciliation form.

### **Section 5: Monitoring and Reporting:**

All operators that receive WEG funding are required to submit the reconciliation form provided by the City of Hamilton. Instructions and the form will be available prior to the submission deadline.

The City of Hamilton has the right to request additional information from the operator to support the information reported on the application and reconciliation forms.

Operators are required to keep all records for a minimum of 7 years. Records include information that verifies the amount of WEG distributed to eligible staff. These records must be available upon City of Hamilton request and can include:

- Supporting documents (receipts, invoices, paystubs, etc.) confirming amount of administration funding expensed.
- Records documenting payments made to staff (current and past)
- Staff payroll records including T4s and T4As
- Record of completion recovery payment (if applicable)

*Compliance review of submitted forms according to Ministry and City of Hamilton distribution guidelines:*

City of Hamilton may conduct an on-site compliance audit. This will involve a visit to the centre to review the required records. Operators must ensure that all required documents and access to additional financial and staff records are available during the visit as indicated on the communication about the visit.

### **Section 6: Inquiries**

Any questions or concerns about the funding can be directed to the Child Care Systems Support Team at 905-546-2424 ext. 5126 or by email [ccss@hamilton.ca](mailto:ccss@hamilton.ca)