

Wage Enhancement Grant (WEG)

June 2021

This Information Bulletin (Information Bulletin #2 2021) provides updates regarding the 2021 distribution of the Wage Enhancement Grant (WEG) and the Home Child Care Enhancement Grant (HCCEG) in the City of London and the County of Middlesex by the Service System Manager.

For 2021, the Ministry of Education has increased the base wage and wage cap associated with WEG/HCCEG. Please see the details listed below for additional information. Readers are reminded that this information is subject to change without notice by the Ministry of Education.

Purpose

The Ontario government has made an ongoing funding commitment to support wage enhancement for eligible child care professionals working in licensed child care settings. The WEG/HCCEG will help retain Registered Early Childhood Educators (RECEs), and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help to close the wage gap between RECEs working in the kindergarten program and RECEs/other child care program staff working in licensed child care settings.

Goals

The goals of the enhancement grant are to:

- **Close the wage gap** between RECE wages in the education sector and licensed child care sectors;
- **Stabilize licensed child care** operators by helping them retain RECEs/child care staff; and,
- Support **greater employment and income** security.

Eligibility

All licensed child care centres and home child care agencies are eligible to apply for WEG/HCCEG funding, regardless of participation in municipal quality initiatives, or current purchase of service status.

New licensed centres or agencies are eligible to apply for WEG/HCCEG in the year the program begins operations. For example, licensed child care agencies that establish and begin operations in 2021 are eligible to apply for WEG funding in 2021.

Eligibility criteria is used to determine entitlement (typically based on hours worked in the previous calendar year) **and** to determine payments to staff in 2021. Due to COVID-19 and the closure of centres in 2020, the number of hours will not be reflective of 2021 needs. Therefore, agencies are asked to **estimate the anticipated number of hours to be worked for each staff in 2021**.

Full Wage Enhancement Eligibility:

To be eligible to receive the **full 2021 wage enhancement of \$2 an hour plus 17.5 percent in benefits**, staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated base wage excluding the prior year's wage enhancement of \$26.31 or less per hour (i.e., \$2.00 or more below the wage cap of \$28.31); and,
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014 (CCEYA)*.

Child care program staff that are in place to maintain higher employee-child ratios than required under the CCEYA and concurrently meet the eligibility requirements outlined above, are also eligible for wage enhancement.

Partial Wage Enhancement Eligibility:

To be eligible to receive the **partial 2021 wage enhancement of up to \$2 an hour plus 17.5 percent in benefits**, staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated base wage **between \$26.32 and \$28.30 per hour** (excluding wage enhancement)*; and,
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014 (CCEYA)*.

* Note: partial wage enhancement may increase the hourly wage of the qualifying position up to \$28.31 per hour but must not exceed the wage cap of \$28.31 per hour.

For example: if an RECE position has a base wage rate, excluding WEG, of \$26.90 per hour, the position would be eligible for partial WEG of \$1.41 per hour.

Ineligible Positions (Non-Program Staff):

Staff categorized in the following positions are **not** eligible to receive wage enhancement (unless the exception set out in the note below is met):

1. Cook, custodial and other non-program staff positions.
2. Special Needs Resource funded Resource Teachers/Consultants and supplemental staff.
3. Staff hired through a third party (i.e., temp agency).

Note: The **only exception** to the above (1) and (2), is if the staff in the position spends **at least 25%** of their time to support ratio requirement; in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.

Benefit Funding

Licensed child care agencies will receive benefit funding of 17.5% (regardless of the actual benefit amount paid) to help the employer to meet statutory benefit requirements.

Once all statutory benefit requirements are met, any remaining funding within the 17.5% benefit funding can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Any residual benefit funding can be used to support Wage Enhancement salaries. Note: this is **one-way** flexibility (meaning that the wage enhancement salary funding **cannot** be used for benefits).

Ministry Supplemental Grant

The Ministry of Education provides a supplemental grant to licensed child care operators/agencies in the sum of **\$150** for each eligible centre-based FTE or home visitor FTE and **\$50** for each eligible home child care provider.

The supplemental grant is intended to support the wage enhancement by offering flexibility to cover additional benefits (for example: additional days/hours worked, sick time and/or additional benefits not captured in the 2021 information submitted in the application process) once all statutory benefits are covered.

The supplemental grant can **only** be used toward **eligible positions** and will be attested to with all other wage enhancement funding. Any unused supplemental grant funding will be recovered by the Service System Manager.

- Note: The Ministry of Education's definition of 1 FTE = 1,754.5 hours worked for the entire year (approximate number of working days in the year less 2 weeks vacation x 7.25 hrs/day).

Allowable Uses

All wage enhancement funding must be directed solely to eligible licensed child care staff, home visitors and home providers to increase wages/income and benefits. Licensed child care agencies **must** use wage enhancement funding for the intended purpose of increasing wages of eligible centre-based staff by up to \$2 per hour plus 17.5% benefits based. This funding **cannot** be used to support child care system expansion, reduce fees or any other purpose than those outlined above

Note: **Wage enhancement cannot exceed \$2 per hour or the wage cap of \$28.31 per hour.** Licensed child care agencies may exceed 17.5 % for benefits if the supplemental grant is used to support additional benefit expenses.

If child care staff receive an hourly wage that meets or exceeds the wage cap of \$28.31 per hour **at any time** during 2021, excluding wage enhancement, they will no longer be eligible to receive wage enhancement.

Payout to Eligible Staff

The Wage Enhancement Grant must be provided to eligible staff on each pay cheque. Licensed child care agencies must clearly indicate on staff pay cheques the portion of funding that is being provided through Wage Enhancement Grant (WEG) funding, labeled as **"Provincial Child Care Wage Enhancement"**. Agencies must fully pay out the final 2021 WEG payment to staff for each eligible position/staff in the payroll that covers December 31, 2021.

Application Process

The 2021 Wage Enhancement Grant (WEG) and the Home Child Care Enhancement Grant (HCCEG) Application Forms will be forwarded to agencies in both London and Middlesex following the posting of bulletins to the City of London and County of Middlesex websites on **June 4, 2021**.

Completed Applications are due by July 2, 2021 to: ksmith@middlesex.ca

Please note that agencies that applied for WEG/HCCEG in 2020 are **still required** to apply again in 2021.