

INFORMATION BULLETIN #2: **2019 Wage Enhancement (WEG)**

March 15, 2019



This Information Bulletin provides updates regarding the 2019 distribution of the Wage Enhancement Grant (WEG) in the City of London and the County of Middlesex by the Service System Manager. Readers are reminded that this information is subject to change without notice by the Ministry of Education.

1. PURPOSE

As stated by the Ministry of Education:

The Ontario government has made an ongoing commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. The wage enhancement/HCCEG will help retain 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 full-day kindergarten programs and RECEs/other child care program staff working in licensed child care settings (September 2018).

2. GOALS

As stated by the Ministry of Education, the goals of the Wage Enhancement Grant (WEG) and the Home Child Care Enhancement Grant (HCCEG) funding are to:

- Close the wage gap between RECE wages in the school board 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.

3. ELIGIBILITY

All licensed child care operators/agencies are eligible to apply for Wage Enhancement Grant (WEG) funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status.

Licensed child care operators/agencies are eligible to apply for Wage Enhancement Grant (WEG) in the year that they are created and begin operations. For example, licensed child care

operators/agencies that begin operations in 2019 are eligible to apply for Wage Enhancement Grant (WEG) funding in 2019.

a) Eligibility for “Full Wage Enhancement”:

“*Full Wage Enhancement*” is \$2.00 per hour plus 17.5% in benefits.

To be eligible to receive “*Full Wage Enhancement*”, program staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated base wage of less than \$25.07 per hour (excluding Wage Enhancement), being \$2.00 below the wage cap of \$27.07 per hour; 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)*.

Child care program staff that are in place to maintain higher employee-child ratios than required under the CCEYA, and meet the eligibility requirements outlined above, may be eligible for Wage Enhancement.

b) Eligibility for “Partial Wage Enhancement”:

“*Partial Wage Enhancement*” is less than \$2.00 per hour (as described below) plus 17.5% in benefits.

To be eligible to receive “*Partial Wage Enhancement*”, program staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated wage between \$25.07 and \$27.07 per hour (excluding Wage Enhancement); and
 - Note: the “*Partial Wage Enhancement*” may increase the hourly wage of the qualifying position up to \$27.07 per hour but must not exceed the wage cap of \$27.07 per hour.
- Be 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)*.

Child care program staff that are in place to maintain higher employee-child ratios than required under the CCEYA, and meet the eligibility requirements outlined above, may be eligible for Wage Enhancement.

c) 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):

- Cook, custodial and other non-program staff positions; and

- Special Needs Resource funded Resource Teachers/Consultants and Program Assistant staff.

Note: The only exception to the above, is if the staff in the position spends at least 25% of their time to support ratio requirement (in which case the staff may be eligible for Wage Enhancement for the hours worked in the eligible position supporting ratio).

Additional information:

- Eligible hours are based on January to December 2018 actual hours worked. For new or anticipated positions in 2019, anticipate hours worked for the entire year.

4. BENEFIT FUNDING

Licensed child care operators/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).

5. MINISTRY EDU 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 2019 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 = 1,827 hours worked, including 9 general paid public holidays.

6. ALLOWABLE USES

Wage Enhancement funding (including the Ministry EDU supplemental grant) must be directed solely to eligible licensed child care staff and home visitors to increase wages and benefits. Licensed Child Care operators/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 on

their current wage rate for all hours worked in program (including overtime). Wage Enhancement funding cannot be used to support child care system expansion or reduce fees.

Note: The Wage Enhancement cannot exceed \$2 per hour or the wage cap of \$27.07 per hour. Licensed Child Care operators/agencies may exceed 17.5 % for benefits if the supplemental grant is used to support additional benefit expenses.

If child care staff exceed the hourly wage cap of \$27.07 per hour at any time during 2019, excluding Wage Enhancement, they will no longer be eligible to receive Wage Enhancement.

7. PAYOUT TO ELIGIBLE STAFF

The Wage Enhancement must be provided to eligible staff on each pay cheque. Licensed child care operators/agencies must clearly indicate on staff paycheques the portion of funding that is being provided through Wage Enhancement Grant (WEG) funding, labeled as “**Provincial Child Care Wage Enhancement**”. Operators/agencies must fully pay out the final 2019 WEG payment to staff for each eligible position/staff in the payroll that covers December 31, 2019.

In 2019 (similar to 2018), licensed child care operators/agencies have the flexibility to pay any staff working in a position that meets the Ministry of Education’s eligibility requirements to receive Wage Enhancement. This means an operator/agency can pay Wage Enhancement to any staff working in program making less than \$27.07 per hour that meets the eligibility guidelines, regardless of whether or not the position existed in 2018.

8. APPLICATION PROCESS

The Wage Enhancement Grant (WEG) Application Form will be posted to the City of London’s Children’s Services Child Care webpage and the County of Middlesex website **on March 15, 2019**.

Completed Wage Enhancement Grant (WEG) Application Forms are due to Children’s Services by **April 30, 2019**. Applications not received or incomplete by **April 30, 2019** will not be eligible to receive Wage Enhancement Grant funding in 2019. We encourage agencies to submit applications by **April 22, 2019** so we can review and request changes if required before the actual deadline.

Note: Licensed child care operators/agencies that applied for Wage Enhancement Grant (WEG) funding in 2018 are still required to complete the Application Form and apply for the funding again in 2019.