

Provincial  
Wage Enhancement Grant -  
**WEG**  
**User Guide**  
for  
Licensed Child Care Centres  
And Home Visitors

October 2019



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**Table of Contents**

Introduction .....	3
Purpose .....	3
Background .....	3
Eligibility Criteria.....	4
Program Eligibility.....	4
Staff Eligibility .....	4
Program Closure .....	7
Distribution .....	7
Payment to Operators and Agencies.....	7
Payments to Staff .....	7
WEG Year-to-Date (YTD) Report Process.....	9
Reconciliation – Operator and Agency Accountability .....	9
Audit Requirements.....	10
WEG Administration Grant.....	11
Public Inquiries.....	11
Appendix A – WEG Agreement Requirements .....	12

## Introduction

### Purpose

This guide provides information to eligible licensed child care operators (operators) and licensed home child care agencies (agencies), to apply, distribute and reconcile the provincial Wage Enhancement Grant (WEG) as funded by the Province of Ontario and administered by The Regional Municipality of Halton (the Region).

### Background

WEG supports a wage enhancement for eligible child care professionals working in licensed child care settings. The funding is intended to 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 close the wage gap between RECEs working in full-day kindergarten (FDK) programs in the publicly funded education system and RECEs/other child care program staff and providers working in licensed child care settings.

WEG funding supports an increase of up to \$2 per hour plus 17.5 percent benefits to RECEs and other child care program staff working in licensed child care centres and home visitors working with licensed home child care agencies.

As a Consolidated Municipal Service Manager (CMSM), the Region follows the Ontario Child Care Service Management and Funding Guideline (Guidelines) to administer WEG funding to eligible operators and agencies. Operators and agencies are required to follow the standards of the Halton Region Child Care Service Management Agreement, WEG Agreement, and WEG User Guide in order to comply with the requirements.

Should you have any questions about this guide, please call the Manager of Systems Planning and Evaluation, Children's Services at 905-825-6000 ext. 2966 or by email at: [WEG@Halton.ca](mailto:WEG@Halton.ca).

## Eligibility Criteria

### Program Eligibility

All licensed operators and agencies are eligible to apply for WEG funding, regardless of auspice, participation in municipal quality initiatives, or current agreement status with the Region.

Operators and agencies created in 2019 are eligible to apply for WEG in the year the program begins operations.

All operators and agencies must have an agreement with the Region to receive WEG funding. If operators or agencies do not have a Child Care Service Management Agreement with the Region, they will need to have a separate WEG agreement. Refer to Appendix A for the WEG Agreement requirements.

### Staff Eligibility

Eligibility is applicable to positions included on the application, and staff receiving WEG payments.

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

- Be employed in a licensed child care centre or agency;
- Have an associated base wage, excluding WEG, of \$2 less than the wage cap identified by the Ministry of Education (EDU) annually; 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 Early Years Act (CCEYA).

Child care program positions that are in place to maintain lower adult-child ratios than required under the CCEYA, and meet the eligibility outlined above, are also eligible for WEG when working greater than 25 percent of their time on ratio and with the children.

Where an eligible child care centre staff or home visitor position has an associated base wage rate, excluding WEG, that's within \$2 of the wage cap, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to the wage cap without exceeding the cap.

Wage Cap

As one of the goals of the WEG funding is to close the wage gap between RECEs working in publicly funded schools and RECEs/child care program staff in licensed child care settings, EDU has established an hourly wage maximum. This wage cap aligns with the top of the existing school board Educator Salary Matrix for RECEs in full day kindergarten (FDK). The cap applies when determining eligibility and payments to staff and home visitors.

In 2019, the wage cap has increased by approximately 1.5 percent to align with adjustments to the salary and wages of the school-based RECE grids in accordance with the current education sector labour agreements.

In 2019, EDU has established an hourly wage maximum of \$27.47 per hour for wage enhancement for child care centre staff and home visitors.

2019	2018	2017	2016	2015
\$27.47	\$27.07	\$26.68	\$26.27	\$26.27

If a staff exceeds the wage cap at any time during the year, excluding WEG, they will no longer be eligible to receive the increase.

Eligible Positions (Program Staff)

- Supervisors who qualify, and are required under the CCEYA, are eligible to receive the WEG for 100 percent of the time they are working in a licensed child care program;
- Program staff including RECEs, Early Childhood Assistants, float staff and supply staff;
- Home visitors working with licensed home child care agencies;
- Non-program staff positions (including cooks, bus drivers, owners/administrators) may be eligible for WEG where at least 25 percent of the non-program staff position is used to support adult to child ratios. Staff would be eligible for WEG for the hours worked in the eligible position supporting ratio;
- Supplemental staff or support facilitators who are employed by the licensed child care program (special needs agency staff are excluded) and are supporting adult to child ratios would be eligible for WEG for the time in ratios; and,
- Child care owners who are identified as the ‘approved supervisor’ or ‘home visitor’ for the purpose of the CCEYA, and draw a salary and receive a regular pay cheque.

### Ineligible Positions (Non-Program Staff)

- Cook, custodial and other non-program staff positions;
- Bus drivers - any time spent on the bus is not eligible;
- Owners, directors and administrators;
- Resource Consultants or staff employed to support the integration of children with special needs are not eligible for WEG funding if their positions are not counted toward the required adult to child ratios. They are also not eligible when they are hired and paid through a special needs agency and are not employed directly by licensed child care programs; and,
- Staff hired through a third party (i.e. temp agency).

### Benefits Funding

Each operator or agency will receive funding to support 17.5 percent benefits to meet their statutory benefit requirements. Following is a breakdown of the statutory benefits included in the 17.5 percent:

- CPP (Canada Pension Plan), funded at 4.95 percent for employer contribution;
- EI (Employment Insurance), funded at 2.63 percent for employer contribution;
- WSIB (Workers Safety & Insurance Board), funded at 1.10 percent;
- EHT (Employer Health Tax), funded at 1.23 percent;
- Vacation Pay, funded at 4 percent of gross pay per the Employment Standards Act; and,
- Public Holiday Pay, funded at 3.59 percent, representing the following 9 days: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving, Christmas and Boxing Day.

Once all statutory benefit requirements are met (including two weeks vacation and nine public holidays), any remaining funding within the 17.5 percent can be used to:

- Fund other benefit expenses paid by the employer on behalf of the employee; and,

- Support WEG salaries. Please note, this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

Operators and agencies that provide benefits at a higher rate than 17.5 percent, can use the supplemental grant for the additional benefits cost.

### Supplemental Grant

EDU funds a supplemental grant for operators and agencies. The supplemental grant is automatically calculated within the applications at \$150 per FTE.

The supplemental grant gives operators and agencies some flexibility to provide and implement WEG and must be used to support the hourly wage or benefits of staff and home visitors. Flexibility is also provided to cover salary shortfalls due to increased hours in program or new staff and additional benefits, such as vacation days, sick days, and PD days, once mandatory benefits are covered.

### **Program Closure**

If an operator or agency in receipt of WEG funding closes, the Region will work with the operator or agency to meet the accountability requirements and support payments to eligible staff for hours worked before the closure. Any unused funds will be recovered.

## **Distribution**

### **Payment to Operators and Agencies**

WEG funding will be issued to an operator or agency via direct deposit once all requirements for the agreement with the Region have been met.

The schedule of WEG funding payments to operators or agencies will be provided by the Region annually.

### **Payments to Staff**

WEG funding (including the supplemental grant) must be directed solely to licensed child care staff and home visitors to increase wages and benefits. WEG funding cannot be used to support operating costs, expansion or reduced fees.

WEG payments must be made to staff on each regular pay cycle. Lump sum or quarterly payments of WEG funding to staff are not permitted.

All WEG payments to staff must be made before December 31.

Operators and agencies must notify child care staff and home visitors of the amount of WEG provided to them on staff pay cheques, OR through a separate letter, labeled as follows: Provincial child care wage enhancement grant (WEG)

Operators and agencies in receipt of WEG funding will:

- Ensure the transparent distribution of the funds using:
  - Separate account in the general ledger for WEG funds;
  - WEG funding indicated on paystub, or separate letter;
  - Clear policies; and,
  - Communication to staff regarding the calculation and distribution;
- Allocate the correct amount of funding to each eligible staff, using hours worked within the funding year (i.e., 2019 WEG funding is paid to staff for hours worked in 2019);
- Pay WEG to eligible staff for all work hours, including overtime, but excluding:
  - Off-site professional learning;
  - Time off (i.e., sick time, personal leave, maternity leave, etc.); and,
  - Vacation time over 2 weeks;
- Pay WEG benefits to eligible recipients for two weeks of vacation and public holidays;
- Ensure the salary increase does not exceed \$2 per hour. Operators and agencies may exceed 17.5 percent for benefits if the supplemental grant is used to support additional benefit expenses;
- Meet mandatory minimum wage and mandatory benefit requirements without WEG funding in order to qualify for the funding;
- Provide WEG in addition to Pay Equity and General Operating Grant (GOG) funding;
- Cease WEG payments if a child care staff exceeds the wage cap at any time during the funding year; and,
- Make all attempts to contact staff that leave the program during the year to ensure they receive their WEG payment.



### **WEG Year-to-Date (YTD) Report Process**

For existing operators or agencies, the 2019 WEG applications will be replaced with a WEG Year-To-Date (YTD) Report. This report will allow operators and agencies to identify projected funding surplus and shortfalls and provide an opportunity to request additional funding if needed, particularly to support the impact of the increased wage cap.

Future WEG funding payments for existing operators and agencies will be adjusted based on the details in the YTD Report.

The YTD Report, including instructions, will be sent directly to existing operators and agencies to confirm 2019 allocations. If you have not received the YTD Report for your program, please contact the Region at [WEG@Halton.ca](mailto:WEG@Halton.ca).

### **Reconciliation – Operator and Agency Accountability**

Operators or agencies receiving WEG funding are required to reconcile the amount of funding received on an annual basis. The reconciliation provides confirmation the funding was allocated according to the funding guidelines and identifies surplus funds to be recovered.

The Region will provide the WEG year-end reconciliation template to the operator or agency annually. Reconciliation will be completed for only the head office.

As part of the reconciliation, operators or agencies will be required to sign a statement which attests that 100 percent of WEG funding was provided directly to eligible child care staff.

Operators and agencies will:

- Report only on eligible staff positions;
- Ensure that vacation and public holiday payment is extracted from the salary component and included in the benefits component for reconciliation;
- Use existing payroll method;
- Declare any unused funds;
- Not incur additional costs for employer benefits; and,

- Return the signed original reconciliation template as well as an electronic version to the Region by the identified due date.

Operators and agencies will return unused funds or funds not utilized in accordance with the conditions outlined in this User Guide or the agreement with the Region. Recovery will be processed against future funding payments within the following funding year, or by direct payment in the case funding is not requested the following year.

In the event that the Region determines that an operator or agency has failed to meet the funding conditions outlined in their agreement for the provision of WEG funding, the Region will recover all misused funds. Additionally, non-compliant operators or agencies may be deemed ineligible to receive future WEG funding.

### Audit Requirements

As a means of verifying the WEG funding was distributed appropriately, an audit process is required when combined funding from WEG/HCCEG and GOG exceeds \$50,000. The table below outlines the audit requirements based funding amounts.

Annual GOG and/or WEG/HCCEG Received	Requirement
Under \$20,000	Accountant review not required
\$20,000 - \$50,000	Accountant must review reconciliation package <b>Designation:</b> Chartered Professional Accountant (CPA) registered in Ontario <b>Deadline:</b> within 120 days after operator's or agency's fiscal year end
Over \$50,000	Auditor must review applicable reconciliation packages for WEG/HCCEG and provide fully audited financial statements <b>Auditor signatures required on:</b> Applicable Supplementary Audit Review Form <b>Designation:</b> Chartered Professional Accountant (CPA) registered in Ontario with a Public Accounting License <b>Deadline:</b> within 120 days after operator's or agency's fiscal year end

The operator or agency is responsible for covering the cost of the audit and WEG funding can not be used to support these costs. Audit costs are eligible under the WEG Administration Grant.

The operator or agency will ensure that the person(s) and firm performing the financial statement audit and signing the Supplementary Audit Review Form are independent of the operator or agency in accordance with the Chartered Professional Accountants of Ontario Rules of Professional Conduct. The person(s) performing the financial statement audit or a member of their immediate family cannot serve as directors, officers or board members for the operator or agency, or have a financial interest in the organization.

### WEG Compliance Audit

Auditing is a cornerstone of good public sector governance. The Region will randomly select operators and agencies to participate in audits to provide assurance that WEG funds have been appropriately spent and provide evidence of sound management practices and accountability. These audits will be completed under section 8.1 of the Child Care Service Management Agreement and Section 7.3 of the WEG Agreement.

### **WEG Administration Grant**

To support operators and agencies with the implementation and administration of WEG funding, EDU provides administration grant funding. Operators and agencies can use this funding to offset costs to administer WEG funding.

Eligible administration costs may include;

- WEG audits;
- Upgrading payment systems;
- Purchasing new computers and software;
- Paying for additional staffing hours related to administering WEG; and,
- Developing internal processes to track data and expenditures.

Funding amounts for the administration grant are provided annually.

### **Public Inquiries**

The Region may receive inquiries regarding WEG from the public. The Region will not provide specific information regarding operators or agencies in response to inquiries and will redirect such inquiries to the appropriate operator or agency. The Region may share general information about WEG, where appropriate. The Region may follow up directly with the operator or agency regarding inquiries from the public, if necessary.

## Appendix A – WEG Agreement Requirements

The following documents are required to initiate a WEG agreement:

- Articles of Incorporation, Letters Patent and the by-laws of the corporation:
- Conflict of Interest policy and by-law when the operator is a non profit corporation;
- CIA AR that was filed for the corporation of filing from the Canada Revenue Agency,  
OR  
Corporate Profile Report located at [www.oncorp.com](http://www.oncorp.com) dated within 30 days;
- Certificate of Insurance, with the following insurance limits and The Regional Municipality of Halton, 1151 Bronte Road, Oakville listed as “Additional Insured”:
  - Comprehensive General Liability limit of \$5 million per occurrence; and if the policy includes an aggregate limit, it must not be less than \$10 million in the aggregate;
  - If providing transportation: Automobile liability insurance limit of \$5 million per occurrence;
  - WSIB coverage and a copy of your existing WSIB Clearance Certificate. If your program is exempt from WSIB, please provide evidence of Employers liability or Contingent Employers Liability protection in the case of workplace related injury by employees, contractors or agents on your certificate;
  - Either an endorsement or the general liability insurance policy or a standalone liability policy providing coverage for bodily injury claims arising vicariously out of actual or threatened abuse or molestation by anyone or any persons and negligence related to the hiring, employment, placement, training, supervision, investigation and reporting incidents of abuse or molestation. The limits of liability shall not be less than \$1 million in the aggregate; and,
- WEG Policy including the following key commitments:
  - Reference to WEG User Guide and/or Guidelines;
  - Identification of WEG funding on paystubs through one of the acceptable options (details included in Distribution section);
  - Issue WEG payment to staff on each pay cycle and within the year that it is allocated to the operator or agency;
  - Inform staff about WEG and processes;

- Ensure the policy is posted, provided or available to all staff in their program; and,
- Track and reconcile the WEG funding.

The WEG agreement has a three year term. The following documents are required annually:

- Schedule A;
- Corporate Profile Report dated within 30 days; and,
- Certificate of Insurance when renewed.