

2019 Wage Enhancement Frequently Asked Questions for Operators

General Information

Q1. What is the provincial wage enhancement initiative?

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. The wage enhancement/HCCCEG 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 registered early childhood educators (RECEs) working in full-day kindergarten (FDK) programs and RECEs/other child care program staff working in licensed child care settings.

The wage enhancement grant supports an increase of up to \$2 per hour, plus 17.5 per cent benefits.

Q2. How much is the wage enhancement?

In 2019, wage enhancement funding will support an increase of up to \$2 per hour, plus 17.5 per cent benefits.

Q3. Why is the 2019 provincial wage enhancement based on the hours worked in 2018 positions?

As with previous years of the wage enhancement initiative, the entitlement for operators is based on the hours worked by eligible positions in the previous year. This funding is then used to pay eligible staff for hours worked in 2019.

Basing the 2019 wage enhancement funding on the hours worked in the previous year will help get the wage enhancement funding to eligible child care professionals sooner.

Q4. What is the supplemental grant and what can it be used for?

In addition to wage enhancement, in 2019 the ministry will provide a supplemental grant for operators, equal to \$150 for each eligible centre based FTE or home visitor FTE. This grant will be calculated using the core funding application form you submit.

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 professional development days and/or other benefits) once mandatory benefits are covered. Any funding that is not used for these purposes will be recovered.

Eligibility

Q5. Which child care staff are eligible for wage enhancement funding?

To be eligible to receive wage enhancement, RECEs, home visitors and other child care program staff must be:

- Employed in a licensed child care centre or home child care agency;
- Have an associated base wage of less than \$27.47 per hour excluding year one's wage enhancement; and
- 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)**.

Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the CCEYA are also eligible for wage enhancement.

Q6. Are supervisors eligible for wage enhancement?

Yes, supervisors are eligible for wage enhancement. Supervisors who qualify are eligible to receive wage enhancement for 100 per cent of the time they are working in a licensed child care setting, regardless of the amount of time they are working directly with children.

Q7. Are assistant supervisors eligible for wage enhancement?

Assistant supervisors are eligible for wage enhancement if they work in a position that can be counted towards ratio for at least 25 per cent of the day and meet the other eligibility criteria. However, they will only receive wage enhancement for time spent in program and not time in administrative or other positions.

Q8. Can a child care operator provide wage enhancement to current eligible positions or can it only be provided to eligible positions that existed last year?

Operators have the flexibility to pay wage enhancement to current eligible positions and providers for their hours or days worked in 2019.

Q9. If my licensed child care program opened after January 1, 2019, will my staff still receive a wage enhancement in 2019?

Yes, the 2019 core funding application form, which is used to calculate entitlement, takes into account centres and home child care agencies that opened after January 1, 2019 by asking operators to estimate hours to be worked by eligible positions for a full year.

Positions

Q10. Are casual staff, supply staff and/or part-time employees eligible for wage enhancement?

Yes, casual staff, supply staff and part-time employees are eligible for wage enhancement, so long as they meet the other eligibility requirements and can be counted towards ratio.

Q11. Are student positions eligible for wage enhancement?

Student positions are only eligible for wage enhancement if they are considered part of the CCEYA ratio requirements for licensing and meet the other eligibility requirements. Otherwise, student positions are **not** eligible for wage enhancement.

Q12. Are non-program staff (e.g., cook, custodial staff, and administrator) eligible for wage enhancement?

Non-program staff positions may be eligible for wage enhancement funding where at least 25 per cent of the non-program staff position is used to support CCEYA ratio requirements. In these instances, the enhancement will be provided for the time in program

Q13. Is it the position or the individual staff that is eligible?

Wage enhancement is **based on positions**, not staff/employees.

Q14. What if a position existed in 2018, but doesn't exist now? What happens to that wage enhancement amount?

If the position no longer exists, the operator is not entitled to receive wage enhancement for that position and should not apply for it through the application process. Children's Services will recover any unused wage enhancement funds and return it to the Ministry of Education.

Q15. Are owners of a centre eligible for wage enhancement if they are noted as a supervisor?

Operators who are identified as the "approved supervisor" for the purpose of the CCEYA are eligible to apply for wage enhancement if their hourly wage is less than \$27.47. If the owner is not the supervisor as per the CCEYA, they can still be eligible for the wage enhancement if they spend at least 25 per cent of their day in a position that can be counted towards ratio.

Application Submission

Q16. Do operators submit by site or head office?

A separate application is required for each site.

Q17. Do I need to re-apply for funding every year?

Yes, wage enhancement funding entitlement is allocated to operators based on the hours worked in qualifying positions for the prior year. This means that operators will be required to apply for funding every year to update this information.

Q18. I missed the application deadline. Can I request an extension?

Unfortunately, there are no extensions for the provision of wage enhancement funding in 2019. However, you can apply for funding in 2020.

Distribution/Payment

Q19. Can the operator/agency decide when to give wage enhancement funding to the eligible staff, for example once a year or quarterly like the old wage subsidy?

No. Operators no longer have flexibility on the frequency of payment to staff. Operators must issue wage enhancement funding to staff in each pay cheque.

Operators must clearly indicate on staff paycheques and home child care provider fee transfers the portion of funding that is being provided through the wage enhancement labeled as follows: “Provincial child care wage enhancement”.

Q20. How can the supplemental grant be used? Can the supplemental grant be paid out in a flat lump sum to all eligible employees at the end of year?

The supplemental grant must be used to support staff, home visitors and providers’ **hourly/daily wage or benefits**. The supplemental grant give operators 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 professional development days and/or other benefits) once mandatory benefits are covered.

The supplemental grant, like the salary component and the statutory benefit component of wage enhancement, must be paid out on hours worked or a benefit percentage **calculated** for each eligible position. It cannot be paid out as a flat lump sum (i.e., all positions receiving the same amount) without basing the payment on a calculation.

Q21. I am experiencing a shortfall in wage enhancement funding for the year (i.e., will run out of funding for eligible hours and benefits before the end of the year). How should I handle this? Am I obligated to cover the shortfall?

Both the supplemental grant and any residual benefits funding (for operators with benefits at less than 17.5 per cent) can be used to offset any potential shortfalls. However, there may be some situations where due to expansion, addition of new positions, or other unforeseen circumstances, an operator will run out of funding before the end of the year.

In this scenario, operators must develop a plan to pay out the remaining funds in an equitable way to employees. Priority must be given to positions that existed in 2018. Funding must be allocated to positions for hours as they are worked, until the point that funding runs out.

Operators are not obligated to cover any shortfalls in wage enhancement funding for either the salary component or the statutory benefit component, once the funding is depleted for the year.

Support

Q22. Applying for Provincial Wage Enhancement will be complex and time consuming for operators. What support will be available?

Children's Services will provide a number of supports to operators to complete their core funding applications, including:

- Individual support, set up by appointment;
- Support documents including Questions and Answers, guidelines and instructions on how to complete the application; and
- A dedicated email address (chsfunding@regionofwaterloo.ca) to send questions.

More information regarding support for operators is included within the application package.

Q23. Is funding available to operators to support administration costs associated with implementing the wage enhancement initiative?

Yes, funding will be available to operators to support administrative costs in the form of an Administration Grant. This grant will be based on the number of FTEs in the core funding application. Operators do not need to apply separately for this grant. The grant will be flowed to operators as a lump sum in 2018.

Benefits

Q24. Do operators automatically apply for 17.5 per cent for the benefit component or do we calculate based on individual per cent for different benefits?

Benefits are automatically calculated at 17.5 per cent in the core funding application. The following is a breakdown of the statutory benefits included in the 17.5 per cent:

Statutory Contributions for Child Care

- Canada Pension Plan (CPP), max \$57,400, the contribution rate is 5.10 per cent;
- Employment Insurance (EI), max \$53,100, the contribution rate is 1.62 per cent;

- Workers Safety Insurance Board (WSIB), the contribution rate is up to 1.75 per cent;
- Employer Health Tax (EHT) the contribution rate is up to 1.95 per cent, depending on the size of your organization's payroll;
- Vacation Pay, the benefit is 4.00 per cent; and
- Public Holiday Pay, the benefit is 3.59 per cent.

For operators with benefits at less than 17.5 per cent, any residual benefits funding can be used for the salary component.

Q25. My centre provides benefits at a rate higher than 17.5 per cent. If I apply for the wage enhancement funding am I taking on a financial pressure for the benefits I provide over 17.5 per cent? Is there additional funding to support this cost?

In 2018, operators will be provided with a supplemental grant to support shortfalls related to wage enhancement. The funding can be used to provide wage enhancement for additional days/hours worked, sick time, off site professional development days, and/or additional benefits.

Hours worked

Q26. Our centre does not track sick days separately. Is it possible to use an average number of sick days rather than the actual number?

No, the Ministry of Education requires that the actual number of sick days be recorded. If this is a problem for your centre, please contact Children's Services.

Q27. What hours can I include on the application for my program staff? (e.g., prep time, meetings, case conferences, etc.?)

For program staff (RECE's, non-RECE's) positions you can submit:

- Time spent in program during hours of operation;
- Prep time or planning time during hours of operation;
- Case conferences during hours of operation; and
- Any other meetings/commitments where staff are still required to be on-site to maintain ratios during hours of operation.

Hours **not** to be submitted for program staff include:

- Training;
- Professional development;
- Off-site meetings or functions; and
- After-hours meetings or functions.

Q28. Are overtime hours eligible for wage enhancement?

Yes, overtime hours are eligible for wage enhancement funding. Operators should include all hours worked from January 1, 2018 to December 31, 2018, including overtime hours, on the application form.

Pay Equity

Q29. As a child care operator, what impact does wage enhancement have on my historical Pay Equity obligations?

Wage enhancement funding must be provided in addition to pay equity payments agreed to under the pay equity memorandum of settlement.

Other

Q30. My organization has already committed to a salary/pay increase for staff in 2018 and/or 2019, can the wage enhancement be used to address this commitment?

No. Wage enhancement cannot be used to address salary/pay increases committed to by your agency including those committed to by way of negotiated collective agreement increases. Wage enhancement is intended to increase salaries over and above their regular pay entitlement.

Q31. Staff within my organization have pay grids for each staffing position. Can wage enhancement be used to address salary/pay increases resulting from a staff moving along the pay grid?

No, wage enhancement cannot be used to address pay grid salary/pay increases. Wage enhancement is intended to increase salaries over and above their regular pay entitlement.

Q32. If an employee leaves an organization in 2019 is the employee eligible for wage enhancement for the period that they worked in 2019?

Yes. If the former employee was in a position that was deemed eligible for wage enhancement grant funding then he/she would be eligible to receive wage enhancement from January 1, 2019 to the date of separation. Appropriate effort would need to be made to contact/locate the former employee.