

2024 Guidelines for
Provincial Wage Enhancement Grant (PWE)
for
Licensed Child Care Centres
in the City of Toronto

Canada Wide Early Child Care (CWELCC) – Workforce Compensation

To qualify for workforce compensation increases under CWELCC, operators will be required to apply for PWE on behalf of eligible staff. CWELCC – Workforce Compensation funding will be calculated based on your approved PWE Application. PWE funding will be added to the base wage of staff when considering eligibility for the Workforce wage floor and annual wage increase.

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Introduction and Overview

In 2014 Government of Ontario Budget included a funding investment to support a wage enhancement in the licensed child care sector. For 2024, 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 2024.

The Provincial Wage Enhancement (PWE) Funding has the following goals:

- 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.

These goals support the Ministry's priorities to:

- Stabilize and transform the existing child care system to increase program choice and reliability for parents and support consistent, higher quality child care services to support children's learning and development; and
- Support licensed home child care agencies and strengthen the licensed home child care system.

The *2024 Guidelines for the Provincial Wage Enhancement Grant for Licensed Child Care Centres in the City of Toronto* provides information about the implementation of the Provincial Wage Enhancement for licensed child care centres and their staff.

These guidelines provide licensed child care centres with information on requirements and procedures about:

- Eligibility
- Funding Conditions
- Funding Calculations
- Distribution
- Monitoring and Reporting

PWE funding cannot be used to meet minimum wage requirements.

Please refer to Appendix G for Frequently Asked Questions (FAQ).

Table 1 provides an overview of the Sectors and Roles.

Table 1: Overview of Sectors and Roles

Sector	Role
<p>Province of Ontario, Ministry of Education <i>Grant flows from the Province to the City of Toronto, Children's Services</i></p>	<ul style="list-style-type: none"> • Established the Provincial Wage Enhancement (PWE) program • Set the guidelines and requirements for the grant • Sets the total funding allocation for Child Care Municipal Service System Manager (CMSM)
<p>City of Toronto, Children's Services <i>Grant flows from City of Toronto to Licensed Child Care Operators</i></p>	<ul style="list-style-type: none"> • Child Care Municipal Service System Manager (CMSM) • Manages and plans child care services within the City of Toronto • Administers the Provincial Wage Enhancement Grant • Manages the PWE application approvals based on the total funding allocation available
<p>Licensed Child Care Operators <i>Grant is distributed by Licensed Child Care Agency to Eligible Staff</i></p>	<ul style="list-style-type: none"> • Licensed by the Ministry of Education to provide care for children 0-12 years • Apply for grant based on eligible positions and hours worked in 2023 or a comparable prior year • Pay grant to eligible staff working in eligible positions in 2024 • Newly Licensed centres created and operating in 2024 can apply for the grant based on the estimated number of hours to be worked
<p>Eligible Centre Staff</p>	<ul style="list-style-type: none"> • Employed by and work for a licensed child care agency/centre • Provide care for children aged 0 - 12 years

Note: Eligibility criteria is used to determine entitlement based on hours worked in 2023 (or a comparable prior year) and to determine payments to staff in 2024. New licensees that open in the current year, must estimate number of hours to be worked in 2024.

Section 1: Deadlines and Application Requirements

Operators that were not in compliance with the terms and conditions of prior years' Provincial Wage Enhancement (PWE) may not be eligible to receive funding in 2024.

Please refer to the full listing of legal terms and conditions in Appendix D.

Deadlines and actions required are presented in Table 2 below.

Table 2: Deadlines and Actions

Deadline	Actions
February 9, 2024	Operator receives a pre-populated application form and makes the required changes to reflect the current application as per the instructions and in accordance with the guidelines
March 15, 2024*	Deadline for submission of PWE application forms. *Application deadline does not apply to new centres opened after the application deadline
Week of April 15, 2024	City of Toronto notifies operators of approved PWE grant amount. Distribution can begin (if not already) and must be included on each paycheque going forward. City of Toronto calculates CWELCC-Workforce Compensation funding based on approved PWE application.
Week of May 6, 2024	City of Toronto disburses payment of PWE
Within 60 calendar days after payment is received	Operators must distribute PWE to all eligible staff retroactive to January 1, 2024 as per approved application and on each paycheque going forward.
Payroll that covers December 31, 2024	Operator pays final 2024 PWE to all eligible staff
February 14, 2025	Operator submits online 2024 Provincial Wage Enhancement Reconciliation by location
Within 4 months of the Agency's fiscal year end	<ul style="list-style-type: none"> • If an Agency has a Service Agreement for Canada-Wide Early Learning Child Care (CWELCC), a signed audited financial statement is required, including a Note disclosure to the financial statements. • If an Agency <u>does not</u> have a Service Agreement for Fee Subsidy and/or CWELCC and received total aggregate funding from the City of Toronto in the amount of \$20,000 or greater; <ul style="list-style-type: none"> ○ a signed review engagement report is required, including a Note disclosure to the financial statements.

Section 2: Conditions and Eligibility for application

The eligibility for the 2024 Provincial Wage Enhancement (PWE) is based on three levels of assessment:

- Centre eligibility

- Eligibility of a staff position
- Eligibility of the person occupying the staff position

The eligibility requirements are listed in Table 3 for each level of assessment.

Table 3: Application Eligibility Requirements for Child Care Centres and Staff

<u>Centre</u> Eligibility	Child Care Staff <u>Position</u> Eligibility	Child Care <u>Staff</u> Eligibility
<ul style="list-style-type: none"> • Must be a licensed child care centre operating in the City of Toronto • Must have eligible staff positions • Must include all eligible positions in the applications • Must submit online application¹ no later than March 15, 2024 • Must submit all supporting documents, as applicable. <p>See Appendix A for details regarding the full application requirements</p>	<ul style="list-style-type: none"> • Must have existed in a centre between January 1, 2023 and December 31, 2023* and continue to exist in 2024 • For full eligibility, the hourly wage must be less than or equal to \$28.59 including all existing base funding (excluding PWE & CWELCC-Workforce Compensation) • For partial eligibility, the hourly wage must be between \$28.60 and \$30.59, including all existing base funding (excluding PWE & CWELCC-Workforce Compensation) <p>*Not applicable for centres that open in 2024</p>	<ul style="list-style-type: none"> • Must be employed in 2024 in a position eligible for the grant by an employer who has applied for and has been approved for funding • For full eligibility, the 2024 hourly wage must be less than or equal to \$28.59 including all existing base funding (excluding PWE & CWELCC-Workforce Compensation) • For partial eligibility, the hourly wage must be between \$28.60 and \$30.59 including all existing base funding (excluding PWE & CWELCC-Workforce Compensation)

Definition of Terms:

- **Operator:** A general term used to refer to the person(s) that operates a child care service.
- **Agency:** A legally constituted entity.
- **Centre:** A location-based child care program. One application should be completed for each licensed child care centre.

¹To ensure compliance with the Accessibility for Ontarians with Disabilities Act (AODA), the City of Toronto Children's Services can provide an alternate option if an operator is unable to complete the application online. For details please contact tcsfunding@toronto.ca.

Staffing Position and Eligibility

The general guideline is that the position is eligible if it is categorized as a child care Supervisor, RECE, Assistant or otherwise counted toward adult to child ratios under the Child Care and Early Years Act (CCEYA). **Only staff who are issued a T4 or T4A are eligible.**

Operators must include all T4 or T4A staff working within a centre.

Please include all staff in the Employee Information Table. This table will identify the number of ineligible and automatically update the Service Data Table.

The Application will indicate eligibility status as per criteria entered for position, wage, or percentage of time in ratio.

Table 4: Eligibility of Staff Positions

Program Staffing Position in a Licensed Child Care Centre	Eligibility
Non-Program Staff <ul style="list-style-type: none"> • Administrator/Director • Housekeeper, custodial staff • Other 	Only eligible on a prorated basis if staff spends at least 25% of the time in a child care staff position to support Child Care and Early Years Act (CCEYA) ratio requirements, and hourly wage is eligible.
RECE Program Staff	Eligible
Assistant Program Staff	Eligible
Casual or Supply staff	Eligible under the following conditions: Staff are counted towards ratio and these hours have not already been included in the regular position being filled (See Table 5: Calculation for more detail).
Summer Staff	Eligible if the position existed in the qualifying period and if other eligibility criteria are met.
Supervisor, as indicated on the license	Eligible for 100% of the time they are working in a licensed child care setting, regardless of the amount of time they are working directly with children, if hourly wage is eligible.
Resource teachers/consultants/ special needs resource positions or supplemental staff employed to support children with special needs, and staff hired through a third party (i.e. temp agency)	Ineligible, as these positions are not counted toward adult to child ratios under the Child Care and Early Years Act (CCEYA).

Section 3: Determination of Centre Funding

Once the eligibility of the child care staff position is established, next eligibility will be based on the base wage amount per category (Table 5).

Table 5: Determination of the Wage Enhancement Funding

Eligible Amount	Determination of Wage Enhancement Amount Per Category
Ineligible	<ul style="list-style-type: none"> The base hourly wage for a child care staff, including pay equity; but excluding 2023 PWE & 2023 CWELCC – Workforce Compensation is more than or equal to \$30.59 per hour.
Full wage enhancement of \$2.00 per hour	<ul style="list-style-type: none"> The base hourly wage for a child care staff, including pay equity; but excluding 2023 PWE & 2023 CWELCC - Workforce Compensation is less than \$28.59 per hour. The child care staff must be paid the full wage enhancement of \$2.00 per hour.
Partial wage enhancement of less than \$2.00 per hour	<ul style="list-style-type: none"> The base hourly wage for a child care staff including pay equity; but excluding 2023 PWE & 2023 CWELCC – Wage Floor funding is between \$28.60 per hour and \$30.59 per hour. The partial wage enhancement is to increase the wage of the qualifying position up to the \$30.59 per hour provincial wage enhancement threshold.
Benefits	<ul style="list-style-type: none"> Benefits of 17.5% support operators in meeting their statutory benefit requirements. Operators whose mandatory benefits are less than 17.5% may use the remaining amount toward salary or to fund additional benefit expenses, additional vacation/statutory holidays.
Supplemental Grant	<ul style="list-style-type: none"> An amount of \$150.00 per funded Full-Time Equivalent (FTE) to cover shortfalls in PWE salary component and corresponding benefits (may be used to cover additional days worked, sick days and training hours). Funded FTE is calculated based on 7.25 hours per standard work day in the application as per Provincial direction.
Administration Funding*	<ul style="list-style-type: none"> A minimum of 10% (percent) of the City's allocated PWE administration funding from the Province is required to be paid to operators. The administration funding for each operator is determined by Children's Services by taking the maximum amount of the City of Toronto PWE Administration funding available and dividing it by the sum of all approved applications to arrive at the a percentage. This resulted percentage is then applied to each application based on the amount of the approved PWE funding per location.

* Children's Services has historically distributed above the provincially required 10% (percent) PWE administration funding and will strive to do the same in 2024, however Operators may see a reduced administration funding amount disbursed in 2024.

IMPORTANT:

- The Application will identify eligibility based on the criteria outlined above; therefore, it is important to enter all staff working in the centre
- Enter the base wage rate associated with each staff / position as of December 31, 2023
- Enter the hours worked for 2023, (or comparable prior year).
- Enter the percentage of time worked in ratio
- Where multiple staff share a position, create a new line for each staff with the applicable hours and base wage for each staff

- If a position existed in a previous year, but no longer exists in 2024, that position and should not be included.
- New eligible positions created in 2024 that did not exist in 2023, cannot be included in the application.
- The number of Ineligible staff recorded in the Service Data section, will be pulled from the Application Table, therefore it is important to enter all staff working in the centre

Table 6 illustrates how the Centre funding is calculated based on the assessment of full and partial wage enhancement for eligible positions.

Table 6: Calculation for the Application of Centre Funding

The PWE funding amount is calculated based on the 2023 hours worked (or a comparable prior year), in each eligible position. Please refer to the "Online Application Instructions for Operators" emailed to your Agency.

Payment to eligible staff in these positions is based on the **actual hours worked in 2024**.

Grant Type	Calculation of Agency Funding Amount
Provincial Wage Enhancement	<p>The following are required to determine the eligibility and generate the 2024 funding entitlement: The centre funding will be calculated based on the information that you enter:</p> <ul style="list-style-type: none"> • The base wage paid for each staff / position • The number of hours worked in the position for 2023 or comparable year <ul style="list-style-type: none"> ○ Review the hours the employee in the position worked in 2023, not including hours for sick days, vacation days and statutory holidays. ○ Where multiple staff share a position, create a new line for each staff with the applicable hours for each. ○ Review the casual/supply/replacement hours worked in 2023 and enter separately for each position. • The percentage of time the position is eligible (minimum 25%) • Eligibility rate will be generated from base wage entered: full or partial • If a new position(s) was added to your centre after January 1, 2023 and before December 31, 2023 use the "New position Calculator" to calculate full annual hours the position would be eligible for in 2024. • The annual Salary component for eligible positions is determined by the hours worked multiplied by the eligibility rate per hour multiplied by the percentage of time worked in the position. • The Benefit amount is based on 17.5% multiplied by the salary

	<p>calculated. This includes the statutory holiday (3.59%) and vacation pay (4%) for distribution to employees (total 7.59%) and the remainder (9.91%) to cover employer mandatory & optional benefit costs. See Appendix B for additional benefit information.</p> <ul style="list-style-type: none"> • The Supplemental grant component is based on the number of eligible Full-Time Equivalents (FTEs) determined through the information entered in the online application. • An Administration funding amount per centre will be determined and paid upon approval, based on Children's Services maximum available admin funding. • City of Toronto Children's Services reserves the right to limit the maximum hours per position on the online application.
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Section 4: Grant Distribution

If child care staff exceeds the base hourly threshold of \$30.59 at any time during the year, excluding the PWE, they will no longer be eligible to receive the PWE.

As the centre funding is based on the approved application of the hours staff worked in positions that existed in the previous or comparable prior year, in some circumstances, the calculated funding amount in the application may not be sufficient to pay current staff who are in eligible positions in the distribution year.

Some examples where the funding may not be enough to cover a staff in an eligible position or current hours:

- for a position based on a staff member who was over the maximum salary amount of \$30.59 amount (ineligible) and has been replaced by a staff member whose current salary is under \$30.59 (eligible)
- where there was lower operating capacity in the previous year which results in fewer hours in the application
- where there are new eligible positions in 2024 that did not exist in 2023, therefore were not eligible to be included in the application.

The Supplemental Grant provides additional funding which can be used to offset situations such as those noted above.

Operators PWE Policy and Procedures must be updated annually, be in compliance with the current year's PWE Guidelines, shared with all staff and used as a base to determine the distribution plan for the approved funding. The plan must cover the distribution for each component of the grant:

- Salary and benefits
- Supplemental Grant
- Administration Funding
- Must address how shortfalls and surpluses will be managed
- Must include internal complaints and resolution process

The 2024 Provincial Wage Enhancement (PWE) grant will be paid by the City of Toronto Children's Services in three installments:

1. May 2024: Q1 and Q2 – 2024 PWE
2. June 2024: Q3 – 2024 PWE
3. September 2024: Q4 – 2024 PWE

For newly licensed centres created in 2024, the schedule of payment will depend on the date of application approval.

For the agencies with accumulated deficits as noted in the audit or financial statements, payments may be paid monthly.

For agencies who do not submit required reconciliation and financial reports (audited financial statements or review engagement report) on time and/or are not in compliance with other requirements, payments will be held.

The requirements of licensed child care operators for the distribution of PWE are presented in Table 7.

Table 7: Requirements for Licensed Child Care Operators for Distribution of the Provincial Wage Enhancement Grant (PWE)

The PWE funding amount is calculated based on the 2023 hours worked (or a comparable prior year) in each eligible position.

Payment to all eligible staff is based on the actual hours worked in 2024.

Operators MUST clearly indicate on staff paystubs (or a separate letter) the portion of PWE funding that is being provided and a breakdown of hours, with a label of "Provincial Wage Enhancement".

Categories	Distribution Requirements
<p>Salary and mandatory benefits component</p>	<p>Ensure that salary, benefits and supplemental grant are used as follows:</p> <p>Salary</p> <ul style="list-style-type: none"> • Distribute funds to all eligible staff in eligible positions included in the application, for hours worked in 2024 • If there is shortfall, payment for hours worked must be determined by the operator's distribution policy/plan • The PWE salary component paid per staff must not exceed \$2.00 per hour • Funds must only be distributed at the eligible rate for eligible hours <ul style="list-style-type: none"> ○ The fully eligible hourly PWE rate paid must be at \$2.00 per hour ○ The partially eligible hourly PWE rate must be paid at the amount that brings the wage up to \$30.59 • PWE funding is above Provincially legislated minimum wage • PWE payments are in addition to any planned salary, pay equity or other base wage increases • PWE eligibility rate is included when determining CWELCC-Workforce Compensation eligibility • PWE used to fund overtime hours are not paid as time and a half • A surplus in salary funding cannot be used for benefits • Supplemental grant may be used to support a shortfall in this category <p>Benefits</p> <ul style="list-style-type: none"> • 7.59% of the benefits must be used to cover staff's vacation pay at 4% and public holiday pay at 3.59%

	<ul style="list-style-type: none"> • Up to 9.91% of the 17.5% benefits can be used to cover the employer portion of mandatory benefits • If the mandatory benefits are less the 9.91%, the remaining amount in the benefit funding may be used to support additional benefits such as sick days additional vacation days (above 4%) or any shortfall in the salary component (must be outlined in distribution policy/procedures) • If the supplemental grant is used to support additional benefit expense, the total benefits used may exceed 17.5% but not the Grand Total PWE funding received <p>Flexibility</p> <ul style="list-style-type: none"> • Eligible positions not included in the application should be funded in accordance with the agency’s distribution policy/plan and in compliance with the guidelines, if total PWE funding received allows • There is flexibility to use the Supplemental Grant toward new eligible positions in 2024 for salaries and benefits • An operator can redistribute surplus PWE due to vacant positions to offset any shortfalls in other positions • There is flexibility to distribute the funds within a multi-site agency under prescribed conditions; see Appendix F for details. • Funds are not to be used to meet minimum wage requirements • Funds are not to be used to lower or offset parent fees, or any other operator expense <p>Variance</p> <ul style="list-style-type: none"> • All unused PWE funds must be reported in the Provincial Wage Enhancement Grant Reconciliation and returned to the City of Toronto • PWE funds not used in accordance with these guidelines and the terms and conditions will be recovered by the City
<p>Supplemental Grant</p>	<ul style="list-style-type: none"> • The Supplemental Grant (\$150 per funded Full Time Equivalent (FTE)) provides operators with flexibility to cover salary for additional hours/new positions and/or additional benefits • The Supplemental Grant can be used to fund additional eligible staff and/or hours in program, vacation days, sick days, training hours and/or other benefits • The Supplemental Grant cannot be used to support Administration Funding • Operators need to set priorities on how to use the Supplemental Grant in their distribution policy/plan
<p>Administration Funding</p>	<ul style="list-style-type: none"> • Administration funding must only be used for the administration of Provincial Wage Enhancement (PWE) such as: admin staff or additional bookkeeper hours, upgrading payment systems, internal payment processes, and internal processes to complete and track data and expenditures
<p>Payment of PWE</p>	<ul style="list-style-type: none"> • Operators MUST clearly indicate on staff paystubs (or a separate letter) the portion of PWE funding that is being provided and a breakdown of hours, with a label of "Provincial Wage Enhancement" • Operators must begin to pay staff their 2024 PWE within 60 calendar days of receipt of PWE funding and also must include a PWE payment on <u>each</u>

	<p><u>paycheque</u> (rather than a lump sum) once funding has been received.</p> <ul style="list-style-type: none"> • First payment must include all hours worked retroactive from January 1, 2024 to the date the first payment is being made • Payment must be made to all eligible staff, unless there is a shortfall • Operators must fully pay out the final 2024 PWE payment to staff for each eligible position/staff in the payroll that covers December 31, 2024
<p>Policy and Procedures</p>	<ul style="list-style-type: none"> • Operators must apply for PWE to determine eligibility for CWELCC-Workforce Compensation • Operators must have PWE policy, procedures and a distribution plan which complies with these guidelines • The policy must include an internal complaint and resolution process • The policy must be reviewed and approved by the Owner / Board of Directors or designate • The policy and distribution plan should be shared with staff and must be available for reference • Operators should notify staff if they have decided not to apply for PWE • Toronto Children's Services may request a copy of your policy and distribution plan • Operators must refer to and follow their PWE Policies and Procedures when distributing funds • See Appendix C for a guide to developing a Provincial Wage Enhancement Policy and Procedures.

Section 5: Monitoring and Reporting

The monitoring and reporting of Provincial Wage Enhancement (PWE) are made up of:

- Review of required records
- Compliance review of operators' Provincial Wage Enhancement distribution and overall expenditures
- Provincial Wage Enhancement Reconciliation
- Financial reporting requirements
- Municipal Freedom of Information and Protection of Privacy Act

Each requirement is presented with a description in Table 8.

Table 8: Monitoring and Reporting of PWE

Type of Monitoring/Reporting	Description
Records Required for Review	<p>Operators are required to keep appropriate records verifying the amount of Provincial Wage Enhancement that was distributed to eligible positions/staff. These records must be available for review by City of Toronto Children's Services staff upon request. The required records include but are not limited to:</p> <ul style="list-style-type: none"> • PDF or printed copy of the submitted PWE application • Minutes of Board meetings confirming Provincial Wage Enhancement Policy review and approval • Amount of administration funding expensed, with supporting documentation • Records for PWE grant received, documented payments made to staff, and any outstanding balance • Staff payroll records including T4s and T4As • Amount paid back to the City where applicable <p>As with all financial records, these records must be kept for a minimum of seven years.</p>
Compliance review of Operator Records	<p>City of Toronto Children's Services staff will review the Provincial Wage Enhancement records for selected centres. 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.</p>
Provincial Wage Enhancement Reconciliation	<p>All programs in receipt of the PWE grant are required to reconcile the funding received from the City of Toronto Children's Services at the end of each calendar year. An online reconciliation is required for each site receiving PWE.</p> <p>Detailed instructions for completing the online reconciliation will be available prior to the submission deadline to the City of Toronto Children's Services.</p>
Financial Reporting Requirements	<p>Agencies with a Service Agreement for Fee Subsidy or Service Agreement for CWELCC must provide the City of Toronto with signed Audited Financial Statements within four months of the Agency fiscal year end, in compliance with the most current Toronto Children's Services Audit Guidelines.</p> <p>Agencies without a Service Agreement for Fee Subsidy or Service Agreement for CWELCC in receipt of \$20,000 or more in total aggregate City funding in a calendar year must provide the City of Toronto with a Review Engagement Report within four months of the Agency's fiscal year end.</p>

	<p>When a centre is part of an Agency with more than one location, the \$20,000 threshold is set at the Agency level.</p> <p>Operators must distribute funds to all eligible positions; restriction of distributions in order to lower the Review Engagement Report requirement threshold is not permitted. Sanctions will be applied.</p> <p>The financial statements must include a Note disclosure verifying the total grant amount received from Children's Services, the total amount paid to eligible positions/staff, and must certify that the grant funds received were used for the purposes that they were intended. The accompanying financial statements should have a cross-reference to the "Note disclosure".</p> <p>If note disclosure is not provided, then a special consideration report must be submitted supplementing the financial information contained in financial statement. The report must be signed by the same licensed public accountant verifying the funding has been used for the purpose(s) intended. The disclosure must be included as part of the agency's financial statements reconciling grant payments against actual expenditures. See Appendix E for a sample disclosure relating to the grant.</p> <p>Where there is more than one location receiving funding, the financial report must provide a breakdown of revenue and expenses by location.</p> <p>If the audit or review engagement report for the prior year was not received, the operator is deemed non-compliant, and Provincial Wage Enhancement (PWE) payments may be held.</p> <p>Additionally, non-compliant licensees may be deemed ineligible to receive future wage enhancement funding.</p>
<p>Municipal Freedom of Information and Protection of Privacy Act</p>	<p>All information submitted by operators through the grant is subject to access to information requests as stipulated in the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) .</p>

Section 6: Centre Closures, Change in Operator/Owner, Merger, Transfer or Sale

Operators must inform the City of Toronto Children's Services 60 days in advance, in writing, of their intentions to close, merge, sell or change ownership.

Prior to the closure, PWE payment may be adjusted to reflect the operational change. The eligible staff would receive wage enhancement funding for the hours worked until the program closure, merge, or sale. A reconciliation form must be completed and any surplus or remainder of grant for the year **must** be returned.

The Provincial Wage Enhancement (PWE) may not be transferrable to a new operator as a result of a sale, merger, or other change in ownership. The operators must send a request along with the new ownership and operating information to Toronto Children's Services.

The name of the operator must match with the license name, the letters of incorporation, the bank documentation, and any other supporting documentation.

Section 7: Provincial Wage Enhancement Grant Inquiries

The general public, staff and child care operators can obtain general information, technical and non-technical support as listed in Table 9.

Table 9: PWE Inquiries

Type of Inquiry	Type of Information	Where to Get Information or Help
General Inquiries	<p>The following information relating to the eligibility, application for and distribution of Provincial Wage Enhancement (PWE) is available online:</p> <ul style="list-style-type: none"> • Application Process <ul style="list-style-type: none"> ➢ Guidelines ➢ Online Application ➢ Required Documents • Application Status • Payment Schedules 	<p>first go to the Guidelines which can be found at: toronto.ca/children/pwe</p> <p>Online Services login</p> <p>or email your question to: tcsfunding@toronto.ca</p>
Specific technical inquiries from Child Care Centre Operators	Technical support	<p>IT Helpline at (416) 397-5555.</p> <p>Available Monday to Friday from 7:00 a.m. to 6:30 p.m.</p>
Specific non-technical inquiries from Child Care Centre Operators	Non-technical inquiries related to Provincial Wage Enhancement	<p>Email your question to: tcsfunding@toronto.ca or Contact the Consultant assigned to your Centre www.toronto.ca/licensed-child-care</p>

Appendix A - Requirements for a Complete Application

The application period for the 2024 allocation of Provincial Wage Enhancement Grant (PWE) is from February 9, 2024 to March 15, 2024.

Operators must complete online applications and submit supporting documentation **deadline of March 15, 2024**. This is a firm deadline and late applications may be ineligible for PWE Funding as we expect that the requests for funding will be greater than the City of Toronto PWE allocation.

For **new** licensed child care centres created and opening after the deadline of March 15, 2024 that would like to apply, please contact tcsfunding@toronto.ca for an application and assistance.

Completed applications can be mailed or delivered to:

Provincial Wage Enhancement Application

Toronto Children's Services

Metro Hall, 10th floor

55 John St.

Toronto, ON M5V 3C6

Attn: Faye Jose, Director Contract & Financial Management

Information to be submitted by March 15, 2024 for Operators Applying for PWE

ALL Operators must submit	New licensed Operators and Operators who do not any prior funding relationship with Children's Services
<ul style="list-style-type: none"> ✓ A completed submitted online application 	<ul style="list-style-type: none"> ✓ A completed submitted online application ✓ A copy of your incorporation papers or business license ✓ A completed Direct Deposit Application form and a void blank cheque. ✓ Name and Address on the Direct Deposit Form must match that on the void cheque.

A listing of all licensed child care operators and their Provincial Wage Enhancement application status will be posted at toronto.ca/children/pwe. Once an application has satisfied all of the requirements to be considered complete, the application status will be updated to "Received" prior to final Approval.

Appendix B - Benefits

Mandatory Benefits

The funding of 17.5% for mandatory benefits which includes six categories. PWE is considered income and therefore all statutory payroll deductions apply.

Employer Contributions	Benefits payable to individuals in eligible approved positions
<p>Note: This portion of the benefit funding covers the employer's costs. It is not to be distributed as a payment to staff</p> <ul style="list-style-type: none"> • CPP (Canada Pension Plan), funded at 5.95% for the employer contribution portion • EI (Employment Insurance), funded at 2.32% for the employer contribution, which is 1.4 times the employee contribution • WSIB (Workers Safety & Insurance Board), funded at Sector rate. WSIB is optional for certain employers. Employers who do not pay WSIB may reimburse their workplace insurance costs. • EHT (Employer Health Tax), funded at variable rate based on agency's total remuneration. Certain employers are exempt. 	<p>Note: This portion of the benefit funding is payable to staff</p> <ul style="list-style-type: none"> • Vacation Pay, funded at 4% of gross pay as per the Ontario Ministry of Labour's Employment Standards Act. • Statutory Public Holiday Pay, funded at 3.59%, representing the following nine days: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas and Boxing Day.

Note: The above categories are defined as mandatory benefits. The employer may have a surplus of the benefit component of funding if they are exempt from EHT or the workplace insurance is at a lower rate than WSIB. Operators may use any remaining benefit funding for salary component or additional benefits. See Section 4: Grant Distribution.

Appendix C - Provincial Wage Enhancement Policy and Distribution Plan Development Guide

Operators must develop and update their policies and procedures annually to govern how the Provincial Wage Enhancement (PWE) will be distributed. Policies and procedures must be in compliance with the current year's Guidelines and made available to all staff.

The policy must include statements that clearly outline eligibility, distribution and internal complaints.

To develop your policy/distribution plan, consider the following:

- Which positions are eligible and which positions are not
- Which staff are in eligible positions
- How to address casuals/centre supply and turnover. Provide examples/scenarios to illustrate.
- Conditions where staff are ineligible for the grant (e.g. parental or other leaves of absence)
- Set priorities on how to use the Supplemental Grant, and priority of disbursement of any surplus funding if applicable, as per guidelines
- Identify procedure to distribute to eligible staff upon receipt of 1st payment and then on each pay cheque going forward
- Your plan when funds are exhausted, resulting in a shortfall (See Table 7)
- Set priorities on how to manage and communicate to newly hired staff
- How the Administration funding will be allocated
- When staff will receive payment – i.e. on each payroll based on eligible hours and availability of funding (note: payment must begin within 60 days of receiving funding)
- How to address and resolve staff complaints within the agency

Note that:

- PWE is assigned to positions and not individuals, thus replacement staff would be eligible, if position was included in application
- PWE funding is above Provincially legislated minimum wage
- PWE payments are in addition to any planned pay equity or other base salary increases
- PWE used to fund overtime pay may not be paid at time and a half
- Surplus funding and Supplemental Grant can be used to fund new positions that meet the salary and position type requirements
- Surplus salary component cannot be used toward additional benefit expenses
- The benefit component is approved at 17.5% of the PWE salary component.
- The 17.5% benefit component includes 7.59% which is comprised of two weeks' vacation (4%) and nine statutory holidays (3.59%) to be paid to eligible staff
- The remaining 9.91% of the benefit component to be used to cover employer contributions costs of CPP, EI, etc
- Surplus benefit funding may be used to fund salary or other benefits such as paid sick days or additional vacation (above the 4%)
- Supply/casual staff who do not receive a T4 or T4A are not eligible for the grant
- All PWE payments given to staff must provide a breakdown of hours

Requirements for Operator Policy and Distribution Plan:

- The policy and procedure document must have the agency name and an approval date
- There must be a complaints procedure for staff regarding PWE funding that clearly identifies:
 - Who their complaint/question should be addressed to
 - Reasonable timeline to resolve complaint
 - Who it should be escalated to within the centre/agency if not resolved
- The 2024 PWE agency policy and procedures must be approved by the owner/ board of directors prior to making any payments to staff.

Appendix D - 2024 Provincial Wage Enhancement Grant Legal Terms and Conditions

Excerpt from the online application form:

By submitting this application, the Agency acknowledges and agrees that if the Agency's application for wage enhancement funding is approved, the Agency shall comply with the following terms and conditions:

- (a) The Agency shall comply with all the provisions in Toronto's 2024 Guidelines for Provincial Wage Enhancement Grant for Licensed Child Care Centres in the City of Toronto.
- (b) The Agency shall pay the funds in addition to the staff's regular wage rate and all wage grants otherwise paid for the period of January 1, 2024, to December 31, 2024.
- (c) The Agency shall not use wage enhancement funding for any purpose except as set out in clause (a) above;
- (d) The Agency shall identify on staff paycheques the portion of the staff's salary that is provided through wage enhancement funding by using the designation of "Provincial child care wage enhancement".
- (e) Within 45 days of the end of the calendar year to which the wage enhancement funding applies, the Agency shall provide a completed reconciliation form to Toronto (in a form and with such content as approved by Toronto) which form shall confirm that the amount of wage enhancement funding that has been used by the Agency in accordance with the terms and conditions set out above. In the event the Agency has not used all of the wage enhancement funding, the Agency shall remit a cheque payable to "Treasurer, City of Toronto" in the amount of the surplus funding to Toronto along with the completed reconciliation form.
- (f) If the Agency does not have a Service Agreement with the City of Toronto and has received funding including wage enhancement funding in the amount of \$20,000 or greater, within 4 months of the end of the Agency's fiscal year to which the funding applies, the Agency shall provide a review engagement with a note disclosure to Toronto (in a form and with such content as approved by Toronto) which shall confirm that the Agency has used all wage enhancement funding in accordance with the terms and conditions set out above.

If the Agency does have a Service Agreement with the City of Toronto, the Agency shall provide an audited financial statement with a note disclosure to Toronto (in a form and with such content as approved by Toronto) which shall confirm that the Agency has used all wage enhancement funding in accordance with the terms and conditions set out above.

- (g) The Agency shall, for a period of seven years from the date of this application, maintain records which clearly identify the receipt and disbursement of wage enhancement funding and shall make such records available to Toronto at all reasonable times provided that Toronto gives the Agency a minimum of twenty-four (24) hours' notice of its intention to do so; and
- (h) In the event that Toronto determines that the Agency received wage enhancement funding for which it was not eligible or that the Agency used wage enhancement funding contrary to the terms and conditions set out above, the Agency shall promptly repay any amount claimed by Toronto upon written demand by Toronto.

The PWE Application requires certification of Terms & Conditions as outlined above; electronic submission by a Signing Authority is considered signed agreement of compliance.

Appendix E - Note Disclosure

When an agency is required to provide an Audited Financial Statements (Auditor's Report) or a Review Engagement Report both reports must contain a Note to the Financial Statements disclosing the details of the agency's PWE funding. This Note Disclosure on PWE Funding must also be cross-referenced to the Financial Statements. Please see below for a sample of the note format.

Example of the "Note to the Financial Statements Relating to PWE Grants"

Note	Provincial Wage Enhancement (PWE)
Deferred from prior years ⁽¹⁾	
Received in this Fiscal Year ⁽²⁾	
PWE expensed in this fiscal year according to the guidelines ⁽³⁾	
PWE returned to Children's Services this fiscal year ⁽⁴⁾	
PWE deferred to future years (1) + (2) - (3) - (4)	

The Document upload portal must be used by agencies to upload their Audits, Review Engagement Report, Management Letter and Audit supporting documents.

Prior to starting, please review the Document Management guide and video available under Tips, Tricks & Help on the Financial page in [Online Services](#).

Appendix F - Flexibility in Distribution for Incorporated Multi-Site Agencies

The Province introduced more flexibility in the distribution of the 2016 Provincial Wage Enhancement (PWE) for positions within the Agency for Multi-site Operators and has maintained this flexibility in 2024. For the purposes of PWE, "multi-site operators" means an agency that is incorporated with more than one licensed child care centre.

There is no distribution flexibility between Home Child Care Enhancement Grant (HCCEG) and PWE: HCCEG is not interchangeable with PWE and vice versa. The Home Child Care Enhancement Grant allocation is not transferrable to group child care centres within the same agency.

Eligibility

Multi-site agencies may be eligible to exercise flexibility in the distribution of PWE for some or all of their locations if they have followed the regular application procedure by submitting an application for each location that is eligible for PWE. Flexibility can be applied when distributing the funds within a multi-site agency under the following conditions. A location must:

- be under the same incorporation
- has been approved by the City of Toronto for 2024 PWE

A location is not eligible to be included in any flexible distribution if the agency:

- has not been approved for current PWE funding
- is separately incorporated
- closed in 2024 (funding for that location can only cover up to closure date)

Approval for Flexibility

Operators that are incorporated with more than one child care location approved for PWE will receive approval from Children's Services to use this flexibility. This approval will be included in the approval letter for PWE.

Distribution

Funding received through an application for a specific location must be distributed at that location, unless approval has been given from TCS to use surplus funding from one location to cover a shortfall at another location under the same incorporated agency.

Closure, Merger or Transfer within the Incorporated Agency

If a location within the incorporation closes, merges or transfers ownership, the agency must notify Children's Services immediately to determine next steps.

If there is outstanding information required for a location within the incorporation, all remaining payments may be held until the information is received.

Reconciliation

Funding must be reconciled at the location at which it is expensed.

Further Inquiries

If an operator wishes to be considered for approval for this flexibility and has not been identified in their approval letter, please contact tcsfunding@toronto.ca with all information about the incorporation and Children's Services will determine if the criteria are met.

Appendix G- Frequently Asked Questions (FAQ)

Section 1: Deadlines and Application Requirements

1. What do we need to consider before applying for PWE?

Operators should review the 2024 PWE Guidelines regarding eligibility and responsibilities including submission deadline. Centres that do not submit on time will not be considered for the 2024 PWE. To qualify for CWELCC-Workforce Compensation Operators must first apply for PWE.

2. How do staff know if the employer applied for PWE and how can we check the approval status?

Employers should notify staff in writing if they are not applying for the 2024 PWE. Staff can view the centre's approval status on the Children's Services web page at toronto.ca/children/pwe.

Section 2: Conditions and Eligibility for Application

1. What steps are involved after we apply for PWE?

Following analysis of the submitted application by TCS, Operators can access a letter through on-line services, notifying of their approval and funding allocation. The status of the application will also be posted Children's Services web page at toronto.ca/children/pwe.

Operators approved for funding must develop/update a PWE Policy and Distribution Plan in compliance with the Guidelines. See Appendix C for PWE Policy and Distribution.

An audited financial statement or review engagement may also be required to be submitted to the City of Toronto, 4 months after your fiscal year end (see Section 5).

2. If an eligible staff leaves during the year, is the newly hired staff eligible for PWE?

Operators must pay each eligible staff for their eligible hours, as long as the position and hours were included in their application. If the position was not included in the application, the operator should use the Supplemental grant and/or any surplus.

The operator's PWE Policy and Procedures should outline the eligibility of positions, the use of the Supplemental Grant and how surpluses and shortfalls will be handled. The Operator's PWE Policy must be made available to all staff.

Operators should prioritize the distribution of funds to staff who were eligible in 2023 and continue to be eligible in 2024. Operators should evaluate if it is feasible to fund newly created positions not included in the application so that they do not run short of the funding before the end of the year.

Staff that were in an eligible position and no longer with the agency should be paid up to their last day of employment.

Section 3: Determination of Centre Funding

1. If staff was eligible for PWE in 2023 and received a wage increase in January 2024 that puts them over the wage threshold, are they still eligible to receive PWE?

No. Once a staff wage is above the threshold, they are no longer eligible to receive PWE.

2. How is the Supplemental Grant distributed?

The Supplemental Grant PWE can only be distributed at the same rate; fully eligible rate at \$2.00 or partially eligible rate up to \$2.00 per hour. It is only for actual hours worked and as a result of shortfalls such in salaries, or additional days worked, sick days and hours of training. PWE goes directly to staff through payroll, plus the cost of the benefit (vacation & statutory holiday) associated.

3. Can the following be recognized as training or benefits and paid through the supplemental grant: CPR/First Aid classes, professional development training courses, workshops, conferences?

The supplemental grant may be used to cover only the work hours/time associated with training and the operator's PWE policy must reference this. Otherwise, the Supplemental grant cannot be used to cover this expense. Please refer to Appendix C.

4. Can I see an exact breakdown of the PWE payment received?

Operators can log in to on-line services and view the 'Report' which details the total approved funding and positions; and details the salary component, benefit component, supplemental grant and administration grant. Only the PWE preparer can view this information.

For staff, the PWE amount must be indicated separately on your pay stub or in a letter.

Section 4: Grant Distribution

1. How is the staff payment calculated?

Determine which staff worked in each of the positions in the application. Add up their total hours worked for that pay period and multiply \$2.00 (or partial as per eligibility) for the salary component. Do not include sick days, vacation or statutory holidays. Add the benefit component at 4% for vacation and 3.59% for statutory holidays. This is the gross amount paid to each staff. Please refer to Section 4 of the Guidelines.

PWE consists of both a salary and benefit component which is considered income and is subject to payroll taxes accordingly. Please refer to Appendix C.

2. Can the PWE grant be used to pay insurance and other health benefits for the staff?

Yes. The Provincial Wage Enhancement support operators in meeting their mandatory payroll benefits of CPP, EI, WSIB or EHT. Operators whose benefits are less than 9.91% may use the remaining amount to fund additional benefit expenses, additional vacation/stat holidays.

3. If we operate a room with 5 positions but only applied for 4 positions, can we divide and pay this amount to 5 positions? (Or expanded operations)

No. You cannot divide the funding in this way. PWE must be distributed at the eligible rate (\$2 or partial up to \$2) per hour to all eligible staff positions that were included in your application, until funding is exhausted. If, however, 5 different staff worked in the 4 positions, then yes, the funds should be distributed to each of the staff for the hours they worked in those eligible positions.

Eligible positions that were not included in the application may be funded through the Supplemental Grant or surpluses, as per Agency's policy, but not "taken" from one position or "divided up" amongst the current staff.

4. Can a multi-location agency give PWE to staff for hours worked at multiple locations?

Yes. The eligible hours must be reported for each position at each location. This should be indicated in your PWE Policy and documented in your financial records. There is also flexibility for multi-location agencies to use a surplus at one location to cover a shortfall at another.

Section 5: Monitoring and Reporting

1. Do we need to submit an audited financial statement or review engagement if we received \$20,000 in September 2024 (for the period January 2024- December 2024) and our year end is August 30, 2024?

The agency is required to submit the 2024 audited financial statements or review engagement with a note disclosure related to the full amount of 2024 PWE approved. The approval is considered "subsequent events" after the fiscal period end and is equal to or greater than the \$20,000 audit/review engagement requirement threshold. The payment to staff must be retroactively applied from January 1, 2024 to August 31, 2024. The accounting treatment for government grants is such that it is recognised only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received.

2. What will happen if I do not submit audited financial statements or review engagement report?

Toronto Children's Services will recover the entire PWE grant and hold other funding types, if applicable. Other sanctions may apply.

Audited financial statements and review engagements will only be accepted by the City of Toronto if completed by a CPA with a public accounting licence (PAL) and with proper accreditation to complete the review.

3. How can staff contact the City of Toronto if they have concerns about their PWE compensation?

We recommend that staff review and discuss any concerns first with the employer (operator). The operator's PWE Policy and Procedures should be made available to staff and include a complaint and resolution process. If there are further questions or concerns, staff can email tcsfunding@toronto.ca for assistance.