



Toronto Children's Services

**2026 Wage Enhancement Grant (WEG)/Home Child Care
Enhancement Grant (HCCEG) and Workforce
Compensation Requirements Guideline**

Child Care Centres & Home Child Care Agencies

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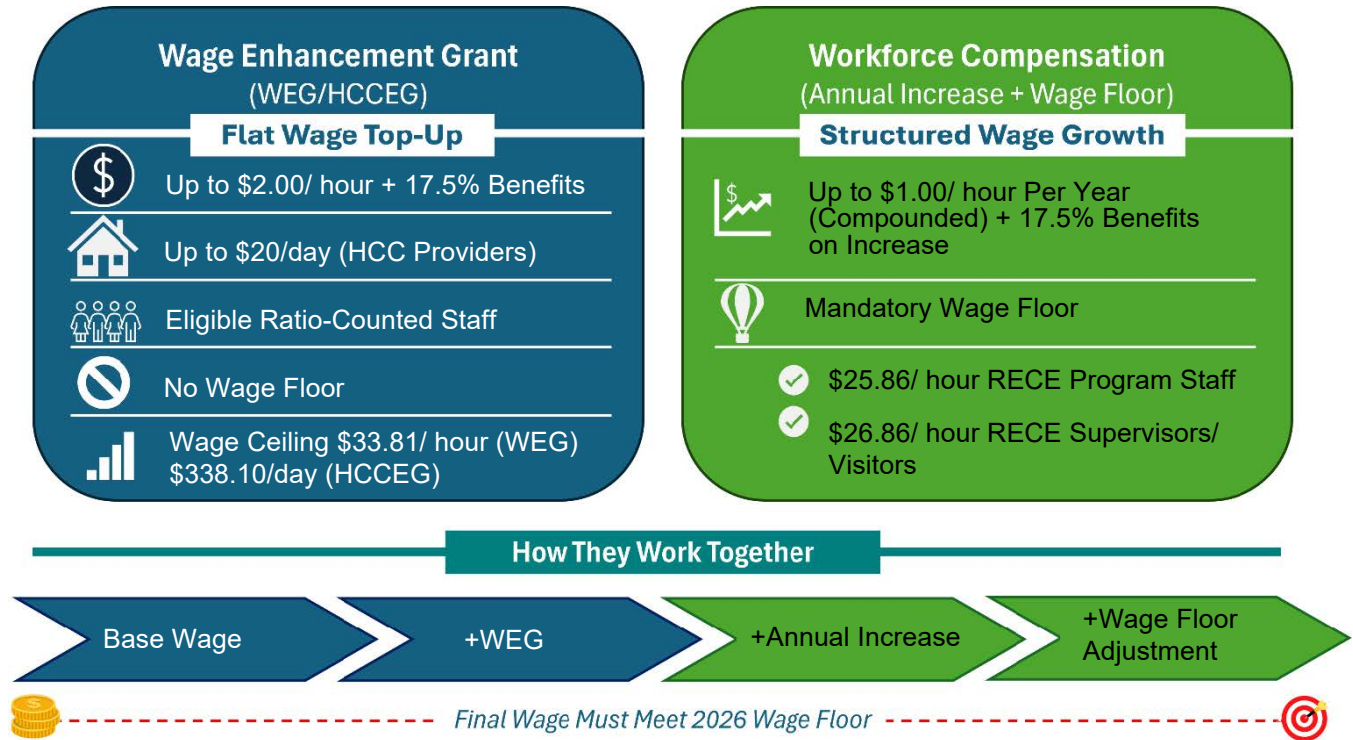
Section 1: Introduction

Workforce Compensation is a core component of the Canada-Wide Early Learning and Child Care (CWELCC) program. As part of CWELCC implementation, existing wage supports were integrated into the cost-based funding framework. These measures support the recruitment and retention of Registered Early Childhood Educators (RECEs) and contribute to a stable, high-quality early learning and child care system for families across Ontario. For additional information, refer to the Ministry of Education's [guidelines](#), *Chapter 3, Division 1: Local Priorities Guideline*.

Child care centres and home child care agencies are eligible for the Wage Enhancement Grant (WEG), Home Child Care Enhancement Grant (HCCEG), and Workforce Compensation funding. An operator must submit a Wage Enhancement Grant (WEG) application to be considered for Workforce Compensation (CWW) funding. However, the funding structure varies based on the centre's CWELCC enrolment status and the age groups served. Centres are required to meet and submit the applicable Workforce Compensation requirements outlined in this guideline.

Section 2: Funding Framework

Wage Enhancement Grant (WEG/HCCEG) and Workforce Compensation funding support the recruitment and retention of qualified child care professionals by improving wages and compensation for eligible staff. The image below illustrates how these funding streams work together to support wage growth through wage top-ups, annual increases, and wage floor requirements.



RECE Compensation

Funding for eligible RECE positions may include five elements, applied in accordance with the provincial order of operations: (1) Base Wage; (2a) Wage Enhancement Grant (up to \$2/hour plus 17.5% benefits); (2b) a flexible Supplemental Grant to support eligible wages and benefits; (3) Workforce Compensation annual wage increases (up to \$1/hour per year, compounded to 2026); and (4) Workforce Compensation incremental funding to meet the annual wage floor.

Funding Element & Order of Operations	Description	2026 Parameters	Key Conditions
1. Base Wage	Employer-established hourly wage, including minimum wage obligations and any employer-based increases (e.g., collective agreements, merit increases).	N/A	Forms the foundation for all additional funding elements.
2a. Wage Enhancement Grant (WEG)	Provincial wage enhancement to support eligible positions.	Up to \$2.00/hour plus 17.5% benefits (applied only to the WEG amount), to a maximum of \$33.81/hour.	Must be flowed directly to eligible staff. Cannot exceed eligibility ceiling.
2b. Supplemental Grant (WEG/HCEG)	Flexible grant to support eligible wages and benefits.	\$150 per eligible centre-based position or home visitor \$50 per eligible home child care provider	Must support eligible wages/benefits. May cover salary shortfalls or additional benefits. Subject to recovery if not used for eligible purposes.
3. Workforce Compensation – Annual Wage Increase	Annual increase to support progressive wage growth for eligible RECE positions.	Up to \$1.00/hour per year, compounded from 2023 to 2026, plus 17.5% benefits on the increased amount.	Applies to positions earning below the annual wage eligibility ceiling. Funding is tied to the position.
4. Workforce Compensation – Wage Floor	Incremental funding to bring wages up to the provincially established wage floor.	Wage floor effective January 1, 2026: <ul style="list-style-type: none"> RECE Program Staff: \$25.86/hour RECE Supervisors/Home Visitors: \$26.86/hour 	Applied where base wage + WEG + annual increase do not meet the required wage floor.

Toronto Children's Services (TCS) will distribute a 2026 Workforce Illustration Tool to support centres and agencies in understanding compensation calculations for eligible staff. Centres that have not received the tool may contact their Budget Consultant to request a copy.

Eligible Groups

The CWELCC guidelines establish eligibility criteria and funding requirements for the following three groups:

Eligible Group	Description	Child Care Workforce Information Submission Required?	WEG/HCCEG & Workforce Compensation Funded Through
Group 1	Non-CWELCC enrolled centres/agencies, exclusively serving children aged 6 to 12	Yes	WEG/HCCEG & Workforce
Group 2	CWELCC-enrolled centres/agencies serving children aged 0 to 12, for the 6 to 12 age group only	Yes	WEG/HCCEG & Workforce (CWW)
Group 3	CWELCC-enrolled centres/agencies serving children aged 0 to 5	Yes	Cost-based Funding Allocation

Note: For Group 3, WEG/HCCEG and Workforce Compensation funding is provided through the Cost-Based Funding Allocation (CBFA).

The 2026 WEG and Workforce Compensation allocations will be determined based on the Child Care Workforce Information submitted through Toronto Children's Services (TCS) Online Services portal. Workforce data submitted will be used to calculate funding allocations for eligible positions serving children aged 6 to 12.

Section 3: Funding Guideline

1) Base Wage

The base wage is the hourly wage established by the licensee for an eligible position before the application of any provincial wage supports. It may include minimum wage requirements, collective agreement obligations, or other employer-funded wage increases, but does not include WEG/HCCEG or Workforce Compensation funding. The base wage is the starting point for applying wage supports in the order of operations.

2a) Wage Enhancement Grant (WEG/HCCEG)

ELIGIBILITY

For 2026, the hourly wage eligibility ceiling is \$33.81 per hour for WEG and \$338.10 per day for full HCCEG (\$202.86 per day for partial HCCEG). The wage eligibility ceiling is not a wage cap. Licensees may choose to increase eligible RECE wages above the eligibility ceiling, provided all regulatory requirements are met.

Eligibility criteria are used to determine staff entitlement and corresponding payments for the current calendar year. Employers must continue to provide wage enhancement funding to new staff who replace individuals in eligible positions.

A) WEG ELIGIBILITY

To be eligible for WEG funding, a position must:

- Be employed in a licensed child care centre or agency that is enrolled in CWELCC or exclusively serves children aged 6 to 12; and
- Be categorized as a child care supervisor, Registered Early Childhood Educator (RECE), home child care visitor, or otherwise counted toward adult-to-child ratios under the *Child Care and Early Years Act, 2014* (CCEYA), including positions maintained to support ratios above the regulatory minimum.

Ineligible Positions:

- Non-program staff (e.g., cooks, custodial staff);
- Special needs resourcing-funded resource teachers/consultants and supplemental staff;
- Staff hired through a third party (e.g., a temporary staffing agency).

Exception: Positions identified above may be eligible if the staff member spends at least 25% of their working time supporting ratio requirements. In such cases, WEG may be provided only for the hours worked in the eligible ratio-supporting position.

B) HCCEG ELIGIBILITY

To be eligible for HCCEG funding, a home child care provider must:

- Hold a contract with a licensed home child care agency that is enrolled in CWELCC or exclusively serves children aged 6 to 12; and
- Provide services to one or more children (including privately placed children), excluding the provider's own children

FULL AND PARTIAL WEG/HCCEG

Grant	Full Wage Enhancement	Partial Wage Enhancement	Benefits
Wage Enhancement Grant (WEG)	To receive the full WEG of \$2.00 per hour, up to \$33.81, an eligible position must have an associated base wage, excluding the prior year's wage enhancement, of \$31.81 or less per hour.	To receive the partial WEG amount of less than \$2.00 per hour, up to \$33.81, an eligible position must have an associated base wage, excluding the prior year's wage enhancement, of between \$31.82 and \$33.80 per hour.	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. See Appendix A: Benefits for more information.
Home Child Care Enhancement Grant (HCCEG)	To receive the full HCCEG of \$20 per day, up to \$338.10, an eligible home child care provider must: <ul style="list-style-type: none"> • Provide full-time services, on average (6 hours or more a day); and • Receive base daily fees, excluding prior year's HCCEG, of \$318.10 or less. 	To receive the partial HCCEG of \$10 per day up to \$202.86, an eligible home child care provider must: <ul style="list-style-type: none"> • Provide part-time services, on average (less than 6 hours a day); and • Receive base daily fees, excluding prior year's HCCEG of \$192.86 or less. Those receiving base daily fees between \$192.86 and \$202.86 would be eligible for an amount to bring fees up the \$202.86. 	Not Applicable

ELIGIBLE EXPENSES

WEG/HCCEG funding must be used exclusively to support eligible centre-based positions by increasing wages and benefits, or to eligible home child care providers by increasing daily income. Wage enhancement funding must not be used to meet legislated minimum wage requirements. Any funding not used for eligible purposes will be subject to recovery. Funding may only be used for the following purposes:

1. Wage Enhancement – Centre-Based Positions

- Increasing wages of eligible positions by up to \$2.00 per hour, plus 17.5% in benefits, based on their current wage rate
- Applies to all eligible hours worked in program, including overtime hours paid at the same hourly rate
- WEG cannot exceed \$2.00 per hour or the wage eligibility ceiling of \$33.81 per hour
- The 17.5% benefit allocation may exceed 17.5% only where the supplemental grant is used to support additional benefit expenses

2. Daily Enhancement – Home Child Care Providers

- Providing a daily increase of up to \$20.00 per day, based on current hours of service provided
- HCCEG cannot exceed \$20.00 per day or the daily eligibility ceiling of \$338.10

3. Benefits (6–12 Age Group Positions)

- For positions serving children aged 6 to 12:
- The 17.5% benefit allocation may be used to support statutory employer benefit requirements
- Once all statutory benefit requirements are met (including up to two weeks' vacation and nine statutory holidays), any remaining benefit funding within the 17.5% allocation may be used for other employer-paid benefit expenses
- Any remaining benefit funding may then be used to support eligible wage enhancement salary increases
- Salary funding cannot be used to cover benefits
- The supplemental grant provides additional flexibility to support benefit costs

2b) Supplemental Grant

An additional supplemental grant of \$150 per eligible centre-based position or home visitor position and \$50 per eligible home child care provider will be provided. The supplemental grant offers centres and agencies flexibility in implementing wage enhancement in a manner that aligns with their operational needs. The supplemental grant must be used to support eligible positions or home child care providers through:

- Hourly wage or daily income enhancements;
- Mandatory employer benefits;
- Salary shortfalls resulting from increased program hours or new eligible positions/providers; and
- Additional benefits (e.g., vacation days, sick days, professional development days, or other employer-provided benefits), once mandatory benefits have been met

Funding that is not used for eligible purposes will be subject to recovery.

3) Workforce Compensation – Annual Wage Increase

The Annual Wage Increase provides up to **\$1.00 per hour per calendar year**, compounded year-over-year beginning in 2023, for eligible RECE positions serving children aged 6 to 12. For 2026, the annual wage increase applies to:

- RECE Program Staff
- RECE Child Care Supervisors
- RECE Home Child Care Visitors

The increase applies only to positions earning below the annual wage increase eligibility ceiling for the applicable calendar year. Funding is tied to the eligible position and not to an individual employee. Annual wage increases must:

- Be flowed directly to eligible staff;
- Be applied to eligible hours worked;
- Include up to 17.5% in benefits (applied to the increase amount only); and
- Be paid in addition to the base wage and WEG.

Annual wage increases cannot be used to offset planned merit increases or other employer-established wage adjustments.

4) Workforce Compensation – Wage Floor

The Wage Floor establishes the minimum hourly wage that eligible RECE positions must receive, effective January 1st of each calendar year. For 2026, the wage floor is:

- **\$25.86 per hour** for RECE Program Staff
- **\$26.86 per hour** for RECE Supervisors and Home Child Care Visitors

Where the combination of:

Base Wage + WEG + Annual Wage Increase

does not meet the applicable wage floor, incremental Workforce Compensation funding will be provided to bring the position up to the required wage floor. The wage floor:

- Applies to eligible RECE positions only;
- Is effective January 1, 2026;
- Must be reflected in each pay period; and
- Includes up to 17.5% in benefits (applied to the workforce compensation increase amount).

The table below outlines the wage ceiling and wage floor to be used in determining annual wage and wage floor increases:

	Eligible Position	2022	2023	2024	2025	2026
Annual Wage Increase Ceiling*	RECE Program Staff	\$25.00	\$25.00	\$26.00	\$27.00	\$28.00
Annual Wage Increase Ceiling*	RECE Child Care Supervisors or RECE Home Child Care Visitors	\$25.00	\$25.00	\$29.00	\$30.00	\$31.00
Wage Floor*	RECE Program Staff	\$18.00	\$19.00	\$23.86	\$24.86	\$25.86
Wage Floor*	RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20.00	\$21.00	\$24.86	\$25.86	\$26.86

*In addition to the hourly wage, staff are required to receive benefits. Workforce compensation funding includes up to 17.5% (applied to workforce compensation increases) to support centres/agencies in meeting their statutory benefit requirements and additional benefits provided by the licensee.

Note: Minimum Wage Offset (MWO) is only applicable to centres/agencies that previously received this funding. No new eligibility will be established for 2026.

5) If applicable, Minimum Wage Offset (MWO) for Non-RECE staff positions

Minimum Wage Offset (MWO) funding was introduced to address increases to the legislated minimum wage during the transition to CWELCC. Specifically, the funding offsets the incremental wage increase required to bring eligible staff wages from \$15.00 per hour to \$16.55 per hour. MWO funding supports eligible licensees with the cost of minimum wage increases for certain **non-RECE staff positions that support ratio requirements**. The funding is cumulative up to \$1.55 per hour, reflecting the difference between the 2022 and 2024 minimum wage rates. MWO funding is tied to the position rather than the individual staff member and continues at the previously calculated funding level (2024 baseline).

For 2026:

- MWO funding will be maintained at 2025 levels
- No additional funding above 2025 amounts will be provided
- Funding applies to eligible **non-RECE program positions** serving children aged 6 to 12

ELIGIBILITY

Eligible non-RECE staff must have been earning (excluding prior wage enhancement amounts):

- Below \$15.50 per hour immediately prior to October 1, 2022; and/or
- Below \$16.55 per hour immediately prior to October 1, 2023;

INELIGIBLE POSITIONS

MWO does not apply to the following: Non-program staff (e.g., cooks, custodial staff), Special Needs Resourcing (SNR) staff, and/or third-party staff (e.g., temporary agency staff).

Section 4: Application for WEG/HCCEG & Workforce Funding

Child Care Centres (Online Form)

All centres identified within the eligible groups above are required to submit their Child Care Workforce Information through [TCS Online Services](#). This submission provides Toronto Children's Services (TCS) with current workforce data and determines staff eligibility based on base wage and age group served. All program staff must be included in the submission, including staff serving children aged 0 to 5 who are funded through the Cost-Based Funding Allocation (CBFA).

Funding Calculation by Group

For the purpose of calculating funding in addition to the CBFA, the form will determine eligibility and calculate funding amounts for:

- **Group 1:** Non-CWELCC enrolled centres exclusively serving children aged 6 to 12
- **Group 2:** CWELCC-enrolled centres serving children aged 0 to 12 (6 to 12 age group component only)

Group 3 (CWELCC-enrolled centres serving children aged 0 to 5) are funded through the CBFA. While staff in this group remain eligible, funding amounts are not calculated within this form as they are already incorporated into the CBFA. Centres are required to use their CBFA allocation to fund eligible Group 3 staff accordingly.

Eligibility Calculations

The form will:

- Identify eligibility status for staff serving children aged 6 to 12
- Display funding calculations for eligible Group 1 and Group 2 staff

The eligibility section will not display funding calculations for staff serving children aged 0 to 5 (Group 3), as this funding is incorporated into the CBFA.

Eligibility Determination Criteria

Eligibility status is determined based on the following information submitted:

- Position category
- Age category (Supervisor positions are not required to select an age category)
- Base hourly wage
- Number of hours projected
- Percentage of time in an eligible position

Position Reporting Requirements

Director-approved program staff and child care supervisors without an RECE designation must be entered under the “Non-RECE” Position Description options.

Viewing Approved Funding

Centres may log in to [TCS Online Services](#) to access the Report, which details:

- Total approved funding and positions
- Salary component
- Benefit component
- Supplemental grant

Access to this report is limited to users assigned the “PWE Preparer” role.

Workforce Illustration Tool

Toronto Children’s Services (TCS) will distribute a 2026 Workforce Illustration Tool to support centres in understanding compensation calculations for eligible staff. Centres that have not received the tool may contact their Budget Consultant to request a copy.

Home Child Care Agencies (Excel Form)

All eligible home child care agencies identified in the groups above are required to submit the Home Child Care Workforce Information Application. This Excel-based form will be emailed directly to agencies.

The submission provides Toronto Children's Services (TCS) with current workforce information for eligible positions and identifies the proportion of staff serving children aged 6 to 12. All program staff must be included in the submission, including those serving children aged 0 to 5 whose funding is provided through the Cost-Based Funding Allocation (CBFA).

Funding must flow based on actual base hourly wages and actual hours worked. Any unused funding will be recovered through the year-end reconciliation process. To calculate funding amounts above the CBFA, the form will determine allocations for:

- **Group 1:** Non-CWELCC enrolled agencies exclusively serving children aged 6 to 12
- **Group 2:** CWELCC-enrolled agencies serving children aged 0 to 12 (6 to 12 component only)

Group 3 agencies (CWELCC-enrolled agencies serving children aged 0 to 5) are funded through the CBFA. Agencies remain responsible for paying eligible staff in accordance with CBFA requirements.

Toronto Children's Services (TCS) will distribute a 2026 Workforce Illustration Tool to support agencies in understanding compensation calculations for eligible staff. Agencies may contact their District Consultant to request a copy.

Section 5: WEG/HCCEG & Workforce Funding Cycle & Timelines

Requirement

DURING THE CALENDAR YEAR	Timeline
Centres/agencies submit Child Care Workforce Information	March 17, 2026 to April 26, 2026
WEG/HCCEG & Workforce Compensation funding for eligible staff serving children aged 6 to 12 is finalized, as applicable.	July 1, 2026
Funding is provided retroactive to the beginning of the calendar year (January 1 st) and is distributed in quarterly installments	
<p>Centres/agencies must notify eligible staff and distribute WEG/HCCEG and Workforce Compensation funding to all eligible staff serving children aged 0 to 12 for all eligible hours worked between January 1 and December 31, 2026. Payments must be included in each pay cheque and may not be issued as a lump sum at year-end.</p> <p>Note: WEG/HCCEG and Workforce Compensation funding for eligible positions serving children aged 0 to 5 is provided through the Cost-Based Funding Allocation (CBFA).</p>	Within 32 days of receiving funding
New licensees issued after the Child Care Workforce Information submission deadline may apply by submitting a request to their District Consultant.	2 months after the initial license date

AFTER THE CALENDAR YEAR END	Timeline
Centres/agencies submit reconciliation and return surplus WEG/HCCEG & Workforce Compensation funding	Q1 2027
Centres/agencies submit Audited Financial Statements	4 months after the fiscal year-end

Section 6: WEG/HCCEG & Workforce Disbursement

Distribution Policy for Child Care Staff

Eligible centres and agencies must develop, maintain, and annually update a written distribution policy outlining how WEG/HCCEG and Workforce Compensation funding will be allocated to staff, in accordance with current Ministry of Education [guidelines](#). The policy must be made available to all staff and must clearly outline:

- Eligibility criteria
- Distribution methodology
- Internal complaint and resolution processes

Communication of Funding

Centres and agencies are required to clearly communicate the hourly amounts provided through this funding program. This may be reflected on pay stubs, through home child care provider fee transfers, or via a separate written notice to staff.

Staff Inquiries

Staff with questions regarding their compensation should first contact their employer. If additional clarification is required, the employer's District Consultant may be contacted. District Consultant contact information is available through the [A-Z Listing](#) by selecting the employer's location and referring to the "City of Toronto Contact" section.

Policy Development Considerations

When developing or updating the distribution policy, centres/agencies should address the following:

- Position eligibility criteria and staff eligibility requirements
- Procedures when staff begin or leave employment, including related communication
- Circumstances where staff are ineligible (e.g., parental leave or other leaves)
- Prioritization and use of the Supplemental Grant, including disbursement of surplus funding
- Management of funding shortfalls and surpluses
- Procedures for distributing funding upon receipt of the first payment and on each subsequent pay period, based on actual hours worked
- Details that will be provided to staff outlining the funding components received
- Internal complaint and escalation procedures, including timelines for resolution
- Identification of the applicable centre/agency, approval date, and name/title of approver (e.g., owner or board members)

Payment Requirements

- Centres/agencies must include WEG/HCCEG and Workforce Compensation payments in each pay cheque issued to eligible employees or in each payment made to eligible home child care providers.
- Centres/agencies may notify eligible positions or home child care providers of the amount received under this initiative on pay statements, fee transfers, or through a separate written communication. Where notification is provided, payments must be clearly identified as:
 - Wage Enhancement Grant (WEG); or
 - Home Child Care Enhancement Grant (HCCEG), as applicable.
- WEG/HCCEG and Workforce Compensation payments must be disbursed on a regular pay-cycle basis and must not be issued as a lump sum at year-end or at any other interval.
- Centres/agencies must provide written notification to eligible staff of changes to the wage floor and wage eligibility ceiling that take effect January 1st of each calendar year, up to and including 2026. At a minimum, this notification must include:
 - The applicable wage floor;
 - The wage eligibility ceiling; and
 - The compounded annual wage increases applicable for the calendar year.
- Centres/agencies must ensure eligible RECE staff receive wages consistent with Workforce Compensation changes effective January 1st of each calendar year within 32 calendar days of receiving the funding allocation.
- Workforce Compensation funding must be applied in addition to, and must not replace or reduce, other planned compensation increases. For example:
 - Annual wage increases and wage floor adjustments must not offset planned merit increases; and
 - WEG must not be used to meet legislated minimum wage obligations.

Section 7: TCS Reporting Requirements & Compliance

Eligible centres and agencies receiving WEG/HCCEG and Workforce Compensation funding are subject to specific reporting and compliance obligations, including reconciliation, year-end reporting, audited financial statement disclosure, policy development, and staff reporting requirements.

Audited Financial Statements

Centres and agencies must report funding received through WEG/HCCEG and Workforce Compensation in their audited financial statements. For additional details, refer to the applicable [Audit Guidelines](#) for the reporting year.

Policy Requirements

Eligible centres and agencies must develop and maintain a written distribution policy in accordance with Ministry of Education guidelines. Refer to the [Distribution Policy for Staff](#) section of this guideline for policy development considerations.

Year-End Reconciliation and Reporting

Centres and agencies must submit a year-end reconciliation identifying:

- Salaries and benefits
- Staff full-time equivalent (FTE) data

The reconciliation process includes recovery of funds not utilized in accordance with eligible expenditure requirements. Toronto Children's Services (TCS) reserves the right to conduct compliance reviews, which may include (but are not limited to) reviews of internal policies, pay stubs, T4 slips, and related payroll documentation.

Provincial reconciliation data required under [Chapter 7: EFIS Reporting Requirements](#) includes:

- WEG/HCCEG expenditures, including salaries and benefits reported separately for fully and partially eligible staff
- Number of FTEs by position supported by WEG (fully and partially eligible staff)
- Number of home child care providers supported by HCCEG (fully and partially eligible providers)
- Workforce Compensation expenditures by staff position category, including wage floor, annual wage increase, minimum wage offset, and benefits
- Number of staff, by position category, supported by wage floor, annual wage increase, and minimum wage offset

Staff Reporting Requirements

Centres and agencies must provide staff with clear details regarding their compensation, including:

- The hourly amounts provided through this initiative (reflected on pay stubs, home child care provider fee transfers, or through a separate written notice)
- General information regarding WEG/HCCEG, wage floor, annual wage increase, minimum wage offset, and wage eligibility ceilings (e.g., internal policy, TCS guidance materials, Provincial guidelines)

Non-Compliance

Operators who do not comply with reporting requirements for WEG/HCCEG and Workforce Compensation, the Legal Terms and Conditions ([Appendix B](#)), and overall Service Agreement requirements may be deemed ineligible to receive funding for 2026.

Section 8: Closures & Ownership Changes

Centres and agencies must provide Toronto Children's Services (TCS) with a minimum of 60 days' written notice of their intention to close or change ownership.

Closures

In the event of a closure:

- Remaining payments for the calendar year will be placed on hold.
- Any unused funding will be recovered through the reconciliation and year-end reporting process.

Changes in Ownership

In the event of a change in ownership:

- Payments will be placed on hold pending TCS confirmation of whether funding may continue under the existing legal entity or whether new Workforce Information is required under the new entity.
- A reconciliation and reporting submission will be required for each eligible centre or agency receiving funding.

Eligible staff and approved positions must continue to receive funding up to and including the effective date of closure or ownership change.

Section 9: Appendices

Appendix A: Benefits

Mandatory Benefits

The 17.5% funding allocation for mandatory benefits covers six eligible benefit categories. As the Wage Enhancement Grant (WEG) is considered income, all applicable statutory payroll deductions must be applied.

Employer Contributions

This portion of the benefit funding covers the employer's statutory costs and is not to be distributed as a payment to staff

- **CPP (Canada Pension Plan):** Funded at 5.95% for the employer contribution portion
- **EI (Employment Insurance):** Funded at 2.32% for the employer contribution (1.4 times the employee contribution)
- **WSIB (Workplace Safety & Insurance Board):** Funded at the applicable sector rate. WSIB coverage is optional for certain employers. Employers who do not pay WSIB may reimburse eligible workplace insurance costs.
- **EHT (Employer Health Tax):** Funded at a variable rate based on the agency's total remuneration. Certain employers may be exempt.

Benefits Payable to Individuals in Eligible Approved Positions

This portion of the benefit funding is payable to staff

Vacation Pay: Funded at 4% of gross pay in accordance with the Ontario Employment Standards Act

Statutory Public Holiday Pay: Funded at 3.59%, representing the following nine public holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day

Note: The above categories are defined as mandatory benefits. An employer may have a surplus within the benefits component of funding if they are exempt from EHT (Employer Health Tax) or if their workplace insurance rate is lower than the applicable WSIB sector rate. Any remaining mandatory benefits funding may be reallocated toward the salary component or used to provide additional eligible benefits.

Appendix B: 2026 Wage Enhancement Grant Legal Terms and Conditions

Excerpt from the online application form:

Legal Terms and Conditions

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

- (a) The Agency shall comply with all the provisions in the *Ministry of Education, Ontario Child Care and Early Years Funding Guidelines, Chapter 3, Division 1: Local Priorities Guideline*, including Part 2 (WEG/HCCCEG) and Part 3 (Workforce Compensation), and all applicable City of Toronto funding requirements and guidelines for Licensed Child Care Centres;
- (b) The Agency shall pay the approved funds in addition to the staff's regular wage rate paid for the period of January 1, 2026 to December 31, 2026;
- (c) The Agency shall not use the approved 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 the approved funding by using the designation of "wage enhancement grant" and "workforce compensation";
- (e) Within 90 days of the end of the calendar year to which the wage enhancement funding applies, the Agency shall provide a completed reconciliation to Toronto (in a form and with such content as approved by Toronto) which shall confirm that the amount of wage enhancement funding that the Agency has used 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 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 report to Toronto (in a form and with such content as approved by Toronto) which report 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.

Appendix C: Flexibility for Multi-Site Licensees

Multi-site licensees may exercise flexibility in the distribution of the WEG across eligible positions within the same incorporated entity. A multi-site licensee is defined as a licensee that is incorporated and operates more than one licensed child care centre. There is no flexibility to transfer or redistribute funding between the Home Child Care Enhancement Grant (HCCEG) and the Wage Enhancement Grant (WEG).

Eligibility

Multi-site licensees may apply flexibility in the distribution of WEG funding across some or all eligible locations, provided they have completed the standard application process and submitted Workforce Information for each location eligible for WEG. Flexibility may only be applied under the following conditions:

- The locations operate under the same incorporated entity; and
- Each location has been approved by the City of Toronto for 2026 WEG/HCCEG funding for positions serving children aged 6 to 12.

Reconciliation

Funding must be reconciled at the location where the expense was incurred. However, Toronto Children's Services (TCS) will assess recovery at the multi-site licensee (corporate) level rather than at the individual location level.

For example, if two locations underspend WEG funding by \$500 and \$200, respectively, and a third location overspends WEG funding by \$300, the total amount to be recovered would be \$400 ($\$500 + \$200 - \300).