

WAGE ENHANCEMENT GUIDELINES

PURPOSE

This wage enhancement will benefit low-income child care program staff in the sector, help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help close the wage gap between 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 will support an increase of up to \$2 per hour, plus 17.5 percent benefits. In addition, the Home Child Care Enhancement Grant (HCCEG) will support an increase of up to \$20 per day for home child care providers.

ELIGIBILITY

All licensed child care centres and home child care agencies are eligible to apply for wage enhancement/HCCEG funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status with their local CMSM or DSSAB.

Full Wage Enhancement

To be eligible to receive the full 2026 wage enhancement of \$2 an hour plus 17.5 per cent in benefits, staff must:

- Be employed in a licensed child care centre or agency;
- Have an associated base wage excluding prior year's wage enhancement of less than \$31.81 per hour (i.e. \$2 below the wage cap of \$33.81); and
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios under the *Child Care Early Years Act* (CCEYA).

Child care program positions that are in place to maintain lower adult-child ratios than required under the CCEYA, and meet the eligibility outlined above, are also eligible for wage enhancement.

Partial Wage Enhancement

Where an eligible centre-based or home visitor position has an associated base wage rate excluding prior year's wage enhancement between \$31.82 and \$33.80 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$33.81 per hour without exceeding the cap.

Ineligible Positions (Non-Program Staff):

- Cook, custodial and other non-program staff positions are not eligible for wage enhancement funding.
- SNR-funded resource teachers/consultants and supplemental staff are not eligible for wage enhancement funding.
- The only exception to the above is if the position spends at least 25 per cent of their time to support ratio requirements; in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.

- Staff hired through a third party (i.e. temp agency) are not eligible for wage enhancement.

Home Child Care Enhancement Grant (HCCEG) - Home Child Care Providers

Full Home Child Care Enhancement Grant

In order to be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees excluding prior year's HCCEG of less than \$318.10 (i.e. \$20 below the cap of \$338.10).

Partial Home Child Care Enhancement Grant

In order to be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (excluding providers own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees excluding prior year's HCCEG of less than \$192.86 (i.e. \$10 below the cap of \$202.86).

ALLOWABLE EXPENSES

Wage enhancement/HCCEG funding (including the supplemental grant) is an enveloped allocation. Wage enhancement/HCCEG funding must be directed solely to licensed child care staff and home visitors to increase wages and benefits, and to home child care providers to increase daily income. Wage enhancement/HCCEG funding cannot be used to support child care system expansion or reduce fees.

Operators may only use the funding for the intended purposes of:

- Increasing wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5 percent benefits based on their current wage rate,
- *Please note: Operators may exceed 17.5 per cent for benefits if the supplemental grant is used to support additional benefit expenses.*
- Wage enhancement funding of up to \$2 an hour plus 17.5 per cent benefits should be provided for all hours worked in program, including overtime hours.
- Providing a daily increase of up to \$20 for eligible licensed home child care providers based on current hours of service provided.

Benefits Funding and Flexibility

Benefits of 17.5 per cent support operators in meeting their statutory benefit requirements.

Once all statutory benefits requirements are met (including up 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Any residual benefits funding can be used to support wage enhancement salaries per the above allowable expenses. Please note this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

RECONCILIATION

As you know, operators can only use Wage Enhancement Funding for the intended purpose per the 2026 Ontario Child Care and Early Years Funding Guidelines. Any funding not used for the intended purpose will be recovered by the ministry. The County of Lambton is required to have a reconciliation process for operators' use of wage enhancement funding.

It is the responsibility of the operator to ensure the funding is distributed only to eligible staff as per Schedule A-11 "Wage Enhancement Funding" of your Purchase of Service Agreement. Any unused or misused funds shall be recovered by the County of Lambton.

The County of Lambton reserves the right to conduct an in depth audit of the Wage Enhancement Grant.

In the event that the County of Lambton determines that an operator has **failed to meet the funding conditions outlined in their agreement** for the provision of wage enhancement/HCCEG funding, the County of Lambton must recover all misused funds. Additionally, non-compliant operators may be deemed ineligible to receive future wage enhancement funding. The County of Lambton is responsible for establishing a process for confirming operator compliance.

PAYMENTS TO STAFF AND PROVIDERS

Wage enhancement payments should be provided to eligible positions for each hour worked in 2026.

Similarly, HCCEG payments should be provided to eligible home child care providers for each day worked in 2026. Agencies have the flexibility to fund current year eligible providers, regardless of whether the provider had a contract with the agency in 2025.

The compensation rate (partial or full) will be based on their current year services.

The County of Lambton may begin flowing funds to operators for the wage enhancement/HCCEG as soon as they have the information to calculate the wage enhancement entitlement for centres and home child care agencies from application forms.

Since one of the goals of this initiative is to close the wage gap, if an eligible staff member or home child care provider receives an increase to their hourly wage or daily fee and exceeds the wage cap in 2026, they are no longer eligible to receive funding through this initiative.

The flexibility to provide wage enhancement/HCCEG to current staff and providers may cause a shortfall in funding for the year. The County of Lambton may support operators in determining priorities for funding new staff or providers joining in the year. If there is a shortfall in an operator's entitlement, the operator can use the supplemental grant to fund the additional time in program for new or existing staff. The supplemental grant can also be used to fund sick days, PD days and/or additional benefits but cannot exceed \$2 an hour plus benefits for staff and visitors and \$20 for home child care providers.

Payment Method

The County of Lambton requires that operators clearly indicate on staff pay cheques and home child care provider fee transfers the portion of funding that is being provided through the wage enhancement/HCCEG labeled as follows:

- Provincial child care wage enhancement; or

- Provincial home child care enhancement grant