



## **Provincial Wage Enhancement (PWE) Grant Policy and Procedure**

Policy created: June 23, 2015

Revised: November 6, 2015 and December 14, 2015, June 29, 2016, June 20, 2017, January 23, 2023

Approved by Board of Directors: November 18 and December 17, 2015, July 13, 2016, June 22, 2017,

### **History:**

The 2014 Government of Ontario Budget included an investment of \$269 million over three years to support wage enhancement in the licensed care childcare sector. In response to this initiative Orde Day Care has undertaken to apply for funding. All funding received by Orde Day Care will be used to support the staffing stability by closing the wage gap between Registered Early Childhood Educators (RECE) working in full day kindergarten programs and RECEs/Childcare professionals in licensed childcare centres. This funding will also assist in staff retention and reducing poverty by providing greater employment and income security.

### **Purpose statement:**

The purpose of PWE funding is to improve the salaries and benefits of staff in eligible positions in a licenced childcare centre that has been approved for the grant. Service Providers must provide minimum wage in accordance with the guidelines set by the Ministry of Labour and use the provincial wage enhancement grant to increase minimum wage requirements. Orde Day Care Centre is required to ensure that funds are assigned to positions and not individuals, amounts per staff do not exceed the maximum amount per hour set out by the Ministry of Education and that the hourly wages before PWE must be the gross hourly wage including all sources of wage grants and pay equity, and does not replace any possible salary increases.

### **Procedure:**

The amount of PWE that Orde Day Care Centre receives is calculated in the online PWE form. The annual salary component for eligible positions is determined by the annualized hours multiplied by the eligibility rate per hour times the percentage of time worked in the position. The benefit amount is based on the actual mandatory benefit percentage cost incurred (capped at 17.5%) multiplied by the salary value calculated. This includes mandatory benefits as well as statutory holiday and vacation pay. City of Toronto Children's services will cap the hours per position based on the 2016 allowable operating days set by the province.



### **Who Is Eligible:**

The Provincial Government and Toronto Children Services set the eligibility criteria for who is to receive funding. It is important to note that the eligibility criterion for PWE may be different than the eligibility for previous wage grants.

All permanent full time, part time and supply child care staff that have an associated hourly wage including all regular increases, existing wage grants/pay equity of less than \$28.59 per hour on **as of January 1, 2022, or the set wage as per the City of Toronto directive** excluding the previous years Provincial Wage Enhancement Grant and also

1. held an eligible position at Orde Day Care between January 1, 2016 to December 31, 2016, or the previous year for future applications.
2. For 2021 and 2022 only staff who normally in eligible position who in response to the COVID-19 fulfilled roles such as cleaning, screening and other duties.
3. continued to be employed in 2017, or the current year in a position eligible for the grant,
4. the grant for this position was applied for
5. has been approved for funding.

This staff may be eligible for the full wage enhancement amount of \$2.00 per hour or for a partial wage enhancement of less than \$2.00 per hour.

In cases where the grant application did not include excess hours of a position or a position was not eligible during the grant application process, the supplemental grant will be distributed based on the following priorities:

1. To full time staff based on seniority who are in positions, eligible for the funding but face a shortfall due
  - a. Hours worked exceed the amount of hours in the application
  - b. New staff was hired into a position in the current year, which was ineligible as of **December 31<sup>st</sup> of the previous year**, due to a higher wage rate but the new staff has with a lower associated wage of **\$28.59 in 2022, or the set rate for future years**
  - c. New full time positions were created in -in the current year that were not applied for through the application process.
2. To part time staff based on seniority who are in positions eligible for the funding but face a shortfall due to
  - a. Hours worked exceed the number of hours in the part time or casual hour application.
  - b. Supply or part time hours created due to the absence of a full time staff who was in a position that was previously ineligible.
  - c. New part time positions were created in -the current year, that were not applied for through the application process.
3. To Supply staff based on seniority who are in positions eligible for the funding but face a shortfall due to



- a. Hours worked exceed the amount of hours in the application for casual/supply.

Any surplus of the Provincial Wage grant will be redistributed to offset any shortfalls between positions and locations in salary.

**Administration funding will be allocated for any hours used for the administration of the Provincial Wage Enhancement. This will include the following**

1. Any hours used by the book keeper in the administration, distribution, tracking and reconciliation of the PWE funding.
2. Hours spent by the Executive Director on the administration, distribution and processing of payments will be recorded and the cost of those hours will be offset in the accounting ledger.
3. This funding can also be used for any internal training, policy development, or processes too complete, track data and related expenditures i.e. bank charges and photocopying.

**Funding Allocation:**

**Positions eligible for PWE include:**

- Positions that are categorized as supervisor, RECE or can be otherwise counted toward adult to child ratios under the ***Child Care and Early Years Act, 2014***
- Registered Early Childhood Educators and untrained RECE's;
- Director approved ECE's;
- Supervisors are eligible to receive the PWE 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;
- Housekeeper; eligible for a partial wage enhancement on a prorated basis for time spent in the position if the position requires staff to spend at least 25% of the time in a child care staff position to support ***Child Care and Early Years Act, 2014*** ratio requirements

**Positions not eligible:**

- Any positions that did not exist prior to December 31, of the previous year
- Contracted Supply Staff
- Resource Teachers
- Consultants,
- Special needs resourcing positions or supplemental staff employed to support the integration of children with special needs as these positions may not be counted towards the required ratio of employee to children in regulated child care programs.
- Any positions that do not cover child to staff ratios
- If the childcare staff exceeds the hourly threshold at any time during the year, excluding wage enhancement, they will no longer be eligible to receive the wage enhancement grant



The Provincial Wage Enhancement Grant retroactive payment is based on the hours' staff actually worked in positions from January 1, 2017 to August 10, 2017 or earlier if distribution allows, and within the same prescribed time line in subsequent years, as per the City of Toronto directives. **In each eligible position, a deduction of sick, holiday, bereavement, professional development days, union leaves and religious holidays are subtracted from the paid hours in order to calculate the total hours allowable during the retroactive period and will not be paid by the PWE grant, unless there is funding available through the supplemental grant. Payment of the days listed above will be processed in the last payroll in which covers December 31 and will be based on seniority .**

**Who Is Ineligible:**

- Any staff on a parental leave or other leaves of absences even when their position is an eligible position during the current calendar year, from January 1- December 31.

**PWE Disbursement:**

Orde Day Care centre will ensure that each employee in an eligible position receives either the first fully funded or partially funded PWE in a lump sum payment before August 10, 2017, and the final payment paid out on the payroll that covers December 31, 2017. Provincial wage grant and mandatory benefits amounts will then be paid out on each pay check on a going forward basis until the year end.

Distribution and payment of the PWE in any subsequent years will be based on the guidelines provided by the Ministry of Education or Toronto Children Services

Orde Day Care will ensure that each employee is made aware of PWE funding and the amount they are eligible to receive annually as a salary enhancement. PWE Funding payments will be clearly labelled "Provincial Wage Enhancement Grant" on employee pay stubs. The grant is distributed according to the prescribed method until such a time the funding is exhausted. The funding for the two weeks' vacation and 9 statutory holidays is included in the entitlement calculation under mandatory benefits; however, this amount is paid to the staff in the eligible position, and not necessarily the individual who was used to calculate the eligible hours from 2015. Insufficient funding for current staff hours may result when:

- Entitlement calculated for a position based on a staff member who was over the \$26.68 amount and has been replaced with a staff whose current salary is under \$26.68, or as per the directive set by Toronto Children Services in subsequent years
- Entitlement based on circumstances where there is a lower operating capacity for a period of the year which resulted in less hours worked
- Operators who pay staff for more than 9 statutory holidays
- Operators who pay staff for more than 2 weeks' vacation and paid sick time and other paid leaves
- Where a centre has expanded after December 31, of the previous year and there are new positions.



- Staff in eligible positions physically worked more hours to cover ratios than was used to calculate the eligible hours -in the previous year.

***PWE Funding is provided by the Provincial Government and is subject to change. As Orde Day Care is reliant on Purchase of Service Clients and parent fees for funding sources, Orde Daycare Centre cannot be held accountable for any changes to this funding stream, nor a continuation of the grant once the funds have been exhausted.***

### **Allowable Use of PWE Funding:**

As per Provincial and Toronto Children Services guidelines PWE funding, Orde Day Care Centre will ensure that:

- PWE will not be used to lower or offset parent fee increases
- PWE will only be used for regular hours and will not be used to fund overtime pay as defined as time and a half
- PWE will be above and beyond legislated minimum wage levels
- PWE will be in addition to any planned pay equity or other salary increases.
- Funds are assigned to positions and not individuals
- Only positions included in the application are eligible for the grant
- New positions not included in the grant application, but eligible due to the hourly rate associated with the position may be covered under the supplemental grant, if there are no shortfalls in the positions included in the grant application.
- PWE funds not utilized in accordance with these guidelines and the terms and conditions are returned to City of Toronto Children's Services.
- A maximum of 17.5% of the Provincial Wage Enhancement funding may be allocated toward mandatory benefits. If the total percentage is less than 17.5% the maximum allowed will be the employer's actual %.

Orde Day Care Centre will be allocated up to a maximum of 17.5% toward mandatory benefit expenses. If benefits are less than 17.5% the operator will only be reimbursed for the actual amount of mandatory benefits paid on behalf of eligible potions. There are six allowable mandatory benefits that are eligible for PEW:

- i. Canada Pension Plan (CPP) 4.95%
- ii. Employment Insurance (EI) 2.63%
- iii. Workers Safety Insurance Board (WSIB) 1.10% ( 2016 rate)
- iv. Employee Health Tax 1.95%
- v. Vacation Pay 4%
- vi. Public Holiday Pay 3.59%



Orde Daycare's mandatory benefits total to 18.22%. -.72 % for 2017 above the allocated benefit amount of 17.5%. As a result, no additional benefits will be covered, as there is an added expense in the distribution of these funds that will be covered by the centre

### **Distribution Plan:**

Between each type of staff component (Fully or Partially eligible category) surplus and deficits may offset each other. Therefore, a surplus in one position may cover a deficit in another position. Deficits in full time unionized positions will be covered by the Supplemental grant, first by seniority, then part time staff, and then replacement hours of part time and casual staff. Any remaining Supplemental grant will be paid out to new eligible positions, based on seniority in the following order, full time, part time and then any casual or supply hours associated with these new positions.

Positions that are covered by more than one staff that are in eligible positions will be paid out to each individual based on the number of hours each individual worked in the position, with the most senior staff receiving any allocated funding first. If no surplus exists, the deficit will be directly applied to the position until the approved funding for that position is exhausted. The centre will not directly fund any grant deficits.

The salary and benefit component must be reconciled separately. Therefore, a surplus in benefits cannot be used to offset a deficit in salary.

### **Surplus Funding Plan:**

- In the event a surplus of funding remains the funding will be allocated in the following manner
  1. Cover any shortfalls from one center to the other based on the prescribed method for distribution.
  2. Return any surplus funds to the City of Toronto with an explanation of the reason of the surplus within the prescribed deadline of - as per the guidelines set by Toronto Children

### **Services**

### **Supplemental Grant:**

#### **Will be used based on the following priorities**

1. The supplemental grant ( \$150 per funded Full time Equivalent (FTE) will be used to cover salary for additional hours/new positions and/or benefits, should any monies remain
2. The supplemental grant will be used to fund additional eligible or hours in program for vacation days, sick days ,training or benefits for eligible staff
3. The supplemental grant cannot be used to support Administration Funding



### **Inquiry Procedure:**

Questions or complaints regarding the implementation of the PWE Grant must be directed to the Executive Director as soon as possible in writing and no later than 15 days after the final payment in on December 31, of the current year

The Executive Director will review the staff members' complaint in reference to the Provincial Wage Enhancement policy and the adherence to the policy by the centre. The Executive Director will respond to the complainant in writing and inform the Executive Board of Directors of the outcome of the complaint.

Unresolved complaints can be directed to the Orde Board of Directors. The Board of Directors will review the complaint and the application and distribution of the funding based on the Provincial Wage Enhancement Policy.

### **Monitoring & Reporting:**

#### **Review of Required Records:**

As per Provincial and Toronto Children Services guidelines, Orde Day Care Centre will be required to keep appropriate records for review at the request of Toronto Children Services. The required records include but are not limited to:

- Provincial Wage Enhancement Policy signed by staff
- Minutes of Board meetings confirming Provincial Wage Enhancement Policy review and approval
- Amount received from the City
- Amount paid to staff
- Amount paid as benefits
- Staff payroll records including T4s and T4as
- Amount paid back to the City where applicable
- Account balance

#### **Annual Random Audit of Operator Records:**

Orde Day Care Centre will ensure that all Provincial Wage Enhancement records, required documents, staff records and additional financial information are accessible in the event that we are randomly selected by Toronto Children Services for an annual audit.

#### **Annual Provincial Wage Enhancement Reconciliation statement:**

Orde Day Care Centre is required to complete a Provincial Wage Enhancement form for any PWE funding received from City of Toronto Children Services by the end of the City's calendar year,



December 31<sup>st</sup>. Submission Deadline for PWE Reconciliation forms is due by the 15<sup>th</sup> of February of the following year. -

**Audit Reporting Requirements:**

As per provincial and Toronto Children Services guidelines, Orde Day Care Centre's audited financial statements must include an auditor note verifying the following:

- Total grant amount received from Children's Services
- The total amount paid to eligible positions/staff
- Certify that the grant funds received were used for the purposes that they were intended for.

**Policy Review:**

- This policy and procedure will be reviewed and signed off by all employees before commencing employment, annually, and at any time changes are made.
- I acknowledge receipt of Orde Day Care's **PWE Grant Policy and Procedure**
- I understand it is my responsibility to read, understand, and comply with the **PWE Grant Policy and Procedure Occurrence Policy and Procedure/** I understand that if I have questions, at any time, regarding the policy and procedure, I will consult with my immediate supervisor.
- Please read the **PWE Grant Policy and Procedure** carefully to ensure that you understand the policy before signing this document

Staff Name:	Supervisor Name:
Staff Signature	Supervisor Signature:
Date:	Date:



