

## PROVINCIAL WAGE ENHANCEMENT AND DISTRIBUTION POLICY

This policy governs the distribution of Provincial Wage Enhancement (PWE) grant. The policy is reviewed and approved by the Board of Directors.

### Eligibility

#### Staff Position Eligibility (for full wage enhancement of \$2.00/hour)

- Must have existed in a licensed childcare centre between January 1, 2023 and December 31, 2023 and continue to exist in 2024; and
- For **full eligibility**, the hourly wage must be **less or equal to \$28.59** including all existing base funding (excluding 2022 PWE).
- For **partial eligibility**, the hourly wage must be **between \$28.60 and \$30.59**, including all existing base funding (excluding 2023 PWE).

#### Staff Eligibility

- Must be employed in 2024 in a position eligible for the grant.
- Only staff who are issued a **T4 or T4A** are eligible.

#### Positions **eligible** for the grant:

- Montessori teachers in pre-school classroom
- ECE/Montessori teacher in toddler classroom
- Assistant teachers in pre-school classroom
- Assistant teachers in toddler classroom
- Supply Assistant teachers

#### Positions **not eligible** for the grant:

- contracted supply staff positions
- resource teachers/consultants
- supply/casual staff who do not receive a T4 or T4A
- maintenance staff not counting against staff-children ratio

#### Conditions where staff are **ineligible** for the increase:

- leave of absences
- parental leave
- staff filling the approved position is not eligible for the funding if their hourly wage exceeds the cap of \$30.59

## **Distribution**

PWE is calculated based on the **2023 hours** worked in each eligible position but paid out to individuals in these positions based on the actual hours worked in 2023.

**New eligible positions** created after January 1, 2024 may be funded through the **Supplementary Grant** and/or **surpluses** from the salary or benefit components.

The portion of PWE funding that is being provided to be clearly indicated on staff paystubs, with a label of "Provincial Wage Enhancement".

The final 2024 PWE to staff will be with payroll that covers December 31, 2024.

All PWE payments given to staff will provide a **breakdown of hours**

If there is more than one person filling an eligible position in 2024, payment for hours worked will be proportional based on hours worked by each person.

In some circumstances, the calculated **funding amount** based on 2023 **may not be sufficient** to pay current staff who are in eligible positions in 2024.

Staff filling eligible positions but who left before the funding was received will receive the proportional part of funding based on hours worked in 2023.

When funds are exhausted we will use the **Supplementary Grant** and/or **surpluses** from benefit components.

## **Salary**

- Distribute funds to **all** staff in **all** eligible positions, for all hours worked in 2024
- Funds are assigned to eligible positions and not individuals
- If there is **shortfall**, and more than one person filling an eligible position in 2024, payment for hours worked will be determined by the operator's distribution policy/plan
- The hourly wage **includes** base funding and Pay Equity, if applicable, but **excludes 2023 PWE.**
- The salary amount paid per staff **does not exceed** \$2.00 per hour
- The **full** hourly wage rate paid must be at \$2.00 per hour
- PWE funding is above Provincially-legislated minimum wage
- PWE payments are in addition to any planned pay equity or other salary increases.
- PWE funds 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

### Important

- Where multiple staff **share** a position, operators should create a **new line** for each staff with the applicable hours for each.
- If there was **staff turnover** in a position, operators should enter the wage rate associated with the staff / position as of **December 31, 2023**.
- If a position **existed** in a previous year, but **no longer exists** in 2024, the operator is **not entitled** to receive the PWE for that position and should not apply for it.
- New **eligible positions** created in 2024 that **did not exist** in 2023, cannot **be included** in the application.

The **hours** the employee in the position worked in 2023, **do not include** hours for **sick days, vacation days and statutory holidays**.

### Mandatory benefits component

The Ministry of Education is funding up to 17.5% for mandatory benefits.

- 7.59% of the benefits is used to cover **staff's 4% vacation pay** and **3.59% of public holiday pay**.
- Up to **9.91%** of the benefits is used to **cover employer portion** of the mandatory benefits.
- If the mandatory benefits are **less the 9.91%**, the remaining amount in the benefit funding may be used to **support any shortfall in the salary** component
- If **the supplemental grant** is used to support **additional benefit expense**, the total benefits **may exceed** 17.5%, but not Grand total PWE funding received.

If benefits are **less than 17.5%**, we will use the remaining amount **toward salary** or to fund **additional benefit expenses**, additional vacation/statutory holidays.

Provincial wage Enhancement is considered **income** and therefore **all statutory deductions** apply.

**Portion of the benefit** funding **covers the employer's costs: CPP, EI, WSIB, EHT**. It is not to be distributed as a payment to staff.

- CPP (Canada Pension Plan) is funded at 5.95% for the employer contribution portion

- EI (Employment Insurance) is funded at 2.32% for the employer contribution, which is 1.4 times the employee contribution
- WSIB (Workers Safety & Insurance Board) is funded at sector rate.
- EHT (Employer Health Tax) is funded at variable rate based on agency total remuneration. We are exempt.

**Benefits payable to individuals** in eligible approved positions

- Vacation Pay is funded at 4% of gross pay as per the Ontario Ministry of Labour's Employment Standards Act.
- Public Holiday Pay is 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

**Surplus benefit** funding **may be used** to fund salary or other benefits such as additional vacation.

City of Toronto Children's Services reserves **the right to limit the maximum hours** per position on the online application.

Flexibility

- Eligible positions **not included** in the application **may be funded at the discretion of the operator**, 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 is **able to redistribute surplus** PWE due to **vacant positions** to offset any shortfalls in other positions.
- Funds are **not to be used** to lower or offset **parent fees**
- Funds are **not to be used** to meet minimum wage requirements

Variance

- All **unused PWE funds** must be reported in the Wage Grant Reconciliation and **returned** the fund to City of Toronto.

- PWE funds **not used** in accordance with these guidelines and the terms and conditions will be **recovered** by the City.

### **Supplemental Grant**

- The Supplemental Grant (\$150/funded FTE) provides operators with flexibility to cover salary for **additional hours/new positions** and/or **additional benefits**.
- The grant **can be used to fund additional eligible staff** and/or hours in program, **vacation days, sick days, training and/or other benefits**.
- The Supplemental Grant **cannot** be used to **support Administration Funding**
- The Supplemental Grant PWE **can** only be distributed at **the same rate**; fully eligible rate at \$2.00. It is only for **actual hours** worked and as a result of shortfalls such as in salaries, additional days worked, sick days and training. PWE goes directly to staff as well as the cost of the benefit (vacation & statutory holiday) associated with the hourly rate.

**Supplemental grant** will be distributed to staff filling the positions that **have not existed** before December 31, 2023 and/or to positions with **shortfall of funding**.

When funds are **exhausted**, resulting in a **shortfall**, the shortfall will be distributed among the positions based on hours **recorded in previous year** for that each position.

### **Administration Funding**

Administration funding will be used **only for the administration** of Provincial Wage Enhancement (PWE) such as: admin staff or additional bookkeeper hours, upgrading payment systems, internal payment processes, training for staff related to this initiative, and internal processes to complete and track data and expenditures.

### **Payment of PWE**

- The centre will clearly indicate on **staff paystubs** the portion of **PWE funding** that is being provided and a **breakdown of hours**, with a **label of "Provincial Wage Enhancement"**
- The centre will begin to pay staff their 2024 PWE **within 60 calendar days** of receipt of funding.
- The centre will **include** a PWE payment on **each paycheque** (rather than a lump sum) once funding has been received.
- **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

- The centre will **fully pay** out the final 2024 PWE payment to staff for each eligible position/staff in **the payroll that covers December 31, 2024**

### **Payment by the City of Toronto**

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

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

### **Internal complaint and resolution process**

Staff can discuss any complains/questions with the Principal.

If staff feels that the response is not satisfactory or complain is not resolved, staff can file complain to Board of Directors / Managing Director by sending e-mail to [info@casaverams.com](mailto:info@casaverams.com).

### **Records keeping**

The centre will keep following records enabling verifying the amount of Provincial Wage Enhancement that was distributed to eligible positions/staff:

- 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

These records must be **kept** for a **minimum of seven** years.

### **Financial Reporting Requirements**

If centre is in receipt of **\$20,000 or more** in total aggregate City funding in a calendar year, the centre will provide the City of Toronto with **a review engagement report** within **four** months of our fiscal year end.

The centre will distribute funds to **all** eligible positions; **restriction of distributions** in order to **lower** the Review Engagement Report requirement threshold is **not permitted**.

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**".

If **note disclosure is not provided**, then a **special consideration report** must be submitted supplementing the financial information contained in reviewed 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 centre's financial statements reconciling grant payments against actual expenditures.

### **Reconciliation**

- The funding will be reconciled online at the end of the calendar year.
- The submission deadline is February 14, 2025.

### **Legal Terms and Conditions**

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

(a) The centre 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 centre 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 centre shall not use wage enhancement funding for any purpose except as set out in clause (a) above;

(d) The centre 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 wage enhancement".

(e) Within 45 days of the end of the calendar year to which the wage enhancement funding applies, the centre 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 centre in accordance with the terms and conditions set out above. In the event the centre has not used all of the wage enhancement funding, the centre 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 centre 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 centre's fiscal year to which the funding applies, the centre 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 centre has used all wage enhancement funding in accordance with the terms and conditions set out above.

If the centre does have a Service Agreement with the City of Toronto, the centre 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 centre has used all wage enhancement funding in accordance with the terms and conditions set out above.

(g) The centre 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 centre a minimum of twenty-four (24) hours' notice of its intention to do so; and

(h) In the event that Toronto determines that the centre received wage enhancement funding for which it was not eligible or that the centre used wage enhancement funding contrary to the terms and conditions set out above, the centre 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.

Approved: 11th February, 2024