

# CUPE FACTS

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## Child Care Wage Enhancement

January 2015

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The provincial government included \$269 million over three years in the 2014 budget for a child care wage enhancement. This fact sheet provides details about how and to whom the wage enhancement will be distributed. We will continue to provide you with information as further details become available.

### Eligibility

Registered Early Childhood Educators (RECEs), program staff, and supervisors in licensed child care centres employed as of January 1, 2015 who earn less than \$26.27 per hour qualify for the wage enhancement. Eligible program staff are those whose positions can be counted toward the adult-to-child ratios under legislation. Non-program staff including support staff such as cooks, cleaners, and maintenance staff will unfortunately not qualify for the wage enhancement. However, non-program staff who support the ratio at least 25% of the time will be eligible for a pro-rated portion of the wage enhancement.

If a worker earns less than \$1 of the \$26.27 maximum rate, they will receive a partial enhancement to bring them up to the maximum rate. The wage enhancement applies to both not-for-profit and for-profit child care centres. It also applies to licensed home daycare providers and visitors.

### Process for accessing the wage enhancement

The roll out of the wage enhancement will be administered by Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs), which oversee child care at the municipal level. Child care employers will have to apply to CMSMs and DSSABs for this funding with the number of full-time-equivalent positions and total hours from January 1, 2014 - October 31, 2014. The Ministry of Education has developed tools, resources and templates and are offering support to Municipalities to make this as smooth as possible. The application process will have to be approved by city councils and will be open between 45-60 days. Child care centres that miss the application window will have to wait to apply for the following year's wage enhancement and will not receive the 2015 instalment.

This application process will occur every year to ensure the previous year's staffing increases or decreases are reflected. However, any changes in staffing *during* the year would not be reflected in the allocation until the following year. For example, if a child care centre hired three new eligible staff during the year, the centre would not receive the \$1 per hour wage increase for them until the following funding year.

### Timelines

Between now and March, CMSMs and DSSABs will be developing their application processes, which will go through council approval. Municipalities are expected to post the application on their public websites beginning no later than May 1, 2015. The deadline for operator submissions must be no later than June 30, 2015. Afterward, wage monies will be distributed and rolled out to workers. In some cases, child care workers may not see the wage enhancement until the fall as each of the 47 CMSMs and DSSABs will control their own process. The money will be retroactive to January 1, 2015.

This wage enhancement is intended to be an ongoing investment. The application process for the 2016 wage enhancement must be completed and submitted to the Ministry by no later than November 15, 2015. The \$26.27 maximum rate will be adjusted to align with future changes to the school board wage grid for Early Childhood Educators working in full-day kindergarten.

### Benefit costs

In addition to the \$1 per hour wage increase, employers will be provided with an additional 17.5% to cover the cost of statutory benefits. Negotiated benefits over and above this amount, like pension or short term disability premiums, would have to be covered by employers. If benefit costs are below 17.5%, child care operators will only be reimbursed the amount of mandatory benefits paid.

### Enforcement and accountability

There are no enforcement mechanisms associated with this wage enhancement. Employers can choose not to apply for the funding if they choose. There is no mechanism whereby unions could apply on behalf of members; however, your collective agreement may include language which obliges your employer to access this money.

CMSMs, DSSABS and child care centres must direct this money to wage increases. The money must be clearly indicated on staff paycheques and child care centres must complete a statement attesting that they have applied all the funding to child care staff wages and benefits. Additional tools to ensure compliance will also be in place.

### Objective of wage enhancement

The government's objective with the wage enhancement is to bring RECE wages toward the rates paid in the school board sector. The maximum rate of \$26.27 was determined because it is at the highest rate on the school board RECE wage grid. The goal was to help with recruitment and retention of staff.

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