

# CHILD CARE WAGE ENHANCEMENT (WEG) / HOME CHILD CARE ENHANCEMENT GRANTS (HCCEG) GUIDELINES

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## PRESENTED BY

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District of Nipissing  
Social Services  
Administration Board



Conseil d'administration  
des services sociaux  
du district de Nipissing

**Note:** This is a summary/extract for informational purposes only. For complete and authoritative guidelines, refer to the official ministry publication.

**Source:** Ministry of Education, published November 2025, [\*Ontario Child Care and Early Years Funding Guidelines. Chapter 3, Division 1: Local Priorities Guideline\*](#)

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## CHILD CARE WAGE ENHANCEMENT (WEG) / HOME CHILD CARE ENHANCEMENT GRANTS (HCCEG)

### A. PURPOSE

Registered early childhood educators (RECEs) and other child care program staff play a key role during the critical years of a child's development.

The ministry has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in eligible centres/agencies. WEG/HCCEG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario.

WEG supports an increase of up to \$2 per hour, plus 17.5% benefits (applied only to any WEG increase) for eligible positions. The HCCEG supports an increase of up to \$20 per day for eligible home child care providers contracted with an eligible home child care agency.

The purpose of the wage enhancement is to:

- Help close or narrow the wage gap between RECE wages in the education sector and licensed child care sector;
- Stabilize eligible licensed centres/agencies by helping them retain eligible staff/home child care providers; and
- Support greater employment and income security for eligible positions/home child care providers.

This section provides information on eligibility criteria and requirements for three groups:

- Non-CWELCC-enrolled centres/agencies, exclusively serving children aged 6 to 12.
- CWELCC-enrolled centres/agencies serving children aged 0 to 12, for the 6 to 12 component.



- CWELCC-enrolled centres/agencies serving children aged 0 to 5 (note: WEG/HCCEG funding is now built into benchmark allocations under cost-based funding).

## B. ELIGIBILITY

Licensed child care centres and home child care agencies enrolled in CWELCC serving children aged 0 to 5 will receive WEG/HCCEG funding (for these centres/agencies, WEG/HCCEG funding in respect of eligible positions serving children aged 0 to 5 is built into the benchmarks of cost-based funding.)

Licensed centres/agencies exclusively serving children aged 6 to 12 are eligible to apply for WEG/HCCEG funding.

Newly licensed centres/agencies exclusively serving children aged 6 to 12 are eligible to apply for WEG/HCCEG in the calendar year the centre/agency begins operations.

Where an application is received and eligibility is met based on the criteria set out in this section, WEG/HCCEG funding must be provided by the CMSM/DSSAB to the licensed centre/agency. See section below on Eligible Expenses for further information.

### Wage Eligibility Ceiling

As the intent of WEG/HCCEG is to help close the wage gap between RECEs working in the publicly funded education sector and eligible positions/home child care providers in licensed child care settings, the ministry has established an hourly wage maximum of \$33.81 per hour for WEG and \$338.10 per day for full HCCEG (\$202.86 for partial HCCEG).

For clarity, the wage eligibility ceiling is not a wage cap, and licensees can choose to increase eligible RECE staff wages above the wage eligibility ceiling once other regulatory and guideline requirements are met (that is, using other sources of funding beyond WEG/HCCEG or workforce compensation to increase wages above the ceiling).

This wage eligibility ceiling aligns with the top of the funded Educator Salary Matrix for RECEs working in school boards in the kindergarten program, expressed as an hourly wage. The wage eligibility ceiling for 2026 is based on the funded matrix for the 2025-26 school year.



## Wage Enhancement Grant (WEG) - Child Care Centre Positions and Home Child Care Visitors

Note: Eligibility criteria is used to determine entitlement (based on hours worked in the previous or comparable prior calendar year) and to determine payments to staff for the current calendar year. For licensed centres/agencies that open in the current calendar year, the number of hours to be worked must be estimated.

To be eligible for WEG, the position must be:

- Employed in a licensed centre/agency that is enrolled in CWELCC or exclusively serving children aged 6 to 12; and
- Categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult-to-child ratios under the *Child Care and Early Years Act, 2014*, including those in place to maintain higher adult-to-child ratios than required under the Act.

The following are ineligible positions:

- Non-program staff positions (such as cooks or custodial staff);
- Special needs resourcing-funded resource teachers/consultants and supplemental staff;
  - The only exception to the two above noted positions is if the position spends at least 25% of their time to support ratio requirements, in which case the position would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (such as a temp agency).

### 1. Full Wage Enhancement

For 2026, to be eligible to receive the full WEG of \$2 an hour plus 17.5% in benefits, an eligible position must have an associated base wage, excluding the prior year's wage enhancement, of \$31.81 or less per hour (that is, \$2 or more below the wage eligibility ceiling of \$33.81).

### 2. Partial Wage Enhancement



For 2026, where an eligible position has an associated base wage rate, excluding the 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 eligibility ceiling.

For example, if an RECE has a base wage rate, excluding the previous year's wage enhancement, of \$32.40 per hour, the position would be eligible for wage enhancement of \$1.41 per hour plus 17.5% in benefits applied only to that wage enhancement amount.

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

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

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

#### 1. Full Home Child Care Enhancement Grant

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

- Provide full-time services, on average (6 hours or more a day); and
- For 2026, receive base daily fees, excluding prior year's HCCEG, of \$318.10 or less (that is, \$20 below the eligibility ceiling of \$338.10). Note: those receiving base daily fees between \$318.10 and \$338.10 would be eligible for an amount to bring fees up to the \$338.10 eligibility ceiling.

#### 2. Partial Home Child Care Enhancement Grant

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

- Provide part-time services, on average (less than 6 hours a day); and
- For 2026, receive base daily fees, excluding prior year's HCCEG of \$192.86 or less (that is, \$10 below the eligibility ceiling of \$202.86). Note: those receiving



base daily fees between \$192.86 and \$202.86 would be eligible for an amount to bring fees up to the \$202.86 eligibility ceiling.

Please note: Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

### Supplemental Grant

The ministry will provide an additional supplemental grant of \$150 for each eligible centre-based position or home visitor position and \$50 for each eligible home child care provider. The supplemental grant allows eligible centres/agencies some flexibility to provide and implement wage enhancements in a way that aligns with their regular operations. The supplemental grant must be used to support eligible positions'/home child care providers' hourly wage/daily income or benefits.

The supplemental grant provides eligible centres/agencies with the flexibility to cover salary shortfalls (due to increased hours in program or new eligible positions/home child care providers) and additional benefits, (for example, vacation days, sick days, professional development days or other benefits) once mandatory benefits are covered. Any funding that is not used for these purposes must be recovered.

CMSMs/DSSABs should work with licensees to set priorities on how to use the supplemental grant.

### Eligible Expenses

WEG/HCCEG funding (including the supplemental grant) is an enveloped allocation in respect of eligible positions serving children aged 6 to 12. (For eligible centres/agencies, WEG/HCCEG funding in respect of eligible positions serving children aged 0 to 5 is built into the benchmarks of cost-based funding.) WEG/HCCEG funding must be directed solely to eligible positions to increase wages and benefits or to eligible home child care providers to increase daily income. WEG/HCCEG funding cannot be used to support child care system expansion or reduce fees (exceptions listed below regarding new added flexibility).

Eligible centres/agencies may only use the funding for the intended purposes of:

- Increasing wages of eligible positions by up to \$2 per hour plus 17.5% benefits based on their current wage rate for all hours worked in program, including overtime hours,



*Please note: WEG cannot exceed \$2 per hour in program and, for 2026, the wage eligibility ceiling of \$33.81 per hour. Licensees may exceed 17.5% for benefits if the supplemental grant is used to support additional benefit expenses.*

- Providing a daily increase of up to \$20 for eligible home child care providers based on current hours of service provided.

*Please note: HCCEG cannot exceed \$20.00 per day and, for 2026, the daily eligibility ceiling of \$338.10.*

### Flexibility

#### 1. WEG / HCCEG allocation

CMSMs/DSSABs have flexibility with respect to the use of their WEG/HCCEG allocation. Refer to Chapter 1, Part 2.J, as well as Part 7 of this guideline, for further information on overall funding flexibility.

Please note that prior to exercising this flexibility, CMSMs/DSSABs must be able to fully satisfy the WEG/HCCEG funding needs within their respective service areas in accordance with the eligibility criteria as set out in the Agreement and this section of the Guideline.

Once the WEG/HCCEG funding needs are fully satisfied, CMSMs/DSSABs have the flexibility to use any excess from their notional WEG/HCCEG funding, found in the Agreement, to support other Local Priorities expenditures (note: flexibility for WEG/HCCEG only crystalized at year-end).

It is important to note that where an application is received by the CMSM/DSSAB, and eligibility criteria are met, CMSMs/DSSABs must provide the eligible centre/agency funding so that all eligible positions/home child care providers receive WEG/HCCEG.

#### 2. Benefits Funding

In respect of positions that serve children aged 6 to 12, benefits of 17.5% support eligible centres/agencies in meeting their statutory benefit requirements.





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

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.

The supplemental grant provides eligible centres/agencies with the flexibility to cover additional benefits, (for example, vacation days, sick days, professional development days or other benefits) once mandatory benefits are covered.

Any funding not used for the intended purposes will be recovered by the ministry.

### C. APPLICATION PROCESS

CMSMs/DSSABs are required to develop a method to determine WEG/HCCEG eligibility and payments within their service area.

Note: WEG/HCCEG payments to eligible staff/home child care providers should be made based on their time in program in the calendar year. Eligible centres/agencies no longer have an application requirement in respect of positions serving children aged 0 to 5.

### D. PUBLIC INQUIRIES

As the service system managers for child care, CMSMs/DSSABs are required to manage public inquiries related to the WEG/HCCEG. In order to manage these inquiries, CMSMs/DSSABs may wish to post information regarding the WEG/HCCEG along with contact information on their website.

### E. REPORTING IN FINANCIAL STATEMENTS

A notional WEG/HCCEG amount in respect of eligible positions serving children aged 6 to 12 will be included in the budget schedule of the Agreement under Local Priorities. The ministry will adjust entitlements and resulting cash flows based on information reported to the ministry, upon completion of the Ministry's Financial Statements review and reconciliation process. In this case, an updated budget schedule may be required.



The allocation for WEG/HCCEG in respect of eligible positions serving children aged 6 to 12 will be capped at the notional allocation included in the budget schedule unless the amount reported through the Financial Statements submission exceeds the notional allocation and no additional flexibility remains within Local Priorities – Flexibility Funding, which may require an updated budget schedule.

The ministry requests that Local Priorities – Flexibility Funding be used to cover these additional requirements first to avoid the need for adjustments to budget schedules.

To help ensure sufficient provincial funding is available, contact your ministry Financial Analyst during the year if forecasted WEG/HCCEG needs for eligible positions serving children aged 6 to 12 are expected to exceed the notional amount.

Please refer to Chapter 7: EFIS Reporting Requirements for information on reporting requirements.

## F. PAYMENTS TO ELIGIBLE CENTRES/AGENCIES

CMSMs/DSSABs may need to enter into new funding agreements/arrangements with eligible centres/agencies for the provision of WEG/HCCEG funding where there are no current purchase of service agreements. WEG/HCCEG accountabilities and data collection may be built into existing purchase of service agreements and reporting processes by CMSMs/DSSABs.

Note: CMSMs/DSSABs will continue to have full discretion in determining which licensees they enter into purchase of service agreements with for the provision of other child care services (such as fee subsidy, special needs resourcing), where those licensees meet the eligibility requirements.

If eligible positions/home child care providers exceed the wage eligibility ceiling at any time during the calendar year, excluding WEG/HCCEG, they will no longer be eligible to receive the WEG/HCCEG for the remainder of that calendar year. Any ongoing increases would need to be funded through other revenue sources.

If at any point an eligible home child care provider stops serving eligible children, the eligible agency must terminate the transfer of HCCEG funds to the provider.



## G. RECONCILIATION

CMSMs/DSSABs are required to have a reconciliation process for use of WEG/HCCEG funding by eligible centres/agencies, which can be built into processes already established for child care.

CMSMs/DSSABs must ensure that, for the purposes of reporting the reconciliation at year end, salaries and benefits payments are tracked separately. CMSMs/DSSABs are required to collect FTE data as part of the reconciliation process.

CMSMs/DSSABs may use WEG/HCCEG funding surpluses from one eligible centre/agency to offset deficits in another eligible centre/agency within their service area.

## H. LICENSEE ACCOUNTABILITY

To help ensure licensee accountability and the appropriate use of provincial funds, CMSMs/DSSABs must inform licensees of:

- The purpose of the WEG/HCCEG funding;
- The eligibility requirements;
- Associated reporting requirements;
- CMSM/DSSAB auditing policies;
- The process for reconciling WEG/HCCEG funding with licensees at year end (such as submission of financial statements); and,
- The recovery process for funds not utilized in accordance with the eligible expenditures.

WEG/HCCEG funding is an enveloped allocation; CMSMs/DSSABs and licensees are required to use the funding for the purpose of increasing wages of eligible positions/home child care providers. The following accountability mechanisms should be put in place by CMSMs/DSSABs for licensees:

- A statement completed by the participating centre/agency which attests that 100% of WEG/HCCEG funding was provided directly to eligible positions/home child care providers (this statement can be included in the funding agreement).



- An approach for confirming eligible centre/agency compliance with service agreements and guidelines (such as audit procedures, special purpose reports, request for T4 statements to confirm wages).
- Reporting requirements that reflect service and financial data required by the ministry (please see section 2.E Reporting in Financial Statements for details).

In accordance with Chapter 1, Part 2.I, if a CMSM/DSSAB determines that a licensee has failed to meet the funding conditions outlined in their agreement for the provision of WEG/HCCCEG funding, the CMSM/DSSAB must recover all misused funds.

CMSMs/DSSABs are responsible for establishing a process for confirming and ensuring licensee compliance with guideline requirements.

### Program Closure

Where an eligible centre/agency applied for WEG/HCCCEG and closes during the calendar year, CMSMs/DSSABs are to work with the licensee to meet the accountability requirements and support payments to eligible positions/home child care providers for hours/days worked before the closure. Any unused funds must be recovered.

In cases of program transfers/amalgamations, CMSMs/DSSABs have discretion to:

1. Receive wage/staffing information from amalgamated or transferred programs; or
2. Transfer wage enhancement funding from the former licensee to the amalgamated or transferred program;

provided the following applies:

- There are no substantial changes to either the program offered or staff employed under the new arrangement,
- The transformation supports continuity of care and program viability, and
- The CMSM/DSSAB has mechanisms in place to ensure accurate information and accountability for the transfer of funding.

## I. PAYMENTS TO ELIGIBLE POSITIONS/HOME CHILD CARE PROVIDERS

WEG/HCCCEG funding for eligible positions is based on data from the previous or a comparable calendar year (for licensees that open in the current calendar year, estimated



number of hours to be worked); however, wage enhancement payments should be provided to eligible positions for each hour worked in the calendar year. Licensees have the flexibility to fund their current year's eligible positions, even if the position did not exist in the previous calendar year.

Similarly, HCCEG payments should be provided to eligible home child care providers for each day worked in the calendar year. Agencies have the flexibility to fund providers eligible in the calendar year, regardless of whether the provider had a contract with the agency in the previous calendar year. The compensation rate (partial or full) will be based on their services in the calendar year.

CMSMs/DSSABs may begin flowing funds to eligible centres/agencies for the WEG/HCCEG as soon as they have the information necessary to calculate entitlement.

Licensees must include WEG/HCCEG payments in each pay cheque or payment made.

Licensees may notify eligible positions/home child care providers of the amount provided to them through this initiative on staff pay cheques/home child care provider fee transfers, or through a separate letter. If licensees make this notification, then payments must be labeled as follows:

- Provincial child care wage enhancement; or
- Provincial home child care enhancement grant



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