

2025 Canada-wide early learning and child care (CWELCC) funding guideline

Licensed home child care agencies



Released: December 20, 2024

Effective: January 1, 2025

Updated: January 29, 2025



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Section 1: Overview

The [Canada-Wide Early Learning and Child Care Agreement \(CWELCC\)](#) aims to make child care more affordable and improve workforce compensation so families have access to high-quality licensed child care.

Starting January 1, 2025, the Ministry of Education's (Ministry) new CWELCC cost-based funding takes effect. This means that in 2025, CWELCC licensed home child care (LHCC) agencies, will be supported for eligible costs up to their program cost allocation for the delivery of child care for children younger than 6 years of age.

For details on the new funding, requirements, and your obligations for 2025, review this guideline, the [Ministry's cost-based funding guideline](#), the Early Years and Child Care (EYCC) [Service Provider Handbook](#), and your Early Years and Child Care (EYCC) Funding Agreement. Additional resources are on our [website](#).



This guideline is subject to provincial changes.

We do not have the Ministry's financial reporting template yet. We will update this guideline to reflect changes in provincial rules as needed.

Note: Review [Appendix 1](#) for the key terms used in this guideline.

Section 2: Who Qualifies?

2.1 General

To qualify for 2025 CWELCC Funding, you must:

- Be licensed to operate a home child care agency with homes approved by Peel to participate in the CWELCC program.
- Have at least one active home (see [Appendix 1: Key terms](#)).
- Have a signed 2025 Early Years and Child Care (EYCC) Funding Agreement.
- Demonstrate (new agencies) and maintain (all agencies) financial viability.

- Provide your Audited Financial Statements and accompanying Financial Annual Information Return (FAIR) annually.¹
- Report your operating data (enrollment, number of active homes) in the Ontario Child Care Management System (OCCMS) monthly.
- Complete the Ministry's Annual Licensed Child Care Operations Survey. If you do not, your CWELCC funding will be put on hold.
- Comply with all CWELCC programs, policies, financial, contract, and system planning data reporting requirements in the EYCC Service Provider Handbook, this guideline and our financial policies and reporting on time as per Peel's Compliance Policy.

Refer to the [EYCC Service Provider Handbook](#) to learn about:

- Requirements and funding implications of opting out of CWELCC.
- Impacts to your CWELCC funding and specific requirements resulting from sales, transfers, and acquisitions of child care businesses.
- Authentic participation requirements

2.2 2025 Legacy Top-up Eligibility

To qualify for the 2025 legacy top-up, in addition to the general eligibility requirements:

- You must be a legacy agency (see [Appendix 1: Key terms](#)):
 - Be enrolled in CWELCC in Peel before August 15, 2024, or have applied for CWELCC by that date and be approved to participate in CWELCC for active homes existing as of December 31, 2024.
 - Have continuously participated in CWELCC since your date of enrollment/application.
- Your eligible costs must exceed your adjusted benchmark allocations.
- To help us assess your eligibility and finalize your legacy top-up amount, you must submit the following documents by the deadline communicated:

¹ Unless you were approved for an extension/exemption in 2024, as of January 1, 2025, you must have a December fiscal year-end and provide calendar year (January to December) audited financial statements.

- Completed 2025 legacy data spreadsheet.
- Completed 2024 staff wage data (Workforce Supplementary Schedule).
- Proof of your 2025 fixed cost, such as a copy of your lease or rent receipts.
- Completed 2025 operating budget. A template will be provided in early January 2025.
- Any other documentation requested by the Region.

2.3 2025 Growth Top-up Eligibility

To qualify for the 2025 growth top-up, in addition to the general eligibility requirements:

- You must be a new LHCC agency or an existing LHCC agency that expands with new active homes approved to participate in CWELCC through [Peel's expansion application](#).
- The new agency or new homes must be licensed and start operations in 2025.

Section 3: Funding Components, Flexibility, and Budget Management

Important Information About Your Funding in 2025

Your CWELCC funding is not final until the end-of-year reconciliation. This means that at the end of the year, your CWELCC funding will be compared to your actual program costs and fees you collected from eligible families at CWELCC approved homes during the calendar year.

Your actual program costs cannot exceed your program cost allocation, and any unspent funding will be recovered. In-year reconciliations may be required to avoid the recovery of significant overpayments at the end of the year.

Refer to [Section 7: Use your funding to support eligible costs](#), and [Section 8: Accountability requirements](#) for details.

3.1 Funding Components

In 2025, CWELCC cost-based funding includes the following components: program cost allocation, amount in lieu of profit or surplus, and base fee revenue offset.

See [Appendix 2](#) to understand how your 2025 CWELCC allocation was calculated.

Program Cost Allocation

This amount covers eligible costs for providing child care services included in your base fee to CWELCC eligible children. It is made up of the following estimated amounts (as applicable):

- a) **Benchmark allocation:** Helps cover typical costs of providing child care adjusted by Peels Geographic Adjustment Factor (GAF). It includes provider compensation, visitor compensation, and operations benchmark components.
- b) **Legacy top-up (if applicable):** Helps you maintain your cost structure if your eligible legacy costs are higher than your benchmark allocations.
- c) **Growth top-up:** Supports costs for adding new expansion-approved spaces.

At reconciliation, your program cost allocation will be compared to your actual program costs and actual base fee revenue:

- If your program cost allocation is more than your actual program costs, any unspent funding will be recovered. More information about the reconciliation process will be shared later in 2025.
- Your actual program costs cannot exceed your program cost allocation. If your actual program costs are higher than your program cost allocation, your program cost allocation will stay the same.

Review Section 7: Use your funding to support eligible costs, to learn more about eligible and ineligible costs under the CWELCC cost-based funding.

Amount in Lieu of Profit or Surplus

Amount in lieu of profit or surplus is the allowable profit (commercial) or surplus (non-profit) that will be provided under the CWELCC program. Please note that:

- If your actual program costs at reconciliation are less than your program cost allocation, your amount in lieu of profit or surplus will be recalculated using your actual program costs.
- Commercial agencies can use this amount in any way they see fit.
- Non-profit agencies can reinvest this amount into their child care program based on their organization's bylaws or direction.

Base Fee Revenue Offset

This is the portion of your base fees that families and/or the child care subsidy program continue to pay for CWELCC eligible children. Since this amount is used to

offset the costs of delivering the services included in your base fees, your cost-based funding is reduced by this amount, as you already collect this revenue from families.

This amount:

- Includes your estimated base fees. Base fees include your daily fees, registration fees, and any other mandatory fees you charge according to your Parent Handbook.
- Excludes other revenue such as donations, fundraising (not mandatory for families), interest income, and other non-base fee revenue.
- Is consistent with the number of service days and operating data used to calculate your benchmark allocation.

Review [Appendix 3](#) for examples of base fees and non-base fees.

In Peel, your estimated base fee offset is calculated using your daily fees only.

We did not factor estimated revenue from registration fees or other mandatory fees as we recommend that agencies do not charge these fees beginning in 2025. Any mandatory fees charged to families will reduce your CWELCC funding. Refer to Section 4.2: Other mandatory fees for more information.

At reconciliation, your actual base revenue offset is the greater of:

- The base fee revenue you earned for CWELCC eligible children during the calendar year.
- Your expected base fee revenue offset, which is the amount noted in the “estimated base fee offset” GovGrants budget category.

This is why it is important that you keep track of your base fee and your non-base fee revenue separately.

3.2 Your CWELCC Funding in GovGrants

In 2025, you will receive your CWELCC funding through 2 GovGrants funding announcements:

1. 2025 CWELCC cost-based funding
2. 2025 CWELCC allocation in lieu of profit/surplus

2025 CWELCC Cost-Based Funding Announcement

Your 2025 CWELCC cost-based funding announcement includes your program cost allocation and base fee offset using the following budget categories:

- Home visitor compensation
- HCC provider compensation
- Operating – fixed
- Operating – variable
- Legacy top-up (if eligible)
- Growth top-up (if eligible)
- Estimated base fee offset (which is a negative number)
- Other

2025 CWELCC Allocation in Lieu of Profit or Surplus Announcement

This announcement only includes the amount in lieu of profit or surplus budget category.

3.3 Operating Homes in Multiple Service Areas

You may receive CWELCC cost-based funding from multiple service system managers (SSMs) if you operate active homes in multiple service areas.

Overseeing Service System Manager (SSM)

The overseeing SSM is the service area where your head office is located. The overseeing SSM is responsible for funding all your active homes in Peel, as well as active homes you created in other service areas as of December 31, 2022. The funding you receive from your overseeing SSM may include:

- Benchmark allocation
- Legacy top-up (if eligible)
- Growth top-up (if eligible)
- Amount in lieu of profit or surplus

Secondary Service System Manager (SSM)

If your head office is located outside of Peel, and you created new active homes in Peel after December 31, 2022, Peel is your secondary SSM, and you will receive funding from Peel for those active homes. The funding you receive from Peel as your secondary SSM may include:

- Benchmark allocation

- Growth top-up (if eligible)
- Amount in lieu of profit or surplus

3.4 Funding Flexibility

Your CWELCC funding is flexible, which allows you to use it based on the operational needs of your CWELCC program. This flexibility can be fully utilized once you meet the funding conditions outlined in Section 3.7: Things you must do if you participate in CWELCC, of this guideline.

Your eligible costs do not have to align with individual benchmark allocations. You can use your program cost allocation to cover any eligible expenses depending on the operational needs of your CWELCC program.

3.5 Surplus and Shortfall (Budget Management)

We encourage you to regularly review your CWELCC budget. Use the 2025 operating budget template once available in early January 2025 to help with your planning. As you implement your budget, you may face one of the following situations:

A. Balanced Budget

If you plan on fully spending your funding on eligible costs without any shortfalls, no action is required.

B. Surplus

If your funding exceeds your planned eligible program costs for the calendar year, you can:

- Request a funding reduction to avoid a significant recovery by emailing us with the subject line "CWELCC Funding Reduction" at EarlyYearsSystemDivision@peelregion.ca and copy your Early Years Specialist.
- Consider using the surplus for eligible costs that are appropriate, attributable, and reasonable, such as quality improvements. Excess funding will be recovered and returned to the Ministry.

C. Shortfall

If you anticipate a shortfall, note that your funding amounts in GovGrants as of January 1, 2025, are estimates and will be updated as follows:

- Spring 2025: allocations will be adjusted based on the updated data from your 2025 Legacy Worksheet and Workforce Supplementary Schedule.

- If after this update, you still face a funding shortfall, email us with the subject line “CWELCC Funding Request” at EarlyYearsSystemDivision@peelregion.ca, copying your EYS. We will review the data used to calculate your allocation and assess whether an adjustment is needed (example, if your operating data increases).
- Fall 2025: we will review trends in enrollment and operating data (active homes and service days) and make further adjustments to reflect significant changes in your benchmark allocations.

If your actual program costs exceed your program cost allocation after all in-year adjustments have been made, you will need to cover the difference.

3.6 CWELCC Emergency Funding

In Spring 2025, we will share details on how to access emergency funding for one-time, unexpected, non-discretionary costs. Approvals will be subject to eligibility and budget availability. Please stay tuned.

3.7 Things You Must Do if You Participate in CWELCC

If you participate in CWELCC, you must:

- Reduce, maintain, and communicate your base fees (Section 4).
- Meet workforce requirements (Section 5).
- Maintain your service levels (Section 6).
- Use funding to support eligible costs (Section 7).
- Meet reporting and accountability requirements (Section 8).
- Authentically participate. Refer to Peel’s [Service Provider Handbook](#), to learn about this requirement and the supports available to you.

Review the following sections for details on these requirements.

Section 4: You Must Reduce Your Base Fees

Base fees are the fees you charge families to provide licensed child care to a CWELCC eligible child. They include:

- Anything you are required to provide under the [Child Care and Early Years Act, 2014](#) (CCEYA), and

- Anything families must pay or purchase from you to receive licensed child care (including any mandatory fees such as registration fees, mandatory fundraising fees, etc.).

Review [Appendix 3](#): What is included in your base fees and examples of non-base fees, to learn more.

4.1 Reduce Your Base Fees and Make Sure Your Daily Base Fees Are \$22 Per Day or Less

Starting January 1, 2025, or beginning the date you enroll in CWELCC (if enrolled after January 1, 2025), you must reduce² your base fees for CWELCC eligible children to the lesser of:

- \$22 per day, or
- CWELCC reduced daily base fee you were charging on December 31, 2024³.

2025 CWELCC Regulatory Updates Under the CCEYA

Starting January 1, 2025, base fees for child care programs in CWELCC will be capped at a maximum of \$22 per day for eligible children. Agencies must include all mandatory fees that families are required to pay when checking if they meet the new fee cap. This includes not only the daily care fee, but also any other required fees such as registration fees, and other one-time or recurring fees that families must pay.

Under the Child Care and Early Years Act, 2014 (CCEYA), the Ministry defines a “base fee” as any fee charged for child care services, including required services, items, and any other mandatory costs. A “non-base fee” is a fee for optional items or services, or fees charged when the family does not meet the terms of the agreement with you.

To comply with the new rules, you need to clearly explain in your Parent Handbook which fees are mandatory (base fees) and which fees are optional (non-base fees) that families can choose to pay.

Fees that are not charged as part of a daily fee may be spread or amortized over the number of service days in the calendar year to determine how they affect the overall base fee.

² Fees must be reduced. Except for pre-paid fees impacted by the fee cap, you cannot charge a higher fee and must issue a credit or refund.

³ On December 31, 2024, base fees of agencies participating in CWELCC were reduced by 52.75%. If you joined CWELCC after December 31, 2024, refer to Section 4.7: Daily base fees for new CWELCC agencies.

Requirement to Issue a Credit or Refund for 2025 Pre-paid Program Fees

If you collected pre-paid fees higher than the daily cap of \$22 (such as deposits or advanced fees) for services on or after January 1, 2025, you must issue a credit or refund for the difference by **March 2, 2025**⁴.

Fee Deposits

Fee deposits are pre-paid base fees. If you collect fee deposits for CWELCC eligible children, it must be calculated by multiplying your new reduced daily fee (\$22 per day or less) by the number of days the deposit is required for as set out in your Parent Handbook.

If your daily base fee was more than \$22 per day in 2024, and you charged pre-paid deposits, you must issue a credit or refund to families for the difference between your 2025 and 2024 fee deposits by March 2, 2025.

Example:

Your organization typically collects a fee deposit equivalent to 2 weeks of child care when a family registers for care, which is applied to their first and last week of care. In 2024, you collected a fee deposit for care beginning in 2025, calculated using your 2024 approved fee of \$40 per day. In this case, you will need to refund the difference of \$18 per day for 10 days, as the maximum you can collect for services beginning in 2025 is \$22 per day.

Fee deposits are considered deferred revenue. When the deposit is used to pay for the child's base fees the revenue is considered earned. Fee deposits count towards your fee offset when they are earned, even if they were collected in a prior calendar year.

Agencies can continue to charge a deposit or advanced fees, but they must be based on the reduced fee of \$22 per day (or lower), effective January 1, 2025, and align to your fee policy included in your Parent Handbook.

Table 1. 2025 fee reduction examples

Service	Approved base fee	December 31, 2024 reduced base fee by 52.75% reduction (not less than \$12/day)	2025 reduced daily fee after the \$22 per day cap
Full-day	\$50	\$23.63 (52.75% reduction applied)	\$22/day

⁴ CORRECTION NOTICE: Date changed from March 3 to March 2 to align with Licensing Manual.

Service	Approved base fee	December 31, 2024 reduced base fee by 52.75% reduction (not less than \$12/day)	2025 reduced daily fee after the \$22 per day cap
Full-day	\$90	\$42.53/day (52.75% reduction applied)	\$22/day
Before school care only (JK/SK)	\$12	\$12 (stays the same)	\$12 (stays the same)
After school care only (JK/SK)	\$14	\$12 (as 52.75% is less than \$12)	\$12 (stays the same)
Before and after school care (JK/SK)	\$24	\$12 (52.75% is less than \$12)	\$12 (stays the same)

Extended-day Programs and Other Exceptional Circumstances

You may offer different types of care and fees to meet the needs of families, such as part-day, full-day, part-time, full-time, before, after, and before and after care. The fee reduction under CWELCC must be applied to all base fees for eligible children. However, the reduction cannot lower the fee to less than \$12 per day or exceed \$22 per day for a full 24-hour period.

- If a child is enrolled for care during school hours and separate extended hours (for example, 9 am to 4 pm) the maximum you can charge is \$22 per day.
- If a child is enrolled for both the school hours and the extended hours, the maximum you can charge them is also \$22 per day (including both the school hours and the extended hours).

4.2 Other Mandatory Fees

Regulatory Change Under the CCEYA: All Mandatory Fees Must be Included in Base Fee Calculation

The Ministry has made regulatory changes under the CCEYA, requiring that all mandatory fees charged to families must be included when calculating your overall base fee.

This includes any fees families must pay, such as registration fees and any other one-time or recurring fees amortized by the number of service days in the calendar year. These fees will then be used to determine if the daily fee cap of \$22 is being followed.

Important: To reduce administrative work for agencies, we recommend that starting January 1, 2025, you stop charging registration fees and other mandatory fees to your families. This change will not affect your total revenue (CWELCC funding plus fees collected from families), as revenue you collect from families will directly reduce your amount of CWELCC funding from Peel through the revenue offset calculation.

If your daily fees were:

- \$22 per day or more as of December 31, 2024, you cannot continue to charge any additional one-time or other mandatory fees as you will exceed the \$22 per day cap set out in regulations.
- \$22 per day or less as of December 31, 2024, you can continue to charge additional one-time or other mandatory fees as long as the combined amount does not exceed the \$22 per day cap set out in regulations.

If you decide to keep charging one-time or other mandatory fees to families, you must make sure that your total fees (daily fees and any one-time or other mandatory charges) do not go over the \$22 per day fee cap.

Steps to determine compliance:

1. Pro-rate your mandatory fees by the number of service days in the calendar year.
2. Add the pro-rated daily mandatory fee to your daily base fee to determine the combined daily fee.
3. Ensure the combined daily fee does not exceed the \$22 per day cap.

Example #1: Complying With the \$22 Cap

On December 31, 2024, families were charged \$19.55 per day in base fees and an annual mandatory registration fee of \$236.25 (after the 52.75% fee reduction), and your program operates for 261 days per year. The original registration fee before the 52.75% reduction was \$500 per year.

Calculation:

The reduced annual registration fee of \$236.25 divided by 261 service days will contribute \$0.90 per day towards the daily fee cap. The combined daily fee is

\$19.55 per day plus \$0.90 per day, which equals a revised amount of \$20.45 per day, which complies with the requirement.

Example #2: Mandatory Fee Exceeding the \$22 Cap

On December 31, 2024, families were charged \$21.50 per day in base fees and an annual mandatory registration fee of \$300 (after the 52.75% fee reduction), and your program operates for 261 service days per year.

Calculation:

The reduced registration fee of \$300 divided by 261 service days will contribute \$1.15 per day towards the daily fee cap. The combined daily base fee of \$21.50 plus \$1.15 per day equals a revised amount of \$22.65 per day.

Since the combined daily fee exceeds the \$22 per day cap, you must reduce the fees collected from families to comply.

Adjustment Required:

To meet the \$22 per day cap, you would need to reduce the annual registration fee to \$130.50 (\$22 - \$21.50, then multiply by 261 days). This ensures that the combined daily fee does not exceed \$22.

At reconciliation, you will be required to report all mandatory fees collected in the calendar year, and we will reduce your CWELCC funding by that amount.

Action: If you plan to continue charging registration or other mandatory fees to families, you must email EarlyYearsSystemDivision@peelregion.ca before **January 31, 2025**. We will review with you the impacts to the fee cap and your CWELCC allocation.

To meet the requirements in Section 4.3: Revise and communicate your fee schedule, your Parent Handbook must be updated to reflect your decision. We will also collect your updated Parent Handbooks in Q1 2025.

4.3 Revise and Communicate Your Fee Schedule

To ensure families know about the fee reduction, the \$22 per day base fee cap, and the removal of all mandatory base fees, you must:

- Update your fee schedule to reflect the \$22 per day base fee cap. Your fee schedule must include your base fees, non-base fees, a description of what is

included in your services, and the portion of the fees covered by Peel and the effective date.

- Communicate the reduced fees and the removal of other mandatory fees (if applicable) to your families through your regular communication channels, such as email, letter, and parent board.
- Make your updated fee schedule publicly available on your parent board and update your Parent Handbook. We also recommend that you post your fee schedule on your website.

4.4 Maintain the Services Included in Your Base Fee

Programs and services currently included in your base fee must continue to be included in your base fee and cannot be changed to non-base fees.

You cannot introduce new mandatory fees or increase existing mandatory fees. Mandatory fees are fees that families must pay to receive child care.

4.5 CWELCC Eligible Children

All children under the age of 6 who are enrolled in a participating licensed child care program (full-day or part-day) qualify for the \$22 base fee cap. This includes agency-placed and privately placed children.

- If the child turns 6 years old between January 1 and June 30, they qualify until June 30 of that year. Example, if a child turns 6 on April 15, the child qualifies for the CWELCC reduced fees until June 30. Starting July 1, the child does not qualify and would pay your market fees.
- If the child turns 6 years old between July 1 and December 31, they qualify until the end of the month they turn 6 years old. Example, if a child turns 6 on October 5, they will qualify for the CWELCC reduced fees until October 31. Starting November 1, the child does not qualify and would pay your market fees.

Important: Camp programs not licensed under the CCEYA, are not licensed child care. Children enrolled in these programs do not qualify for CWELCC.

Privately Placed Children

You must work with your home providers to reduce their fees for eligible privately placed children according to the requirements listed in this section.

If your agency contracts with home providers who accept privately placed children, you are responsible for establishing a process for issuing CWELCC funding to home providers to support reduced child care fees for eligible privately placed children.

4.6 Fee Reduction for Eligible Children Receiving Child Care Subsidy

We have updated your municipal rates in the [Ontario Child Care Management System](#) (OCCMS) to reflect the 2025 CWELCC reduced market rates effective January 1, 2025. Review Appendix 8 to learn how this impacts your child care subsidy payments.

- Families in receipt of subsidy with children enrolled in participating programs receive a 50% fee reduction on their parent contribution paid for eligible children, even if their contribution is less than \$12/day.
- Municipal fees cannot exceed \$22 per day including daily base fee and other mandatory fees (such as registration fees). Refer to Section 4.2: Other mandatory fees for more information.
- When a family receiving child care subsidy exceeds their absent day allowance, any remaining absent days for the year must be charged the same way as full fee-paying families. This means that the family would pay the market rate reduced by 52.75% to a cap of \$22 per day. Any fees paid by families already collected for that day would contribute towards the remaining amount that the family has to pay. For information on the absent day allowance, review the [Service Provider Handbook](#).
- The subsidy portion of your fees will continue to be paid separately by the child care subsidy program.
- Child care subsidy payments and payments by families are included in your base fee revenue offset and result in a reduction of CWELCC funding.

4.7 Daily Base Fees for New CWELCC Agencies

If you enroll in CWELCC after December 31, 2024, as per [O. Reg. 488/24](#) under the CCEYA, your daily base fees are as follows:

Age group for CWELCC eligible children	Daily base fee
Infant, full-day	\$22
Toddler, full-day	\$22

Age group for CWELCC eligible children	Daily base fee
Preschool, full-day	\$22
Kindergarten, full-day	\$19.28
Kindergarten, before and after school program	\$14.88

Section 5: Workforce Funding Requirements for Home Visitor Staff Wage and Benefits and Home Provider Payments

This section outlines the wage enhancement and incremental benefit/deduction requirements you must follow in 2025 for home visitor staff, and payment enhancement requirements for home providers who serve CWELCC eligible children.

Once you meet these required workforce conditions, you have the flexibility to determine home visitor and home provider compensation within your overall program cost allocation.

LHCC agencies should claim expenses related to home visitors and home providers:

- under CWELCC cost-based funding if the home visitor or home provider supports children younger than 6 years old
- under School-Age Funding if the home visitor or home provider supports children 6 to 12 years old.

Note:

- If the home visitor or home provider serves both age groups, agencies may expense workforce costs against their School-Age Funding (through the WEG/HCCEG, WCF, or Base Funding budget categories) in alignment with the enrollment of children 6 to 12 years old enrolled with your agency, to support home visitor staff enhancements and enhancements to home providers.
 - If your agency's total enrollment is 10% children 6 to 12 years old then you may expense 10% of your total workforce costs against your School-Age Funding to support home visitor wage enhancements and enhance payments to eligible home providers. The remaining 90% of workforce costs would be expensed against your CWELCC Cost-Based Funding.
 - Refer to the 2025 LHCC School-Age (6-12) Funding Guideline on our [website](#) for more information.

Starting in 2025, regular funding for children younger than 6 years is integrated into your CWELCC cost-based funding. We used your 2023 Audited Financial Statements and FAIR, which includes your 2023 routine funding expenses, to determine your funding eligibility and to assess your ability to meet these requirements.

To participate in CWELCC in 2025, you must:

1. Meet [Ontario's minimum wage](#) requirements for all your employees. As of October 1, 2024, Ontario's minimum wage is \$17.20 per hour.
2. Maintain 2024 regular Base Funding hourly staff wage and benefit enhancements to eligible home visitors in 2025. You are required to maintain the same hourly wage and incremental benefit enhancements in 2025 that were provided under the 2024 Base Funding staff wages and benefits (SWB), historical and pay equity (where applicable) enhancements to eligible home visitors staff hourly wage as of December 31, 2024. This does not include one-time top-ups.
3. Maintain 2024 Base Funding payment enhancements to home providers in 2025 using your existing LHCC Base Funding distribution plan.
4. Meet 2025 Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG) requirements for eligible home visitors and eligible home providers. Home visitor eligibility must be reassessed based on the updated 2025 WEG maximum of \$32.81 per hour. Home providers eligibility must be reassessed based on the updated 2025 HCCEG maximum of \$328.10 per day for full HCCEG (\$196.86 for partial HCCEG).
5. Meet the Workforce Compensation Funding (WCF) 2025 requirements for eligible RECE home visitors.
6. Ensure eligible staff affected by the change in the order of operations are at minimum, held to their 2024 wage.

No staff should earn less than what they earned in 2024 for the same work.

The Ministry has indicated in its provincial guidelines that “base wages” for the purpose of wage enhancement funding (like WEG or WCF) must include LHCC Base Funding.

Home visitors who no longer qualify for (or qualify for less) WEG and/or WCF must be held constant until they become eligible for additional increases. This means that hourly wages for eligible home visitor staff as of December 31, 2024, must be

maintained in 2025, ensuring no reduction in their pay. Review Section 5.7: Wage Stability of this guideline for more details.

5.1 Eligible Positions and Hours Supported

This section applies to RECE home visitor staff supporting CWELCC eligible children, employed with an LHCC agency approved to participate in CWELCC by Peel.

What Home Visitors (RECE) Qualify for

- The hourly LHCC Base Funding wage enhancement received in 2024 (staff wages and benefits, historical and/or pay equity as applicable).
- 2025 WEG, if their hourly wage is eligible.
- The Workforce Compensation Funding (WCF), including the up to \$3/hour RECE wage increase and the RECE wage floor if their hourly wage is eligible.

Hours That Must be Supported for Home Visitors RECE

For home visitors, the wage enhancements must be applied to paid time supporting program and paid time spent in meetings mandated by the agency, if they meet all other requirements.

5.2 Ineligible Positions

Requirements related to 2024 LHCC Base Funding maintenance, 2025 WEG, 2025 WCF, and Wage Stability do not apply to the following positions:

- Non-program staff and supervisors
- Unpaid students and volunteers
- Students not in a permanent position
- Owners/Operators who do not occupy an eligible position
- Individuals hired through a third party, such as a temp agency
- Fee for service contracts

Home visitors who are not Registered Early Childhood Educators (RECE) do not qualify for Workforce Compensation Funding (WCF).

5.3 Change for 2025 - Order of Operations

To help you determine staff eligibility to receive wage enhancements, use Peel's 2025 Staff Wages Planning Tool shared with you and follow this order of operations:

Home Visitors Who Are RECEs

1. Start with your employer-paid base wage as of December 31, 2024 (include any 2023 and 2024 employer-funded wage improvements such as obligations from collective agreements, performance, cost of living and minimum wage increases).

Note: If staff receive an increase to their base wage between January 1 and December 31, 2025, you are not required to reassess their eligibility for workforce funding in 2025. The increase in base wage should be considered when determining eligibility for 2026 workforce funding.

2. **NEW** Add: 2024 LHCC Base Funding staff hourly wage enhancements and related benefits for eligible staff. This includes the former staff wages and benefits (SWB), historical, and pay equity (if applicable) regular hourly wage enhancement amounts and excludes top-up payments.
3. Add: Wage Enhancement Grant (WEG). Full/partial WEG is added if total from steps 1 and 2 is less than \$32.81 per hour for eligible staff positions.
4. Add: Workforce Compensation Fund (WCF) Wage Increase to RECE wage if the total from steps 1, 2, and 3 is less than \$30 per hour for RECE home visitors. Staff must qualify for WEG before they qualify for WCF.
5. Add: WCF RECE Wage Floor if the total from steps 1 to 4 is less than \$25.86 per hour for RECE home visitors.

Important note for home visitors who are assessed at a 2025 hourly wage that is lower than their 2024 hourly wage with enhancements.

6. Add: Staff who qualified for WEG and/or WCF in 2024, but no longer qualify in 2025 due to the change in the order of operations must have their 2024 hourly wage held constant (including applicable wage enhancements) until they become eligible for additional increases. Add the stability amount to their wage that maintains their salary at 2024 levels. Refer to Section 5.7: Wage Stability for more information.

5.4 Maintain 2024 LHCC Base Funding Wage Enhancements

In 2025, you must maintain the same LHCC Base Funding staff wage and benefit (SWB) supports provided to RECE home visitor staff in 2024.

- You must maintain wage and benefit enhancements following the distribution approach used in 2024.

- Positions supported in 2024 should not experience a decrease in their hourly wages.
- This includes any hourly wage enhancement paid using the former staff wages and benefits, historical, and pay equity (if applicable) and excludes any one-time top-up Base Funding amounts distributed to staff in 2024.
- LHCC Base Funding is an enhancement and must be applied on top of eligible staff base wage (as of December 31, 2024).

5.5 2025 Wage Enhancement Grant (WEG) to Home Visitors

In 2025, WEG continues to support an increase of up to \$2 per hour, plus incremental benefits/deductions for eligible RECE home visitors.

You Do Not Need to Apply: WEG supports are already built into your program cost allocation (benchmark allocation and/or top-ups). You will not receive a separate amount.

Action required: You must submit your Workforce Supplementary Schedule by **January 31, 2025**, so that we can assess your wage enhancement and benefit costs and ensure you have enough funding to meet the requirements in Section 5: Staff wage and benefit requirements.

2025 WEG Eligibility Maximum: WEG maximum in 2025 is \$32.81 per hour.

New in 2025: The hourly base wage paid by you, plus all former LHCC Base Funding wage enhancements (staff wages and benefits, historical and pay equity) must be considered in the WEG ceiling. Do not include WEG enhancements from prior years.

To determine if staff qualifies for WEG, follow the steps in Appendix 6.

5.6 Workforce Compensation Funding (WCF) Requirements

In 2025, the WCF is built into your program allocation and improves wages for RECE home visitors employed by the LHCC agency participating in CWELCC.

To meet your WCF requirements, you must increase the hourly wages of eligible RECE home visitor staff supporting CWELCC children by the:

- **RECE wage increase:** You must increase the hourly wage of eligible RECE home visitor staff by up to \$3 per hour in 2025, if their hourly wages are below the wage ceiling of \$30 per hour (including LHCC Base Funding and WEG). This includes staff continuing in the existing positions, newly filling an existing position (example replacing previous staff member) or filling a newly created position in 2025.

- **RECE wage floor:** You must pay RECE home visitor staff at least \$25.86 per hour (including base wage, LHCC Base Funding, WEG, WCF wage increase). Follow Section 5.3: Order of operations to calculate the wage increase and wage floor for RECEs. To determine if staff qualify for WCF, follow the steps in Appendix 7.

5.7 Wage Stability for Employees Affected by the Change in the Order of Operations

The Ministry has instructed us to include LHCC Base Funding (SWB and Historical where applicable) in staff base wages when calculating eligibility for WEG and WCF. Due to this change, some home visitor staff who qualified for WEG and/or WCF in 2024, may no longer qualify for all or part of these enhancements in 2025.

As required by the Ministry, wage increases for these employees must be held constant until they become eligible for additional increases.

This means that if home visitor staff continue in the same position, their 2025 hourly wage including wage enhancements cannot be less than their 2024 hourly wage with enhancements. In other words, their wages must be held constant at 2024 levels until they qualify for an hourly wage increase in future years.

For example, Mary is a RECE working as a home visitor.

In 2024, she earned an hourly base wage of \$25.

- She qualified for a full WEG enhancement (\$2 per hour) because her hourly base wage was less than the 2024 WEG cap (\$30.59) = \$27 per hour.
- She qualified for full WCF RECE wage increase (\$2 per hour) because her hourly wage with WEG was \$27 and below the 2024 WCF wage ceiling (\$29) = \$29 per hour.
- She also received \$2.50 per hour in LHCC Base Funding, which was not included in the WEG or RECE WCF wage increase calculation in 2024 = \$31.50 per hour.
- Her total 2024 hourly wage is \$31.50.

In 2025, the order of operation changed, and her LHCC Base Funding wage enhancement was included in the WEG and RECE WCF wage increase calculations. She did not get an employer-paid wage increase in 2024.

- Her hourly base wage (\$25 per hour) plus 2024 LHCC Base Funding (\$2.50 per hour) = \$27.50 per hour.

- She qualified for a full WEG enhancement (\$2 per hour) because her hourly base wage was less than the 2025 WEG cap (\$32.81) = \$29.50 per hour.
- In 2025, the RECE home visitor WCF wage ceiling is \$30 per hour. This means that she only qualifies for a RECE wage increase of \$0.50 per hour.
- With the change in the order of operations, her total 2025 hourly wage is \$30.

Since Mary's calculated hourly wage is lower in 2025 due to the change in the order of operations, her hourly wage must be held constant at 2024 levels, at a minimum. Her 2025 hourly wage must continue to be \$31.50 per hour, at a minimum, until she qualifies for an additional wage increase.

Notations on Pay Stubs for Impacted Home Visitors

Home visitor staff whose 2024 hourly wages are higher than their 2025 hourly wage under the new order of operations will be able to receive a "wage stability" amount to keep their wages constant with 2024 levels.

The wage stability amount is calculated by taking the difference between a staff's 2024 hourly wage with enhancements (as of December 31, 2024) and the 2025 hourly wage under the new order of operations. Using the example above, the wage stability amount for Mary is \$1.50 per hour, which is the difference between \$31.50 per hour (2024) and \$30 per hour (2025).

The stability amount must be reported under the "CWELCC" notation on a staff's paystub and reported as an expense under WCF. A tool is available to help you calculate the wage stability amount that your staff are eligible to receive.

Communication Requirements to Home Visitors

You must share the Peel Region Staff Memo shared with you on December 12, 2024 found in [Appendix 4](#) with existing home visitor staff, so they know the wage enhancements that apply to them and the increases to the provincial RECE wage ceiling and wage floor.

You must share the Peel Region Staff Memo for New Staff in [Appendix 5](#), with new eligible home visitor staff. Newly enrolled agencies must share this communication with eligible staff within 30 days after you receive your 2025 enrollment.

Note: We may ask for proof of communication at any time.

Payments to Home Visitor Staff Requirements

You must pay hourly wage enhancements (2024 LHCC Base Funding SWB, WEG, WCF, Wage Stability amount) to eligible home visitor staff with each pay cheque. Wage enhancements must be paid at the same time the base hourly wage is paid.

- You must include a notation for each program with the associated amounts payable on each paystub for: LHCC Base Funding, WEG, and CWELCC (WCF).
 - Important: if your staff require stability funding, this should be noted under CWELCC (WCF) on the pay stub.
- Pay hourly wage enhancements for hours worked between January 1 and December 31, 2025.
- One-time, year-end, cash and/or gift card payments are not permitted.
- Keep appropriate records verifying payments and distribution of LHCC Base Funding, WEG, WCF, and wage stability amount paid to staff.

5.8 Home Child Care Provider Enhancements

This section outlines the requirements that you must meet in 2025 to enhance payments to home providers who support CWELCC eligible children.

LHCC Base Funding Enhancements (as applicable).

- Follow your existing LHCC Base Funding distribution plan to continue to enhance eligible home provider payments.
- Home providers should not receive less in 2025 than what they received at the 2024 levels.

Home Child Care Enhancement Grant (HCCEG) if eligible. Home providers are eligible for HCCEG if they:

- Hold a contract with an LHCC agency that is enrolled in CWELCC.
- Provide services to one or more children (including privately placed children, excluding the provider's own children). Note: When determining eligibility and payments for HCCEG, information on privately placed children must be considered.
- HCCEG payments are paid to eligible home providers for each day worked in 2025.
- Daily increases for full HCCEG cannot exceed \$20 per day or the daily cap of \$328.10 for home providers that provide full-time care (6 or more hours of care per day). Home providers are eligible if they receive base daily fees, excluding the prior year's HCCEG, of less than \$308.10 (i.e., \$20 below the cap of \$328.10).
- The daily increase for partial HCCEG cannot exceed \$10 per day or the daily cap of \$196.86 for part-time care (less than 6 hours of care per day). Home providers

are eligible if they receive base daily fees, excluding the prior year's HCCEG of less than \$186.86 (i.e., \$10 below the cap of \$183.54).

Note:

- You must pay home providers in alignment with their regular payment process.
- One-time, year-end, cash and/or gift card payments are not permitted.
- You must communicate your distribution plan to home providers.
- Keep appropriate records verifying payments and distribution of LHCC Base Funding, HCCEG to home providers.

5.9 Benefits

You must use your program cost allocation to support mandatory benefits and deductions, and existing (before August 15, 2024) supplementary benefits as per your Human Resources Policy. You may also use your program cost allocation to provide new or enhanced supplementary benefits within your program cost allocation.

Mandatory Benefits

You must comply with your statutory obligations, including the payment of employer mandatory benefits. This includes:

- Employer contributions to the Canada Pension Plan (CPP), Employment Insurance (EI), Workers Safety Insurance Board (WSIB) and Employer Health Tax (EHT) as applicable.
- Employee benefits such as [vacation pay](#) and [public holiday](#) pay (9 statutory holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas, and Boxing Day).

You are encouraged to:

- Seek professional financial guidance regarding mandatory benefit payments to staff.
- Update your Human Resources Policy.
- Monitor your budget to ensure that you have enough funding within your program cost allocation to meet your mandatory benefit obligations, including the incremental cost of the wage enhancement programs (former LHCC Base Funding, WEG/HCCEG and WCF).

For more information, visit the Canada Revenue Agency website [Employers' Guide - Payroll Deductions and Remittances](#).

Supplementary Benefits

You have the discretion to use your program cost allocation to support or enhance supplementary benefits or supply coverage for vacation days and sick days, group life insurance, supplementary health and dental benefits, and supplementary pension within your funding amount.

As you make the decision to provide new or enhance existing supplementary benefits, you may want to consider that:

- You are working within your program cost allocation. Your actual costs at reconciliation cannot exceed your program cost allocation.
- New or newly enhanced benefits do not result in a recalculation of your legacy amount (as applicable).
- Typical costs of supplementary benefits and supply coverage for vacation days and sick days for home visitors are reflected in the provincial ancillary cost percentages (5%). These percentages are for your reference and do not limit your discretion within your program cost allocation.
- All costs, including supplementary benefits, must be attributable, appropriate, and reasonable.

5.10 Requirements That Apply for All Wage Enhancements

The hourly wage enhancements, including 2024 LHCC Base Funding (staff wages and benefits and historical), 2025 WEG, and 2025 WCF:

- Are over and above Ontario's minimum wage and in addition to your planned salary increases. They cannot be used to reduce and/or offset other planned compensation increases for eligible staff, including, but not limited to, merit increases.
- Should not interfere with your salary and compensation decisions or practices, including obligations under collective agreements. If you are subject to the terms of a collective agreement, you must seek independent legal advice on implementing wage enhancements.
- Must be paid for statutory holidays, vacation time and paid sick days (if applicable) if staff get paid for these days.
- Owner/operators employed by your agency (in receipt of a T4) qualify for the wage enhancements if they meet the position and financial eligibility requirements of the funding.

5.11 Workforce Innovation Funding (WIF)

At this time, details about the LHCC WIF will be provided in 2025 as there are currently no mandatory requirements for LHCC related to WIF. We are reviewing the 2025 CWELCC allocations for LHCC to make any necessary adjustments before implementing new requirements.

5.12 Child Care Staff Inquiries

If Peel is contacted by your staff member or home provider about the workforce funding enhancements, the staff or home provider will be asked to direct their question to you. If the staff or home provider does not feel that their question is addressed, Peel will contact you on their behalf.

Section 6: Maintain Your Service Levels

You must maintain all programs and services (including program quality, hours of service, and availability) offered as of March 27, 2022, or as approved by Peel when you enrolled in CWELCC, under your base fee. Families should not experience reductions in service offerings or surcharges for services that were part of your base fees prior to CWELCC.

This means that you must maintain:

- The number of days you provide services to children.
- Spaces for CWELCC eligible children.
- The services included in your base fee. Your Parent Handbook must clearly define what services are included in your base fee (and subject to the CWELCC fee reduction) and what services are not. Any programs and services included as part of your base fee on March 27, 2022 (or at the time of CWELCC enrollment) must continue to be provided through your base fee.

Changes to your service levels may result in funding adjustments and/or recoveries. Communicate these changes to EarlyYearsSystemDivision@peelregion.ca.

6.1 Program Closures

The following rules apply to program closures.

Maximum Number of Closure Days

Program closures may not exceed 2 consecutive weeks of closure and not more than 4 weeks of closure within a calendar year when families are charged fees. Closure days for which fees are charged count towards your maximum number of closure days. This includes, but is not limited to:

- **NEW:** Statutory holiday closures. If you are impacted by this change, please email us at EarlyYearsSystemDivision@peelregion.ca, and we will work with you to transition to this new requirement.
- Non-statutory holidays/closures
 - Planned home provider closures (vacation, breaks)
 - Important: home providers should continue to have the flexibility to determine what days they do not operate. Home providers should not be restricted from closing their homes for a period of time.
- Professional Development (PD) days

Program Closures That Do Not Count Towards Your Maximum Number of Closure Days

The following types of program closures do not count toward the maximum number of closure days:

- Closures where you do not charge fees. If you close your program and do not charge families any fees for that day, this does not count as a service day.
Important: While these closures do not count towards your maximum closure days, they may still affect your program cost allocation.
- Closures due to events outside of your control, such as natural disasters or inclement weather, in alignment with closures by Peel's public school board.
- Update: unplanned closures, such as when the home provider is sick

Where Families Pay Fees for Closure Days

- Families qualify for the fee reduction.
- Peel expects that home visitor staff and home providers are paid for the days if it is an agency closure, even if the closure is due to an event outside of your control (such as natural disaster or inclement weather).

6.2 Parent Handbook Requirements

Agencies participating in CWELCC must provide a copy of their Parent Handbook to families. It is also recommended that your Parent Handbook be published on your website.

As per the [CCEYA](#), your Parent Handbook must clearly communicate:

- The times when the services are offered.
- The holidays observed.
- The base fee and non-base fees that may be charged (and the services included), and that your agency is enrolled in the CWELCC program.

NEW: In addition, the Ministry has made regulatory changes to the CCEYA starting January 1, 2025, to require agencies to update their Parent Handbook to include:

- Your fee payment approach (method of payment such as e-transfers and cheques).
- Your fee payment schedule (example, weekly, bi-weekly, monthly).
- If refunds or credits will be provided and when. You must clearly state which fees are refundable, and which are not, and under which circumstances.

Section 7: Use Your Funding to Support Eligible Costs

In 2025, your funding is reconciled against the:

- Actual amount of eligible costs incurred to provide 0 to 6 child care reflected in your base fees for the calendar year.
- Higher of your expected or actual base fee revenue.

To avoid incurring ineligible costs that may result in year-end recoveries, you must review and understand the rules included in this section of the guideline.

7.1 Eligible Costs

You must spend your CWELCC funding on eligible costs. Using CWELCC funding for ineligible costs may result in year-end recoveries.

The following 3 principles provide guidance to determine whether costs are eligible:

1. **Attributable:** Costs are directly or indirectly related to the delivery of child care for CWELCC eligible children and are included in the base fee.

2. **Appropriate:** Costs are necessary for the delivery of child care, and/or sound and practical to meet the operating needs of a child care program; required for health and safety, and cultural or religious purposes.
3. **Reasonable:** The cost amount or quality of the good and/or service aligns with your program needs (e.g., operating data, needs of individual children, fair market value). Costs may be eligible in full or only partially eligible.

These principles allow flexibility for the different needs of child care providers. The intention is to allow you to provide high-quality services over and above licensing requirements that make sense for your child care program.

We encourage you to fully utilize your total program cost allocation on eligible costs throughout the calendar year.

Example: Administration Costs

Agency “AAA” has their Head Office in Peel and operates active homes in Peel, Toronto, and York. The Head Office provides administration support (such as accounting fees, advertising, and promotion) for all active homes. To determine if this cost is eligible, Agency “AAA” would apply the cost principles:

- Is the cost **Attributable**? Yes, administration costs are incurred for the delivery of child care to CWELCC enrolled children (younger than 6 years of age).
- Is the cost **Appropriate**? Yes, administration costs are a necessary cost for the operation of licensed home child care programming.
- Is the cost **Reasonable**? Yes, consideration should be given to the nature of the services rendered and the cost, to determine whether the expense is at fair market value.

Since all 3 cost principles are met, the cost is eligible.

If you have any questions, email us at EarlyYearsSystemDivision@peelregion.ca.

Non-arm’s Length Transactions

Non-arm’s length transactions are between parties who have a close relationship, such as family members or friends. These transactions are ineligible unless conducted at or below fair market value (verification may be required).

Before you purchase an item or work is completed by a family member or friend, you must get a minimum of 2 quotes. You must keep all documentation, including

quotes, receipts, and paid invoices as you may be required to submit during reconciliation.

7.2 Ineligible Costs

The Ministry sets out specific examples of ineligible costs. These include:

1. Costs deemed to be in lieu of profits (such as dividends, in-kind benefits, or perks directly or indirectly for the controlling owner).
2. Costs funded or reimbursed by another public source, such as insurance claims.
3. Major capital repair costs for existing spaces.
4. Costs for the delivery of child care for ineligible children ages 6 to 12.
5. Financing costs (such as interest costs) that are higher than the Canada Small Business Financing Program rates. Loans from the federal or Ontario governments are exempt from this restriction.
6. Penalties, fines, forfeitures, or liquidated damages.
7. Corporate and personal income tax (based on the Ministry's direction).

This is not an exhaustive list of ineligible expenses. If you claim an ineligible expense, we reserve the right to deem the expense ineligible and recover funding in whole or in part.

If you have any questions, email us at EarlyYearsSystemDivision@peelregion.ca

Section 8: Accountability Requirements

8.1 Reconciliation

We will provide details of the 2025 CWELCC reconciliation after we receive and review the Ministry's Standardized Financial Report.

Once released, you must complete and submit your 2025 CWELCC reconciliation accurately and on time. Late submissions will be subject to the compliance policy. To learn more about our updated Compliance Policy, review Appendix D of the [Service Provider Handbook](#).

During reconciliation, you will be required to report your actual eligible costs, your actual base fee revenue, and the Key Performance Indicators (KPI) needed to report back to the Ministry.

8.2 NEW: Update to Audited Financial Statements and FAIR

Starting in the 2025 calendar year, for each funding received from Peel during the applicable calendar year, your audited financial statements must include a note disclosure of the amount(s):

- Received
- Spent
- Overspent/repayable to Peel (if applicable)

Audited financial statements and any note disclosure must be provided within the prescribed deadlines regardless of changes to your fiscal year-end.

If you operate a child care centre and licensed home child care agency, you have to report 2 separate statements of revenue and expenditure in your FAIR:

- One for your child care centre operations, and
- One for the licensed home child care operations.

If your head office is in Peel and you operate in other municipalities, you will report separate statements of revenue and expenditure in your FAIR for each municipality.

More details on the note disclosure and an updated FAIR template will be provided in the fall of 2025.

8.3 Actual Expenditures by Program

During reconciliation, you will be required to report actual costs related to the following:

A. Base Funding

- Base Funding paid to eligible home visitor staff and HCC providers serving CWELCC eligible children.
- Base Funding incremental mandatory benefits expenses paid on behalf of staff serving CWELCC eligible children and historically approved supplementary benefit expenses for staff serving CWELCC eligible children.

B. WCF

- WCF wage floor paid to RECE home visitors serving CWELCC eligible children.
- WCF wage increase paid to RECE home visitors serving CWELCC eligible children.
- Incremental benefits paid out on behalf of RECE home visitors (because of the implementation of the wage floor and wage increase).

C. Wage Stability

- Amount spent keeping wages the same for staff whose enhanced hourly wages were less in 2025 due to the change in the order of operations

8.4 Key Performance Indicators (KPI)

As a part of your annual 2025 CWELCC reporting requirements, you must report the following KPIs⁵:

A. Program Closures

- Number of service days each home is open outlined in your Parent Handbook.

B. Staff Attraction and Retention

- Number of FTE RECE home visitors employed with the agency (as of January 1, 2025).
- Number of FTE RECE home visitors employed with the agency (as of December 31, 2025).
- Number of FTE RECE home visitors who left the agency between January 1, 2025, to December 31, 2025.
- Number of FTE RECE home visitors who joined the agency between January 1, 2025, to December 31, 2025.

C. LHCC Base Funding

- Number of RECE home visitors supported with Base Funding staff wage enhancements supporting CWELCC eligible children.
- Number of home providers supported with Base Funding payment enhancements supporting CWELCC eligible children.

D. WEG/HCCEG

- Number of fully eligible staff (RECE home visitors) FTEs eligible for WEG wage enhancements (\$2 per hour) supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year.
- Number of partially eligible staff (RECE home visitors) FTEs eligible for WEG wage enhancements (less than \$2 per hour) supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year.

⁵ If a staff member is serving CWELCC eligible children and children not eligible for CWELCC you should report them in the category where they spend more time.

- Number of fully eligible home providers eligible for HCCEG payment enhancements (\$20 per day) supporting CWELCC eligible children.
- Number of partially eligible home providers eligible for HCCEG enhancements (\$10 per day) supporting CWELCC eligible children.

E. Workforce Compensation Funding (WCF)

- Number of RECE home visitors serving CWELCC eligible children supported by the WCF wage floor.
- Number of RECE home visitors serving CWELCC eligible children supported by the WCF wage increase.

F. Wage Stability

- Number of RECE home visitors serving CWELCC eligible children whose wages were held constant in 2025 because their 2025 hourly wages were less than their 2024 hourly wages due to the change in the wage calculation order of operations

8.5 Other Accountability Requirements

- Review your EYCC agreement and the Service Provider Handbook for details on our accountability and recovery requirements. You are expected to cooperate with us and our third-party auditors regarding our compliance audit mechanisms, direct engagement compliance audits, and cost reviews. This includes providing all necessary documentation related to cost-based funding, cost calculations, and service delivery.
- Additional reporting requirements may be implemented at Peel's discretion. We may ask for further documentation of actual expenditures to support our review.
- If you receive a reduction of funds due to a past recovery or if we hold your funding due to non-compliance, you are still required to maintain the same level of quality service provisions, as your overall allocation is not impacted.

Section 9: Contact Us

If you have questions, e-mail your EYS or EarlyYearsSystemDivision@peelregion.ca.

Appendix 1: Key Terms

Active home: home child care premises overseen by an eligible agency, with at least one CWELCC eligible child enrolled

Active home days: the sum of the number of planned service days applicable to each active home in the eligible agency

Actual program costs: the actual amount of the eligible costs incurred by an eligible LHCC agency to provide services which are reflected in the base fees during the calendar year. For reconciliation purposes, actual program costs cannot exceed your program cost allocation.

Adjusted benchmark allocation: your benchmark allocation amount adjusted by the Geographic Adjustment Factor (GAF). The GAF recognizes the impact of geographical location on child care costs to reflect regional cost differences.

Base fee: Any fee a family must pay that is required for the delivery of child care services, such as daily fees, registration and any other mandatory fees (one-time or recurring). See [Appendix 3](#) for examples.

Note: Effective January 1, 2025, as per regulatory changes made by the Ministry to the CCEYA, mandatory fees, such as registration and recurring charges, must be included in the base fee calculation to ensure compliance with the daily fee cap of \$22. Agencies must also clearly define what is included in the base fee of their Parent Handbook.

Base hourly wage: the hourly rate paid to the position by the agency before any regional funding. If the position is paid an annual salary, use an online salary calculator to convert it to the hourly rate.

Benchmark allocation: the amount of program cost allocation you qualify for based on the typical costs of Ontario's licensed home child care agencies. It includes home visitor compensation benchmark, home provider compensation benchmark, agency operating (variable) benchmark, and agency operating (fixed) benchmark. The benchmark allocation is impacted by location (see Adjusted Benchmark Allocation definition) and may be supplemented by top-ups.

Child Care and Early Years Act (CCEYA): sets the rules and regulations for child care programs, including licensing requirements, staff qualifications, health and safety standards, and the types of services that must be provided to children. As an LHCC agency, you must follow the CCEYA to maintain your program's license and to ensure you are meeting legal and regulatory requirements in your daily operations.

CWELCC expansion application process: the process for interested agencies to apply to Peel's CWELCC program.

CWELCC eligible children: children younger than 6 years of age enrolled in a participating licensed child care program (full-day or part-day)

Deposits/prepaid fees: payment that a family pays upfront for child care service.

- It can be used to hold a spot for the child in the program.
- If the child attends the program, the deposit is deducted from the total amount owed for child care.

Eligible agency: home child care agency enrolled in CWELCC approved by Peel.

Eligible costs: costs incurred by an eligible agency in the calendar year to provide licensed child care for eligible children which are: attributable to the provision of child care included in the base fee for eligible children; appropriate for the provision of child care for eligible children; and reasonable in quality and amount incurred.

Existing agency: refers to an eligible agency that is not new to CWELCC.

Legacy agency: LHCC agency that enrolled in CWELCC in Peel before August 15, 2024, or applied for CWELCC enrollment in Peel by that date and was enrolled based on their application. The agency must have continuously participated in CWELCC since its enrollment or application date.

New agency: an eligible licensed home child care agency in the first calendar year enrolled in CWELCC (cannot be a legacy agency).

Non-base fees: Any fee charged for optional items or optional services, or any fees charged when a family fails to meet the terms of their agreement with the agency. Non-base fees cannot include anything that would impede a child's participation in the program should their family choose to opt out of the service. See [Appendix 3](#) for examples.

Non-discretionary costs: Costs that are necessary for the delivery of licensed child care services for children 0-6 covered under the CWELCC base fee, which are beyond the agency's control and cannot be avoided. These costs must be reasonable, economical, and required to meet licensing requirements, including health and safety standards.

Program cost allocation: The maximum amount you can spend on eligible costs minus base fee revenue. It is the sum of your adjusted benchmark allocation plus any applicable top-ups.

Registered Early Childhood Educator (RECE): A member in good standing of the [College of Early Childhood Educators](#) (CECE) as outlined in the [Early Childhood Educators Act](#).

Registration fee: a common mandatory fee that a family pays when registering their child to secure a spot in the program. For the purposes of this guideline, registration fees that are applied to future services (such as the first month of service) are considered deposits.

Regular funding: the funding you received in 2024 and prior years, excluding any one-time top-ups.

Service day: a 24-hour period that begins in the calendar year, starting at the time the eligible home first accepts children into care or at the end of the previous 24-hour period, during which the agency is enrolled in CWELCC and charges a base fee as outlined in the Parent Handbook, even if the home is closed, such as on a statutory holiday.

Statutory benefits: the benefits that you must provide to your staff by the law, such as up to 2 weeks of vacation days, 9 statutory holidays, Canada Pension Plan (CPP), Employment Insurance (EI), Employer Health Tax (EHT) if applicable, Workforce Safety and Insurance Board (WSIB) if applicable.

Top-up: an extra amount that supplements the benchmark allocation of agencies who qualify. In 2025, there are 2 types of top-ups: legacy top-up and growth top-up. See [Section 3](#) to learn more.

Wage floor: minimum that an agency participating in the CWELCC program must pay eligible RECE staff per hour.

Wage stability: amount of funding a staff is eligible to receive to maintain their hourly wage in 2025.

Appendix 2: 2025 CWELCC Funding Allocation Methodology

Your 2025 CWELCC estimated funding was calculated using the methodology described in the [Canada-wide Early Learning and Child Care \(CWELCC\) Allocation Guideline](#) and our October 30, 2024 memo.

January 2025 Estimated Allocation

Your estimated 2025 CWELCC allocation was calculated as follows:

- Estimated benchmark allocation: based on the operating data you reported in June 2024 and the provincial benchmarks.
- Legacy top-up: if your legacy costs were more than your benchmark allocation, you received legacy top-up. Your legacy costs were calculated by:
 - Taking your 2023 Audited Financial Statements/ Financial Annual Information Return (FAIR) costs and removing any school-age components.
 - Multiplying your revised 2023 FAIR amount by the Ministry's cost escalation factor of 1.0465 (1.02 if you opened in 2024).
 - Multiplying that revised 2023 FAIR amount to reflect increases to your operating capacity from October 2023 to June 2024 (if applicable).

Spring 2025 Update

In Spring 2025, your 2025 CWELCC allocations will be updated to include your:

- 2025 fixed costs such as occupancy, lease, and insurance costs.
- Owner's compensation: the organization's owner's compensation in lieu of labour.
- Updated Workforce Funding which includes WEG and WCF (if required).

Note: Late submissions may cause delays in receiving any updated allocation.

Throughout the Year

- We will monitor your operating data and make changes as needed.

Appendix 3: What is Included in Your Base Fees and Examples of Non-base Fees

What is Included in Your Base Fees

Base fees include any mandatory fees parents must pay and include, at a minimum, the following services:

- Supervision by an adult during operational hours noted on the Child Care Licensing System (CCLS).
- Any programs or services that are included as part of your child care program and are part of the regular child care fees paid by families.
- Food/catering costs. Note: If a child receives care for 6 hours or more, you must ensure the food to the child includes 2 snacks in addition to any meals provided.
- Development and implementation of individualized plans (medical, special needs, anaphylaxis, etc.).
- Other mandatory costs the family is required to pay to support the operation of the child care program (registration fees and/or deposit fees). Refer to Section 4.

Non-base Fee Examples

Non-base fees are fees for items or services that are optional for families and cannot include anything that would impede a child's participation in the program should the family choose to opt out of the service. Examples of non-base fees include:

- Late pick-up fees for child care provided beyond operational hours in the Parent Handbook.
- Optional transportation and/or field trips where a separate fee is charged.
- Not Sufficient Funds (NSF) fees in accordance with the terms of the agreement between the family and agency or home provider.
- Other optional items or services where an additional fee is charged according to the terms of the agreement between the family and agency or home provider (optional classes such as French, music, yoga, etc.). Diapers and sunscreen (if optional).

Appendix 4: Peel Memo to Existing Child Care Staff

Updates made to meet accessibility requirements

December 12, 2024



Dear Program Staff,

In follow-up to the June 3, 2024 memo "Peel Region Memo to Child Care Staff - 2024 Canada-Wide Early Learning and Child Care (CWELCC) Workforce Compensation Funding", we are writing to provide some important updates regarding your wage in 2025.

Here is what you need to know.

Ministry Direction: On August 1, 2024, the Ministry of Education issued a memo which stated that effective January 1, 2025, Licensed Home Child Care (LHCC) Base Funding must be factored into base wages before applying any additional wage enhancements, such as the Wage Enhancement Grant (WEG) and Workforce Compensation Funding (WCF).

- LHCC Base Funding includes staff wages and benefits (SWB), historical funding and pay equity (where applicable).

Potential Impact: This change means that starting in 2025 LHCC Base Funding supports you currently receive may push you above the ceiling for additional wage enhancements. As a result, you may not qualify for a wage increase under the WCF.

The 2025 WCF floor and ceiling include:

- Wage floor is \$25.86 for RECE home child care visitors.
- Wage ceiling is \$30 for RECE home child care visitors.

Wage Stability: If your LHCC Base Funding pushes your hourly wage to, or over, the WCF ceiling, your hourly wage as of December 31, 2024, will be held, ensuring that your pay will not decrease.

Example: To illustrate the changes, an example is provided on the next page comparing the current 2024 wage (Table 1), what you may qualify for under the new 2025 wage, and how we ensure that 2024 wages are maintained (Table 2).

Table 1. Example of 2024 Wage Calculation

2024 Wage Item	2024 Hourly Wage Amount
Base Wage	\$25.00

2024 Wage Item	2024 Hourly Wage Amount
Wage Enhancement Grant (WEG)	\$2.00
Subtotal	\$27.00
WCF Annual Increase	\$2.00
WCF Wage Floor	\$0.00
Subtotal	\$29.00
Base Funding (SWB/Historical) Home Visitor RECE	\$2.50
2024 Total Hourly Wage	\$31.50

Table 2. Example of 2025 Wage Calculation

2025 Wage Item	2025 Hourly Wage Amount
Base Wage	\$25.00
Base Funding (SWB/Historical) Home Visitor RECE	\$2.50
Subtotal	\$27.50
Wage Enhancement Grant (WEG)	\$2.00
WCF Annual Increase	\$0.50
Subtotal	\$30.00
WCF Wage Floor	\$0.00
2025 Total Hourly Wage	\$30.00
Hourly Wage to Be Paid in 2025	\$31.50

In 2025, with the addition of LHCC Base Funding to the base wage, this home visitor staff requires less WCF to meet the 2025 \$30 wage ceiling.

When you compare these 2 tables, the 2025 total hourly wage is \$1.50 lower than the 2024 total hourly wage. However, in this example, the home visitor staff must be held at the higher 2024 hourly wage until they become eligible for additional increases.

Wage Tool: Your employer will receive a tool to help them estimate your 2025 wages based on the new wage approach.

Questions: If you have questions or concerns about your workforce funding amount, please speak to your employer.

If you still have concerns, please email: EarlyYearsSystemdivision@peelregion.ca using the subject line "Staff Workforce Compensation Inquiry" and include your employer's name.

Thank you for your continued dedication to supporting children and families in the Peel Region.

Sincerely,
Early Years and Child Care Services
Peel Region

Appendix 5: Peel Memo to New Child Care Staff



Dear Program Staff,

Thank you for playing a pivotal role in shaping the future of children in Peel.

RECEs who work in licensed child care programs participating in CWELCC may receive higher wage increases through the 2 key provincial workforce funding sources: the Wage Floor and Wage Ceiling.

Here is what you need to know.

Wage Floor

In 2025, the starting wage for eligible RECE home visitors is \$25.86 per hour. If you earn less than the wage floor (including WEG, WCF wage increase, and LHCC Base Funding if applicable), you will receive workforce funds to bring your pay up to the floor.

Your employer will bring up the wages of all eligible RECE home visitors to the amounts shown below.

Wage floor 2022 to 2026*	2022	2023	2024	2025	2026
RECE Home Visitors	\$20	\$21	\$24.86	\$25.86	\$26.86

Increase to the Wage Ceiling

The wage ceiling is the maximum wage that can be reached using workforce funding for the given year. The new provincial wage ceiling is shown below.

Wage ceiling 2022 to 2026*	2022	2023	2024	2025	2026
RECE Home Visitors	\$25	\$25	\$29	\$30	\$31

*In addition to the hourly wage, staff must receive the associated benefits.

In 2025, RECE home visitors earning less than \$30 per hour (including WEG and LHCC Base Funding if applicable) will receive the WCF wage increase funding up to \$3 per hour.

Please note that this is not a wage cap. Employers can choose to pay RECE wages above the ceiling.

You will receive your wage increases through the CWELCC program as part of your regular paystubs.

Questions

Please refer to the examples below of how the provincial workforce funding is calculated for eligible staff.

If you have questions or concerns about your workforce funding amount, please speak to your employer. If you still have concerns, please email:

EarlyYearsSystemdivision@peelregion.ca using the subject line "Staff Workforce Compensation Inquiry" and include your employer's name.

Thank you for your dedication to supporting children and families in Peel Region.

Sincerely,

Early Years and Child Care Services
Peel Region

CWELCC workforce funding examples for new staff

We have included an example in this memo to show how to calculate the Workforce Compensation Funding for eligible home visitor staff. This example is for informational purposes only. Note: Base wage does not include other wage enhancements such as LHCC Base Funding.

Example: RECE Home Visitor has a Base Wage of \$21/hour.

Workforce Compensation	Eligibility	Amount
Base Wage	N/A	\$21
2024 LHCC Base Funding (if applicable)	Amounts may vary based on your employer's distribution plan, which should have been shared with you.	\$2.50
Subtotal		\$23.50
Provincial Wage Enhancement (WEG)	Yes, Base Wage plus LHCC Base Funding is less than the \$32.81 WEG cap	\$2
Subtotal		\$25.50

Workforce Compensation	Eligibility	Amount
Annual Wage Increase (WCF)	Yes, Base Wage plus LHCC Base Funding, plus WEG is \$25.50, which is less than the 2025 wage ceiling \$30	\$3
Subtotal		\$28.50
Wage Floor (WCF)	No, Base Wage plus LHCC Base Funding, plus WEG, plus the annual wage increase is \$28.50, which is over the 2025 wage floor \$25.86	\$0.00
Total		\$28.50

Appendix 6: How to Determine if Home Visitor Staff Qualifies for WEG

To determine if home visitor staff qualify for WEG and the amount follow these steps:

Step 1. Confirm staff eligibility.

Staff eligibility is based on staff position. To be eligible, staff must receive a T4 and hold the position of RECE home visitor serving children younger than 6 years of age with a CWELCC-eligible LHCC agency.

Step 2. Determine staff's hourly wage

To determine if staff's hourly wage qualifies, add together (as applicable) staff's:

- Base hourly wage paid by the employer as of December 31, 2024. This includes any employer-paid wage increases that took place from January 1 to December 31, 2024.
- 2024 LHCC Base Funding hourly wage enhancement. This includes the former Staff, Wages and Benefits (SWB), Historical and Pay Equity payments.

If the total is less than \$32.81 per hour, their hourly wage qualifies for WEG.

Step 3. Determine the hourly WEG amount

- Using the hourly wage determined in Step 2:
- If the hourly wage is \$30.81 per hour or less, then the staff qualifies for the full WEG wage enhancement of \$2 per hour.
- If the hourly wage is between \$30.82 and \$32.80, then the staff qualifies for the incremental amount needed to bring staff's hourly wage up to \$32.81. This is called partial WEG.
- If the hourly wage is \$32.82 or more, then the staff does not qualify for WEG.

Salary increases for WEG cannot exceed \$2 per hour or wage cap of \$32.81 per hour.

Step 4. Apply WEG wage increase

Apply the amount assessed in Step 3 to the hourly wage calculated on Step 2. The amount must be applied to all supported hours. Review the eligible positions and hours supported section to the hours that must be supported for different staff positions.

Appendix 7: How to Determine if Home Visitor Staff Qualify for WCF

To determine if home visitor staff qualify and the amount, follow these steps:

Step 1. Confirm staff eligibility

Staff eligibility is based on staff position and qualifications. In general, RECEs employed (receiving a T4) in a RECE home visitor position serving children younger than 6 years of age, qualify.

Step 2. Determine staff's hourly wage

To determine if staff's hourly wage qualifies, add together (as applicable) staff's:

- Base hourly wage paid by the employer as of December 31, 2024. This includes any employer paid wage increases that took place from January 1 to December 31, 2024.
- 2024 LHCC Base Funding hourly wage enhancement. This includes the former Staff Wages and Benefits (SWB), Historical and Pay Equity payments.
- Wage Enhancement Grant (WEG): up to \$2 per hour. As a reminder, to get WCF, staff must get WEG first.

If the total is less than \$30 per hour for RECE home visitors, their hourly wage qualifies for the RECE wage increase.

Step 3. Determine the amount of the 2025 RECE wage increase

Using the hourly wage determined in Step 2:

- If the wage is \$27 per hour or less for RECE home visitors, then the staff qualifies for the \$3 per hour wage increase.
- If the wage is more than \$27 per hour but less than \$30 per hour for RECE home visitors, then the staff qualifies for the incremental amount needed to \$30 per hour (for RECE home visitors)
- If the hourly wage is \$30 per hour or more (RECE home visitor), then the staff does not qualify for the wage increase. No further action is required.

Note: The 2025 provincial wage ceiling for the annual wage increase is \$30 per hour for RECE home visitors.

Step 4. Apply 2025 wage increase to determine staff's revised hourly wage

To calculate staff's revised hourly wage, including the annual wage increase, take the staff hourly wage from Step 2, and add the annual wage increase amount from Step 3.

Step 5. Determine staff eligibility for the RECE wage floor

The 2025 wage floor is \$25.86 per hour for RECE home visitors. If after Step 4, the staff earns:

- Less than the wage floor: they qualify for the amount needed to bring their hourly wage to the 2025 wage floor.
- The wage floor or more: they do not qualify for the wage floor. Skip to step 7.

Step 6. Apply 2025 wage floor

Pay eligible staff at least the wage floor. To calculate the funding needed to bring up staff wages to the wage floor, subtract the staff's revised hourly wage (Step 4) from the 2025 wage floor (Step 5).

Step 7. Apply 2025 employer wage increases

Apply 2025 employer wage increases after you applied the applicable WCF wage increases. Please note that 2025 employer wage increases impact WEG and WCF calculations for 2026.

Appendix 8: Peel’s Memo Regarding Changes to Child Care Subsidy Payments (January 29, 2025)

Updates made to meet accessibility requirements

There are 2 key changes that service providers (centre-based and home child care agencies) will experience for CWELCC-eligible children:

- 1. Agencies will notice a decrease in the overall amount of funding received from child care subsidy, as daily subsidy payment amounts (after parental contributions) will be capped at \$22/day; and
- 2. Any remaining balance above the \$22/day rate cap for CWELCC-eligible children is to be expensed from the agency’s CWELCC cost-based funding allocation.

Please note that these changes will not affect how agencies bill parents. Parents can continue to be billed for their parental contribution, as communicated by the Children’s Services Workers. This will also not affect non-CWELCC eligible programs, where the new municipal rate cap of \$22/day does not apply.

The impacts of the new CWELCC daily rate cap are demonstrated in the table below, along with some helpful examples.

Table 2. Current state (2024)

Care Code	2024 Municipal Daily Rate	Daily Parental Contribution	2024 Daily Subsidy Payment
2001 19-30 months full-time	\$50	\$1	\$49
3601 4-5 years before school	\$15	\$1	\$14
4011 6-12 years before + after	\$25	\$1	\$24

Table 2. Future state (effective January 1, 2025)

Care Code	2025 Municipal Daily Rate	Daily Parental Contribution	2025 Daily Subsidy Payment	2025 CWELCC
2001 19-30 months full-time	\$22	\$1	\$21	\$28

Care Code	2025 Municipal Daily Rate	Daily Parental Contribution	2025 Daily Subsidy Payment	2025 CWELCC
3601 4-5 years before school	\$15	\$1	\$14 ⁶	\$0
4011 6-12 years before + after	\$25	\$1	\$24 ⁷	\$0

Example 1 - CWELCC-eligible Children

Under the current state, the municipal daily rate to support a CWELCC-eligible child under care code 2001 is \$50. The agency would receive a daily parental contribution of \$1, while receiving the remaining balance of \$49 per day from the Peel Region through a child care subsidy payment.

In 2025, the cost to support the same CWELCC-eligible child under care code 2001 remains \$50. The agency would continue to receive a daily parental contribution of \$1, but the child care subsidy payment amount from the Peel Region would change to \$21 per day (up to the \$22/day rate cap). The remaining balance of \$28 per day is covered through the agency's CWELCC cost-based funding allocation.

Example 2 - CWELCC-eligible Children Below the \$22/day Rate Cap

Under the current state, the municipal daily rate to support a CWELCC-eligible child under care code 3601 is \$15. The agency would receive a daily parental contribution of \$1, while receiving the remaining balance of \$14 per day from the Peel Region through a child care subsidy payment.

Since the cost to support a CWELCC-eligible child under care code 3601 is below the \$22/day rate cap, there is no change to the manner in which agencies receive parental contributions or child care subsidy payments from the Peel Region.

Example 3 - Non-CWELCC-eligible Children

Under the current state, the municipal daily rate to support an ineligible CWELCC child under care code 4011 is \$25. The agency would receive a daily parental

⁶ No change because current municipal rate is below the \$22/day rate cap.

⁷ No change because program is not eligible for CWELCC.

contribution of \$1, while receiving the remaining balance of \$24 per day from the Peel Region through a child care subsidy payment.

Since children under care code 4011 are ineligible for CWELCC, there is no change to the manner in which agencies receive parental contributions or child care subsidy payments from the Peel Region.