

2025 Canada-wide early learning and child care (CWELCC) funding guideline v.3

Licensed home child care agencies



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Contents

| | |
|---|-----------|
| (NEW) Highlights of changes | 5 |
| Section 1: Overview | 6 |
| Section 2: Agency eligibility | 7 |
| 2.1 General eligibility..... | 7 |
| 2.2 2025 legacy top-up eligibility..... | 7 |
| 2.3 2025 growth top-up eligibility..... | 8 |
| Section 3: Funding components, flexibility, and budget management..... | 8 |
| 3.1 Funding components..... | 9 |
| 3.2 Your CWELCC funding in GovGrants..... | 11 |
| 3.3 Operating homes in multiple service areas..... | 11 |
| 3.4 Funding flexibility | 12 |
| 3.5 (Updated) Budget management: surplus and shortfall | 12 |
| 3.6 Things you must do if you participate in CWELCC..... | 13 |
| Section 4: You must reduce your base fees | 13 |
| 4.1 Reduce your base fees and make sure your daily base fees are \$22 a day or less | 14 |
| 4.2 Other mandatory fees | 16 |
| 4.3 Revise and communicate your fee schedule | 18 |
| 4.4 Maintain the services included in your base fee | 18 |
| 4.5 CWELCC eligible children..... | 18 |
| 4.6 Fee reduction for eligible children receiving child care subsidy..... | 20 |
| 4.7 Daily base fees for new CWELCC agencies | 20 |
| Section 5: Workforce funding requirements to home visitor staff wages and benefits, and home provider payments | 21 |
| 5.1 Eligible positions and hours supported..... | 23 |
| 5.2 Ineligible positions | 23 |
| 5.3 Change for 2025 - Order of operations..... | 23 |
| 5.4 Maintain 2024 LHCC base funding wage enhancements | 24 |
| 5.5 2025 Wage Enhancement Grant (WEG) | 25 |
| 5.6 Workforce Compensation Funding (WCF) requirements..... | 25 |
| 5.7 Wage stability for employees affected by the change in the order of operations | 25 |
| 5.8 Home child care provider enhancements | 27 |
| 5.9 Benefits | 28 |
| 5.10 Requirements that apply to all wage enhancements | 29 |

| | |
|--|-----------|
| 5.11 Workforce Innovation Funding (WIF)..... | 30 |
| 5.12 Child care staff inquiries | 30 |
| Section 6: Maintain your service levels | 30 |
| 6.1 (UPDATED) Program closures..... | 31 |
| 6.2 Parent Handbook requirements | 35 |
| Section 7: Use your funding to support eligible costs | 36 |
| 7.1 Eligible costs | 36 |
| 7.2 Ineligible costs | 37 |
| Section 8: One-time Emergency Funding..... | 38 |
| 8.1 Purpose | 38 |
| 8.2 OTEF eligible expenses | 39 |
| 8.3 OTEF application process | 39 |
| 8.4 Required documentation..... | 40 |
| 8.5 Cost sharing | 40 |
| 8.6 Payments and reconciliation | 41 |
| 8.7 Accountability and oversight..... | 41 |
| 8.8 Appeal process | 41 |
| Section 9: Accountability requirements | 41 |
| 9.1 Reconciliation..... | 41 |
| 9.2 NEW: Update to audited financial statements and FAIR | 42 |
| 9.3 Actual expenditures by program | 42 |
| 9.4 Key performance indicators (KPI) | 43 |
| 9.5 Other accountability requirements..... | 44 |
| Section 10: Contact us..... | 45 |
| Appendix 1 | 46 |
| Key Terms | 46 |
| Appendix 2 | 49 |
| 2025 CWELCC funding allocation methodology..... | 49 |
| Appendix 3 | 50 |
| What is included in your base fees and examples of non-base fees | 50 |
| Appendix 4 | 52 |
| Peel Region memo regarding changes to your child care subsidy payments (January 29, 2025)..... | 52 |
| Example 1 - CWELCC-eligible children | 53 |
| Example 2 - CWELCC-eligible children below the \$22 a day rate cap..... | 53 |

| | |
|--|-----------|
| Example 3 – Non-CWELCC-eligible children | 53 |
| Appendix 5 | 54 |
| Determine if home visitor staff qualifies for WEG | 54 |
| Appendix 6 | 55 |
| Determine if home visitor staff qualify for WCF..... | 55 |
| Appendix 7 | 57 |
| Peel Memo to Existing Child Care Staff..... | 57 |
| Appendix 8 | 60 |
| Peel Memo to New Child Care Staff | 60 |
| (New) Appendix 9: CWELCC cost eligibility assessment..... | 63 |

(NEW) Highlights of changes

We added a Highlights of changes section so that you know the key changes we made since January 2025.

Section 3: Funding components, flexibility, budget management

- Added the One-time Emergency Funding (OTEF) to the funding components subsection
- Revised the base fee revenue offset section language to provide more clarity and added the formula to calculate the 2026 base fee revenue offset so that you can plan for the change
- Updated the shortfall subsection to align the language with the March 10, 2025, memo: 2025 Early Years and Child Care (EYCC) funding updates

Section 4: You must reduce your base fees

- Updated the timing of the 2025 Parent Handbook collection by removing “Q1” to align with our data collection plan (Section 4.2)
- We included direction on children who age out of CWELCC

Section 5: Staff wage and benefit requirements

- Updated requirements with the increased Ontario’s minimum wage that comes into effect October 1, 2025 (\$17.60)
- Updated reference to Workforce Innovation Funding (WIF) in LHCC School Age Guideline

Section 6: Maintain your service levels

We updated the program closure subsection to align with direction provided in our June 3, 2025, memo “LHCC CWELCC closure days.”:

- Added a definition and classification of closure days and explained the funding impacts.
- Clarified the requirements associated with program closures, such as listing them in your Parent Handbook and notifying us of any planned closure day increases.
- Added details on the requirement to pay staff for closure days.
- Included the 2025 transition plan for legacy agencies that have more than 20 planned paid closure days.

Section 7: Use your funding to support eligible costs

For clarity, added a subsection on interest costs eligibility.

(NEW) Section 8- One-time Emergency Funding (OTEF)

We added details on emergency funding and information about how to apply.

Section 9: Accountability requirement

Updated key performance indicators (KPIs).

Appendices

- Revised Appendix 2 to reflect the spring allocation update, and other changes expected in the fall
- Added new Appendix 9: CWELCC cost eligibility assessment

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, we will support CWELCC licensed home child care (LHCC) agencies with eligible costs for the delivery of child care for children younger than 6 years of age, up to their program cost allocation.

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 standardized financial report yet. We will update this guideline to reflect changes to provincial rules as needed.

Note: Refer to Appendix 1 for the key terms used in this guideline.

Section 2: Agency eligibility

2.1 General eligibility

To qualify for 2025 CWELCC Funding, you must:

- Be licensed to operate a home child care agency with homes approved by Peel Region to participate in the CWELCC program.
- Have at least one active home (refer to Appendix 1).
- 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, service days) in the GovGrants technology quarterly beginning August 2025.²
- Complete the Ministry's Annual Licensed Child Care Operations Survey. If you do not, we will place your CWELCC funding 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. You must report on time as stated in Peel Region'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 listed in Section 2.1:

- You must be a legacy agency (refer to Appendix 1):
 - Be enrolled in CWELCC in Peel before August 15, 2024, or have applied to CWELCC by that date and be approved to participate in CWELCC for active homes existing as of December 31, 2024.

¹ Unless you were approved for an extension or 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.

² More information will be shared with agencies the beginning of August 2025 instructing how to begin reporting operating data in GovGrants quarterly and will no longer be required in OCCMS. The process for reporting fee subsidy attendance will remain the same in OCCMS.

- Have continuously participated in CWELCC since your date of enrollment or 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:
 - 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.
 - Any other documentation requested by Peel Region.

2.3 2025 growth top-up eligibility

To qualify for the 2025 growth top-up, in addition to the general eligibility requirements listed in Section 2.1:

- You must be a new LHCC agency or an existing LHCC agency that expands with new active homes.
- 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, we will compare your CWELCC funding to your actual program costs and fees you collected from eligible families at CWELCC approved homes during the calendar year to finalize your funding.

Your actual program costs cannot exceed your program cost allocation, and we will recover any unspent funding. We may ask for in-year reconciliations to avoid the recovery of significant overpayments at the end of the year.

Refer to Section 7 and Section 9 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.

Refer to Appendix 2 to understand how we calculated your 2025 CWELCC allocation.

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):

- **Benchmark allocation:** helps cover typical costs of providing child care adjusted by Peel's Geographic Adjustment Factor (GAF). It includes provider compensation, visitor compensation, and operations.
- **Legacy top-up (if applicable):** helps you maintain your cost structure if your eligible legacy costs are higher than your benchmark allocations.
- **Growth top-up:** supports costs for adding new homes.

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

- If your program cost allocation is more than your actual program costs, we will recover any unspent funding. We will share more information about the reconciliation process 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 stays the same.

Review Section 7 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 can fund under the CWELCC program. Please note that:

- If your actual program costs at reconciliation are less than your program cost allocation, we will recalculate your amount in lieu of profit or surplus 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, the child care subsidy program, or both 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.

Refer to Appendix 3 for examples of base fees and non-base fees.

How we calculated your expected base fee revenue offset (allocation)

To calculate your cost-based funding allocation in 2025, we will use your expected base fee revenue offset. 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 for more information.

How we will calculate your actual base fee revenue offset at reconciliation

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 which is noted in GovGrants. We may adjust this amount throughout the year to reflect your operating data.

This means that:

- If you collect more base fee revenue than expected, we will use the higher amount to offset your allocation. You cannot use additional base fee revenue to offset costs above your program cost allocation.
- If you collect less base fee revenue than expected, we still must use the expected base fee revenue amount to offset your allocation.

We strongly encourage you to track your actual base fee revenue and keep separate track of your base fee and non-base fee revenue to avoid funding shortfalls.

One-time Emergency Funding (OTEF)

The OTEF supports one-time, unexpected, non-discretionary costs. Approvals are case-by-case, subject to eligibility and budget availability. Refer to Section 8.

3.2 Your CWELCC funding in GovGrants

In 2025, you will receive your CWELCC funding through the following [GovGrants](#) funding announcements:

- 2025 CWELCC cost-based funding.
- 2025 CWELCC allocation in lieu of profit or surplus.
- **(New)** 2025 CWELCC One-time Emergency Funding (only if approved).

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).
- Expected base fee offset (which is a negative number).
- Other.

2025 CWELCC allocation in lieu of profit or surplus announcement

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

2025 CWELCC One-time Emergency Funding announcement

This announcement only applies to agencies approved for OTEF.

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 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 Region is your secondary SSM, and you will receive funding from Peel Region for those active homes. The funding you receive from Peel Region 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 cost-based funding is flexible, which allows you to use it based on the operational needs of your CWELCC program. You can use this flexibility after you meet the funding conditions outlined in Section 3.6 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 costs based on the operational needs of your CWELCC program.

3.5 (Updated) Budget management: surplus and shortfall

We encourage you to regularly review your CWELCC budget. Use our 2025 operating budget template to help with your budget 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, you don't need to take any action.

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. We must recover excess funding and will return it to the Ministry.

C. Shortfall

If you anticipate a shortfall, please note that your funding amounts in GovGrants as of January 1, 2025, are estimates. If applicable, we will update funding amounts as follows:

- Spring 2025: we may have adjusted your allocation using your January 2025 operating data and the updated data from your 2025 Legacy Worksheet.
- 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 (for example, if your operating data increases).
- Fall 2025: we may make more updates to reflect changes to your enrollment and operating data (active homes and service days). We will continue to review your operating data and enrollment trends 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 must cover the difference.

3.6 Things you must do if you participate in CWELCC

If you participate in CWELCC, you must:

- Reduce or maintain (as applicable) 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 9).
- Authentically participate. Refer to our [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).
- Anything families must pay or purchase from you to receive licensed child care (including any mandatory fees such as registration fees, mandatory fundraising fees, fees charged to families who refuse back up care, among others).

Refer to Appendix 3 to learn more about base fees and examples of non-base fees.

4.1 Reduce your base fees and make sure your daily base fees are \$22 a day or less

Effective January 1, 2025, or beginning the date you enroll in CWELCC (if enrolled after January 1, 2025), you must reduce³ your base fees for CWELCC eligible children to the lesser of:

- \$22 a day or
- CWELCC reduced daily base fee you were charging on December 31, 2024.

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 a 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 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.

To determine how mandatory fees impact your overall base fee, review Section 4.2.

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, 2025⁵.

Fee deposits

Fee deposits are pre-paid base fees. If you collect fee deposits for CWELCC eligible children, you must calculate your fee deposit using the new reduced daily fee (\$22 a

³ You must charge the reduced fee. This means that you cannot charge a higher fee and issue a credit or refund. Exception: Credits or refunds of pre-paid fees impacted by the fee cap by March 2, 2025. Review the section on Requirement to issue a credit or refund for 2025 pre-paid program fees for more details.

⁴ 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 for information on daily base fees for new CWELCC agencies.

⁵ CORRECTION NOTICE: Date changed from March 3 to March 2 to align with Licensing Manual.

day or less) multiplied 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 a 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 a day. In this case you will need to refund the difference of \$18 a day for 10 days, as the maximum you can collect for services beginning in 2025 is \$22 a 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.

You can continue to charge a deposit or advanced fees. If you choose to do so, you must calculate the deposit amount using the reduced fee of \$22 a day (or lower), effective January 1, 2025, and the length of time set in your Parent Handbook's fee deposit policy.

Table 1 2025 fee reduction examples

| Service | Approved base fee | December 31, 2024, reduced base fee by 52.75% but not less than \$12 a day | 2025 reduced daily fee after the \$22 a day or less cap |
|--|-------------------|--|---|
| Full-day | \$50 | \$23.63 (52.75% reduction applied) | \$22 a day |
| Full-day | \$90 | \$42.53/day (52.75% reduction applied) | \$22 a day |
| Before school care only (JK and SK) | \$12 | \$12 (stays the same) | \$12 (stays the same) |
| After school care only (JK and SK) | \$14 | \$12 (as 52.75% is less than \$12) | \$12 (stays the same) |
| Before and after school care (JK and SK) | \$24 | \$12 (as 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 school care. You must apply the CWELCC fee reduction to all base fees for eligible children. However, the reduction cannot lower the fee to less than \$12 a day or exceed \$22 a day for a full 24-hour period.

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

4.2 Other mandatory fees

Regulatory change under the CCEYA: You must include all mandatory fees in your base fee calculation

According to the Ministry's regulatory changes under the CCEYA, the calculation of your overall daily base fees must factor in all mandatory fees charged to families, such as registration fees and any other one-time or recurring fees families must pay.

If you charge mandatory fees, you must amortize them by your number of service days in the calendar year and use the amortized amount to determine if you are meeting the \$22 a day (or less) fee cap.

For clarity, non-refundable registration fees charged before January 1, 2025, are not included in this calculation. Exception: registration fees that according to your Parent Handbook are applied to future services, are considered fee deposits (not registration fees) and Section 4.1 applies.

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 any revenue you collect from families will directly reduce your amount of CWELCC funding through the revenue offset calculation.

If your daily fees were:

- \$22 a 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 a day cap set out in regulations.

- \$22 a day or less as of December 31, 2024, you can continue to charge additional one-time or other mandatory fees if the combined amount does not exceed the \$22 a 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 a 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 a day cap.

Example 1: complying with the \$22 a day cap

On December 31, 2024, families were charged \$19.55 a 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 a year. The original registration fee before the 52.75% reduction was \$500 each year.

Calculation:

The reduced annual registration fee of \$236.25 divided by 261 service days will contribute \$0.90 a day towards the daily fee cap. The combined daily fee is \$19.55 a day plus \$0.90 a day, which equals to a revised amount of \$20.45 a day, which complies with the requirement.

Example #2: mandatory fee exceeding the \$22 a day cap

On December 31, 2024, families were charged \$21.50 a 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 a year.

Calculation:

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

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

Adjustment Required:

To meet the \$22 a 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 a day.

At reconciliation, you must 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 and update your Parent Handbook to reflect your decision. We will collect your updated Parent Handbook in 2025.

4.3 Revise and communicate your fee schedule

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

- Update your fee schedule to reflect the \$22 a 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 Region 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 you post your fee schedule on your website.

4.4 Maintain the services included in your base fee

You cannot charge non-base fees for programs and services previously included in your 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 younger than 6 years of age 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. For example, if a child turns 6 on April 15, the child qualifies for the base fee cap 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. For example, if a child turns 6 on October 5, they will qualify for the base fee cap 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.

Children who age out of the CWELCC program

If you have CWELCC ineligible children enrolled in your agency, you must:

- **Set** a market fee for CWELCC ineligible children if you do not have one.
- **Update** your Parent Handbook with your fees, including market fees.
- **Share** your updated handbook with families.
- **Provide** enough notice to families affected by the fee change. We recommend notice should be longer than your withdrawal notice period.
- **Report** your enrollment in GovGrants accurately.
- **Track** revenue and expenses separately for children over 6 years old (CWELCC ineligible children) enrolled with the agency. We will provide guidance on proration this summer as part of the audited financial statements and FAIR reporting.

While setting market fees for CWELCC ineligible children is your decision, you must make sure that your market fees cover the cost of delivering child care services to CWELCC ineligible children. These costs do not qualify for CWELCC funding.

You may also want to consider your pre-CWELCC fees, inflationary costs, the fees charged by other agencies in your area, and Peel Region's 2025 EYCCS municipal rate caps communicated on June 2, 2025.

If a child in receipt of subsidy ages out of CWELCC:

- Child care subsidy will pay your approved 6 to 12 municipal rates without the CWELCC fee reduction.

- You will receive an updated confirmation of subsidy letter with the child's updated parent contribution without the CWELCC reduction.

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 4 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 a day. The parent contribution for CWELCC eligible children has already been reduced in the confirmation of subsidy letter. This means that:
 - You do not have to apply an additional fee reduction.
 - Parents must pay the parent contribution amount in the confirmation of subsidy letter.
 - Municipal fees cannot exceed \$22 a day including daily base fee and other mandatory fees (for example, registration fees). Refer to Section 4.2 for more information on other mandatory fees.
 - When a family receiving child care subsidy exceeds their absent day allowance, you must charge the family the same way as full fee-paying families for any remaining absent days for the year. This means that the family would pay the market rate reduced by 52.75% to a cap of \$22 a day. Any fees paid by families already collected for that day would contribute towards the remaining amount that the family must pay. For information on the absent day allowance, review the [Service Provider Handbook](#).
 - The child care subsidy program will continue to pay separately for the subsidy portion of your fees.
 - 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, in line with [O. Reg. 488/24](#) under the CCEYA, your daily base fees are as follows:

Table 2 Daily base fees for LHCC agencies that enroll in CWELCC after Dec. 31, 2024

| Age group for CWELCC eligible children | Daily base fee |
|--|----------------|
| Younger than 2 years, full-day | \$22 |
| 2 to 3 years, full-day | \$22 |

| Age group for CWELCC eligible children | Daily base fee |
|---|----------------|
| 4 to 6 years, full-day | \$19.28 |
| 4 to 5 years, before and after school program | \$14.88 |
| 6 to 12 years, before and after school for CWELCC eligible children | \$13.81 |

Section 5: Workforce funding requirements to home visitor staff wages and benefits, and home provider payments

This section outlines the wage enhancement and incremental benefit and 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 or HCCEG, WCF, or Base Funding budget categories) in alignment with enrolling children 6 to 12 years old with your agency, to support home visitor staff enhancements and enhancements to home providers.
- Example: 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.

You can only claim expenses once.

Starting in 2025, regular funding for children younger than 6 years old 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. From October 1, 2024, to September 30, 2025, Ontario's minimum wage is \$17.20 an hour. As of October 1, 2025, it will increase to \$17.60 an 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. This includes staff wages and benefits (SWB), historical and pay equity (where applicable) that was added to an eligible home visitor staff hourly wage as of December 31, 2024. This requirement does not include one-time top-ups.
3. Maintain 2024 Base Funding 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 home providers. You must reassess home visitor staff eligibility based on the updated 2025 WEG wage maximum of **\$32.81** an hour. You must reassess home provider eligibility based on the updated 2025 HCCEG maximum of \$328.10 a day for full HCCEG (\$196.86 for partial HCCEG).
5. Meet the Workforce Compensation Funding (WCF) 2025 requirements for eligible RECE home visitors (section 5.6).
6. Ensure eligible staff affected by the change in the order of operations are, at minimum, held to their 2024 wage (section 5.7).

Home visitors should not 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, WCF, or both due to this change in operations 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.

5.1 Eligible positions and hours supported

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

What home visitors (RECE) qualify for

- The hourly LHCC Base Funding wage enhancement received in 2024 (staff wages and benefits, historical, or pay equity as applicable).
- 2025 WEG, if their hourly wage is eligible.
- The WCF, including the up to \$3 an 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 RECE home visitors, you must apply the wage enhancements to paid time supporting program, paid time spent in meetings mandated by the agency, paid professional learning hours, paid planning time hours, paid set up time, 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 or operators who do not occupy an eligible position.
- Individuals hired through a third party, such as a temporary employment agency.
- Fee for service contracts.

Home visitors who are not Registered Early Childhood Educators (RECEs) do not qualify for WCF.

5.3 Change for 2025 - Order of operations

To help you determine staff eligibility and apply the wage enhancements, use our 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, minimum wage increases).

Note: If staff receive an increase to their base wage between January 1 and December 31, 2025, you do not need to reassess their eligibility for workforce funding in 2025. Instead, you must include that increase when determining eligibility for 2026 workforce funding eligibility.

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 or partial WEG is added if total from steps 1 and 2 is less than \$32.81 an hour for eligible staff positions.
4. Add: Workforce Compensation Funding (WCF) Wage Increase to RECE wage if the total from steps 1, 2, and 3 is less than \$30 an 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 an 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 previously qualified for WEG, WCF, or both 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 details.

5.4 Maintain 2024 LHCC base funding wage enhancements

In 2025, you must maintain the same LHCC Base Funding staff wage and benefit 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 through the former staff wages and benefits, historical, and pay equity (if applicable). One-time top-up Base Funding amounts distributed to staff in 2024 are excluded from this.
- You must apply the LHCC Base Funding wage enhancement to the eligible staff's base wage as of December 31, 2024.

5.5 2025 Wage Enhancement Grant (WEG)

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

You do not need to apply: WEG supports are already built into your program cost allocation (benchmark allocation, top-ups, or both). 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 for 2025 is \$32.81 an hour.

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

To determine if staff qualifies for WEG, follow the steps in Appendix 5.

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 an hour in 2025, if their hourly wages are below the wage ceiling of \$30 an hour (including LHCC Base Funding and WEG). This includes staff continuing in the existing positions, newly filling an existing position (for 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 an hour (including base wage, LHCC Base Funding, WEG, and WCF wage increase). To calculate the wage increase and wage floor for RECEs, follow Section 5.3 Order of operations.

To determine if staff qualify for WCF, follow the steps in Appendix 6.

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 in staff base wages when calculating eligibility for WEG and WCF. Due to this change, some home visitor

staff who qualified for WEG, WCF, or both in 2024, may no longer qualify for all or part of these enhancements in 2025.

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

This means that if home visitor staff continue to work in the same position, their 2025 hourly wage, including wage enhancements cannot be less than their 2024 hourly wage with enhancements. In other words, you must hold their wages 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) because her hourly base wage was less than the 2024 WEG maximum (\$30.59) = \$27 an hour.
- She qualified for full WCF RECE wage increase (\$2) because her hourly wage with WEG was \$27 and below the 2024 WCF wage ceiling (\$29) = \$29 an hour.
- She also received \$2.50 an hour in LHCC Base Funding, which was not included in the WEG or RECE WCF wage increase calculation in 2024 = \$31.50 an 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) plus 2024 LHCC Base Funding (\$2.50 an hour) = \$27.50 an hour.
- She qualifies for a full WEG enhancement (\$2) because her hourly base wage was less than the 2025 WEG maximum (\$32.81) = \$29.50 an hour.
- In 2025, the RECE home visitor WCF wage ceiling is \$30 an hour. This means that she only qualifies for a RECE wage increase of \$0.50 an hour.
- With the change in the order of operations, her total 2025 hourly wage is \$30.

Since Mary's hourly wage with enhancements is lower in 2025 due to the change in the order of operations, her employer must hold her hourly wage constant at 2024 levels, at a minimum. This means that in 2025 her employer must pay her at least \$31.50 an hour 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 wages under the new order of operations will get 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 an hour, which is the difference between \$31.50 an hour (2024) and \$30 an hour (2025).

Agencies must include the stability amount under the “CWELCC” notation on the staff’s paystub and report the expense under WCF. A tool is available to help you calculate the wage stability amount that your staff are eligible to receive.

Communication requirements for home visitors

You must share the Peel Region Staff Memo shared with you on December 12, 2024, found in Appendix 7 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 8, with new eligible home visitor staff. Newly enrolled agencies must share this communication with eligible staff within 30 days after being enrolled into CWELCC.

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

Payments to home visitor staff requirements

You must do the following:

- Pay hourly wage enhancements (2024 LHCC Base Funding, WEG, WCF, wage stability amount) to eligible home visitor staff with each pay cheque or payment made. This means you must pay the wage enhancements at the same time you pay the hourly base wage.
- 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, you must include this amount on the CWELCC (WCF) notation on their pay stub.
- Pay hourly wage enhancements for hours worked between January 1 and December 31, 2025.
- Keep appropriate records verifying payments and distribution of LHCC Base Funding, WEG, WCF, and wage stability amount paid to staff.

One-time, year-end, cash and gift card payments are not permitted.

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)

Home providers are eligible for HCCEG if they:

- Hold a contract with a LHCC agency that is enrolled in CWELCC.
- Provide services to one or more eligible children (including privately placed children, excluding the provider's own children). Note: When determining eligibility and payments for HCCEG, you must consider information on privately placed children.
- HCCEG payments are paid to eligible home providers for each day worked in 2025.
- Daily increases for full HCCEG cannot exceed \$20 a day or the daily cap of \$328.10 for home providers that provide full-time care (6 or more hours of care a day). Home providers are eligible if they receive base daily fees, excluding the prior year's HCCEG, of less than \$308.10 (\$20 below the cap of \$328.10).
- The daily increase for partial HCCEG cannot exceed \$10 a day or the daily cap of \$196.86 for part-time care (less than 6 hours of care a day). Home providers are eligible if they receive base daily fees, excluding the prior year's HCCEG of less than \$186.86 (\$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 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 and 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 under 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 and 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 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 to 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. You cannot use hourly wage enhancements to reduce 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.

5.11 Workforce Innovation Funding (WIF)

In 2025, WIF is available to eligible licensed home child care agencies for home visitors and home providers who support children aged 0 to 12 years. WIF supports planning time, professional learning, and the home provider incentive grant. Refer to the 2025 LHCC School Age Guideline (version 2) on our [website](#) for details about WIF requirements and how to use the funding.

5.12 Child care staff inquiries

If one of your staff members or home providers contacts us about their enhancements, we will ask them to direct their question to you. If they do not feel that their question was addressed, we 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, availability) offered as of March 27, 2022, or as approved by Peel Region 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. Exception: if you have less than 20 paid closed days a year, you may adjust your number of paid closure days to support staff attraction and retention. Review Section 6.1 for details.
- 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. In 2025, you must continue to provide any programs and services included as part of your base fee on March 27, 2022 (or at the time of CWELCC enrollment).

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

6.1 (UPDATED) Program closures

In this section, you will find information about the different types of closure days, the rules that apply to them, and our 2025 transition approach for agencies that had more than 20 planned paid closure days (including public holidays) in 2024.

Types of closure days and funding impacts

Closure days refer to any days when a home is closed, and child care services are not available. Closure days can be paid or unpaid (by families) and planned or unplanned.

Planned paid closure days

These are days when you have a planned closure, and fees are paid by families. These days:

- Count towards your maximum number of paid closure days.
- Are service days and you are funded for them (following the funding formula).
- We cannot fund you for more than 20 planned paid closure days.

Unplanned paid closure days

These are days when you have an unplanned closure, and fees are paid by families. These days:

- Are service days and qualify for CWELCC funding.
- Do not count towards the 20 paid closure day maximum.

How to know if a day is paid, unpaid, planned, or unplanned

Planned:

Planned closure days are days that a home is scheduled to be closed (where child care services are not available). Examples of planned closure days include, but are not limited to:

- Closures due to provincially mandated statutory holidays (also known as [public holidays](#)).
- Closures due to other non-mandatory holidays (such as Civic Holiday, Easter Monday, Remembrance Day, March break, winter break, religious observances) where services are not available to families.
- Closures where the home is planned to be closed, such as vacation periods.
- Closures due to other scheduled operational needs, such as professional development days or meetings.

Unplanned:

Unplanned closure days are days when the home must close due to circumstances out of their control. Both the event and the response to the event must be out of their control and require an immediate closure. Examples include:

- Closures such as natural disasters or inclement weather, in alignment with closures by Peel's public school board.
- Closures such as home provider illness. You do not have control over when home providers become sick, you cannot postpone it, you cannot plan for it.

Paid:

Paid closure days are days for which the agency charges fees to families.

Unpaid:

Unpaid closure days are days for which the agency does not charge fees to families according to your Parent Handbook. Unpaid closure days:

- Do not count towards the maximum number of closure days.
- Are not service days and will not be included in your funding calculations.

You can have up to 20 planned closure days paid by families each year (including statutory holidays)

The home cannot be closed, and the agency charges base fees to families for more than:

- 2 consecutive weeks at a time.
- 4 weeks within a year. This is a maximum of 20 planned paid closure days a year.

Important: If reasonable effort is made to find backup care for families when their regular home provider is closed, and the family declines, the day does not count towards the maximum 20 planned paid closure day limit because care could be accessed by the family. Any fees the agency charges to the family who refuses backup care offered when their regular home provider is closed, are considered base fees and will be part of the revenue offset calculation.

Reminder: according to provincial guidelines (chapter 2 page 13) in home child care closure days are counted when the home is closed, and care cannot be accessed. Agencies are funded on the active homes and the service days of the homes.

Update your Parent Handbook by September 1, 2025, to meet the closure days requirements

By September 1, 2025, you must:

1. Update your Parent Handbook

You must clearly document in your Parent Handbook:

- If your program runs on a calendar (January 1 to December 31) or an academic (September 1 to August 31) year.
- A list of all your planned closure days for the year, where you list separately your paid and unpaid closure days.

If this information is not easy to find or not clear, we will assume that:

- You operate on a calendar year.
- Families pay for all closure days.

To help you make these updates, we will provide you with a sample of a closure day section that meets these requirements.

2. Communicate changes to families

You must share the changes and updated Parent Handbook with your families as soon as the changes are made. You must provide proof of dated communication upon request.

The [child care licensing manual](#) says that:

- If there are changes to the Parent Handbook, licensees must update the Parent Handbook immediately.
- Licensees must be able to demonstrate that parents are informed of any updates at the time they are made.

Changes to your number of closure days

If you plan to change your number of closure days, you must:

- **Notify us in writing** before increasing your number of closure days because this change may affect your CWELCC funding.
 - To notify us, email EarlyYearsSystemDivision@peelregion.ca or your Early Years Specialist with the subject: "change to closure days" including any relevant information about the change.
 - Changes cannot result in more than 20 planned paid closure days a year.
- Update your Parent Handbook and share the updated version with us and your families.
- Give families at least a 60-day notice, so they can plan for the closure.

Requirement to pay staff for closure days

This section sets minimum staff payment requirements for closure days. It is not intended to reduce or limit your organization's compensation packages. Agencies should seek independent legal advice on implementing these requirements.

You must pay staff for closure days as follows:

Public (statutory) holidays

On public holidays:

- You must meet at least the [Employment Standards Act public holiday pay requirements](#). For clarity, you cannot ask staff who qualify for public holiday pay to take a vacation or unpaid time off instead.
- If your existing employment contract or human resources policy says you must pay more, then you must pay the higher amount.

Professional activity or professional development days

Time spent by an employee in training that is required by the employer or by law is counted as work time and must be paid. This means, you must pay staff who take part in your professional activity or development days. Review the rules of [work time](#) under the Employment Standards Act.

Unplanned closure days (such as inclement weather when public school boards close)

You must pay staff who were scheduled to work, the wages they were expecting to get. As you receive funding from both Peel Region and your families, the costs associated with that day are already part of your budget. There are no exceptions.

Other closure days

Follow these rules for any other closure days not listed above:

- If you paid staff for other closure days in 2023, you must continue to pay them because we funded you based on your 2023 cost structure.
- If you did not pay your staff for closure days in 2023, we encourage you to pay staff for planned paid closure days working within your CWELCC program allocation for 2025 and beyond. Paid time off supports staff recruitment and retention, which is critical for your child care program.
- If 2023 was not a representative year and we funded you based on your 2024 costs, at a minimum, you should continue to follow your 2024 staff payment practices. As noted above, we encourage you to pay staff for planned paid closure days working within your CWELCC program allocation.

2025 transition plan for legacy agencies that have more than 20 planned closure days paid by families, including public holidays

The [2025 updated provincial guidelines](#) include public holidays in the up to 20-day planned paid closure days maximum.

To help impacted agencies transition into the provincial 20-day planned paid closure day maximum (including public holidays), we will work with agencies who need extra time by keeping the 2024 paid closure day rules the same until August 31, 2025.

For programs that run on calendar year, this means:

- From January 1 to December 31 of 2025, you have up to 26 planned closure days paid by families, or the number of paid closure days you had in 2024 (whichever is lower). These numbers include statutory holidays. For clarity:
- If in 2024 you had between 20 and 26 planned paid closure days, in 2025 your number of planned paid closure days should reduce or remain the same.
- If in 2024 you had more than 26 planned paid closure days, in 2025 you must reduce your planned paid closure days to 26 or less.
- Beginning January 1, 2026, you must comply with the annual maximum of up to 20 planned paid closure days from January 1 to December 31.

- You can reduce your number of planned paid closure days earlier if you do not need extra time to transition to the 20-day paid closure day maximum.

Options to comply

You can choose one of the following options to comply:

- **(Recommended):** Open the home(s) for more days so that your number of planned paid closure days becomes 20 or less a year.
- Stop charging fees for any closure days that exceed the up to 20 planned paid closure days maximum. This may decrease your CWELCC funding, as unpaid closure days are not service days, and we must remove non-service days from your CWELCC funding formula calculation.
- A mix of the above, if your number of paid closure days is 20 or less a year.

While you can choose the option that best meets your business needs, **we cannot fund you for more than 20 paid closure days each year**, and you cannot charge families for more than 20 closure days a year.

6.2 Parent Handbook requirements

Part 7.1 of the [licensing manual](#) says that your Parent Handbook must

- Have current information. That means that if something that needs to be in the Parent Handbook changes, you must update your Parent Handbook immediately.
- Be communicated at least when the child starts receiving care and every time it is updated.

Agencies participating in CWELCC must provide a copy of their most updated Parent Handbook to families. In alignment with the licensing manual, we encourage you to post your most current Parent Handbook on your website if you have one.

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

- The times when the services are offered.
- The holidays observed. Review Section 6.1: Update your Parent Handbook by September 1, 2025, to meet the closure days requirements, for details.
- 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.

Starting January 1, 2025, agencies must update their Parent Handbook to include:

- Your fee payment approach (method of payment such as e-transfers and cheques).
- Your fee payment schedule (for example, weekly, bi-weekly, monthly).

- If refunds or credits will be provided, and when. You must clearly state which fees are refundable, which are not, and under which circumstances.

Section 7: Use your funding to support eligible costs

In 2025, we will reconcile your funding 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. It is your responsibility to make sure all your expenses are eligible costs for CWELCC program delivery between January 1, 2025, and December 31, 2025. 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 are sound and practical to meet the operating needs of a child care program. They are required for health and safety, and cultural, or religious purposes.
3. **Reasonable:** The cost amount or quality of the good or service aligns with your program needs (such as 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 diverse 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. Appendix 9 provides a CWELCC cost eligibility assessment tool.

We encourage you to fully use 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, you incur administration costs 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 have to submit them during reconciliation.

7.2 Ineligible costs

You cannot use this funding to support:

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, or CWELCC Expansion Start-up Grant.
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 the portion of interest costs resulting from interest rates charged on loans or lines of credit that are higher than the Canada Small Business Financing Program rates. Loans from the federal or provincial governments are exempt from this restriction.

Under the Canada Small Business Financing Program, the maximum chargeable interest rate is the lender's:

- Prime lending rate plus 3% for floating variable rate loans.

- Single-family residential mortgage rate for the term of the loan, plus 3% for fixed-rate loans.
- Prime lending rate plus 5% for lines of credit.

This means that the portion of interest charged on the loan or line of credit over the amounts above is an ineligible expense. For example, your agency holds a line of credit with ABC Bank. Their prime lending rate is 4.5%. The interest rate on your line of credit is 11.2%. The interest you pay on the line of credit, up to 9.5%, is an eligible expense under CWELCC, but 1.7% of the interest you pay on the line of credit is ineligible.

Loans or lines of credit do not have to be obtained through this program for interest costs to be eligible under CWELCC.

6. Penalties, fines, forfeitures, or liquidated damages.
7. Corporate and personal income tax (based on the Ministry's direction).
8. Principal payment of third-party loans.
9. Vehicle financing or lease costs.
10. Amortization and depreciation expenses unless the asset was purchased before August 15, 2024, and not paid for using previous or other government funding.
11. Donations and fundraising expenses.
12. Accrued interest on shareholder equity.
13. Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators.
14. Any expense not listed in this guideline.

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: One-time Emergency Funding

8.1 Purpose

The One-time Emergency Funding (OTEF) supports eligible licensed home child care agencies participating in CWELCC who are facing urgent, non-discretionary, and one-time expenses that cannot be covered through their existing CWELCC program cost allocation.

To receive OTEF, you must apply and be approved by Peel Region. Review this section for more information on this funding and how to apply.

8.2 OTEF eligible expenses

To be eligible to apply, you must be a licensed home child care agency with your head office in Peel Region and participating in Peel's CWELCC program.

OTEF can only support expenses incurred for the home child care agency, not in individual homes.

If you are approved for OTEF, you must use the funding to support your approved OTEF expenses retroactive to January 1, 2025. Approved OTEF expenses must meet all of the following three criteria:

- One-time (cost is not ongoing or recurring annually).
- Non-discretionary (cost is necessary and unavoidable).
- Emergency or urgent (cost is related to unexpected issues that require immediate resolution).

Examples of eligible expenses include but are not limited to:

- One-time operating costs to support counselling to staff and home providers related to a traumatic event in the home.
- One-time operating costs not reimbursed by insurance.

You must use your CWELCC program cost allocation for routine or general repairs and maintenance expenses. These expenses have been historically covered under Special Purpose funding. Funding to support these types of expenses is already included in your CWELCC program cost allocation.

8.3 OTEF application process

Step 1: Pre-screen discussion

If you think you qualify for OTEF, contact your Early Years Specialist (EYS) to schedule a pre-screen meeting. At the pre-screen meeting they will:

- Collect details about your emergency expense.
- Confirm that your 2025 operating budget is updated and that you cannot cover this expense.
- Confirm that you have explored other revenue sources to cover the expense such as insurance, warranty.
- Confirm if the expense is eligible for OTEF.
- Help you with the OTEF application, if applicable.

Important: Only agencies who pass the pre-screening will be invited to apply for OTEF. Passing the pre-screening process does not guarantee funding approval.

To request a pre-screen meeting, email your Early Years Specialist and copy EarlyYearsSystemDivision@peelregion.ca, with the subject line "OTEF funding request."

Step 2: OTEF application

If you pass the pre-screen, we will send you the OTEF application form and instructions on how to submit your completed application.

To be considered for OTEF, you must submit the completed OTEF application form and all required documents. We will review your request to determine if the expense is attributable, appropriate, and reasonable. We will also review your financial and supporting documents to determine whether all or a portion of it should be covered through other revenue sources.

We will review applications related to an insurance claim only after the insurance company settles your claim and you submit proof of the claim outcome to us.

Important: To be considered for OTEF, applications must be received and approved in 2025. Applying for OTEF does not guarantee funding approval. Approval is subject to budget availability and our review process.

8.4 Required documentation

As part of your application, you must include supporting documents to prove the need for OTEF. This may include, but is not limited to:

- Two detailed cost estimates and if applicable, paid invoices (if retroactive to January 1, 2025).
- 2025 operating budget updated as of the most recent month at the time of application (with actuals for all previous months and projections for remaining months). Additional supporting documentation may be requested to confirm actual expenses to date such as payroll information, lease agreement, others.
- Previous year audited financial statements (if not already submitted to Peel Region).
- Reports from the Ministry of Education licensing or local public health.
- Insurance and warranty claim outcomes (if applicable).
- Lease agreements.
- Other documents such as photos, if applicable.

8.5 Cost sharing

Peel Region requires agencies to use funds in their current allocation, prior year profits or surplus, reserves or other assets noted on the balance sheet to contribute a maximum of 20% of the total cost.

We may require a reduced cost share percentage following our detailed review of the agency's financial documents such as updated 2025 operating budget and prior years audited financial statements.

8.6 Payments and reconciliation

If we approve your OTEF request, you will receive your payment through the 2025 CWELCC One-time Emergency Funding GovGrants announcement. We will issue payment(s) based on your approved OTEF allocation and reconciled based on actual paid invoices. You must submit actual paid invoices by the OTEF reconciliation deadline. We will recover any unused or ineligible use of OTEF funding.

You must use your OTEF received in 2025 by March 31, 2026.

Important: At reconciliation, if your CWELCC program cost allocation is underspent, OTEF may be recovered, even if the expense was approved. Any underspending in your 2025 CWELCC program cost allocation could reduce your future CWELCC allocation. Agencies must fully use their CWELCC program cost allocation to support eligible operating expenses before accessing OTEF.

8.7 Accountability and oversight

You must only use OTEF for the approved purpose listed in your application and approval memo issued by Peel Region. We may conduct agency visits, request further documentation, and perform audits to confirm the OTEF expense.

Related party (such as a family member or owned company) transactions must be conducted at fair market value (FMV). The FMV refers to the price of goods or services when a buyer and seller have reasonable knowledge of it and are willing to trade in the open market without pressure.

8.8 Appeal process

If you disagree with a decision about your OTEF application, you may request a review using the CWELCC appeal process referenced in the [Service Provider Handbook](#). In your email, use the subject line: "OTEF Appeal" and clearly state which decision you are appealing and provide a brief rationale along with any supporting documents that help explain your position. All appeal decisions made by Peel Region are final.

Section 9: Accountability requirements

9.1 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. We will apply the Compliance Policy to late submissions. To learn more about our updated Compliance Policy, review the [Service Provider Handbook](#).

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

9.2 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 or repayable to Peel (if applicable).

You must provide your audited financial statements and any note disclosures within the prescribed deadlines regardless of changes to your fiscal year-end.

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

- One for your child care centre operations.
- 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.

We will provide you with more details on the note disclosure and an updated FAIR template in the fall of 2025.

9.3 Actual expenditures by program

During reconciliation, you must report actual costs for:

Base Funding

- Base Funding paid to eligible home visitor staff and home 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

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)

Wage stability

The amount spent keeping wages the same for home visitor staff whose enhanced hourly wages were less in 2025 due to the change in the order of operations

(New) One Time Emergency Funding

You must report your OTEF costs actual expenditures if you were approved for emergency funding.

9.4 Key performance indicators (KPI)

As a part of your annual 2025 CWELCC reporting requirements, you must report the following KPIs⁶:

Program closures

- Number of service days each home is open outlined in your Parent Handbook
- Number of program closure days where parent fees are not charged including statutory holidays, as stated in your Parent Handbook
- Number of program closure days where parent fees are charged including statutory holidays, as stated in your Parent Handbook

Home visitor recruitment 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

Home provider recruitment and retention

- Number of home providers registered with the agency (as of January 1, 2025)
- Number of home providers registered with the agency (as of December 31, 2025)

⁶ If home visitor or home provider 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 home providers who left the agency between January 1, 2025, to December 31, 2025
- Number of new home providers who registered with the agency between January 1, 2025, and December 31, 2025

LHCC Base Funding

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

WEG and HCCEG

- Number of fully eligible staff FTEs (RECE home visitors) eligible for WEG wage enhancements (\$2 an hour) supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year
- Number of partially eligible staff FTEs (RECE home visitors) eligible for WEG wage enhancements (less than \$2 an hour) supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year
- Number of eligible home providers eligible for full HCCEG enhancements (\$20 a day) supporting CWELCC eligible children
- Number of eligible home providers eligible for partial HCCEG enhancements (\$10 a day) supporting CWELCC eligible children

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

Wage stability

The 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.

9.5 Other accountability requirements

- Review your EYCC agreement and the Service Provider Handbook for details on our accountability and recovery requirements. We expect you 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.

- We may add more reporting requirements at our discretion. We may ask for additional 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 must still maintain the same level of quality service provisions as your overall allocation is not impacted.

Section 10: Contact us

If you have questions, email 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). Refer to Appendix 3 for examples.

Note: Effective January 1, 2025, following regulatory changes made by the Ministry to the CCEYA, you must include mandatory fees, such as registration and recurring charges, in the base fee calculation to ensure compliance with the maximum 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 (refer to Adjusted Benchmark Allocation) 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 you must provide to children. As a LHCC agency, you must follow the CCEYA to maintain your program's licence 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 the CWELCC program in Peel Region.

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

Deposits and 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: home child care agency that enrolled in CWELCC in Peel Region before August 15, 2024, or applied for CWELCC enrollment in Peel Region 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 LHCC agency that is enrolling in CWELCC for the first time in a calendar year and is not 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. Refer to Appendix 3.

Non-discretionary costs: costs that are necessary for the delivery of licensed child care services for children younger than 6 years of age in Peel Region, 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.

Prime lending rate: the prime lending rate is influenced by the Bank of Canada's target for the overnight rate. Canadian financial institutions use the prime lending rate as the base for setting the interest rates on their loans and lines of credit.

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): 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. Refer to Section 3 to learn more.

Wage floor: minimum that an agency participating in the CWELCC program must pay eligible RECE staff an 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 and March 10, 2025 memos.

January 2025 estimated allocation

Your January 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 or 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 data from October 2023 to June 2024 (if applicable).

Spring 2025 update

In spring 2025, we revised your 2025 CWELCC allocations as follows:

- We updated your operating data if it was higher than June 2024.
- We factored in your legacy cost calculation (as applicable):
 - Your 2025 actual fixed costs (occupancy, lease, and insurance costs).
 - The owner's compensation in lieu of profit data.

Updates may not result in a funding increase. Review our March 10 memo for details.

Fall 2025

In fall 2025, we will:

- Revise your 2025 CWELCC funding allocations (if applicable) to ensure your allocations reflect your service levels and salary data.
- Monitor your operating data and enrollment and make changes as needed.

Appendix 3

What is included in your base fees and examples of non-base fees

For more details on base and non-base fees, review [Ontario Regulation 137/15 s. 77.2](#) and part 2.3 of the Ministry's [licensing manual](#)

Base fee

Base fees include any fees families must pay for anything you are required to provide under the CCEYA, and include, at a minimum, the following services:

- Supervision by an adult during operational hours noted on the Child Care Licensing System (CCLS), including extended care fees.
- 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 and 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 such as medical, special needs, anaphylaxis.
- Parent apps for communication.
- Mandatory annual handling fee for pre-authorized debit. If the fee is optional because there are other suitable payment methods available, it becomes a non-base fee.
- Other mandatory costs the family is required to pay to support the operation of the child care program (registration fees, deposit fees, mandatory fees charged to families who refuse back up care).
- Base fees are capped at \$22 a day. Refer to Section 4 of this guideline to know what this means to you.

Non-base fee examples

Non-base fees are fees for items or services optional to families and cannot include anything that would impede a child's participation in the program should their 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 outlined in the Parent Handbook. You must clearly communicate the charges are for late pick up fee and not for extended care.
- Optional transportation 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). Diapers and sunscreen (if optional).

Appendix 4

Peel Region memo regarding changes to your child care subsidy payments (January 29, 2025)

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

- 1. Service providers 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 a day; and
- 2. Any remaining balance above the \$22 a day rate cap for CWELCC-eligible children is to be expensed from the service providers’ CWELCC cost-based funding allocation.

Please note that these changes will not affect how service providers 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 a day does not apply.

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

Table 3. Current state daily subsidy payments (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 4. Future state subsidy payments (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 |
| 3601 4-5 years before school | \$15 | \$1 | \$14 ⁷ | \$0 |

⁷ No change because current municipal rate is below the \$22 a day rate cap.

| Care code | 2025 municipal daily rate | Daily parental contribution | 2025 daily subsidy payment | 2025 CWELCC |
|--------------------------------|---------------------------|-----------------------------|----------------------------|-------------|
| 4011 6-12 years before + after | \$25 | \$1 | \$24 ⁸ | \$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 service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$49 a day from 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 service provider would continue to receive a daily parental contribution of \$1, but the child care subsidy payment amount from Peel Region would change to \$21 a day (up to the \$22 a day rate cap). The remaining balance of \$28 a day is covered through the service provider's CWELCC cost-based funding allocation.

Example 2 - CWELCC-eligible children below the \$22 a day rate cap

Under the current state, the municipal daily rate to support a CWELCC-eligible child under care code 3601 is \$15. The service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$14 per day from 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 a day rate cap, there is no change to the manner in which service providers receive parental contributions or child care subsidy payments from 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 service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$24 a day from 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 service providers receive parental contributions or child care subsidy payments from Peel Region.

⁸ No change because program is not eligible for CWELCC.

Appendix 5

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 an 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 an hour or less, then the staff qualifies for the full WEG wage enhancement of \$2 an 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 an hour or the wage maximum of \$32.81 an hour.

Step 4. Apply WEG wage increase

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

Appendix 6

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 an hour. As a reminder, to get WCF, staff must get WEG first.

If the total is less than \$30 an 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 an hour or less for RECE home visitors, then the staff qualifies for the \$3 an hour wage increase.
- If the wage is more than \$27 an hour but less than \$30 an hour for RECE home visitors, then the staff qualifies for the incremental amount needed to bring staff hourly wage up to \$30 an hour for RECE home visitors.
- If the hourly wage is \$30 an 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 an 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 an 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 7

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 an hour for RECE home child care visitors.
- Wage ceiling is \$30 an hour 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 5. Example of 2024 wage calculation

| 2024 Wage Item | 2024 Hourly Wage Amount |
|---|-------------------------|
| Base Wage | \$25.00 |
| 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 and Historical) Home Visitor RECE | \$2.50 |
| 2024 Total Hourly Wage | \$31.50 |

Table 6. Example of 2025 wage calculation

| 2025 Wage Item | 2025 Hourly Wage Amount |
|---|-------------------------|
| Base Wage | \$25.00 |
| Base Funding (SWB and 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 an hour 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 8

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 an 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.

Table 7. Wage floor 2022 to 2026

| Wage floor 2022 to 2026 ⁹ | 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.

Table 8. Wage ceiling 2022 to 2026

| Wage ceiling 2022 to 2026 ¹⁰ | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|------|------|------|------|------|
| RECE Home Visitors | \$25 | \$25 | \$29 | \$30 | \$31 |

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

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

⁹ In addition to the hourly wage, staff must receive the associated benefits.

¹⁰ In addition to the hourly wage, staff must receive the associated benefits.

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.

Table 9. Example: RECE home visitor has a base wage of \$21an 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 |
| 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 |

| Workforce Compensation | Eligibility | Amount |
|------------------------|-------------|----------------|
| Total | | \$28.50 |

(New) Appendix 9: CWELCC cost eligibility assessment

To determine if a cost is eligible for CWELCC funding, follow this step-by-step decision framework:

1. Was the cost incurred in 2025?

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

2. Is this cost on the ineligible list (Section 7.2)?

If the answer is yes, the cost is ineligible.

If the answer is no, proceed to the next question.

3. Is the cost attributable to the provision of child care included in the base fee for eligible children? Attributable means that the cost is directly or indirectly tied to providing child care to CWELCC eligible children.

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

4. Is the cost appropriate to the provision of child care for eligible children? Appropriate means that the cost is necessary and fitting for the circumstances?

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

5. Is the cost (or a portion of it) reasonable? In addition, is the quality and amount consistent with Fair Market Value? Fair Market Value is the price an item would sell for under current market conditions, assuming both the buyer and seller are seeking the best possible price).

If the answer is yes, the cost is eligible.

If the answer is no, the cost is ineligible.

This framework ensures that only costs that are appropriate, attributable, and reasonable are considered eligible for funding.

Figure 1 illustrates the decision matrix described above. This will help guide you through each decision point to determine cost eligibility under the 2025 CWELCC Funding guidelines.

Figure 1. CWELCC cost eligibility assessment.

