

2026 Canada-wide Early Learning and Child Care (CWELCC) funding guideline

Licensed home child care agencies



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Highlights of changes

We made changes throughout the guideline to address the implementation of the rolling top-up, support stable access to services, removed duplicate content, and improved clarity. This section outlines the key highlights of relevant changes.

Section 2: Agency eligibility

We made the following additions and updates:

- We added the 2026 rolling top-up eligibility criteria and removed the 2025 legacy and growth top-up eligibility ([Section 2.2](#)).
- We updated the one-time emergency funding (OTEF) eligibility ([Section 2.4](#)) to reflect:
 - The requirements to submit audited financial statements, FAIR and 2025 reconciliation on time and to operate CWELCC eligible rooms.
 - The deadline to submit a 2026 OTEF application is October 1, 2026.

Section 3: Funding components, flexibility, budget management, and requirements

We made the following additions and updates:

- [Section 3.1](#) to include the rolling top-up.
- [Section 3.2](#) to include the rolling top-up.
- The budget management section ([3.4](#)) to explain shortfall expectations.

Section 4: You must reduce your base fees

We made the following additions and updates:

- We added a requirement to tell families they can apply for Child Care Subsidy when their child ages out of CWELCC ([Section 4.6](#)).
- We updated [Section 4.7](#) to show that children who age out of CWELCC and are enrolled in eligible BASP programs can get BASP affordability program supports.

Section 5: Meet home visitor staff wage and benefit requirements and home provider payments

We updated the [requirements](#) to reflect the minimum wage increase that will take place on October 1, 2026.

Section 6: Maintain your service levels

We made these updates:

- We clarified the rules for maintaining service levels.
- We explained how the requirement to maintain service levels works with the maximum number of planned paid closure days ([Section 6.1](#)).

Section 8: Use your funding to support eligible costs

We updated the guideline to clarify that capital expenditures and out-of-province travel expenses are ineligible ([Section 8.2](#)).

Section 9: One-time Emergency Funding (OTEF)

We made these updates:

- We added a reference to the new Accounting and Note Disclosure Guideline.
- The deadline to submit a 2026 OTEF application: October 1, 2026.

Section 10: Accountability requirements

We clarified that you must report all base fee revenue regardless of how it is paid, including cash payments ([Section 10.1](#)).

Appendices

We made the following additions and updates:

- [Appendix 1](#): We added definitions for final rolling top-up and provisional rolling top-up.
- [Appendix 2](#): We added a rolling top-up section that includes:
 - How we calculate it.
 - The reasons to appeal.
- [Appendix 3](#): We added an optional sample message for families whose children will age out of CWELCC.
- [Appendix 6](#): We added Cost Eligibility Assessment tool to determine if a cost is eligible under the CWELCC Cost Based Funding Model.

Section 1: Overview

The [Canada-wide Early Learning and Child Care Agreement \(CWELCC\)](#) makes child care more affordable and supports workforce compensation, so children and families have access to high-quality licensed child care.

If you receive CWELCC funding, you must follow these rules:

- The Child Care and Early Years Act, 2014 ([CCEYA](#)), [Ontario Regulation 137/15](#), and the [licensing manual](#).
- The Ministry's [guideline](#) and its updates.
- Your Early Years and Child Care (EYCC) Funding Agreement, our [Service Provider Handbook](#), the Accounting and Note Disclosure Guideline, this guideline and their updates.

This guideline is subject to changes

We will update this guideline to reflect changes to provincial rules and system priorities. We will communicate updates by email and post them on our [website](#) at a later date.

Tip: Review [Appendix 1](#) for a list of acronyms and definitions of the key terms we used in this guideline and [Appendix 2](#) to learn how we calculated your funding.

Section 2: Agency eligibility

2.1 General eligibility

To qualify for CWELCC Funding in 2026, you must:

1. Be licensed to operate a home child care agency with homes approved by Peel Region to participate in the CWELCC program.
2. Have at least one [active home](#).
3. Have a signed 2026 Early Years and Child Care (EYCC) Funding Agreement.
4. Demonstrate (new agencies) and maintain (all agencies) [financial viability](#).

5. Have a fiscal year-end of December 31 and provide your audited financial statements, accompanying Financial Annual Information Return (FAIR), and Ministry of Education standardized financial statement annually.¹
6. Report your operating data (enrollment, number of active homes, service days) in GovGrants quarterly.
7. Complete the Ministry's Annual Licensed Child Care Operations Survey. If you do not, we must place your CWELCC funding on hold.
8. Comply with all CWELCC programs, policies, financial, contract, and system planning data reporting requirements listed in the [Service Provider Handbook](#), this guideline, and our [financial policies](#). For details, review our compliance policy.

New. 2.2 Rolling top-up eligibility

In addition to the requirements listed in section 2.1, to qualify for a rolling top-up in 2026, eligible agencies must have:

1. Received a legacy top-up, a growth top-up, or both in 2025.
2. Had 2025 actual program costs that were higher than their 2025 benchmark allocation (based on their approved 2025 CWELCC reconciliation).
3. A head office located in Peel.

We will confirm your final 2026 rolling top-up this fall

To support your cash flow, we rolled forward your 2025 legacy top-up and growth top-up (where applicable) into 2026.

After we approve your 2025 CWELCC reconciliation, we will confirm your rolling top-up ratio and amount based on your actual eligible program costs.

2.3 2026 growth top-up eligibility

In addition to the requirements listed in [Section 2.1](#), to qualify for the 2026 growth top-up:

- You must be a new LHCC agency or an existing LHCC agency that expands with new active homes approved to participate in CWELCC through our expansion application.
- The new agency or new homes must be licensed and start operations in 2026.

¹ Unless we approved you for an exemption.

2.4 One-time Emergency Funding (OTEF)

In addition to the requirements listed in [Section 2.1](#), to qualify for the OTEF in 2026, LHCC agencies must:

1. Submit their 2025 audited financial statements, FAIR and 2025 reconciliation on time.
2. Have one-time, non-discretionary, and urgent costs.
3. Demonstrate financial need.
4. Submit a complete OTEF application including all required supporting documentation.
5. Be approved for OTEF by Peel Region.

Submit your complete application before **October 1, 2026**, so we can review it and provide funding on time. If funding is still available, we may consider late applications in exceptional circumstances.

Section 3: Funding components, flexibility, and budget management

3.1 Funding components

CWELCC funding includes the following components:

- Program cost allocation.
- Amount in lieu of profit/surplus.
- Base fee revenue offset.
- OTEF (if applicable).

Refer to [Appendix 2](#) to learn how we calculated your 2026 CWELCC allocation.

Program cost allocation

You must use your program cost allocation to cover [eligible costs](#) for providing child care services included in your [base fee](#) to CWELCC [eligible children](#).

Your program-cost allocation includes the following components:

- Benchmark allocation: Helps you cover the typical costs of providing child care adjusted by Peel Region's Geographic Adjustment Factor (GAF). It includes the following benchmarks:

- Program staffing
- Supervisor
- Accommodations
- Operations (fixed and variable)
- **New.** 2026 rolling top-up (if applicable): Replaces both the 2025 legacy top-up and the 2025 growth top-up and helps ensure your 2025 cost structure is covered in 2026.
- 2026 Growth top-up (if applicable): Supports costs for adding new expansion-approved homes in 2026.

We use the funding components to calculate your allocation, but you spend based on your total, not on specific components. Refer to [Section 3.4](#) to know more.

Your actual program costs at reconciliation may impact your funding. Review [Section 10.1](#) for details.

Amount in lieu of profit/surplus

Amount in lieu of profit/surplus is the allowable profit (commercial) or surplus (non-profit) that we can fund under the CWELCC program. It goes up and down when your program cost-allocation changes.

How you can use the amount in lieu of profit or surplus:

- 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 by-laws or direction.

Base fee revenue offset

You must use both your CWELCC program cost allocation and the [base fee](#) revenue you collect from families and the Child Care Subsidy program to support your eligible program costs for CWELCC eligible children.

This is why your [base fee](#) revenue **reduces your cost-based funding** allocation.

The [base fee](#) revenue offset:

- 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.

Expected base fee revenue offset calculation

Your expected base fee revenue offset is calculated using operating data and your base fee revenue projections that you must report quarterly in [GovGrants](#). We encourage you to track the actual amount of base fee revenue earned throughout the year as you monitor your 2026 CWELCC budget.

Review [Appendix 2](#) to learn when this update will be reflected in your allocation.

One-time Emergency Funding (OTEF)

OTEF supports one-time, unexpected, non-discretionary costs. Approvals are case-by-case, subject to eligibility and funding availability. Refer to [Section 9](#).

3.2 Your CWELCC funding in GovGrants

In 2026, you will continue to receive your CWELCC funding through the following [GovGrants](#) funding announcements:

- 2026 CWELCC cost-based funding (everyone).
- 2026 CWELCC allocation in lieu of profit/surplus (everyone).
- 2026 CWELCC One-time Emergency Funding (only if approved).

2026 CWELCC cost-based funding announcement

Your 2026 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.
- **Update.** Legacy top-up. The rolling top-up will replace this budget category.
- **Update.** Growth top-up. (if you received growth top-up in 2025 or qualify for 2026 growth top-up).
- **New.** Rolling top-up. (if you received legacy or growth top-up in 2025.)
- Expected base fee revenue offset (which is a negative number).

2026 CWELCC allocation in lieu of profit or surplus announcement

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

2026 CWELCC One-time Emergency Funding (OTEF) announcement

This announcement only applies to agencies approved for OTEF.

3.3 Funding flexibility

You must use your CWELCC cost-based funding to meet the funding conditions outlined in [Section 3.4](#) first.

After you meet the required conditions, your CWELCC funding is flexible, and you can use it to support any [eligible costs](#) of your CWELCC program. Your costs do not have to align with individual benchmark allocations.

This means that you can use CWELCC funding across benchmark categories, provided that your total expenses stay within your program cost allocation. For example, you are not limited to the amount in your home visitor compensation to pay your home visitor(s).

3.4 Budget management: surplus and shortfall

You must remain financially viable to stay enrolled in CWELCC.

To keep your financial viability overtime, your CWELCC eligible costs should align with your CWELCC cost-based funding and parent revenue. If your actual program costs are higher than your approved funding, you must cover the difference.

To help ensure your costs remain in line with your cost-based funding and parent revenue, avoid under- or overspending, and plan for potential recoveries, follow the budget management best practices outlined in this section.

Budget management best practices

As you manage your budget:

1. **Check your cost and numbers regularly.** Make sure you:
 - Do what you can to align cost increases with the Ministry of Education inflation estimates (2% for 2026).
 - Track your enrollment, staffing, revenue and expenses.

Use available tools such as the 2026 CWELCC Operating Budget Template, Staff Wages Tool, and capital replacement plan.
 - Timely report accurate program data.
2. **Use existing funding and revenue first.** Consider:

- Exploring opportunities to reprioritize expenses within your existing budget, where feasible.
 - Identifying efficiencies and cost savings, such as through operational improvements, revisiting central administrative costs, among other things.
3. **If you have a shortfall, determine what is causing the gap.** Knowing the reason is the first step to address it.

Reminder: Quarterly updates to program data

You may experience a temporary shortfall due an increase in the number of active homes you operate in Peel. You must report the number of active homes you operate each quarter through a GovGrants update task. We will review the data you report in the update task and adjust as needed.

If you face a funding shortfall because **the number of active homes you operate in Peel increased by more than 20% and you cannot wait for your allocation to be updated** through the quarterly update process, email us with the subject line "CWELCC Funding Request" at EarlyYearsSystemDivision@peelregion.ca copying your Early Years Specialist (EYS). We will review the data used to calculate your allocation and assess whether an adjustment is needed.

Shortfalls due to non-discretionary, and unexpected cost increases

If after completing a thorough review of your budget and implementing reasonable cost-management measures, you continue to experience a financial shortfall due to circumstances outside your control, you may request consideration for one-time funding support, subject to funding availability.

To be considered, you must show that:

- The cost increase was **non-discretionary** and **unexpected** along with being attributable, appropriate and reasonable for the provision of child care.
- Your 2026 CWELCC Operating Budget is based on costs which are attributable, appropriate and reasonable. This means that you have made reasonable attempts to offset the cost increase using your existing CWELCC funding.
- You do not have other revenue sources available to cover the shortfall, such as non-base fees, reserves, among others.

To be considered, email EarlyYearsSystemDivision@peelregion.ca with the subject line "CWELCC Funding Request" and copy your Early Years Specialist (EYS).

Please note that:

- Supports are subject to approval and budget availability. Approval is not guaranteed.
- You will be required to provide supporting documentation, such as an updated 2026 CWELCC Operating Budget Template.
- If your shortfall impacts your long-term viability, we may need to review whether you remain eligible to participate in CWELCC.

3.5 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, 2024. The funding you receive from your overseeing SSM may include:

- Benchmark allocation.
- Rolling 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, 2024, 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.

3.6 Things you must do if you participate in CWELCC

If you participate in CWELCC, you must:

- Reduce your base fees in alignment with provincial direction ([Section 4](#)).
- Meet wage, benefit, and provider payment requirements ([Section 5](#)).
- Maintain your service levels ([Section 6](#)).

- Keep your parent handbook updated and make sure it includes all CWELCC requirements ([Section 7](#)).
- Use funding to support eligible costs ([Section 8](#)).
- Meet reporting and accountability requirements ([Section 10](#)).
- 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

This section defines what base fees are, outlines what you must do to comply with the requirement to reduce base fees and describes child eligibility for the CWELCC reduced fees.

4.1 Base fee: definitions and examples

For the purposes of this guideline, base fees are the fees you charge families to provide licensed child care to a CWELCC eligible child.

They must include anything you must provide under the [CCEYA](#), and, 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 included as part of your child care program and are part of the regular child care fees paid by families.
- Development and implementation of individualized plans such as medical, special needs, and 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.
- Any other mandatory cost the family must pay to support the operation of the child care program such as registration fees, mandatory fundraising fees, deposit fees, among others).

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](#).

Non-base fees

Non-base fees are fees charged for optional items or services² such as:

- Optional transportation and field trips where a separate fee is charged, and child care services are available to families who opt out.
- Optional diapers and sunscreen.
- Any other optional items or services where an added fee is charged in accordance with the terms of the agreement between the family and provider.

Non-base fees may also be charged when families do not meet the terms of the child care contract. These penalty fees must be outlined in your parent handbook and may include:

- Late pick up fees: Fees for child care provided beyond the home's operational hours when families pick up their children late.
- Not Sufficient Funds (NSF): Fees charged when families' accounts do not have enough funds available to cover the payment of the child care fees.

All other child care fees are base fees.

4.2 You must continue to reduce your base fees

In 2026, there are no changes to child care fees. This means that LHCC agencies participating in CWELCC must reduce³ their base fee for CWELCC eligible children to **the lower of:**

- \$22 a day.
- The CWELCC reduced daily base fee you were charging on December 31, 2024⁴.

The up to \$22 a day cap includes your daily child care fees, and any other one-time or recurring fee families must pay to get licensed child care services. If you charge mandatory fees outside of your daily fee, refer to [Section 4.3](#). For more details, review [Ontario Regulation 137/15](#) and the [licensing manual](#).

² For clarity, fees are optional when parents can opt-out without facing child care service reductions such as less service days or less hours of service. Optional fees cannot include anything that would impede a child's participation in the program should their family choose to opt out of the service

³ You must charge families the reduced fees. The practice of charging families a higher fee where the difference is later refunded or credited is not permitted.

⁴ On December 31, 2024, CWELCC base fees were reduced by 52.75%. If your agency joined CWELCC after December 31, 2024, your fees must also meet the caps outlined in following section: [daily base fees for agencies and homes that enroll in CWELCC after December 31, 2024](#).

Daily base fees for agencies and homes that enroll in CWELCC after December 31, 2024

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

Table 1. Daily base fees for agencies and homes that enroll in CWELCC after Dec. 31, 2024

Age group for CWELCC eligible children	Daily base fee
Infant, full-day	\$22
Toddler, full-day	\$22
Preschool, full-day	\$22
Kindergarten, before, after, and before and after school program	\$14.88
Kindergarten, full-day	\$19.28
School-age, before, after, before and after school for CWELCC eligible children	\$13.81

Fee deposits

Fee deposits are pre-paid base fees. If you collect fee deposits for CWELCC eligible children, you must calculate them using your reduced daily base fee (\$22 a day or less) and the fee deposit period communicated in your parent handbook.

Fee deposits reduce your CWELCC funding at the time you earn the revenue

Fee deposits are deferred revenue and count towards your fee revenue offset when you earn the revenue, not when you collect the fee. You earn the revenue when you use the deposit to pay for the child's base fees.

For example:

If your parent handbook asks for a 2-week fee deposit collected at registration and applied to the last 2 weeks of care, and you had a child registered and enrolled in August 2025 who left the program in May 31 of 2026:

- The fee deposit must be applied to the last 2 weeks of May of 2026.
- The fee collected counts towards your 2026 base-fee offset.

All fee deposits, regardless of the collection date must be based on the reduced fees of \$22 or less a day

Agencies that charged pre-paid fees (such as deposits or advanced fees) of more than \$22 a day, were required to credit or refund the difference to families of CWELCC eligible children by March 2, 2025. For details, review the 2025 CWELCC guideline and the licensing manual.

The up to \$22 a day base fee cap applied to licensed child care services provided within a 24-hour period

You may offer different types of care to meet the needs of families (such as part-day, full-day, part-time, full-time, kindergarten before, after, and before and after care, evening care, and weekend care), but you cannot charge families more than \$22 for licensed child care services provided within a 24-hour period of your licensed operating day.

4.3 All mandatory fees are part of your base fees

The up to \$22 a day cap, applies to the sum of your daily base fee and the amortized daily amount of all mandatory fees you charge to families, such as registration fees, mandatory fundraising fees, and the like. We strongly encourage you to not charge any mandatory fees as they reduce your CWELCC allocation.

If your daily base fees are lower than \$22 a day and you continue to charge mandatory fees, they will count towards your base fee revenue offset, you must report them at reconciliation, and they will result in a reduction of your CWELCC Funding⁵.

If, as of December 31, 2024, your daily base fees were \$22 a day or more⁶, you cannot charge any additional one-time or other mandatory fees as you will exceed the \$22 a day cap set out in regulations.

4.4 Maintain the services included in your base fee

You cannot:

- Take services out of your base fees and charge additional non-base fees for them. You must maintain all programs and services included in your base fees at the time of CWELCC enrollment.
- Introduce new base or mandatory fees or increase existing base or mandatory fees. Mandatory fees are fees that families must pay to receive child care.

4.5 Update and communicate your fee schedule (as applicable)

To meet this requirement:

- Your fee schedule must:

⁵ In 2025 Peel Region recommended that providers stop charging mandatory fees as any base-fee revenue collected from families (including mandatory fees) reduces provider's CWELCC funding through the revenue offset calculation.

⁶ For providers who joined CWELCC after December 31, 2024, this amount may be lower. Review: [Daily base fees for centres that enroll in CWELCC after December 31, 2024](#).

- Include your base fees, mandatory fees, and non-base fees.
 - Reflect the up to \$22 a day base fee cap.
 - Describe what is included in your services.
 - Clearly state the portion of the fees covered by Peel Region.
 - Include its effective date.
 - Be publicly available on your parent board.
 - Be included in your parent handbook. Review [Section 7](#) for details on this requirement.
- Share Peel Region’s memo to families by **January 9, 2025**.

We also recommend you post your fee schedule on your website.

4.6 CWELCC eligible children

Under [Ontario Regulation 137/15 s. 1, \(1\)](#), the following children are eligible for CWELCC:

Children younger than 6 years of age

All children younger than 6 years of age who are enrolled with a participating licensed home child care agency (full-day or part-day) qualify for the up to \$22 a day base fee cap. This includes agency-placed and privately placed children.

Children who turn 6 years of age in 2026

Children who are 6 years of age and are enrolled with a participating licensed home child care agency qualify for CWELCC reduced fees as noted in table 2.

Table 2. CWELCC eligibility for children who turn 6 in 2026

Child turns 6 between	Qualifies for CWELCC reduced fees of \$22 a day or less until	Must pay market fees starting
January 1 and June 30	June 30	July 1
July 1 and 31	July 31	August 1
August 1 and 31	August 31	September 1
September 1 and 30	September 30	October 1
October 1 and 31	October 31	November 1
November 1 and 30	November 30	December 1
December 1 and 31	December 31	January 1 of the next year

You must provide 2-months notice to families.

You must track each child's CWELCC child eligibility and notify families in writing at least 2 months before it ends. You must include:

- When their child's CWELCC eligibility ends.
- The market fees that you will charge once their child's CWELCC eligibility ends.
- Information about [Child Care Subsidy](#) for families who need help paying their fees.

To help you with your communications, we included an optional sample message in [Appendix 3](#).

Privately placed children

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

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

4.7 Fee reduction for eligible children in receipt of Child Care Subsidy

This section outlines how fee reductions are applied for eligible children receiving Child Care Subsidy.

Fees paid on behalf of children receiving subsidy

The Child Care Subsidy program will continue to pay separately for the subsidy portion of your fees.

Under the Ministry of Education's cost-based funding approach, municipal fees cannot exceed \$22 a day including daily base fee and other mandatory fees (for example, registration fees). If your municipal fee is \$22 a day you cannot charge any other mandatory fees.

Both Child Care Subsidy payments and fees paid by families are included in your base fee revenue offset and result in a reduction of your CWELCC funding.

Reduced parent contribution for CWELCC eligible children

Families who receive subsidy with children enrolled with participating LHCC agencies receive a 50% fee reduction on their parent contribution paid for eligible children, even if their parental contribution amount 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 reduction.
- Parents must pay the parent contribution amount in the confirmation of subsidy letter.

Children receiving subsidy who exceed their absent day allowance

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](#).

Children receiving subsidy who age out of CWELCC

If a child receiving subsidy ages out of CWELCC:

- Child Care Subsidy will pay your approved 6 to 12 age group municipal rate 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.

New. Children aged 6 to 12 enrolled before and after school care with an eligible LHCC agency qualify for a 50% reduction to their parent contribution through the Before and After School Program (BASP) Affordability Program. This reduction does not apply during the summer break.

For more details, review section 5 of our [2026 LHCC Workforce and BASP guideline](#).

Section 5: Meet home visitor staff wage and benefit requirements and home provider payments

This section outlines the wage enhancement and incremental benefit and deduction requirements you must meet in 2026 for home visitor staff, and payment enhancement requirements for home providers who serve CWELCC eligible children.

If you participate in CWELCC, you must:

1. **Update.** Meet [Ontario's minimum wage requirements](#) for all your employees. As of October 1, 2025, Ontario's minimum wage is \$17.60 an hour and **will increase to \$17.95 an hour effective October 1, 2026.**
2. Maintain 2024 regular Base Funding hourly staff wage and benefit enhancements to eligible home visitors in 2026. This includes staff wages and benefits (SWB), historical, and pay equity 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 ([Section 5.4](#)).
3. Maintain 2024 Base Funding enhancements to home providers in 2026 using your existing LHCC Base Funding distribution plan ([Section 5.8](#)).
4. Meet 2026 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 2026 WEG wage maximum of **\$33.81** an hour ([Section 5.5](#)). You must reassess home provider eligibility based on the updated 2025 HCCEG maximum of **\$338.10** a day for full HCCEG ([Section 5.8](#)).
5. Meet the Workforce Compensation Funding (WCF) 2026 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](#)).
7. Follow the home child care provider enhancements ([Section 5.8](#)).
8. Follow the benefits and additional requirements outlined in [Sections 5.9](#) and [5.10](#) of this guideline.

These are minimum requirements. After you meet these requirements, you have the flexibility to determine staff compensation within your overall program cost allocation.

You can only claim staffing expenses once. You must 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.
- If the home visitor or home provider serves both age groups, you may expense workforce costs against their School-Age Funding (through the WEG or HCCEG, or WCF budget categories) in alignment with the proportion of

children 6 to 12 years old enrolled with your agency, to support home visitor staff enhancements and enhancements to home providers.

Note: New LHCC agencies or new active homes which open after 2025 must follow the order of operations outlined in [Section 5.3](#) of this guideline.

5.1 Eligible positions

This section applies to RECE home visitor staff supporting children younger than 6 years, who are employed by a LHCC agency approved to participate in CWELCC by Peel Region.

Review [Appendix 1.2: Key terms](#) to know what RECE means for this guideline.

Home visitors (RECE) qualify⁷ for:

- The hourly LHCC Base Funding wage enhancement received in 2024 (staff wages and benefits, historical, or pay equity as applicable).
- 2026 WEG, if their hourly wage is eligible.
- The WCF, including the up to \$4 an hour RECE wage increase and the RECE wage floor if their hourly wage is eligible.

A RECE is an individual who is registered with the [College of Early Childhood Educators](#) (CECE) and has an active registration status at the time the WCF is paid.

For clarity, staff who are completing ECE education requirements, waiting [CECE](#) registration, or registered with a regulatory body outside of Ontario are not considered RECEs according to the [Early Childhood Educators Act, 2007](#) and are not eligible for WCF. They become eligible only after they obtain an active [CECE](#) registration.

Enhancements for home visitors apply to all hours worked.

This includes, but is not limited to:

- Paid time supporting program.
- Paid time spent in meetings mandated by the agency.
- Paid professional learning hours.
- Agency paid closure days that are not statutory holidays, vacation or sick days.

⁷ To qualify, staff must meet the individual eligibility of each funding, which may include, but is not limited to having a RECE designation, meeting the hourly wage eligibility, working for an agency that qualifies for the funding, among others. Refer to each funding section to know more.

Review [Section 5.9](#) for requirements related to statutory holidays, vacation time and paid sick days.

5.2 Ineligible positions

Requirements related to 2024 LHCC Base Funding maintenance, 2026 WEG, 2026 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.
- Owner-operators who do not occupy an eligible position.
- Individuals hired through a third-party such as a temp agency.
- Fee for service contracts.

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

5.3 Order of operations

To help you determine staff eligibility and apply the wage enhancements, use our 2026 Staff Wages Planning Tool and follow this order of operations:

Home visitors who are RECEs

1. Start with your employer-paid base wage as of December 31, 2025.

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 2026. Instead, you must include that increase when determining eligibility for 2027 workforce funding eligibility.

2. Add (if applicable): [LHCC Base Funding](#) hourly wage enhancements and related benefits you provided to eligible staff in 2024.
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.
4. Add: [WCF annual wage increase](#) of up to \$4 an hour to RECE wage if the total from steps 1, 2, and 3 is less than \$31 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 \$26.86 an hour for RECE home visitors.

If after step 5 the RECE home visitor's 2026 hourly wage is lower than their December 2024 hourly wage (including enhancements) due to the change in the GOF order of operations:

6. Add: Amount needed to keep the RECE home visitor's 2024 wage constant until they become eligible for more increases. Refer to [Section 5.7](#) for more details.

5.4 Maintain 2024 LHCC Base Funding wage enhancements

LHCC Base Funding is part of agencies' CWELCC allocation

If your agency opened and enrolled into CWELCC before December 31, 2024, your legacy costs include LHCC Base Funding expenses, which were used to assess your CWELCC legacy top-up eligibility and are built into your program-cost allocation.

If your agency or home opened or enrolled into CWELCC **after** December 31, 2024, you did not get 2024 LHCC Base Funding, and you do not have to maintain 2024 LHCC Base Funding wage enhancements. Instead, your agency can use your program cost allocation, including your growth top-up, to pay competitive base wages.

Agencies who received LHCC Base Funding in 2024:

- Maintain the same hourly wage and benefit enhancements supports provided to staff in 2024⁸.
 - This includes any hourly wage enhancement paid through the former staff wages and benefits, historical, and pay equity (if applicable).
 - You must ensure that you maintain individual staff members' hourly LHCC Base Funding wage enhancement and benefits supported in 2024 as long as the staff member continues to work in a LHCC Base Funding eligible position.
- Follow the LHCC Base Funding distribution approach used in 2024.
- Apply the LHCC Base Funding wage enhancement on top of the staff's base wage, before WEG and WCF.

Staff supported in 2024 should not experience a decrease in their hourly wages. Refer to [Section 5.7](#) for details.

⁸ Unless otherwise directed in writing by Peel Region.

Pay equity

If you qualify for the Ontario government pay equity funding, you must:

- Use your funding to meet pay equity obligations under the Ontario government's pay equity plan and the [Pay Equity Act](#).
- Let us know in writing when your pay equity obligations are achieved.

5.5 2026 Wage Enhancement (WEG)

WEG supports an increase of up to \$2 an hour, plus incremental employer mandatory benefits and deductions for eligible home visitors. To be eligible, home visitors must receive a T4.

You do not need to apply. WEG supports are already built into your program cost allocation. You will not receive a separate amount.

2026 WEG eligibility ceiling

In 2026, the WEG wage eligibility ceiling is \$33.81 an hour.

The WEG eligibility ceiling is not a wage cap. LHCC agencies can make the business decision to increase staff wages above the eligibility ceiling within their program cost-allocation once they have met all [CWELCC requirements](#).

How to determine the WEG amount for eligible home visitors

To determine the amount eligible home visitors qualify for in 2026, follow these steps:

Step 1. Determine home visitors' hourly wage.

To determine if home visitors' hourly wage qualifies, add together (as applicable) their:

- Base hourly wage paid by the employer as of December 31, 2025. For clarity, this includes any employer paid wage increases that took place from January 1 to December 31, 2025.
- 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 \$33.81 an hour, their hourly wage qualifies for WEG.

Step 2. Determine the hourly WEG amount.

Using the hourly wage determined in Step 2:

- If the hourly wage is \$31.81 an hour or less, staff qualifies for the full WEG wage enhancement of \$2 an hour.

- If the hourly wage is between \$31.82 and \$33.80, staff qualifies for the incremental amount needed to bring staff's hourly wage up to \$33.81. This is called partial WEG.
- If the hourly wage is \$33.81 or more, staff does not qualify for WEG.

Salary increases for WEG cannot exceed \$2 an hour or the wage maximum of \$33.81 an hour.

Step 3. 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 home visitor hours worked and paid.

WEG costs attributable to CWELCC

LHCC agencies who serve both CWELCC and School-age children, must claim WEG costs as noted in at the beginning of this [section](#).

5.6 Workforce Compensation Funding (WCF) requirements

The WCF is built into your benchmark allocation and improves wages for RECEs employed with agencies participating in CWELCC.

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

- **RECE wage increase:** You must increase the hourly wage of eligible RECE home visitor staff by up to \$4 an hour in 2026, if their hourly wages are below the wage ceiling of \$31 an hour (including LHCC Base Funding and WEG).
- **RECE wage floor:** You must pay RECE home visitor staff at least \$26.86 an hour (including base wage, LHCC Base Funding, WEG, and WCF wage increase).

How to determine if home visitors qualify for WCF

To determine if home visitors qualify and the amount they qualify for, follow these steps:

Step 1. Confirm staff eligibility.

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 home visitor's hourly wage qualifies, add together (as applicable) staff's:

- Base hourly wage paid by the employer as of December 31, 2025. This includes any employer paid wage increases that took place from January 1 to December 31, 2025, and provincial increases to minimum wage in 2025.
- 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 following the [WEG wage increase calculation](#). As a reminder, to get WCF, staff must get WEG first.

If the total is less than \$31 an hour for RECE home visitors, their hourly wage qualifies for the RECE wage increase.

Step 3. Determine the amount of the 2026 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 \$4 an hour wage increase.
- If the wage is more than \$27 an hour but less than \$31 an hour for RECE home visitors, then the staff qualifies for the incremental amount needed to bring staff hourly wage up to \$31 an hour for RECE home visitors.
- If the hourly wage is \$31 an hour or more (RECE home visitor), then the staff does not qualify for the wage increase. No further action is required.

Note: The 2026 provincial wage ceiling for the annual wage increase is \$31 an hour for RECE home visitors.

Step 4. Apply 2026 wage increase to determine staff's revised hourly wage.

To calculate home visitors' 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 2026 wage floor is \$26.86 an hour for RECE home visitors. If after Step 4, the home visitor earns:

- Less than the wage floor: they qualify for the amount needed to bring their hourly wage to the 2026 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 home visitors at least the wage floor. To calculate the funding needed to bring up home visitors wages to the wage floor, subtract the home visitor's revised hourly wage (Step 4) from the 206 wage floor (Step 5).

Step 7. Apply 2026 employer wage increases, if applicable.

Apply 2026 employer wage increases after you applied the applicable WCF wage increases. Please note that 2026 employer wage increases impact WEG and WCF calculations for 2027.

5.7 Wage stability for employees affected by the change in order of operations

Starting in 2025, the Ministry told us to include LHCC Base Funding in home visitor 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 and 2026.

To ensure impacted home visitors, at minimum, maintain their current wages, you must hold their wages constant at the December 2024 levels until they become eligible for additional wage increases in future years.

This means that if staff continue to work in the same position, their 2026 hourly wage including wage enhancements cannot be less than their 2024 hourly wage with enhancements.

Example of wage stability calculation

Mary is a RECE working as a home visitor. In **2024**, she earned an hourly base wage of \$25 and:

- She qualified for a full WEG enhancement (\$2) because her hourly base wage was less than the 2024 WEG wage maximum (\$30.59) = \$27 an hour.
- She qualified for a full WCF RECE wage increase (\$2) because her hourly wage with WEG was \$27, and below the 2024 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 wage increase calculation in 2024 = \$31.50 an hour.
- Her 2024 hourly wage with wage enhancements was \$31.50.

When the order of operations changed and her LHCC Base Funding wage enhancement was included in the WEG and RECE wage increase calculations, she did not get an employer paid wage increase in 2024 or 2025.

- Her hourly base wage (\$25) plus 2024 LHCC Base Funding (\$2.50 an hour) is \$27.50 an hour.
- She qualifies for a full WEG enhancement (\$2) because her hourly base wage was less than the 2026 WEG wage eligibility ceiling (\$33.81) = \$29.50 an hour.

- In 2026, the WCF RECE wage eligibility ceiling is \$31 an hour. This means that she only qualifies for a RECE wage increase of \$1.50 an hour.
- As her employer must maintain her 2024 hourly wage, Mary must receive at least \$31.50 an hour.

Since Mary's hourly wage with enhancements is lower in 2026 due to the change in the order of operations, her employer must, at least, hold her hourly wage constant at 2024 levels. This means that in 2026, her employer must pay her at least \$31.50 an hour, until she qualifies for an added wage increase.

Note: In this example, wage stability supports decreases from \$1.50 an hour in 2025 to \$0.50 in 2026 due to the increase in the WCF wage eligibility ceiling from \$30 an hour to \$31 an hour for RECE home visitors.

Notations on pay stubs for impacted home visitors

Home visitor staff whose 2024 hourly wages are higher than their 2026 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 home visitor's 2024 hourly wage with enhancements (as of December 31, 2024) and the 2026 hourly wage under the new order of operations. Using the example above, the wage stability amount for Mary is \$0.50 an hour, which is the difference between \$31.50 an hour (2024) and \$31 an hour (2026).

Agencies must include the stability amount under the "CWELCC" notation on the home visitor'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.

5.8 Home child care provider enhancements

This section outlines the requirements that you must meet in 2026 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 2026 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 2026.
- Daily increases for full HCCEG cannot exceed \$20 a day or the daily cap of \$338.10 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 \$318.10 (\$20 below the cap of \$328.10).

Home providers receiving base daily fees between \$318.10 and \$338.10 would be eligible for an amount to bring fees up to the \$338.10 eligibility ceiling.

- The daily increase for partial HCCEG cannot exceed \$10 a day or the daily cap of \$202.86 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).

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

Note:

- You must pay home providers in alignment with your 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 employer 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.

A. 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 on employer 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 employer 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](#).

B. Supplementary benefits

You have the discretion 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 program cost allocation 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), 2026 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, paid sick days, and agency closures if staff get paid for these days. Workforce wage enhancements for these hours are considered benefits.

Owners-operators employed by your agency (who receive a T4) qualify for the wage enhancements if they meet the position and financial eligibility requirements of the funding.

Home visitor communication requirements

LHCC agencies participating in CWELCC must share the Peel Region memos as follows:

- Peel Region staff memo ([Appendix 4](#)): legacy agencies must share this memo with 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.
- Peel Region memo for new staff ([Appendix 5](#)):
 - Agencies that opened or enrolled in CWELCC after December 31, 2024, must share this memo with all home visitor staff within 30 days of CWELCC enrollment.
 - Legacy agencies must share this memo with new home visitors eligible for workforce funding.

We may ask for proof of communication at any time.

Payments to home visitor staff requirements

You must pay hourly wage enhancements (LHCC Base Funding, WEG, WCF, wage stability amount) to home visitor staff:

- With each pay cheque or payment made. This means that you must pay the wage enhancements at the same time you pay the hourly base wage they enhance. One-time, year-end payments of wage enhancements are not permitted.
- For hours worked between January 1 and December 31, 2026, including overtime hours.

Note on overtime hours: When home visitors work overtime, they should receive their wage grants for LHCC Base Funding, WEG, and WCF, for those extra hours. These grants are paid at the same hourly amount as regular hours, not at the overtime rate. So even though their base wage is multiplied by the overtime ratio (like 1.5×), the grants stay at the same hourly rate for each hour worked.

For example, if a home visitor qualifies for full WEG of \$2 an hour, they get paid \$2 for a regular hour and the same \$2 for an overtime hour.

Include paystub notations for each program

You must include a notation for each program with the associated amounts payable on each paystub for LHCC Base Funding, WEG, and CWELCC (WCF).

If your home visitor staff need stability funding, you must include this amount on the CWELCC (WCF) notation on their paystub.

Keep records

You must keep appropriate records verifying payments and distribution of GOF, WEG, WCF and wage stability, paid to staff.

Cash, or gift card payments are not permitted.

5.11 Workforce Innovation Funding (WIF)

In 2026, 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 and professional learning. Refer to the 2026 LHCC School Age Guideline 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 staff wages and benefits funding or payment enhancement funding, we will ask them to direct

their question to you. If the staff member or home provider does not feel that their question was addressed, we will contact you on their behalf.

Updated. Section 6: Maintain your service levels

The services you offered at the time of CWELCC enrollment were part of your application, are considered part of your CWELCC agreement, and formed the basis for approval (including program quality, hours of service, availability among others)⁹.

To ensure families in Peel do not experience service reductions or surcharges for services what were part of your base fees prior to CWELCC, you must maintain:

1. The number of days you provide services to children. Review [Section 7.1](#) to learn about program closure requirements.
2. Spaces for CWELCC eligible children.
3. Hours of operation. If you are planning to change your centre's hours of operations, you must notify us of changes at least one month before the changes take place at EarlyYearsSystemDivision@peelregion.ca.
4. The services included in your base fee. You must continue offering all the programs and services that were included in your base fee when you joined CWELCC.
 - You cannot remove or reduce services that were originally part of your base fee.
 - Families should continue receiving the same level of service without additional charges for those items.

Reductions to the number of days you provide service to children, hours of operation, spaces, and services provided to families may result in non-compliance and may lead to funding adjustments or recoveries.

6.1 Program closures

This section provides information about the different types of closure days and the rules that apply to them.

⁹When you enrolled, we applied the fee reduction to all services covered under your base fees as they were provided at the time.

A. 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:

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

Paid

Paid closure days are closure days for which you charge fees to families.

Unpaid

Unpaid closure days are closure days for which you do not charge fees to families according to your parent handbook. Unpaid closure days:

- Do not count towards your maximum number of closure days.
- Are not service days. This means that we cannot fund you for them.

Planned

Planned closure days are any days that a home is scheduled to close (where child care services are not available). They 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).
- Home providers vacations.
- Closures due to other scheduled operational needs (such as professional development days, or other 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. You do not have control over the weather or the school board decision, you cannot postpone it, and it is usually communicated early morning of the day, so you cannot plan for it.
- 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.

Planned paid closure days

These are days that 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 that 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.

Updated. B. Maximum number of planned closure days

An agency cannot charge base fees to families if homes are closed for more than:

- 2 weeks in a row.
- The lower of the following within a year:
 - 4 weeks (a maximum of 20 planned paid closure days).
 - The number of planned paid closure days you had when you joined CWELCC.

Your parent handbook must reflect your compliance with the closure day requirements. Review [Section 8.1](#) for details.

Backup care

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 back up care offered when their regular home provider is closed, are considered base fees and will be part of the revenue offset calculation.

Updated. Changes to your number of closure days

If you plan to change the number of agency-wide 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.

C. 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 2026 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.

Section 7: Make sure your parent handbook includes all CWELCC requirements and is updated

The information in this section is limited to parent handbook requirements related to CWELCC. For a more comprehensive list of regulatory parent handbook requirements review the optional “parent handbook checklist” we shared on October 29, 2025, [Ontario Regulation 137/15 s. 45](#) and the [home child care licensing manual](#).

Your parent handbook includes important information that helps us determine your funding allocations and compliance with the CWELCC program.

7.1 Parent handbook CWELCC regulatory requirements

[Ontario Regulation 137/15 s. 45](#) and the [home child care licensing manual](#) say that your parent handbook must clearly outline¹⁰:

- If your agency is enrolled in the CWELCC program.
- The times when the services are offered.
- The holidays observed and all your planned closures.
- **All the fees that you charge families**, its frequency, the services that are included on each fee, what fees are base fees (mandatory), what fees are non-base fees (optional).

Review [Section 4.1](#) of this guideline to know the difference between base and non-base fees.

- 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, and which aren't, and under which circumstances.

¹⁰ This list is not exhaustive as it only highlights the requirements that impact the CWELCC Funding. For a full list of requirements, refer to the regulation and [licensing manual](#).

7.2 Requirement to include information about other regional programs that support access to child care

Your parent handbook must include information about Peel Region's:

- Child Care Subsidy program.
- Peel Inclusion Resource Services (PIRS) program: Service for children who need extra support in child care.

7.3 Requirement to update

Part 7 of the [home child care licensing manual](#) says that your parent handbook must have current information and that if something that needs to be in the parent handbook changes, you must **update your parent handbook immediately**.

When you send us your parent handbook, make sure that you send us the most updated version communicated to families.

7.4 Communication requirements

Following part 7 of the [home child care licensing manual](#) you:

- Must share your parent handbook with families at least:
 - When the child starts receiving care.
 - Every time you update the parent handbook as soon as changes are made.
- Must be able to demonstrate that you informed families of any updates at the time they were made.
- Should make it available on your website, if you have one.

In addition to these requirements, you must:

- Send us a copy of your updated parent handbook:
 - Every year through [GovGrants](#).
 - Anytime you update it to your Early Years Specialist (EYS).
- Provide proof that you shared with families your parent handbook and its updates upon request.

Section 8: Use your funding to support eligible costs

Under the cost-based funding approach, your funding is reconciled against the:

- Actual amount of eligible costs incurred to provide child care to [CWELCC eligible children](#) 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, understand, and apply the rules in this section.

8.1 How to determine if your costs are eligible

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, 2026, and December 31, 2026. 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 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 (for example, service levels, needs of individual children, fair market value). Costs may be eligible in full or only partially eligible.

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

We encourage you to fully 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, advertising, and promotion) for all active homes.

To determine if this cost is eligible, Agency “AAA” would apply the cost principles:

- Is the cost **attributable**? Yes, administration costs are directly related to the delivery of child care for eligible children younger than 6 years of age.
- Is the cost **appropriate**? Yes, administration costs are necessary costs 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.

Get a minimum of 2 quotes for non-arm's length transactions

Non-arm's length transactions are between:

- Parties who are related and have a close relationship, such as family members or friends.
- Related companies: For example, when the owner of the leased property is the same owner as the agency, when the transaction occurs between subsidiary companies of the same corporate group, or between subsidiary and parent companies that are part of the same corporate group.

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 we may ask you to submit it at reconciliation.

8.2 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 by another public source (such as the CWELCC Expansion Start-up Grant) or reimbursed by another source (such as insurance claims).
3. Major capital repair costs for existing spaces (unless approved by Peel Region for OTEF).
4. **New.** All other capital expenditures. For example, the initial franchise fee.
5. Costs for the delivery of child care for ineligible children ages 6 to 12.

6. 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.

7. Penalties, fines, forfeitures, or liquidated damages.
8. Corporate and personal income tax based on the Ministry's direction.
9. Principal payment of third-party loans.
10. Vehicle financing, lease costs, or related maintenance costs (exception: if the vehicle is used to transport children from school to your child care program and that transportation is included in your base fee it may be eligible).

If the vehicle is used for other child care activities included in your base fee for CWELCC eligible children, you may be eligible for prorated mileage reimbursed based on the current [CRA recommendation](#)¹¹.

For example, if a car was driven 5,500km for appropriate, attributable, and reasonable child care related activities in 2025. The total eligible mileage reimbursement is \$3,930 (5,000 km x \$0.72 = \$3,600 and 500km x \$0.66 = \$330 for a total of \$3,930).

¹¹ The CRA recommendation may change overtime. Review the CRA website.

Review our [Service Provider Handbook](#) to learn about our mileage log requirements.

11. Amortization and depreciation expenses unless the asset was purchased before August 15, 2024, and not paid for using previous or other government funding or reimbursed through insurance.
12. Donations and fundraising expenses.
13. Accrued interest on shareholder equity.
14. Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators.
15. **New.** Out-of-province travel expenses. This includes, but is not limited to transportation, accommodation, meals, and any other travel-related costs.

This is not an exhaustive list of ineligible expenses. To be eligible, an expense must meet the principles outlined in [Section 9.1](#). 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 9: One-time Emergency Funding (OTEF)

9.1 Purpose

The One-time Emergency Funding (OTEF) supports eligible licensed home child care agencies that have their head office in Peel and participate 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.

9.2 OTEF eligible expenses

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, 2026. Approved OTEF expenses must meet all the following 3 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 and include items such as appliances. Funding to support these types of expenses is already included in your CWELCC program cost allocation.

9.3 OTEF application process

Step 1: Pre-screen discussion

If you think you meet all [OTEF eligibility criteria](#), 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 you have updated your 2026 operating budget, and you believe that you cannot cover this expense.
- Confirm that you have explored other revenue sources to cover the expense such as insurance, warranty, [Public Service Bodies \(PSB\)](#) rebate for non-profits, and landlord responsibilities under your lease agreement. We will not pay for expenses that must be covered by your landlord as set out in your lease agreement.
- Confirm if the expense is eligible for OTEF.
- Help you with the OTEF application, if applicable.

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

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.

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.

If your expense is related to an insurance claim, 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 2026. Applying for OTEF does not guarantee funding approval. Approval is subject to budget availability and our review process. The deadline to submit a 2026 OTEF application: October 1, 2026.

9.4 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:

- 2 detailed cost estimates and if applicable, paid invoices (if retroactive to January 1, 2026).
- 2026 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).
- Previous year audited financial statements (if not already submitted to Peel Region).
- Most recent monthly unaudited financial statements. That is your statement of financial position (balance sheet) and statement of operations (income statement)
- Reports from the Ministry of Education licensing or local public health (if applicable).
- Insurance and warranty claim outcomes (if applicable).
- Other documents such as photos or bank statements, if applicable.

More supporting documentation may be requested to confirm actual expenses to date.

9.5 Cost sharing requirement

If you are approved for OTEF, you must use money in your current allocation, prior year profits or surplus, reserves, or other assets noted on the balance sheet to contribute a maximum of 20 percent 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 2026 operating budget and prior years audited financial statements.

9.6 Payments and reconciliation

If we approve your OTEF request, you will receive your payment through the 2026 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 2026 by December 31, 2026.

Important: You must fully use your CWELCC program cost allocation to support eligible operating expenses before accessing OTEF. If your CWELCC program cost allocation is underspent, OTEF may be recovered at reconciliation, even if the expense was approved.

9.7 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 site visits, request further documentation, and perform audits to confirm the OTEF expense.

You must conduct related party (like a family member or owned company) transactions 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.

Section 10: Accountability requirements

10.1 Reconciliation

You must complete and submit your 2026 CWELCC reconciliation accurately and on time. We will apply the Compliance Policy to late submissions. Review the [Service Provider Handbook](#) for details.

At reconciliation, we will review your actual program costs incurred and base fee revenue earned during the calendar year (January to December).

When a funding recovery may be required

The following situations may result in a funding recovery (an amount repayable to Peel Region):

- Actual program costs are less than your program cost allocation (underspending)¹². In this case, we will also use your actual program costs to recalculate your amount in lieu of profit or surplus.
- Actual base fee revenue is higher than your expected base fee revenue offset.

Other circumstances not listed above may also result in a funding recovery and require repayment to Peel Region. This may include issues identified through reporting, reconciliation, reviews, audits, or non-compliance with program requirements.

Ministry of Education standardized financial report

The Ministry requires all CWELCC enrolled child care programs to submit a Standardized Financial Report that includes operational and financial information, based on actual eligible costs incurred and base fee revenue earned during the applicable funding year. For agencies where Peel is the overseeing SSM, Peel will collect this information as part of your CWELCC reconciliation and submit to the Ministry.

To streamline your reporting, we incorporated this information in the FAIR. We will collect this information as part of your CWELCC reconciliation and submit it to the Ministry.

Agencies that operate in multiple jurisdictions

For agencies where Peel is the secondary SSM, we will not collect the Standardized Financial Report. Please contact your overseeing SSM for submission details.

Actual base fee revenue

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

- The base fee revenue you earned from CWELCC eligible children during the calendar year including any mandatory fees (such as deposit fees).
- Your expected base fee revenue offset.

That means that:

¹² Actual program costs that are lower than your program-cost allocation may also impact future top up allocations, if you qualify for one.

- If you collect more base fee revenue than expected:
 - You have more parent revenue to pay for CWELCC eligible expenses and the amount of CWELCC funding you need decreases.
 - You cannot use additional base fee revenue to offset costs above your program cost allocation.
- If you collect less base fee revenue than expected, the expected offset is still used, except in cases of extenuating circumstances.

All base-fee revenue must be reported, regardless of the payment method, including cash payments.

We strongly encourage you to track your actual base fee revenue and update your revenue forecasts quarterly. Please contact your Early Years Specialist (EYS) if you anticipate a large difference between your projected revenue allocation and your actual revenue.

10.2 Audited financial statements and the FAIR requirements

All CWELCC agencies are required to submit their audited financial statements, in accordance with the Accounting and Note Disclosure Guideline and Financial Annual Information Return (FAIR). Please refer to the [Accounting and Note Disclosure Guideline for Accountants and Auditors](#) and the [Service Provider Handbook](#) for reporting requirement details.

10.3 Actual expenditures and Key Performance Indicators (KPI) by program

As a part of your annual 2026 CWELCC reporting requirements, you must report the following actual expenditures¹³ and KPIs¹⁴ by program:

A. LHCC Base Funding

You must report the following actual LHCC Base Funding costs:

- Total LHCC Base Funding paid to eligible home visitor staff supporting CWELCC eligible children.

¹³ If you serve both children eligible and not eligible for CWELCC, your actual expenditures must include only the amount incurred supporting CWELCC children.

¹⁴ If a home visitor or home provider serves CWELCC eligible children and children not eligible for CWELCC you should report them in the category where they spend more time

- Total LHCC base Funding paid to home providers serving CWELCC eligible children.
- Total LHCC Base Funding incremental employer mandatory benefits expenses paid on behalf of home visitors serving CWELCC eligible children and historically approved supplementary benefit expenses for staff serving CWELCC eligible children.

B. WEG and HCCEG

You must report:

- Your actual WEG expenditures: Total WEG wages and incremental employer mandatory benefits expenses paid to and on behalf of eligible home visitors serving CWELCC eligible children.
- Total number of home visitors serving CWELCC eligible children supported by WEG.
- Your actual HCCEG expenditures: Total HCCEG paid to eligible home providers serving CWELCC eligible children.
- Total number of home providers serving CWELCC eligible children supported by HCCEG.

C. WCF

You must report:

- Total WCF wages and incremental employer mandatory benefits expenses paid to eligible RECE home visitors serving CWELCC eligible children.
- Total number of RECE home visitors serving CWELCC eligible children supported by WCF wage increase and or the WCF wage floor.

D. Wage stability

You must report:

- Your actual wage stability expenditures. The amount spent keeping wages the same for home visitors whose enhanced hourly wages were less in 2026 due to the change in the order of operations (refer to [Section 5.7](#) for employees affected by the change in the order of operations of this guideline).

Note: The amount reported in 2026 can be less than 2025 because home visitors may have become eligible for additional WEG and WCF supports, but it cannot be higher than 2025.

- Total number of RECE home visitors serving CWELCC eligible children whose wages were held constant in 2026 because their 2026 hourly wages were less

than their 2024 hourly wages due to the change in the wage calculation order of operations ([Section 5.7](#) of this guideline).

E. Planning time

You must report:

- Your paid planning time actual expenditures.
- Number of individuals who were supported using funded planning time. Each individual is counted once.

F. Professional learning cost

You must report:

- Your professional learning costs actual expenditures.
- Number of individuals whose professional learning cost were supported using the funding. Each individual is counted once.

G. One-time Emergency Funding (OTEF)

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

10.4 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 for 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 further documentation of actual expenditures to support our review.

If you receive a reduction of funds due to a past recovery or if we hold your funding due to non-compliance, you must still maintain the same level of quality service provisions as your overall allocation is not impacted.

Section 11: Contact us

If you have questions, email your EYS or EarlyYearsSystemDivision@peelregion.ca.

Appendix 1: List of abbreviations, acronyms and key terms

A 1.1 List of abbreviations and acronyms

The Agreement: Early Years and Child Care (EYCC) Funding Agreement.

AECEO: Association of Early Childhood Educators of Ontario.

AEFESO: Association francophone a l'éducation des services a l'enfance.

BASP: Before and after school programs.

CCLS: Child Care Licensing System.

CCEYA: [Child Care and Early Years Act, 2014](#).

CDRCP: Child Development Resource Connection Peel.

CPP: Canada Pension Plan.

CECE: College of Early Childhood Educators Ontario.

CPR: Cardiopulmonary resuscitation.

CRRU: Child Care Resource and Research Unit.

CWELCC: Canada-wide Early Learning and Child Care Agreement.

ECIS: Eligible Child in an Ineligible Space.

EHT: Employer Health Tax.

EI: Employment Insurance.

EYCC: Early Years and Child Care.

EYS: Early Years Specialist.

FAIR: Financial Annual Information Return.

FMV: Fair market value.

GAAP: Generally Accepted Accounting Principles.

GAF: Geographic adjustment factor.

HCCEG: Home child care enhancement grant.

ICES: Ineligible Child in an Eligible Space.

IPP: Individual Program Plans.

KPI: Key performance indicator.

LHCC: Licensed home child care.

NSF: Not Sufficient Funds.

OCCMS: Ontario Child Care Management System.

OTEF: One-time emergency funding.

PD: Professional development.

PIRS: Peel Inclusion Resource Services.

RC: Resource Consultant

RECE: Registered Early Childhood Educator.

Service Provider Handbook: [EYCC Service Provider Handbook](#).

SWB: Staff Wages and Benefits.

WEG: Wage Enhancement Grant.

WCF: Workforce Compensation Funding.

WIF: Workforce Innovation Funding.

WSIB: Workers Safety Insurance Board.

A 1.2 List of key terms and definitions

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: Actual amount of the eligible costs incurred by an eligible LHCC agency to provide services included in their base fees during the calendar year. We encourage you to manage your budget so that your actual program costs align with your program cost allocation. We cannot give you extra funding if your actual costs are higher than your program cost allocation at reconciliation.

Adjusted benchmark allocation: Your benchmark allocation amount adjusted by the Geographic Adjustment Factor (GAF) to reflect regional cost differences.

Appropriate costs: Costs that are necessary for the delivery of child care, and sound and practical to meet the operating needs of a child care program; required for health and safety, and cultural or religious purposes.

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

Base fee: Refer to [Section 4.1](#) of this guideline.

Base hourly wage: Hourly rate paid to the position by the agency before any regionally funded wage enhancements like LHCC Base Funding, WEG, and WCF. 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 enhanced by top-ups.

Child Care and Early Years Act ([CCEYA](#)): The Act that 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](#), its regulations, and the [licensing manual](#) to maintain your program's licence.

CWELCC expansion application process: The process for interested agencies to apply to the CWELCC program in Peel Region.

CWELCC eligible children: Refer to [Section 4.6](#) of this guideline.

Deposits and prepaid fees: A payment that a family pays upfront for child care services. Agencies can use it to hold a spot for a child in the program, and later apply the amount to child care fees, if the child attends the program.

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

Eligible costs: Costs incurred by an eligible agency in the calendar year for the purpose of providing licensed child care for eligible children which are: attributable, appropriate, and reasonable. Review [Section 9](#) for details.

Existing agency: An eligible agency that is not new to CWELCC.

New. Final rolling top-up: The confirmed rolling top-up amount you can keep in the calendar year. It is based on validated actual program costs from your approved reconciliation for the previous calendar year. For example, in 2026 your final rolling top-up is based on your 2025 CWELCC approved reconciliation.

Financial viability: You demonstrate and maintain financial viability and that you have a sustainable financial plan to manage unexpected and non-discretionary costs without compromising ongoing operations or future sustainability. Common risks to financial viability include, but are not limited to accumulated arrears, not serviced debt, going concern issues on your audited financial statements, among others.

Legacy agency: A 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.

Legacy home: A home contracted with an LHCC agency participating in CWELCC in Peel Region that opened on or before December 31, 2024.

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: Refer to [Section 4.1](#) of this guideline.

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.

Paid planning time: Refer to [Section 6.1](#) of this guideline for a definition and list of eligible activities.

Peel Inclusion Resource Services (PIRS): A model that connects participating licensed child care providers with a dedicated Resource Consultant (RC) who offers capacity building, brief, and ongoing consultation supports to program staff.

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 an agency can spend on eligible costs minus base fee revenue. It is the sum of your adjusted benchmark allocation plus any applicable top-ups.

Reasonable costs: Attributable and appropriate costs are reasonable if the nature, amount and quality of the good and services do not exceed what would be incurred by an ordinary prudent person in the operation of a comparable business providing child care to eligible children, having regard to all relevant circumstances.

Registered Early Childhood Educator (RECE): A member in good standing of the [College of Early Childhood Educators](#) (CECE) as outlined in the [Early Childhood Educators Act, 2007](#).

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.

Resource Consultant (RC): An experienced early childhood educator with specialized knowledge of child development, early intervention, children who need extra support, and inclusive practices.

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 (also known as mandatory 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. Refer to [Section 3](#) to learn more.

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

Wage stability: Refer to [Section 5.7](#) of this guideline.

Appendix 2: 2026 CWELCC funding allocation methodology

We calculated your 2026 CWELCC estimated funding using the methodology described in the Canada-wide Early Learning and Child Care (CWELCC) Allocation Guideline.

January 2026: Roll-over allocation

Your January 2026 CWELCC allocation is a roll-over of your 2025 CWELCC amount:

- Benchmark allocation: Based on the operating data you reported in June 2025 and the Ministry of Education benchmarks.
- Legacy or growth top-up: If you received legacy and growth top-up in 2025, you will continue to receive the same amount in January. You can review the 2025 CWELCC guideline to find how your legacy costs were calculated.
- Amount in lieu of profit/surplus: You will continue to receive the same monthly amount in January based on your 2025 allocation.
- Base fee revenue offset: We will continue to deduct the same monthly amount in January based on your 2025 estimated parent revenue offset.

If you opened new CWELCC-eligible homes in 2025, we will update your allocation to reflect 12 months of operations for the home in 2026.

April 2026 update

By April 2026, we will revise your 2026 CWELCC funding allocations as follows:

- Benchmark allocation: Update your active homes and enrollment if it is higher than June 2025 and the 2026 provincial benchmarks.
- Amount in lieu of profit/surplus: Update the amount using your revised cost-based allocation for 2026.
- Parent fee revenue offset: Update your estimated parent fee revenue offset to reflect your projected base fee revenue for 2026.

New. If you did not receive a top-up (legacy or growth) in 2025, this is your final 2026 CWELCC allocation¹⁵.

¹⁵ Subject to service level changes, such as changes to your licensed capacity, operating capacity or number of service days.

New. Summer - Fall 2026: Rolling top-up update

By Fall 2026, if Peel is your overseeing SSM, we will:

1. Revise your benchmark allocation, if your operating capacity changed significantly and stayed at that level for at least three months.
2. Replace your 2025 legacy and growth top-ups with your final 2026 rolling top-up (if applicable). We will calculate your final rolling top-up using your 2025 reconciled costs¹⁶:

- **Step 1.** Determine your approved 2025 actual eligible program costs (post reconciliation), up to your 2025 program-cost allocation.
- **Step 2.** We will compare these costs (step 1) to your 2025 benchmark funding.
- **Step 3.** If your approved costs (step 1) are higher than your benchmark funding, we calculate a rolling top-up ratio using the following formula:

Rolling top-up ratio = (2025 actual eligible program costs – 2025 benchmark funding) ÷ 2025 benchmark funding.

- **Step 4.** We apply the rolling top-up ratio (step 3) to your 2026 benchmark funding to determine your 2026 rolling top-up allocation:

Rolling top-up allocation = 2026 benchmark allocation × rolling top-up ratio.

3. Update your amount in lieu of profit/surplus (as applicable). As your rolling top-up is included in your program cost allocation, any change to it will also change your amount in lieu of profit/surplus calculation.

New. If you received a top-up (legacy or growth) in 2025, your 2026 CWELCC allocation becomes final when we upload the “Final rolling top-up ratio and funding allocation” memo to your GovGrants award.

Rolling top-up appeals

You may appeal a rolling top-up funding decision due to the following reasons:

- A calculation error.
- A program data error.
- New or corrected financial information that may affect the funding decision.

¹⁶ If you qualified for additional CWELCC funding due to wage increases related to the repeal of Bill 124, we will add the approved amount to your rolling top up allocation. If you qualified for the one-time 2025 amount, we will include it in your 2026 amount in lieu of profit/ surplus.

We calculate the CWELCC funding (including the rolling top-up) using the Ministry of Education formula and rules. The formula is not subject to appeal.

To appeal, you must:

- Submit your appeal within 30 calendar days of the date we upload the decision in [GovGrants](#).
- Clearly explain the reason for your appeal. Disagreement with the policy or funding outcome is not enough reason to appeal.
- Include supporting documentation.

Review our updated Service Provider Handbook (July 2026) to learn more about our appeal's policy and process.

Planning time and professional learning time are part of providers' CWELCC allocation

If your agency opened and enrolled into CWELCC before December 31, 2024: Legacy costs including planning time and professional learning time expenses were used to assess your CWELCC legacy top-up eligibility and are built into your program-cost allocation.

If your agency or new home opened or enrolled into CWELCC **after** December 31, 2024, CWELCC funding provides a growth top up in addition to the benchmark allocation to promote growth and recognize typical costs which include planning time and professional learning time.

In-year adjustments to final allocations

In line with updated Ministry of Education guidance and to support provider financial stability we will make funding adjustments to final allocations moving forward (from the date the change takes place).

This guidance does not apply to changes to service level data. We will continue to update your 2026 CWELCC funding allocations (including final allocations) when there are stable changes to your service levels. This includes but is not limited to changes to the number of approved homes you operate and service days.

New. **Appendix 3: Optional sample message for families whose children will age out of CWELCC**

Using this template is **optional**. You can use it as is or adapt it to fit your needs and agency's communication style. Make sure to customize all sections in blue.

«Date»

Re: Update to your child care fees

Dear family,

Your child has now reached the age limit for the Canada-wide Early Learning and Child Care (CWELCC) program, and your lower child care fees will end in two months.

Starting on «Date», your child care fees will change to «\$ amount » a day/week/month.

If you need help paying for child care, you can apply for Child Care Subsidy, which helps families with children 12 years and younger pay for licensed child care.

- Before applying for subsidy, you can check your eligibility.
- Apply online on Peel Region's website if you live in Peel.
- If you live outside Peel, contact your local municipality to apply for child care subsidy.

If you have any questions, we're here to support you.

Sincerely,

«LHCC agency's name»

Appendix 4: Peel Region memo to existing home visitors impacted by the 2025 change in the wage enhancement order of operations

January 5, 2026

Dear home visitors,

We are writing to provide you with an update regarding your wages in 2026.

Here is what you need to know.

In 2026, child care agencies must continue to apply the LHCC Base Funding¹⁷ before any additional wage enhancements, such as the Wage Enhancement Grant (WEG) and Workforce Compensation Funding (WCF).

This means that LHCC Base Funding supports may make some home visitors not eligible for new WEG or WCF enhancements. If this happens, staff wages cannot go down.

The 2026 wage eligibility ceiling and wage floor are:

- WEG wage eligibility ceiling is \$33.81.
- WCF wage floor is \$26.86 for registered early childhood educator (RECE) home visitors.
- WCF wage ceiling is \$31 an hour for RECE home visitors.

If your LHCC Base Funding pushes your hourly wage over the 2026 WEG or WCF wage eligibility ceilings, your hourly wage as of December 31, 2024, will be held, ensuring that your pay does not decrease.

Wage tool: Your employer will receive a tool that will help them estimate your 2026 wages.

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.

¹⁷ LHCC Base Funding includes Staff Wages and Benefits (SWB), historical funding, and pay equity.

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

Sincerely,

Early Years and Child Care Services

Peel Region

Examples

To illustrate the change and its impacts on home visitor wages for 2025 and 2026 review the example in tables 3, 4 and 5. In this example a RECE home visitor must be held at the higher 2024 Total Hourly Wage.

Table 3. Example of 2024 wage calculation.

2024 wage item	2024 hourly wage amount
Base Wage	\$25
Wage Enhancement Grant (WEG)	\$2
Subtotal of base wage and WEG	\$27
Workforce Compensation Fund (WCF) Annual Increase	\$2
WCF Wage Floor	\$0
Subtotal with WCF	\$29
LHCC Base Funding (SWB and historical)	\$2.50
2024 total hourly wage	\$31.50

Table 4. Example of 2025 wage calculation.

2026 wage item	2026 hourly wage amount
Base Wage	\$25
LHCC Base Funding (SWB and historical)	\$2.50
Subtotal of base wage and LHCC Base Funding	\$27.50
WEG	\$2
WCF Annual Increase	\$0.50
Subtotal with WEG and WCF annual increase	\$30
WCF Wage Floor	\$0
2025 total hourly wage	\$30
Hourly wage to be paid in 2025	\$31.50

The 2025 total hourly wage is \$1.50 lower than the 2024 total hourly wage, so \$1.50 an hour of wage stability funding is used to maintain the home visitor wage of \$31.50 an hour.

Table 5. Example of 2026 wage calculation.

2026 wage item	2026 hourly wage amount
LHCC Base Funding (SWB and historical)	\$2.50
WEG	\$2
Subtotal with WEG and WCF annual increase	\$31
Hourly wage to be paid in 2026	\$31.50

The 2026 total hourly wage is \$0.50 lower than the 2024 total hourly wage, so \$0.50 an hour of wage stability funding is used to maintain the home visitor wage of \$31.50 an hour.

Appendix 5: Peel Region memo to new RECE home visitors

January 5, 2026

Dear home visitors,

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

RECEs who work in licensed child care programs that are taking part in CWELCC, may receive higher wage increases through 2 key provincial workforce funding sources: the wage floor and wage ceiling.

Here is what you need to know.

Wage floor

In 2026, the starting wages for eligible RECE home child care visitors is \$26.86 an hour. This means if you earn less than the wage floor (including Licensed Home Child Care (LHCC) Base Funding, Wage Enhancement Grant (WEG), and the RECE annual wage increase), you will receive workforce funds to bring your pay up to the floor.

Table 6. RECE wage floor from 2022 to 2026

Wage floor 2022 to 2026 ¹⁸	2022	2023	2024	2025	2026
RECE home visitors	\$20	\$21	\$24.86	\$25.86	\$26.86

Increase to the wage eligibility ceiling

The wage eligibility ceiling is the maximum wage that can be reached using workforce funding for the given year. The new provincial wage ceiling is in Table 7.

Table 7. RECE wage floor from 2022 to 2026

Wage floor 2022 to 2026 ¹⁹	2022	2023	2024	2025	2026
RECE home visitors	\$25	\$25	\$29	\$30	\$31

In 2026, RECE home visitors earning less than \$31 an hour (including WEG and LHCC Base Funding if applicable) will receive the WCF wage increase funding up to \$4 an hour.

¹⁸ In addition to the hourly wage, staff must receive the associated benefits.

¹⁹ In addition to the hourly wage, staff must receive the associated benefits.

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

You will receive the applicable wage increases as part of your regular paystubs.

Questions

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

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 support 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 some examples in this memo to show how to calculate the Workforce Compensation Funding (WCF) for eligible home visitor staff. These examples are for informational purposes only.

Note: Base wage does not include other wage enhancements such as LHCC Base Funding.

Table 8. Example of a RECE home visitor with a base wage of \$21 an hour. Agency received LHCC Base Funding in 2024.

Workforce compensation	Eligibility	Amount
Base wage (employer paid)	Not applicable.	\$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 \$33.81 WEG cap.	\$2
Subtotal		\$25.50

Workforce compensation	Eligibility	Amount
Annual Wage Increase (WCF)	Yes, Base Wage plus LHCC Base Funding, plus WEG is \$25.50, which is less than the 2026 wage ceiling \$31.	\$4
Wage floor (WCF)	No, base wage plus LHCC Base Funding, plus WEG, plus the annual wage increase is \$29.50, which is over the 2026 wage floor \$26.86.	\$0
Total		\$29.50

Table 9. Example of a RECE home visitor with a base wage of \$19 an hour. Agency opened or joined CWELCC after December 31, 2024.

Workforce compensation	Eligibility	Amount
2024 LHCC Base Funding (if applicable)	Not applicable. In 2025, the CWELCC cost-based funding approach replaced routine funding, including LHCC Base Funding.	\$0
Provincial Wage Enhancement (WEG)	Yes, Base Wage plus LHCC Base Funding is less than the \$33.81 WEG cap.	\$2
Annual Wage Increase (WCF)	Yes, Base Wage plus LHCC Base Funding, plus WEG is \$25.50, which is less than the 2026 wage ceiling \$31.	\$4
Wage floor (WCF)	Yes, base wage plus LHCC Base Funding, plus WEG, plus the annual wage increase is \$29.50, which is less than the 2026 wage floor \$26.86.	\$1.86
Total		\$26.86

Appendix 6: 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 2026?
 - 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?
 - 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 part 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 is an illustrative format of the decision matrix described in this section. This will aid in guiding you through each decision point to determine cost eligibility under the 2026 CWELCC funding guidelines.

Figure 1. CWELCC cost eligibility assessment

