



Educators Matter:
Workforce Policy for Quality
Early Learning and Child Care

Wages, benefits and pensions

Policy recommendations developed by the National
Early Learning and Child Care Workforce Policy Table





Land acknowledgement

Child Care Now's office is located on the unceded Anishinaabe Algonquin territory but our organization is active on the lands—ceded, unceded and contested—across Turtle Island. As a national advocacy organization, Child Care Now respects and affirms the inherent and Treaty Rights of all Indigenous Peoples across the lands and waters with whom we strive to work in solidarity. Child Care Now commits to the Truth and Reconciliation's 94 calls to action to redress the legacy of residential schools and advance the process of Canadian reconciliation. We note, in particular, Call #12 which calls upon all governments to develop culturally appropriate early childhood education programs for Indigenous families.

About this project

This report was produced as part of “Educators Matter: Workforce Policy for Quality Early Learning and Child Care,” a three-year project (2023–2026) committed to advancing collective knowledge on Canada's early learning and child care (ELCC) workforce. The project will develop policy solutions that address the retention and recruitment crisis and support the implementation of a high quality Canada-wide ELCC system as a whole. This project is made possible through funding from a private foundation and made in memory of John and Susanne Graham.

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Table of Contents

About this report.....	4
Wage grids.....	5
Wage grid principles and implementation.....	5
Public funding.....	9
Process for setting wages.....	11
Scope of practice.....	12
Qualification recognition & access to education.....	13
Evaluation & accountability measures.....	15
Federal role.....	16
Federal funding allocations	16
Accountability	17
Programs in federal jurisdiction	17
Benefits & pensions.....	18
Structure of benefits & pension plans.....	18
Evaluation & accountability measures.....	21
Federal role.....	22
Programs in federal jurisdiction	22

About this report

The wage, benefits and pension recommendations were developed by the National Early Learning and Child Care Workforce Policy Table as part of the Educators Matter: Workforce Policy for Quality ELCC project.

The recommendations focus on policies related to determining wages, health and dental benefits and pensions on both a provincial/territorial and federal level. The recommendations are designed to develop a shared consensus and vision for moving forward in these policy areas across the country, while recognizing that each jurisdiction has its unique policy context. These recommendations are the first in a series to be published by the Workforce Policy Table.

The policy context has been updated as of November 2024.

About the Policy Table

The National ELCC workforce Policy Table consists of members from diverse roles within the Canadian ELCC sector, including ECE professional associations, operators, post-secondary institutions, labour, sector councils, policy research, and representatives from Indigenous communities. A full list of members can be found on the [Educators Matter project page](#).

Wage grid principles and implementation

A wage grid sets out the required wages and pay levels for employees. Wage grids in the early learning and child care sector are most often based on factors such as qualifications and years of service. Existing provincial and territorial ECE wage grids vary with respect to the wage rates, the wage grid structure, and other implementation details.

All provinces and territories have acknowledged that early childhood educators (ECEs) are paid too little. Government solutions to the problem have ranged from a fully funded wage grid to ad hoc wage supplements. As of November 2024, Northwest Territories, Nunavut, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador all have implemented some form of ECE wage grid covering some job classifications. Prior to the start of the Canada-wide Early Learning and Child Care program (CWELCC) in 2021, Prince Edward Island had introduced a provincially funded wage grid for the province's designated Early Year Centres. In Quebec, for many years, wage grids for the directly publicly funded child care sector were (and still are) set through a combination of government intervention and collective bargaining.

Prior to CWELCC, British Columbia, Northwest Territories, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador all had some type of publicly funded wage enhancement, usually restricted to early childhood educators, and usually taking the form of a few dollars per hour paid on top of the educator's base wage set by the employer.

Yukon Territory, British Columbia and Saskatchewan have committed to implementing wage grids before 2025–2026, and each is at a different stage of development. Alberta and Ontario are the only provinces that have not committed to developing and implementing a wage grid. Alberta has continued its existing wage enhancement programs, and Ontario introduced a new wage floor for Registered ECEs and an additional \$1/hour top-up for those making under \$25/hour, with the upper eligibility threshold increasing annually.

Policy Table members and many others have concerns with various aspects of the new wage grids announced since the start of CWELCC. The foremost concern is they fail to compensate educators sufficiently for their education, experience, and skills, and the wage rates are still too low, especially relative to other economic sectors including the public education sector.

Some additional criticisms raised about existing provincial/territorial wage grids include:

- They do not adequately recognize and remunerate non-traditional qualifications, and particularly fail to recognize the importance of Indigenous language speakers and knowledge keepers in early learning and child care (ELCC) programs.
 - Staff who already earn higher wages than the grid maximum are ineligible for other general wage increases that others receive, such as cost of living increases.
 - The base/starting wage is very low, and in most (perhaps all) provinces will make recruitment of new staff more difficult.
 - The Manitoba wage grid sets out a start rate and target rate, and is not mandatory.
- There are not significant enough wage differentials between classifications which remove monetary incentives to further post-secondary education; similarly, the differential between levels of experience is too narrow to incentivize retention.
 - In some cases, undergraduate degrees in early childhood are not properly recognized in the wage grid or compensated additionally through wage enhancements.
 - Furthermore, no province/territory recognizes graduate studies in their wage grids, and individuals with advanced degrees are not incentivized to remain working in child care.

Also, it has been noted by many that the implementation of wage grids only for educators who work in CWELCC programs hasn't eliminated wage differentials within the broader ELCC sector. For example, wage gaps remain between educators covered by wage grids and those who are not, such as family resource centres or schools. In this respect, wage grids by themselves don't necessarily eliminate wage competition between all educators.

The Policy Table recommends that every province and territory implement a wage grid based on the following fair and equitable wage principles:

1

Those employed in the licensed ELCC sector funded through CWELCC should be covered by a provincially set wage grid that establishes a competitive entry-level wage and outlines wage rates based on years of experience, qualifications, and job responsibilities.

2

Wage rates in the grids should be competitive with those in other sectors and determined through fair and appropriate wage comparisons. They should also ensure that all employed in the CWELCC-funded sector are paid a decent wage relative to the cost of living.

3

Mechanisms should be established for those who work in the ELCC sector to negotiate compensation systems and wage rates, in line with the Supreme Court's ruling that the right to collective bargaining is a Charter right.

4

When wage grids are first introduced, employees who are currently paid at or above the maximum rate for their classification should be eligible to continue to receive the same general wage increases as others. The number of these "legacy" employees in this situation will shrink over time.

5

The wages set out in wage grids should apply to all hours worked and to all wage-related compensation and benefits including but not limited to sick leave, vacation, statutory holidays, pensions, and all pay-replacement programs such as paid parental leave, long-term disability, etc.

6

Indigenous knowledges and experiences should be recognized and compensated through a process guided by Indigenous elders and knowledge keepers.

7

Wage grids should recognize formal education alongside the knowledge and experience of ethno-cultural groups.

8

Wage grids should recognize and compensate for education beyond diplomas to include Bachelor's degrees and advanced degrees (Master's degrees and Doctoral degrees).

9

Family child care providers should receive equitable wage compensation regardless of their employee status.

10

Wage grids should be reviewed annually and rates of pay increased to align with the compensation of ECEs and child care workers who work in schools or other higher-paying settings in similar scopes of practice.

11

Wage grids should be reviewed annually and adjusted upwards to keep pace with inflation, cost of living and be competitive with comparable sectors.



Public funding

Wage grids and supplements are implemented through a variety of mechanisms across Canada. In some provinces, the wage grid sets a minimum wage but employers can pay more, while in others, the provincially set wage grids mandate specific rates of pay.

The degree to which the implementation of wage grids is funded varies across provinces. In New Brunswick, the province does not publicly fund the full amount of the required minimum wage per level, and the wage grid sets out the portion the government will fund. In Newfoundland and Labrador, the wage grid (and public funding to cover the wage bill) applies only to hours worked. Operators now providing paid sick leave are having to find money to pay the benefit and some are considering cutting it. Manitoba has released a wage grid that is not mandatory and that sets out two wage rates for each classification: a “starting point” and a “target” wage rate without setting out pay rates for salary steps between the two.

Funding shortfalls mean that programs are not in a position to pay the compensation of higher qualified staff.

While providing a structured framework for determining pay scales, wage grids can pose challenges for recruitment and retention if the wages set within the grids fail to properly compensate workers competitively. When programs are not required to uniformly apply wage grids, and not properly funded to do so, employers that can find other funds to pay staff more have a significant advantage in attracting and retaining workers. Some recruit staff from centres that have fewer means.

For wage grids to be successfully implemented, the Policy Table recommends provincial and territorial governments:

1

Ensure that public funding for wages is fully integrated into an overall child care funding formula.

- Funding formula must recognize that staffing is the largest expense for child care programs and allow funding for staff above minimum ratios and staff non-contact time.
- Funding formula should be structured so as to incentivize hiring more qualified staff.
- Regulatory requirements for qualified staff should be at a group level, rather than just the centre/program level to require operators from hiring more qualified staff.

2

Mandate employers' adoption of provincial/territorial wage grids as a condition of receiving public funding.

- A wage scale within a robust and integrated funding formula will help prevent profit-making at the expense of educators and other staff, and ensure equity among educators and other staff across different auspices.

Process for setting wages

Provinces and territories that have wage grids or new wage supplements have not been required to co-develop compensation frameworks with the sector through formal mechanisms. In some jurisdictions, governments consulted the sector but ultimately made the wage changes unilaterally. This process of developing wage grids is unique to the ELCC sector: There is no other primarily publicly funded sector in Canada that sets wages by public policy without some kind of “collective bargaining” or other legal process in place.

The Policy Table recommends provincial and territorial governments:

- 1 Formalize processes to engage sector representatives, including ECEs, operators, ECE associations, and relevant stakeholders in developing wage grids and compensation policies.
- 2 Explore the development of concrete mechanisms for unionized and non-unionized ECEs and child care workers to negotiate and determine their wages, such as wage boards or sectoral bargaining.
- 3 Engage with Indigenous knowledge keepers and elders to integrate Indigenous and other ethno-cultural groups' knowledges and experiences into wage grids.



Scope of practice

The scope of practice refers to the range of responsibilities, duties, and activities that an ECE or assistant is trained, qualified, and authorized to perform within child care settings. It is often defined by legislation, professional associations, and sometimes by regulatory bodies (for example, the College of Early Childhood Educators in Ontario).

In the context of ELCC, scope of practice may include: educational activities, child development, health and safety, support needs, family engagement, community interactions, professional development, supervisory responsibilities and program leadership. Clearly defining the scope(s) of practice helps to delineate the roles and responsibilities of ECEs and child care workers at different levels, ensuring that each individual is appropriately compensated for their work and skills.

Current wage grids are based on qualifications and years of experience, but can still result in a disconnect between compensation levels and the scope of practice of ECEs and child care workers. Without clear job descriptions, child care staff may be assigned similar responsibilities while being paid differently on the wage grid only according to their levels of qualifications. Wage grids that fail to reflect the actual scope of practice can lead to unfair levels of compensation for ECEs and child care workers, causing stress and tension in the workplace.

Qualification recognition and equitable access to education

Increasing the level of education of those who work in the ELCC sector improves the quality of programs which is one reason why it is important that wage grids incentivize employees to upgrade their formal levels of education. However, if access to post-secondary education and professional learning is not equitably accessible, quality of programs becomes uneven and compensation becomes inequitable. Making post-secondary education and professional learning more accessible is therefore essential.

Many provinces and territories are already providing financial support to encourage enrollment in post-secondary ECE programs. These initiatives typically include tuition reimbursement, bursaries, and scholarships, aimed at reducing financial barriers and incentivizing retention in the sector.

To target specific populations, some programs offer cultural bursaries or prioritize individuals from marginalized groups. Additionally, programs exist to support those already working in child care to upgrade their qualifications. These programs may cover tuition, lost wages, and other associated costs. To address increased demand for child care, provinces and territories have also expanded the capacity and delivery models of ECE programs. This includes introducing new programs, expanding existing ones, and offering accelerated and online options.

The Policy Table recommends that the federal government work with every province and territory to improve access to ELCC post-secondary education and ongoing training programs through the following initiatives:

1

Subsidize tuition and costs associated with pursuing post-secondary education for those in need while having mechanisms to retain them in the field.

- Acknowledge that the long-term solution for retention of new graduates would be to provide fair and equitable wages and decent working conditions.

2

Implement paid placements policies to create a steady income and sustained employment for students pursuing post-secondary education in ECE.

3

Assist operators to support staff participation in additional post-secondary and workplace training by subsidizing associated costs, such as paid professional learning time and hiring replacement staff. Examples of such programs are the Staff Replacement Grant in Manitoba and the Steps to Success in Prince Edward Island.

4

Wage grids should fund non-contact time for in-service, continuous learning to facilitate those already working in the sector to upgrade their knowledge and skills and support non-contact pedagogical conversations and programming.

Evaluation and accountability measures

Of the provinces that do have wage grids or new wage enhancements, there has been limited public information published so far about the distribution of wage rates across the sector, or public evaluation about the impact these increases have had on recruitment and retention rates. There is a need for public data that responds to the important evaluation questions on the policy changes taking place.

Specifically:

- 1 Implement robust evaluation and accountability measures to assess the effectiveness of wage grids in attracting, retaining and supporting a high quality workforce.
- 2 Monitor and report regularly on the implementation of wage grid policies, with a focus on identifying areas for improvement and addressing any shortcomings in the system.
- 3 Provinces should publicly release wage data, showing the number of ECEs and staff of each level in licensed child care, and their wage rates on the wage scale.
- 4 Collect data on ECE labour mobility and the effects of compensation policies on mobility, specifically looking into what fields are ECEs leaving child care for.



Federal role

The federal government became an important partner in child care funding and policy since the announcement in 2021 of the Canada-wide early learning and child care system and its associated funding commitment of \$30 billion over five years.

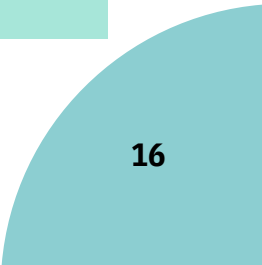
As new funding agreements under the Canada-wide system began to be signed in the summer of 2021, it became evident that the federal government was hesitant to be prescriptive with respect to labour practices and wages (unlike its approach to parent fees), and the commitments in the agreements to the workforce vary widely based on the provincial or territorial government's

appetite for workforce policy change. However, the federal government continues to have an important role in negotiating provincial and territorial action plans, which lay out how federal funds are allocated in each jurisdiction. As of September 2024, several provinces and territories have released their second round of action plans detailing their plans until March 2026.

In order to ensure federal funds are used effectively to facilitate recruitment and retention of the ELCC workforce, the Policy Table recommends the following measures:

Federal funding allocations

- 1 Transfer to provinces, territories and Indigenous governments dedicated and long-term funds to support standards of working conditions, including fair wage grids. Seek provincial and territorial government commitments to match the federal contributions for the ELCC workforce.
- 2 Provide additional funding to Indigenous communities to compensate for federal underfunding of Indigenous communities.
 - Ensure that funding for Indigenous governments is aligned with, and respects, the right of Indigenous Peoples to self-determination.
- 3 Establish federal guidelines or standards for wage grids in collaboration with provinces and territories to ensure consistency and fairness across the country.
 - Clearly define the components and expectations of wage grids at a federal level.



Accountability

4

Provincial and territorial governments that accept federal transfers to improve compensation and/or meet specified standards must be required to report to the federal government and to the public on how the federal funds are spent in alignment with Section 7 (1) (d) of the Canada Early Learning and Child Care Act.

5

Implement mechanisms to evaluate all the workforce initiatives led by provincial and territorial governments.

6

Facilitate the sharing of wage data, best practices, and successful models among provinces and territories to foster informed decision-making and enhance implementation efforts.

Programs in federal jurisdiction

There are several streams of child care programs that are directly funded by the federal government. These include Care for Newcomer Children programs, Aboriginal Head Start, and other child care services covered under the Indigenous Early Learning and Child Care Framework.

7

The question of how to best develop compensation principles for federally funded Indigenous ELCC programs should also be explored in a way that ensures principles of self-determination.

8

Other federal programs such as Care for Newcomer Children should be funded robustly in alignment with federal guidelines for wage grids for qualified staff.

Structure of benefits and pension plans

Benefits are crucial for the recruitment and retention of the ELCC workforce, yet access varies widely across Canada. While some provinces have introduced benefits and pension plans through the Canada-wide ELCC agreements, most ECEs and child care workers lack these essential supports.

Prior to Canada-wide agreements, benefits were generally left up to individual employers (as opposed to governments) and the percentage of ECEs with benefits and/or pension plans varies across and between jurisdictions. Provincial ECE associations in British Columbia, Alberta, Manitoba, Prince Edward Island and the Ontario Coalition for Better Child Care all have a history of offering benefits packages in which their centre members can enroll and provide the benefits package to their employees.

Manitoba introduced pension support in 2010, offering funding to reimburse centres' contributions to registered pensions plans for employees. Both Nova Scotia and Prince Edward Island are introducing pension plans for ELCC staff in 2024. PEI is committed to offering a defined contribution plan, while Nova Scotia has begun to provide a defined-benefit pension plan for those working in licensed centre-based child

care. Manitoba, Prince Edward Island and Nova Scotia all also have RRSP contribution programs for licensed home-based child care providers.

Additionally, Nova Scotia also has implemented an extended health and dental benefits plan for all employees of licensed child care. Yukon Territory and Prince Edward Island both provide funding to centres for employer-chosen health and dental benefits and Newfoundland and Labrador has recently committed to developing a province-wide extended health plan. Prince Edward Island and Nova Scotia also provide grants for licensed home child care providers to purchase their own health and dental benefits.

These select provinces and territories have committed to some form of benefits and pension plans in their CWELCC agreements, but most provinces and territories have not and have no plans to do so.

Without province/territory-wide benefits and pensions plans, whether an ELCC employee has health benefits and retirement savings at all, and the details of their coverage, is contingent on the will, as well as the operational and financial capacity of their employer. This creates inequity in the sector and means many educators are retiring without significant savings from years of low income-earning and without any retirement benefits.

The ELCC Workforce Policy Table recommends:

1

All employees working for licensed child care should be covered by a province/territory-wide defined benefit pension plan.

- Employer pension contributions should be funded by the provincial/territorial government.
- There should be a supplementary retirement allowance paid to employees who retire with five or less years of pensionable service, such as the Years of Service grant in Prince Edward Island.

2

All employees working for licensed child care should have access to a comprehensive health and dental benefits plan with contributions based on expert recommendations. If insured coverage for part-time or casual employees is impossible to obtain, alternatives such as payments in lieu of benefits should be pursued. Benefits should be competitive with other public sectors.

- All employees, regardless of age or health status should be covered by extended health care plans. Health care plans should not be limited to a certain age, especially in the context of no mandatory retirement age.

3

Employers should not be allowed to opt out of the province-wide health and pension plans unless they can demonstrate membership in equivalent or better plans.

- Where employees are covered by a group benefit and/or pension plan, employees should be allowed to decide by majority vote whether or not to stay with their existing plans or change to the province-wide plans.
- Membership in plans should be required of all employees who qualify for membership.

4

Wages for all eligible employees should be increased to offset the costs of the employees contributions to the plans.

5

Possibilities should be explored for alternative compensation options for family child care providers, whose pension and benefits options are limited due to their non-employee status.

- In the interim, regulated family child care providers and agencies should receive grant funding to purchase their own health benefits and support their contributions to a Registered Retirement Savings Plan.

6

Increase awareness and understanding of benefits and pension policies among child care employees and employers to help individuals form educated opinions and make informed decisions about their retirement savings and health care needs.

Note: These policy recommendations focus specifically on improving health and dental benefits and pensions. Other benefits attached to workplace compensation, such as paid sick leave, vacation and disability support, will be addressed in future work.

Evaluation and accountability measures

Some provinces have begun to collect data about current benefit and pension programs offered, but there is no nation-wide data about how many ECEs and child care workers currently have access to benefits and a pension. As pension and benefit plans and programs are implemented or continue to operate, there is a lack of public evaluation focusing on metrics such as average pension benefits paid on retirement and their impact on retention and recruitment.

The Policy Table recommends that province and territories:

1

Establish data collection mechanisms to track the availability and uptake of benefits and pension plans among the ELCC workforce to evaluate uptake and effectiveness of new and existing policies and programs.

Federal role

A few provinces and territories have included pension or benefit commitments in their agreements, but it has not been a requirement in order to receive federal funds thus far.

In [Budget 2024](#), the federal government called on provinces and territories to “ensure that the early childhood educators who instruct and care for our country’s youngest are fairly compensated for the important work they do. This should include the creation of robust pension regimes.” This suggests that there is an opportunity for more focus on pensions and benefits in the next round of provincial/territorial Action Plans.

The Policy Table recommends that the federal government:

1

Establish national standards and guidelines for benefits and pension packages for ELCC workforce in collaboration with provincial and territorial governments, along with relevant stakeholders. These standards should outline the minimum requirements for health and dental benefits, as well as pension plans, ensuring consistency and comparability across the country.

2

Require the provinces and territories to develop pension and benefit plans in their next CWELCC action plans and/or agreements.

3

Employees of federally funded programs, such as Care for Newcomer Children and Aboriginal Head Start programs that are not provincially licensed should also have access to a federally funded pension program, and a health benefits plan.

Programs in federal jurisdiction