

**Ministry of Long-Term Care  
LTC Personal Support Worker (PSW) Temporary Wage Enhancement (TWE)  
Questions and Answers**

**December 2020**

**Eligibility**

**1. Who is eligible for temporary wage enhancement in a Long-Term Care (LTC) home?**

Any PSW is eligible for the TWE (full-time, part-time or casual workers) if they were:

- a) hired as a PSW in accordance with the requirements set out in section 47 of the O. Reg. 79/10 under the *Long-Term Care Homes Act, 2007*; or
- b) hired under O. Reg. 95/20: Streamlining Requirements for Long-Term Care Homes, under the *Reopening Ontario (A Flexible Response to COVID-19 Act) 2020*, provided it was clear the individual was hired as a PSW.

This includes PSWs who work at for-profit, not-for-profit or municipally operated homes as well as those who are employed through staffing agencies.

**2. Does this compensation increase apply to non-unionized employees?**

Eligible workers will receive TWE regardless of income or whether they are members of a union.

**3. Do ELDCAP beds fall under the LTC TWE policy?**

No, ELDCAP beds are not eligible under the LTC TWE policy. PSWs working in these settings may be eligible under the temporary wage enhancement initiative for hospitals.

**4. Is TWE only applicable to hours worked on-site at the LTC home?**

TWE is applicable to hours worked during the period commencing October 1, 2020 and up to and including March 31, 2021. This can include hours worked on-site or off-site.

**5. Is TWE payable for someone who needed to self-isolate due to potential exposure to COVID-19 and/or to staff home sick with COVID-19?**

TWE will not be provided for the time employees were not working for any reason, including:

- any authorized paid leave, including sick leave;
- any vacation period;
- time and benefits awarded under the *Workplace Safety and Insurance Act, 1997*.

**6. Is a newly hired front-line worker eligible to receive TWE? Are staff that worked during the qualifying TWE period but have since left the organization eligible?**

Yes, eligible employees who worked during the eligible period are eligible regardless if they are newly hired or have left the organization.

**7. Are employers required to provide TWE to eligible employees?**

Yes, employers must use the TWE funds as intended and outlined in the LTC Personal Support Worker Temporary Wage Enhancement Funding Policy document.

**8. LTC homes have paid volunteers honorariums to be screeners (\$15 per hour). Are paid volunteers eligible for the TWE?**

Volunteers are not eligible for the TWE. Only individuals that meet the eligibility requirements are eligible for TWE.

**9. Are students eligible for the TWE?**

Students being provided an hourly wage are eligible for TWE, provided they meet the eligibility requirements for TWE. Students participating in an unpaid placement or who are volunteers are not eligible.

**10. Are employees who are redeployed from other organizations eligible for TWE?**

Yes, redeployed employees who meet TWE eligibility requirements are eligible for TWE.

Where the direct (home) employer of the redeployed person has a TWE policy in place (such as a hospital or another LTC home), the direct employer will pay for the TWE for that employee.

Where the direct (home) employer does not have a TWE policy in place (e.g. a retirement home), the LTC home to which the employee is redeployed will pay for the TWE through an arrangement with the direct employer.

## **Third-Party Service Providers/Staffing Agencies**

### **11. Are PSWs working through staffing agencies eligible for TWE?**

Yes, PSWs hired through staffing agencies are eligible for TWE.

Where LTC licensees engage a third-party service provider that employs eligible staff to do eligible work for the LTC licensees, MLTC will provide TWE funds to the LTC licensees in respect of TWE for those eligible staff. The LTC licensees will then disburse the funds to the third-party service provider under an agreement that requires the third-party service provider to:

- Pay TWE to each eligible staff that the third-party service provider employs in accordance with the TWE calculations;
- Only use TWE funds for the purposes of paying eligible staff. TWE funds may not be used for administrative costs or any other purpose for which funds are provided to the third-party service provider;
- Commit in writing that the contracted staff is receiving the appropriate TWE amounts as outlined in this policy;
- Maintain records as outlined in the Long-Term Care PSW Temporary Wage Enhancement Funding Policy.

### **12. Would individuals who work under contract (self-employed) to provide services to an LTC home be eligible?**

Provided that they meet the eligibility requirements for TWE, all contract workers hired to provide services onsite to LTC homes are eligible. Similar to a third-party agency, the self-employed contract workers must invoice the LTC home. The LTC homes will then disburse the funds to the contract worker under an agreement that requires the contract worker to provide the information required as outlined in the Long-Term Care PSW Temporary Wage Enhancement Funding Policy.

**13. Is TWE payable on top of the agency rate (even if it already includes a 'premium/top-up')? Example: agency charges \$35 per hour ordinarily, but now charges \$40 per hour.**

TWE must be provided as intended to each eligible employee. LTC homes should work with their third-party agencies to ensure that public funds are being used to pay for the appropriate amount of TWE.

**14. Is the TWE only payable to agency staff whose agency submits an invoice to the LTC homes?**

LTC homes will pay third-party agencies for staff hired to work as PSWs in the LTC home during the eligible period. Invoices from third-party agencies must clearly indicate the number of hours worked per employee to ensure that the LTC home provides the appropriate funding to third-party agencies for each eligible employee.

LTC homes are encouraged to secure a commitment in writing from their respective third-party agencies that the eligible contracted staff is receiving the appropriate TWE amounts as outlined in the Long-Term Care PSW Temporary Wage Enhancement Funding Policy. Agencies will maintain and submit records to the LTC homes as outlined in this policy.

## **Funding and Payroll**

**15. Some employers have already begun offering additional compensation in order to address recruitment and retention and to maintain service delivery. Would employees receive TWE on top of this?**

Eligible employees will receive TWE regardless of their income or other employer-supported initiatives.

**16. How was the funding per LTC calculated?**

A per-bed allocation methodology, which incorporates staffing information, was used to determine the funding amounts for each home.

**17. Are short-term, temporary or convalescent beds included?**

Yes, short-term, temporary and convalescent beds are included in the funding estimations for LTC homes.

## **18. How will the funding flow? On payment notices or separate payments?**

Payments to LTC home licensees will be provided in two instalments:

- December 2020: The first estimated instalment, equal to 75% of the LTC home's total 26-week allocation, was provided on December 10, 2020. The payment notice informed the home of the PSW Temporary Wage Enhancement amount.
- January 2021: The second estimated instalment will be provided in the scheduled monthly payment and will equal the remaining balance (or 25% of the LTC home's total 26-week allocation).

## **19. How does the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* (PSPSFGA) apply to the TWE?**

To the extent that there may be conflicts between the provision of this temporary wage enhancement and the requirements under PSPSFGA, this wage enhancement relies on an exception for temporary COVID-19-related payments set out in O. Reg. 195/20 under the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020* (ROA).

This ensures that eligible employers who are subject to wage moderation under the PSPSFGA are able to provide eligible PSWs with the temporary wage enhancement.

## **20. Because O. Reg 195/20 under the *Re-Opening Ontario Act, 2020* expires every 30 days, should homes suspend payment each 30-day period until we get confirmation that it has been extended?**

LTC homes should not suspend payments every month. The ministry will advise LTC homes if there is a change to the governance structure for this initiative.

## **21. What is included in the employer's share of mandatory contributions and entitlements?**

The temporary wage enhancement payments:

- are non-pensionable earnings (with the exception of CPP contributions)
- are not part of an employee's base salary
- have no impact on benefit plans provided by employers

- must be administered in accordance with the *Employment Standards Act, 2000* (ESA) and/or the applicable collective agreement(s) (ESA: <https://www.ontario.ca/document/your-guide-employment-standards-act-0>)

The provincial government will reimburse employers for the incremental increase in the cost of providing statutory deductions and contributions and with complying with statutory and contractual entitlements under the ESA and/or applicable collective agreements and/or employment contracts in relation to TWE. Roll up costs include:

- Statutory entitlements such as
  - Vacation Pay
  - Public Holiday Pay
  - Overtime
- Statutory contributions such as
  - Canada Pension Plan (CPP)
  - Employment Insurance (EI)
  - Employer Health Tax (EHT)

Some unions may not be collecting union dues on the TWE. Consult with your workplace bargaining agent to discuss their particular arrangements. Unless you receive specific direction from your union, you must continue to pay any union dues as required by your collective agreement

Salary-related benefits – such as life insurance coverage and long-term income protection – are not impacted by the TWE.

**22. Should we add \$3 to base rate for overtime pay or is this just on the regular pay? Example: a person earns \$29 per hour normally. On set hours (night, statutory holidays, or hours in excess of shift time) they are entitled to \$40 per hour. Is the \$3 on the \$40 per hour or on the base \$29 per hour?**

TWE will be calculated in accordance with the *Employment Standards Act, 2002* and/or the applicable collective agreement(s) (ESA: <https://www.ontario.ca/document/your-guide-employment-standards-act-0>).

The calculation for overtime pay depends on whether the employee is paid on an hourly basis, on a fixed salary, or has a fluctuating salary. Overtime pay calculations may also be affected by public holidays.

Example: Eligible worker A works 44 regular hours and 10 overtime hours at 1.5x premium (as per the ESA) in a single week.

- 44 hours x \$3/hr = \$132
- 10 overtime hours x (\$3/hr x 1.5x overtime premium as per the ESA) = \$45.
- Total TWE = \$177\*

\*This is not the complete overtime entitlement, just the TWE portion.

**23. Can the 26-week period (Oct 1, 2020 – Mar 31, 2021) be aligned to a home's payroll system?**

A: The 26-week period for TWE has been defined by government and cannot be changed to align with a home's payroll system.

**24. Is the TWE taxable income for the worker who receives it?**

Decisions on tax treatment rest with the federal government. Please contact the Canada Revenue Agency for more details.

**25. I proactively made payments to my employees, how do I handle discrepancies between what I paid and the subsequent funding policy? Can any difference be an eligible expense against COVID-19 Prevention and Containment funding?**

Employers who provided TWE between the announcement of TWE and the Transfer Payment Agreements being set up may be reimbursed for the cost of the eligible TWE. Only payments made per the ministry's TWE funding policy are eligible for ministry funding for TWE.

COVID-19 Prevention and Containment Funding cannot be used for TWE payments. Eligible expenses that fall under the COVID-19 Prevention and Containment funding may include extraordinary operating expenses incurred as a result of COVID-19 for:

- Providing immediate 24/7 health screening to ensure staff and visitors are not ill when entering the building, and to screen residents on an ongoing basis to provide early containment of any new infections.
- Prevention and containment activities, through hiring new staff to carry out the added workload for essential services and/or replacing workers who are sick or in isolation.
- Staffing recruitment and retention strategies (e.g. overtime pay, additional costs of converting part-time staff to full-time – including to enable them to work in one home only – as well as costs of back-filling staff on sick leave).
- Cleaning, equipment, and operating supplies beyond typical levels.

- Implementing infection control measures based on clinical evidence, advice by a physician or other regulated health practitioners with expertise in infection control.
- Supporting virtual care and services for residents and staff.
- Providing hotel or other accommodation to some staff to assist them in reducing travel or exposure to families.
- Any other incremental expenditures required for the rapid response to prevent and contain COVID-19 in a long-term care home.

COVID-19 prevention and containment funding is intended to financially support the necessary incremental expenditures and provide flexibility to prevent and contain COVID-19 and is not limited to specific expenditure categories.

**26. Should LTC homes use statutory vacation pay (i.e., 4% or 6%) or vacation pay based on collective agreement (could be upwards of 14%) to estimate vacation pay entitlements for TWE?**

TWE must be administered in accordance with the *Employment Standards Act, 2000* and the applicable employment contracts, including collective agreement(s).

The ESA sets out a minimum standard of 4% to be paid to employees (or 6% for employees with more than 5 years service) when they take vacation time, or on each pay period, or at some other time agreed to by the employer and the employee.

An employment contract or collective agreement may stipulate a higher percentage of vacation pay. Please note that each employer is responsible for determining and ensuring compliance with their legal obligations under applicable statutes and/or employment contracts (including collective agreements).

**27. We have a site with multiple settings, including independent living, retirement home and LTC home settings. Some of our staff work across these settings and only a portion of their hours are in the LTC home. How do we determine if they are entitled and how much they are entitled to?**

Staff hours worked by eligible employees in the LTC home are eligible for TWE and will be paid in alignment with the TWE policy in place for PSWs in long-term care. Eligibility for hours worked in other settings will be determined by the policies of each respective setting.



**28. If an employee receives statutory holiday pay as part of their percentage in lieu of benefits, do LTC homes have to calculate a separate statutory holiday pay for the extra premium amount?**

TWE must be administered in accordance with the *Employment Standards Act, 2000* and the applicable employment contracts, including collective agreement(s).

**29. Should the TWE be included on a Record of Employment (ROE)?**

The determination of income tax treatment, withholding and remittances, as well as treatment for Canada Pension Plan (CPP) and Employment Insurance (EI) is within the purview of the Canada Revenue Agency.

Employers should consult with their professional advisors and/or the Canada Revenue Agency regarding their CPP, EI and income tax withholding obligations. More information about ROEs can be found on the federal government's ROE webpage or by contacting the CRA.

**30. Should TWE be paid to employees on regular payroll cycles or can they be paid monthly or according to another schedule?**

LTC homes should endeavor to pay employees their TWE as soon as reasonably possible after receiving the funding from the government.

**31. What if the employee working in LTC has other eligible hours paid by another ministry? Do the hours worked in the LTC home get reported through the process outlined in the Long-Term Care PSW Temporary Wage Enhancement Funding Policy with the hours in other eligible workplaces getting reported through another mechanism?**

Yes, for the hours worked by the eligible employee in the LTC home, the LTC TWE is applicable. Programs funded by other ministries or by the federal government may have different criteria and requirements.

**32. Are agencies supposed to charge HST on the TWE or should those charges be exempt from tax?**

For TWE, LTC homes should follow the same process for HST as they normally would when they are billed by their service providers.

Eligible employers can submit a claim for HST costs as part of their final funding reconciliation documentation. A template will be provided that will ask eligible employers to outline the details of the HST costs they incurred and the tax credits and/or recoveries they are expecting to receive. The template will include an attestation from your organization's financial executive or external accountant (whichever is relevant) to ensure they have completed their due diligence on requested reimbursement for HST. The government will only consider reimbursement if there is a residual amount the employer must pay. If required, employers are expected to arrange and pay for their own tax advice.

For the purposes of payroll deductions and remittances, TWE should generally be treated the same by an employer as other amounts paid as salary or wages. Employers should consult with their professional advisors and/or the Canada Revenue Agency regarding HST and their CPP, EI and income tax withholding obligations. Please contact the CRA's general business enquiries at 1-800-959-5525.

**33. Some collective agreements allow workers to 'bank' hours (and associated pay) for statutory holidays. Are homes allowed to allocate this funding to the worker, but use it when the worker decides to use those banked hours?**

Matters related to funding and reimbursable costs need to be determined through the execution of the Transfer Payment Agreement with the ministry. In general, the timelines for when the TWE funds are actually paid is employer-dependent and will vary by employer.

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| <b>Reporting</b> |
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**34. Will LTC homes need to report on TWE outside of the planned 'in-year' reconciliation process? Example: will LTC homes need to report on the payment of TWE in the Annual Report?**

Yes, in addition to the planned "in-year" reports, homes will be required to report on the TWE as part of their audited LTCH Annual Report submission.

LTC homes are also required to submit two reports (Mid-Term and Final Report) to the MLTC according to the Long-Term Care PSW Temporary Wage Enhancement Funding Policy. The Mid-Term Report will cover two 6.5-week periods from October 1, 2020 up to and including December 31, 2020 and shall be submitted in January 2021. The final report will cover two 6.5-week periods from January 2021 up to and including March 31, 2021 and shall be submitted in April 2021.

Mid-Term and Final Report submissions shall be made through the MLTC HSI MI portal. A memo will be posted on LTChomes.net regarding the release of the report and timelines.

**35. The reporting template indicates that full-time is considered 30 hours a week. Most collective agreements consider 35 hours per week as full-time. This means part-time staff may be included in the full-time staff count. Is this correct?**

For the full-time category, please follow the rules as outlined in the homes' collective agreement.

**36. Is it a cumulative count of staff for the 13 weeks (doesn't matter if months vary)?**

Yes, count staff for each 13-week period.

**37. If a part-time employee works full-time during the eligible period, are they full-time or part-time in terms of classification?**

Please classify employees based on their hours worked during the 26-week period. For example, if a part-time employee worked full-time hours during the 26-week period, they should be classified as full-time, for reporting purposes. The definition of full-time may vary according to collective agreements.

**38. When can LTC homes expect to receive the funding difference if initial payments weren't enough?**

Reconciliation will occur after the Final Report is submitted (i.e., April 30, 2021) and should be expected in the applicable year.

**39. Should the total TWE spent include both the \$3 per hour and the employer contributions? What about TWE payment to agencies?**

Yes, please include the total amount paid for TWE, including the employer contributions and payment to agencies.

## More Information

### 40. Where can I find more information?

Additional information can be found at:

- <https://ltchomes.net/LTCHPortal/Login.aspx>

You can also contact the ministry at [MLTC.Correspondence@ontario.ca](mailto:MLTC.Correspondence@ontario.ca) if you have any further questions.