

Haug Companies Total and Comprehensive Package Offer 3 Provided to UFCW Local 663 on May 1, 2025

- 1) **Term of Contract (also Article 32: Term of the Agreement)** – three (3) year contract from the date of ratification* through March 4, 2028.

*Initial wage increase is retroactive for up to one week from the first Sunday after ratification if ratified after contract expires. If ratified May 8-9, wage increases would be effective Sunday, May 4, 2025.

- 2) **Wages**

Appendix B Minimum Meat Rates

Head Meat Cutter	\$31.44
Journeyman Meat Cutter	\$30.44
Modified PT Meat Cutter *	\$20.00

* Upon successful completion of a twelve (12) month program, Modified PT Meat Cutter will move to Full Time Classified Assistant.

Meat Helper	
Step 1 (Hire to Year 1)	\$21.00
Step 2 (Year 2)	\$22.75
Step 3 (Year 3)	\$24.50
Step 4 (Year 4)	\$26.25
Step 5 (Year 5 and after)	\$29.33

Service Meat Employees	
0-6 Months	\$18.00
6-12 Months	\$19.00
1-2 Years	\$20.00
2-3+ Years	\$26.55

Employees that are at or above the top of scale will receive the following increases:

	Effective Upon Ratification *	3/1/2026	3/7/2027
Head Meat Cutter	\$1.00	\$1.00	\$1.00
Journeyman Meat Cutter	\$1.00	\$1.00	\$1.00
Modified PT Meat Cutter	\$0.65	\$0.65	\$0.65
Meat Helper	\$1.00	\$1.00	\$1.00

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Service Meat Employee	\$1.00	\$1.00	\$1.00
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*Initial wage increase is retroactive for up to one week from the first Sunday after ratification if ratified after contract expires and is effective early if ratified before contract expires.

Appendix C Minimum Grocery Rates

Assistant Manager	\$30.33
Produce Department Head	\$30.33
Frozen Department Head	\$30.33
Bookkeeper or Head Cashier	\$30.33
Delicatessen Department Head	\$30.33
Company Designated (up to 3 per store)	\$30.33

	FT Food Handlers & Pharmacy Employees*	Retail Specialists	Classified Assistants*
Step 1 (Hire to Year 1)	\$21.00	\$17.00	\$19.33
Step 2 (Year 2)	\$22.75	\$17.50	\$20.33
Step 3 (Year 3)	\$24.50	\$18.00	\$21.10
Step 4 (Year 4)	\$26.25	\$19.00	\$22.00
Step 5 (Year 5)*	\$27.79	\$19.80	\$24.67
Step 6 (Year 6+)	\$29.33	\$22.80	\$27.33

*FT Food Handlers & Pharmacy Employees and Classified Assistants must complete step 5 only if they were hired after ratification

Employees that are at or above the top of scale will receive the following increases:

	Effective Upon Ratification *	3/1/2026	3/7/2027
Assistant Manager	\$1.00	\$1.00	\$1.00
Produce Department Head	\$1.00	\$1.00	\$1.00
Frozen Department Head	\$1.00	\$1.00	\$1.00
Bookkeeper or Head Cashier	\$1.00	\$1.00	\$1.00
Delicatessen Department Head	\$1.00	\$1.00	\$1.00
Company Designated (up to 3 per store)	\$1.00	\$1.00	\$1.00
FT Food Handlers & Pharmacy Employees	\$1.00	\$1.00	\$1.00

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Retail Specialists	\$1.00	\$1.00	\$1.00
Classified Assistants	\$1.00	\$1.00	\$1.00

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Appendix D All Part-Time Minimum Rates

	Years	
Step 1	0-1	\$13.75
Step 2	1	\$14.00
Step 3	6 Months	\$14.50
Step 4	6 Months	\$15.00
Step 5	6 Months	\$15.50
Step 6	6 Months	\$16.00
Step 7	6 Months	\$16.75
Step 8	6 Months	\$17.25
Step 9	6 Months	\$18.00
Step 10	6 Months	\$19.10

Employees that are at or above the top of scale will receive the following increases:

	Effective Upon Ratification *	3/1/2026	3/7/2027
All Part-Time Positions	\$0.65	\$0.65	\$0.65

*Initial wage increase is retroactive for up to one week from the first Sunday after ratification if ratified after contract expires and is effective early if ratified before contract expires.

3) **Article 15: Health and Welfare:**

- A. Health & Welfare Fund: The Minneapolis Retail Meat Cutters and Food Handlers Health and Welfare Fund (the “Fund”) is jointly administered by Union Trustees and Employer Trustees. The Employer is bound by the existing Trust Agreement covering the Fund and any amendments thereto to the extent they do not conflict with this Agreement. The Employer agrees to pay into the Fund contributions on behalf of any employee who meets the eligibility criteria outlined below. The benefit plans are as agreed upon by the Employer Trustees and Union Trustees and will remain in effect for the life of the Agreement except as may be modified by agreement of a majority of the Board of Trustees, which shall not conflict with the eligibility terms of this Agreement.**

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- B. Benefit Commencement:** Benefit commencement shall remain as it was during the 2023-2025 agreement through December 31, 2025. Effective January 1, 2026, newly eligible employees that elect coverage specified in Article 15(D) under the Minneapolis Retail Meat Cutters and Food Handlers (MRMC) Health and Welfare Plan (the “H&W Plan”) shall have coverage commence the first day of the calendar month following the calendar month the Fund receives contributions on the employee’s behalf.
- C. Benefit Elections:** The H&W Plan Administrator shall administer the benefit election process directly with employees for newly eligible employees, open enrollment, and qualified mid-year election changes. Newly eligible employees shall have 30 days to make their benefit elections from the date they begin employment in an eligible classification.
- D. Benefit Coverage Options:**
- Full-time employees are eligible to elect one of the following tiers of coverage: Single, Single and Spouse, Single and Child(ren), Family, or Ancillary.
 - Through December 31, 2027, modified part-time employees are eligible to elect one of the following tiers of coverage: Single or Single and Child(ren). Employees who wish to purchase Single and Child(ren) coverage will be required to contribute the difference in premiums between Single and Single and Child(ren) coverage with the Employer’s contribution capped at the Employer’s portion of the Single coverage rate. Starting January 1, 2028, modified part-time employees are eligible to elect any tier of coverage: Employees who wish to purchase coverage other than Single will be required to contribute the difference in premiums between Single and the tier of coverage that they elect, with the Employer’s contribution capped at the Employer’s portion of the Single coverage rate.
 - All other part-time employees (including courtesy and custodial employees) are eligible to elect Ancillary benefits (e.g., Doctor on Demand, Dental, Vision, Life, and AD&D) that provide single coverage for themselves.
- E. Open Enrollment:** Pursuant to the H&W Plan rules, eligible employees will annually have the opportunity to elect or change coverage under the H&W Plan effective the following January 1. Should an eligible employee elect or change coverage during the annual open enrollment period, the Employer must begin contributions in December, so long as the employee had actual hours worked in November, for coverage to begin January 1. Employees who are already enrolled and do not need to modify their coverage election in H&W Plan do not need to take any action during the annual open enrollment period to continue their existing coverage. Open enrollment for Health & Welfare and Ancillary benefits will occur annually. The H&W Plan Administrator shall notify the Employer of all new or changed benefit elections no later than October 15. The Employer shall cooperate with the Fund Office in providing the Fund Office with eligible employee information to allow for enrollment to be conducted by the Fund Office during periods of open enrollment and as employees become eligible for coverage during the year.

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- F. Qualifying Life Event:** Pursuant to the H&W Plan rules, eligible employees will have the opportunity to elect or change coverage under the H&W Plan should they experience a qualifying life event in accordance with applicable law.
- G. Benefit Contributions:** The Employer agrees to contribute to the Fund as it did during the 2023-2025 agreement through December 31, 2025, but at the employer and employee rates set forth below. Effective January 1, 2026, the Employer agrees to contribute to the Fund for employees electing coverage on the basis of employee classification as follows:
- Full-time employees for each week the employee actually worked, was on FMLA, or received compensation required by this Agreement for vacation, bereavement leave, jury duty, or holidays; with contributions commencing in the first full week of the first month following the month the employee was hired or moved into that classification.
 - Modified part-time employees for each week the employee actually worked, was on FMLA, or received compensation required by this Agreement for vacation (for those modified part-time employees with five (5) years or more service with the same Employer), bereavement leave, jury duty, or holidays; with contributions commencing in the first full week of the first month following the month the employee was hired or moved into that classification.
 - All other part-time (including courtesy and custodial employees) for each week the employee actually worked, was on FMLA, or received compensation required by this Agreement for vacation (for those part-time employees with two (2) years or more service with the same Employer), bereavement leave, jury duty, or holidays; with contributions commencing the first full week of the second month following the month the employee was hired or moved into that classification.

The Employer may, at its option, begin contributing to the Fund earlier than required so as to provide coverage sooner than as prescribed above.

Benefit contribution rates are as follows:

Weekly Health & Welfare Cost

<u>As of first reporting period following ratification</u>	<u>Employer Cost</u>	<u>Employee Cost</u>	<u>Total Benefit Cost</u>	<u>Employer %</u>	<u>Employee %</u>
FT – Family	\$247.82	\$40.00	\$287.82	86.1%	13.9%
PT Mod. – Single Only	\$148.84	\$20.00	\$168.84	88.2%	11.8%
Ancillary	\$5.76	\$1.00	\$6.76	85.2%	14.8%

<u>As of 1/1/2026</u>	<u>Employer Cost</u>	<u>Employee Cost</u>	<u>Total Benefit Cost</u>	<u>Employer %</u>	<u>Employee %</u>
FT – Family	\$247.82	\$40.00	\$287.82	86.1%	13.9%
PT Mod. – Single Only	\$148.84	\$20.00	\$168.84	88.2%	11.8%

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Ancillary	\$5.76	\$1.00	\$6.76	85.2%	14.8%
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As of 1/1/2027	Employer Cost	Employee Cost	Total Benefit Cost	Employer %	Employee %
FT – Family	\$247.82	\$40.00	\$287.82	86.1%	13.9%
PT Mod. – Single Only	\$148.84	\$20.00	\$168.84	88.2%	11.8%
Ancillary	\$5.76	\$1.00	\$6.76	85.2%	14.8%

As of 1/1/2028	Employer Cost	Employee Cost	Total Benefit Cost	Employer %	Employee %
FT – Single	\$148.73	\$16.53	\$165.26	90.0%	10.0%
FT – Single + Spouse	\$304.91	\$33.88	\$338.79	90.0%	10.0%
FT – Single + Children	\$297.47	\$33.05	\$330.52	90.0%	10.0%
FT – Family	\$513.13	\$57.02	\$570.15	90.0%	10.0%
PT Mod. – Single Only	\$148.73	\$16.53	\$165.26	90.0%	10.0%
Ancillary	\$6.70	\$0.75	\$7.45	90.0%	10.0%

A pre-tax plan for employee contributions will be implemented by the Employer. If an employee at any time ceases to allow the Company to deduct the employee's share of the Fund contributions the Company will no longer be required to make contributions to the Fund on the employee's behalf. The Employer and employee will not have to pay contributions into the Fund should the employee not elect benefit coverage.

The Employer shall not be responsible for any additional benefit costs for the term of this Agreement.

- H. **Termination of Contribution at Employment Separation:** Upon end of employment, regardless of reason (e.g. retirement, layoff, termination), the final contribution remitted to the Fund on the former employee's behalf shall be in the calendar month following the month in which the employee last incurred actual hours worked.
- I. **Remittance:** The Employer will remit contributions to the Fund each month on the date specified by the H&W Plan Administrator. The Employer will collect the Employee contribution for each week an employer contribution is due if the Employee was given a paycheck for the payroll period with sufficient net earnings to pay the Employee contribution. If the Employer did not issue a paycheck to the employee or the employee's paycheck does not have sufficient net earnings to pay the employee contribution, then the employee is responsible for remitting the employee contribution directly to the Fund.

Remove Appendix E.

4) **Article 14: Pension –**

1. The Minneapolis Retail Meat Cutters and Food Handlers Pension Fund (the Legacy Plan) will be frozen for all accrued benefits after February 28, 2019. Existing Legacy Plan participants will

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continue to earn vesting service and credited service for benefit eligibility purposes pursuant to the terms of this Article.

2. The Employer shall continue to make contributions to a Legacy Plan **that requires contributions to increase by 8.8% effective March 2, 2025; 8.8% effective March 1, 2026; 8.8% March 7, 2027** for all active employees in classifications for whom they have previously made contributions to the Legacy Plan and for future active newly hired employees (who are in classifications for whom contributions have been made under the Legacy Plan pursuant to the prior CBA—March 5, 2023 to March 1, 2025) who are participants in the Variable Annuity Plan (VAP) Plan. Specifically, the employer contribution rates to the Legacy Plan will increase according to the following schedule:

Weekly Contribution Rates	Effective March 2, 2025	Effective March 1, 2026	Effective March 7, 2027
Full-time:	\$182.31	\$198.35	\$215.80
Part-time:	\$59.46	\$64.69	\$70.38

The Employer does not believe that the Board of Trustees would need individual employer business information in order to adopt two actuarially equivalent Rehabilitation Plan schedules with different rates. However, if the Employer would need to provide information that it deems sensitive in order to facilitate a Rehabilitation Plan that allows the above contributions, it may refuse to provide such information, and if required to pay more than the above contributions, the Employer may unilaterally reduce employee wages accordingly, and will bargain with the Union over the effects of such reductions.

The Full-time Contribution Rate amounts referred to in this Article shall be paid on behalf of all applicable employees as defined above for each week when such employee has worked thirty-two (32) or more hours excluding hours worked on Sundays and holidays, except for floating and banked holidays.

The Part-time Contribution Rate amounts referred to in this Article shall be paid on behalf of all applicable employees as defined above (excluding retirees who are receiving a UFCW Local 663 pension, Courtesy and Custodial and Group 3 part-time employees) who have worked less than thirty-two (32) hours per week (excluding hours worked Sundays and on holidays).

The Employer agrees to make contributions to the same pension fund on behalf of its Classified Assistants and Retail Specialist employees on the same basis as provided **above for full-time employees**, provided that in the case of these employees, hours worked on Sundays (but not holidays, other than floating and banked holidays) shall be counted in calculating the amount of the contribution to be made for each week.

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In the event that a modified part-time or regular part-time employee, on whose behalf a Legacy Plan pension contribution was being made, retires, quits or is terminated and is not replaced, then the Employer will pay a contribution on behalf of the most senior Group 3 part-time employee at the rate in Paragraph 2 above. The intent of this provision is to maintain Legacy pension funding for the life of this contract. This provision will not be applicable, however, in the event of a store closure.

4. Employers will make contributions to the Variable Annuity Pension Plan (VAP Plan) for all current active employees and future active newly hired employees in classifications for whom contributions have been made under the prior CBA. The following Employer contribution rates will be made to the VAP Plan:

Weekly Contribution Rates	Effective January 1, 2024	Effective March 2, 2025	Effective March 1, 2026	Effective March 7, 2027
Full-time:	\$38.58	\$38.58	\$38.58	\$38.58
Part time:	\$14.94	\$14.94	\$14.94	\$14.94

5. All current active and future active employees (excluding Group 3 Part-time, Courtesy/Clean Team and Retirees who are receiving a Legacy Plan pension) are eligible for coverage under the VAP Plan. All current active employees will bridge their vesting service between the Legacy Plan and the VAP Plan.

6. The annual benefit accrual of the VAP Plan for employees will be as follows:

	Effective January 1, 2024	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027
VAPP Accrual Rate	\$25.00	\$25.00	\$25.00	\$25.00

The service and vesting provisions of the VAP Plan will be the same as the Legacy Plan. The death benefit and disability benefits of the VAP Plan will be the same as the Legacy Plan. The forms of retirement benefit options of the VAP Plan will be the same as the Legacy Plan.

7. The Normal Retirement Age of the VAP Plan will be age 65. Eligibility for Early Retirement will be the same as the Legacy Plan with benefits reduced 6.0% per year for each year of retirement commencement prior to Normal Retirement Age. For example, if a pension-eligible employee retires at age 61, the employee's pension benefit shall be reduced by 24% {(retirement commenced 4 years prior to age 65) x 6% reduction per year}.

8. All accrued annual benefits in the VAP Plan will be adjusted annually based on investment performance benchmarked to a hurdle rate of 5.5%.

9. Annual increases in accrued benefits will be capped at 3.0% above the hurdle rate. Any surplus increase in fund revenue based on investment performance above the 3.0% capped annual benefit adjustment will be allocated to a Stabilization Reserve. The purpose of the Stabilization Reserve is

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to support the maintenance of accrued benefits (for both actives and retirees) in years in which the investment return is less than the hurdle rate and which would normally cause a decrease in the accrued benefit. The Stabilization Reserve will be governed by the board of trustees of the VAP Plan according to the intent of this paragraph within the economic limits of the reserve's finances.

10. Upon retirement, employees eligible for pension benefits pursuant to the VAP Plan will have the option to choose whether (1) their retirement benefits will be fixed as of the date of their retirement, or (2) their retirement benefits will continue to vary annually based on investment performance. For employees who leave their employment for any reason prior to retirement, the accrued benefits will remain variable until retirement, at which point the employee may choose whether (1) their retirement benefits will be fixed as of the date of their retirement, or (2) their retirement benefits will continue to vary annually based on investment performance.

11. An Employer may withdraw from the Legacy Plan during the term of this agreement and pay its allocated withdrawal liability without any requirement that the Employer negotiate with the Union regarding such withdrawal. The Employer agrees that it will continue to participate in the VAP Plan pursuant to the Collective Bargaining Agreement.

The Employer agrees that it will make available to employees who have completed the probationary period the option to contribute to an Employer-sponsored 401(k) retirement savings plan or have the option to offer a Roth Plan, subject to the conditions and requirements of that plan. It is understood that the Employer itself will have no obligation to make contributions to this plan on behalf of any employee or to match any contributions to such plan which may be made by any employee. The sole purpose of this provision is to provide employees with an advantageous opportunity to set aside personal funds for retirement savings.

12. The Employer is not required to make contributions to the Legacy or VAP Plans after termination of employment (e.g. on vacation pay-outs after termination).

13. The Employer and Union believe the Fund Trustees should be transparent with them and plan participants and that their fiduciary duties require that periodic Requests for Proposals (RFPs) be conducted to determine the vendors best suited to provide services. For these reasons, upon request of either party to this Agreement, the Employer and Union shall jointly request quarterly updates from the Fund Trustees and jointly request that the Fund Trustees conduct RFPs commensurate with the vendors' next contract renewal. The Employer and Union further agree not to interfere with such requests.

5) Section 2.5 (F) – Hours of Work – Overtime

The minimum hours expressed in paragraphs (A), (B) and/or (C) above shall not apply if a new hire and/or employee makes a written request approved by the Employer to be regularly scheduled for less hours. Any such approved written request shall remain valid until the employee requests a change or the agreed upon time period has lapsed, at which time a new written request must be submitted by the employee for the Employer's approval. If no new written request is submitted and approved, **the employee must provide updated and suitable availability to allow Employer to schedule respective minimum hours for their**

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classification. All approved requests shall be maintained by Employer at the store and available to the Union upon request. Any employee who is working under such an approved written request shall not be counted for purposes of the ratio language expressed in Section 17.2(I).

6) **New Language Section 4.8 – Vacation Use**

Effective upon ratification, employees must use all vacation time earned during the anniversary year in which it is allocated, except that employees shall be authorized to roll over a maximum of one year’s worth of vacation time based on years of service. However, an employee who rolled over more than one year’s worth of vacation on their anniversary date prior to ratification of this Agreement may roll over up to that amount of vacation in each anniversary year during the term of this Agreement.

Any carried over vacation pay due to an employee termination will be paid at the wage rate effective as of March 2, 2025, or at the rate of the year in which it was earned thereafter. Active employees’ vacation will be paid on a first earned basis.

7) **New Language Section 4.9**

The Employer may, at its discretion, increase the types or amounts of paid or unpaid leave it offers, loosen the requirements for using paid or unpaid leave, and change or implement policies related thereto; when doing so assists it in complying with law.

8) **New Language – Section 11.11 Minnesota Paid Family Medical Leave Act (MNPFMLA) Union TA’d 3/18/2025**

Upon implementation of the State of Minnesota Paid FMLA law, the employer retains the right to deduct payroll taxes to the maximum amount allowed by state Paid Family Medical Leave legislation or implement a private plan substitution should state legislation and commissioner approval be granted. This private plan shall provide no less than the minimum benefits required under any said state law. The Employer shall have the ability to design its private plan, however it sees fit provided it receives commissioner approval.

9) **Article 16: Arbitration**

Section 16.1: Any complaint to be processed under this Agreement must be registered within ten (10) days by either party to this Agreement except that a complaint as to the payment or nonpayment of the applicable wage rate must be registered within ninety (90) calendar days after the date of the alleged violation. The applicable wage rate means the minimum contract wage rates, overtime rates, and rates for vacation, holiday, jury pay and bereavement pay.

Section 16.2: Any controversy arising over the interpretation of or adherence to the terms and provisions of this Agreement shall be settled by negotiations between an officer of the Union and the Employer or his/her representative. Any controversy which cannot be so settled promptly may be referred to Arbitration. The Federal Mediation and Conciliation Services (FMCS) shall be called upon to furnish a panel of **seven (7) arbitrators, all of**

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whom are members of the National Academy of Arbitrators, from which the arbitrator will be selected.

The panel of **seven (7)** arbitrators furnished by the Federal Mediation and Conciliation Services (FMCS) will be from its master panel of arbitrators who have experience in grievance arbitration in the private sector. The decision of the arbitrator shall be final and binding on all parties concerned.

If FMCS fails to provide a panel within thirty (30) days of request, the parties will use the American Arbitration Association (AAA) on the same terms set forth above.

Section 16.3: The expense of the arbitrator shall be divided equally between the Employer and the Union.

Section 16.4: There shall be no strike or lockout during the life of this Agreement, except in the case of failure of either **party** to pursue the arbitration procedure within the time limits specified in the contract for each step or in case of failure to abide by an arbitration award.

Section 16.5: Failure to comply with the time limits set forth in Steps 1, 2, and 3 below, **will** result in an automatic decision in award by default in favor of the other party excepting in cases of extension of time mutually agreed upon. The steps to be followed are as follows:

- (A) The complaint must be registered in writing within the specified time limits of the particular type of grievance.
- (B) If the complaint is not satisfactorily resolved, either party may request arbitration **and request a panel from FMCS or AAA within the next twenty-one (21) day period, or within twenty-one (21) days from mediation, if the parties agree to mediation**
- (C) The arbitration **hearing** shall be held within a **reasonable time**.

In each of the above steps, the days referred to are working days.

10) **New Article 29: Management Rights** (re-number subsequent articles)

The Employer's right to manage is retained and preserved except as abridged or modified by the language of this agreement. Management shall bargain with the Union regarding the impact and effects of the exercise of its rights on employees' terms and conditions of employment, if such effects have not been addressed in this Agreement.

11) **Side Letter of Understanding.** Renew side letter of understanding dated Feb. 2, 2024 regarding employees with special needs. – Union TA'ed 2/27/2025

These proposals and responses are offered by Haug Companies in a good faith effort to reach a negotiated successor collective bargaining agreement with UFCW Local 663. Any proposals or responses that are withdrawn by Haug Companies during the course of negotiations shall not be introduced as evidence or have any effect in any future bargaining, grievances, or arbitration hearings. A proposal or responses or any withdrawal or modification of a proposal or responses does not constitute a waiver by Haug Companies of any of its present rights. Haug Companies reserves the right to add to, modify or delete proposals or responses at any time. Any agreement as to a specific proposal is considered to be a tentative agreement subject to final agreement between Haug Companies and the Union concerning all matters related to these negotiations.

Other Union Proposals Accepted/Countered:

12) Seven Consecutive Days

Employees may be scheduled for 7 consecutive days in a row in payroll week (scheduled work week) only by mutual agreement.

13) Manager on Duty Premium

Part-Time employees duly designated by management as a MOD and who have completed the Employer's MOD training and are food safety certified, shall receive a one dollar and fifty cents (\$1.50) per hour premium for the shift or portion of the shift in which the employee is designated as the MOD. This MOD Premium will not be payable to employees working the night crew.

14) Cross Training

If cross training, the employee will be scheduled to shadow department leadership for at least 3 consecutive shifts before expected to work independently.

15) Bereavement

Haug TA'd to add stepparent to bereavement language.

16) Full-time Waiver

Amend full-time waiver rate to \$21.00 for the duration of the waiver period up to a maximum of one thousand two hundred (1,200) hours of said period. If an employee exceeds a maximum of 1,200 hours, the employee will become a Classified Assistant.

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