

2025 Knowlan's UFCW 663 Total and Comprehensive Package Offer #3  
May 1, 2025

These proposals and responses are offered by Knowlan's in a good faith effort to reach a negotiated successor contract to our respective collective bargaining agreement with UFCW Local 663 that expired on March 2, 2025. Any agreement as to a specific proposal is considered to be a tentative agreement subject to the final agreement between us and the Union concerning all matters related to these negotiations. Knowlan's reserves the right to add, modify, subtract, or delete any of its proposals or responses at any time during these negotiations.

- **Term of Contract**

- Ratification\* – March 1, 2026
- March 2, 2026 – March 7, 2027
- March 8, 2027 – March 5, 2028

\*Initial wage increase is retroactive for up to one week if ratified after contract expires and is effective early if ratified before contract expires. If ratified May 8-9, wage increases would be effective Sunday, May 4, 2025.

- **Wages**

**Appendix B Minimum Meat Rates**

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

Employees who are at the top or above 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	\$1.00	\$1.00	\$1.00
Modified PT Meat Cutter	\$0.65	\$0.65	\$0.65

\*Initial wage increase is retroactive for up to one week 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 Food Department Head	\$30.33
Bookkeeper or Head Cashier	\$30.33
Delicatessen Department Head	\$30.33
Company Designated	\$30.33

	Full-time Food Handlers & Pharmacy	Classified Assistant
Step 1	\$21.00	\$19.33
Step 2	\$22.75	\$20.33
Step 3	\$24.50	\$21.10
Step 4	\$26.25	\$22.00
Step 5*	\$29.33	\$25.00
Step 6	N/A	\$27.33

\*Classified Assistants must complete step 5 only if they were hired after ratification

		ALL PART-TIME	Courtesy/Part-Time Maintenance
Step 1	hire - 6 months	\$13.25	\$12.00
Step 2	next 6 months	\$13.65	\$12.50
Step 3	next 6 months	\$14.05	\$13.00
Step 4	next 6 months	\$14.45	\$13.50
Step 5	next 6 months	\$14.85	\$14.00
Step 6	next 6 months	\$15.25	N/A
Step 7	next 6 months	\$15.65	N/A
Step 8	next 6 months	\$16.05	N/A
Step 9	next 6 months	\$16.45	N/A
Step 10	next 6 months	\$16.85	N/A
Step 11	next 6 months	\$17.25	N/A
Step 12	next 6 months	\$18.05	N/A

Employees who are at the top or above 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 Food 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	\$1.00	\$1.00	\$1.00

Full-time Food Handlers & Pharmacy	\$1.00	\$1.00	\$1.00
Classified Assistant	\$1.00	\$1.00	\$1.00

All Part-Time	\$0.65	\$0.65	\$0.65
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Courtesy/Part-Time Maintenance	\$0.50	\$0.50	\$0.50
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\*Initial wage increase is retroactive for up to one week if ratified after contract expires and is effective early if ratified before contract expires.

- Add Section 5.11: City, State, or Federal Minimum Wage and Other Wage Increases:  
**If, due to minimum wage laws, an employee receives an unscheduled increase, if such increase is more than the next scheduled progression increase, the employee's progression date increase will be reset to the effective date of the minimum wage change.**

- **Article 15: Health and Welfare**

- **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.
- **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.
- **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.
- **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, 2025, 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, 2026, 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.
- **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.

- **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.
- **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 two (2) 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, 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

Effective first reporting period following ratification	Employer Cost	Employee Cost	Total Benefit Cost
FT	\$247.82	\$40.00	\$287.82
Modified PT – Single Only	\$148.84	\$20.00	\$168.84
Ancillary	\$5.26	\$1.50	\$6.76

Effective 1/1/2026	Employer Cost	Employee Cost	Total Benefit Cost
FT – Single	\$125.26	\$40.00	\$165.26
FT – Single + Spouse	\$298.79	\$40.00	\$338.79
FT – Single + Children	\$290.52	\$40.00	\$330.52
FT – Family	\$530.15	\$40.00	\$570.15
Modified PT – Single Only	\$145.26	\$20.00	\$165.26
Modified PT – Single + Spouse	\$145.26	\$193.53	\$338.79
Modified PT – Single + Children	\$145.26	\$185.26	\$330.52
Modified PT – Family	\$145.26	\$424.89	\$570.15
Ancillary	\$5.70	\$1.75	\$7.45

Effective 1/1/2027	Employer Cost	Employee Cost	Total Benefit Cost
FT – Single	\$125.26	\$40.00	\$165.26
FT – Single + Spouse	\$298.79	\$40.00	\$338.79
FT – Single + Children	\$290.52	\$40.00	\$330.52
FT – Family	\$530.15	\$40.00	\$570.15
Modified PT – Single Only	\$145.26	\$20.00	\$165.26
Modified PT – Single + Spouse	\$145.26	\$193.53	\$338.79
Modified PT – Single + Children	\$145.26	\$185.26	\$330.52
Modified PT – Family	\$145.26	\$424.89	\$570.15
Ancillary	\$5.45	\$2.00	\$7.45

Effective 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%
Modified PT – Single Only	\$148.73	\$16.53	\$165.26	90.0%	10.0%
Modified PT – Single + Spouse	\$148.73	\$190.06	\$338.79	n/a	n/a
Modified PT – Single + Children	\$148.73	\$181.79	\$330.52	n/a	n/a
Modified PT – Family	\$148.73	\$421.42	\$570.15	n/a	n/a
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.**

- **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.
  - **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.
- **Article 14: Pension**

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

(C) The Employer shall continue to make contributions to the Legacy Plan 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) who are participants in the Variable Annuity Plan (VAP) Plan. In addition, the 30 year and out pension benefit has been eliminated with respect to accrued benefits, as allowed under the Rehabilitation Plan effective March 1, 2019. The employer contribution rates to the Legacy Plan will increase according to the following schedule:

Pre March 2025 Weekly Contribution Rates	Effective March 2, 2025	Effective benefit week including March 1 2026	Effective benefit week including March 7 2027
Full-time: \$167.56	<b>\$182.31</b>	<b>\$198.35</b>	<b>\$215.80</b>
Part-time: \$54.65	<b>\$59.46</b>	<b>\$64.69</b>	<b>\$70.38</b>

**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 or thirty (30) or more hours (for those employees on the four (4)-ten (10) hour workweek) 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).

(D) Active employees with 30 years of service as of February 28, 2019, are a protected group, and will not be affected by the elimination of the 30 and out benefit in Paragraph (C) above.

(E) The Employer and Union agree to establish a Variable Annuity Plan (VAP Plan) for future service benefits effective January 1, 2019. Employers will make contributions to the 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:

<b>Weekly Contribution Rates</b>	<b>Effective March 2, 2025</b>
Full-time:	\$38.58
Part time:	\$14.94

(F) 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.

In the event that a modified part-time or regular part-time employee, on whose behalf a Legacy 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 (C) 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.

(G) The annual benefit accrual of the VAP Plan for employees will be as follows:

	<b>Effective January 1, 2025</b>
VAP Accrual Rate	\$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.

(H) 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).

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

(J) 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 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.

(K) 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.

(L) An Employer may withdraw from the Legacy Plan during the term of this Agreement and pay its allocated withdrawal liability, as long as it continues to participate in the VAP Plan pursuant to the terms of the collective bargaining agreement.

(M) 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.

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

**(O) 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.**

- **Article 2: Hours of Work – Overtime**

- Section 2.5(F)

The minimum hours expressed in paragraphs (A), (B) and/or (C) above shall not apply if the 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 or Employer revokes or requests to change it, which must be with a two (2) weeks' written notice. Upon a change or either party revoking the agreement, the employee must provide updated and suitable availability to allow the Employer to schedule the respective minimum hours for their classification. All approved requests shall be maintained by the Employer at the store level 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).

- **Article 4: Vacations**

- Add Section 4.8

**Effective January 2028, the Employer may limit future carryover of vacation to two times (2x) their annual accrual.**

- **Article 11: Leaves of Absence**

- Add Section 11.11: - Union TA 3/18/25.

**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.**

- **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.**

- **Article 30: No Match Letters**

In the event that the Employer receives notice indicating that an employee's name and Social Security number (SSN) do not agree with Social Security Administration (SSA) records, the Employer agrees to the following:

- The Employer will notify the Union upon receipt of any such notice and will provide a copy of the notice to all employees listed on the notice and to the Union.
- The Employer will not take any adverse action against any employee listed on the notice, including firing, laying off, suspending, retaliating or discriminating against any such employee.
- The Employer will not require that employees listed on the notice bring in a copy of their Social Security card for the Employer to review, complete a new I-9 form, or provide new or additional proof of work authorization or immigration status **unless the Employer learns that there was an error or omission on the I-9 form that was completed at the time of hire.**
- The Employer will not contact the SSA or any other governmental agency after receiving a "no match" from the SSA.
- The Employer will not interrogate any employee about the employee's SSN.

- **Prior Disputes:**

- Upon ratification, all grievances (excluding discipline and discharge grievances) and/or unfair labor practice charges filed by the Union prior to the date of ratification will be withdrawn or dismissed with prejudice; and, it is agreed that no new grievance (excluding discipline and discharge grievances) or ULP(s) related to conduct occurring before the date of ratification will be filed. In all such withdrawn or dismissed cases, the parties will bear their own attorneys' fees and costs.

- **Other clean-up:**
  - Remove all references to Pharmacy and Retail Specialists – Union TA'ed 2/27/2025

### **Other Union Proposals Accepted/Countered:**

- **Manager on Duty Premium:**
  - **A manager on duty shall be defined as any part-time employee for whom managerial duties are not their primary responsibility. Part-time employees called on by the Employer to take on temporary managerial duties shall receive a premium of one dollar fifty cents (\$1.50) per hour for all hours worked up to 40 hours.**
- **Transfers:**

Section 5.7: All full-time employees shall receive a minimum of **twenty-one (21) days' notice in the event of an Employer-initiated transfer. Once so transferred, such an employee may not be transferred to another location for a period of nine (9) calendar months unless by mutual agreement between the Employee and the Employer.** Temporary transfers may occur without notice as a result of an emergency situation arising in the business. No employee will be transferred as a means of discipline. The Employer shall take into account the circumstances of the affected employee in making transfer decisions. **Full-time employees may request transfers to a store closer to their home. Requests will be considered based on the following criteria: store staffing needs, store full-time staff balancing, potential openings and employee's experience and skill sets.**
- **Arbitration:**
  - **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.**
- **Bereavement:**
  - Add 4 days of bereavement for Stepparent. TA 2/27/25.
- **Union Dues Remittance:**
  - Amend Section 1.3, first paragraph:  
The Employer agrees to deduct Union initiation fees, dues and uniform assessments from the wages of employees in the bargaining unit who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of one year, or beyond the termination date of this Agreement, whichever occurs sooner. Such deductions will be made by the Employer from wages of employees, **at intervals that the Union designates in writing, but no more than on a per pay period basis**, and will be transmitted to the Union **no later than the fifth (5th) day of the month following the month** of such deduction. The Union will supply to the Employer sufficient number of check-off authorization cards, which the Employer shall give to each new employee at the time they are hired.

- **Full-Time Waiver Rate:**

- Amend Section 23.1:

In the event that a part-time employee is advanced to full-time status during the period of January 1st through December 31st, such employee will sign a waiver guaranteeing him/her the full-time rate of **\$21.00** for the duration of the waiver period and a minimum of four (4) hours per week up to a maximum of one thousand two hundred (1,200) hours of said period. A copy of this waiver will be forwarded to the Union prior to an employee advancing to full-time status. During the period an employee is on waiver, the employee will not accrue any full-time benefits other than rate of pay. The Employer will be allowed to use up to three (3) full-time waivers per store per two-week schedule.