The following is a package "supposal" that the Union offers to the Employer. This package "supposal" would need to be accepted as a complete package and may only be accepted as a package in its entirety. Should this package not be accepted, any and all Union proposals shall revert to the Union's previous bargaining position. All previously agreed to Tentative Agreements that have been reached between the parties shall be part of the total Tentative Agreement. With agreement of this package, all other proposals by either the Union or the Employer shall be deemed withdrawn by the parties. This package shall represent a total agreement of the parties.

# Wages and Benefits

- Wage increases for all FT and PT employees with modernized wage scales See wage scales
- 2) Pay equity existing employees will receive an increase when new employees are hired at a higher or equal rate, comparable experience shall be taken into account
  - Employees with more than 1 year of experience will receive \$0.50 above the new hire
  - Employees with more than 2 years of experience will receive \$0.75 above the new hire
  - Employees with more than 3 years of experience will receive \$1.00 above the new hire
  - Employees with more than 4 years of experience will receive \$1.25 above the new hire
  - Employees with more than 5 years of experience will receive \$1.50 above the new hire
  - Employees with more than 6 years of experience will receive \$2.00 above the new hire
- 3) Redirect L&B portion of H&W funds to cover all current employees' portion of H&W contributions for 2 year CBA the retail stores share of the \$1,880,817.12 redirect amount is \$1,787,170.90.

Wilson McShane counts for retail are 598 FT, 245 PT, 278 AB. L&B counts are 571 FT, 140 PT, 313 AB.

- \$20 FT
- \$10 PT
- \$1 Ancillary Benefit

Remaining funds will be used to offset the employees' contribution for H&W for those who will be eligible for full H&W benefits coverage effective June 2023 (see H&W proposal #7 below).

Upon ratification, the Employer will remit no payments to the fund for the time period necessary to retain \$1,787170.90. The Employer will reimburse premiums paid by employees beginning March 6, 2023 through date of contract ratification. The Employer shall reconcile its remittance with Wilson-McShane to account for how the funds retained by the Employer were applied.

- 4) Ratios The Employer shall reach at least:
  - A) 40% FT ratio by the end of this CBA (Employer shall make all necessary Fund contributions at 40%)
  - B) Maintain 30% PT Modified ratio by the end of this CBA (Employer shall make all necessary Fund contributions at 30%), though the Employer may be below the 30% ratio by the percentage that the Employer exceeds the 40% FT ratio.

- C) Increase PT top 24% to 30%
- 5) Section 5.5: When an employee relieves a department head who is on scheduled time off, the employee shall be paid the department head rate of pay. Amended so any time a department manager is scheduled to work less than 5 days in their designated work week, a replacement be identified and assigned to fill in as department manager using L&B's Department Manager Replacement Form in order to receive department head pay for each shift replacing a department head.

#### 6) Section 23.1 Full-Time Waiver

...increase to \$24.00 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 the maximum of 1,200 hours, the employee will become a Classified Assistant.

#### 7) Health & Welfare

- Employer will make breakeven / true cost contributions per Union proposal, with no increase to employees
- The Employer will provide all other employees who do not currently receive full H&W benefits coverage effective June 2023 (Wilson McShane researching target date for 2023)
- Ancillary benefits will continue until all employees transition to the new benefit coverage

#### BREAKEVEN / TRUE COST RATES

	Current 2022 TOTAL	' '	Employee contribution		Employer contribution		-	' '	Employee contribution
FT	\$273.26	\$253.26	\$20.00	\$269.83	\$249.83	\$20.00	\$287.82	\$267.82	\$20.00
MOD PT	\$137.32	\$127.32	\$10.00	\$158.32	\$148.32	\$10.00	\$168.84	\$158.84	\$10.00
ANCILLARY	\$7.74	\$6.74	\$1.00	\$6.58	\$5.58	\$1.00	\$6.76	\$5.76	\$1.00

#### 8) Retirement

A) Article 14: Increase ER 401(k) contribution:

Employer will make the following contributions on behalf of its eligible employees (job classifications as noted below):

Full-Time employees:

- Hired into their position on or before February 19, 2017 will receive \$3.50 \$3.235 per hour up to 40 paid hours per week.
- Hired into their position after February 19, 2017 will receive \$2.25 \$2.00 per hour up to 40 paid hours per week

Modified Part-Time employees will receive \$1.60 \$1.35 per hour up to 39.75 paid hours per week

All Grandfathered Regular-Part-Time employees, including Courtesy and Custodial hired into their position on or before March 4, 2018 will receive \$1.35 per hour up to 39.75 paid hours per week

B) The Employer will make 401(k) contributions on all hours of vacation time that is paid out

### **Paid Time Off**

1) Increase Bereavement

All full-time and part-time employees on the seniority list shall be entitled to be reavement pay according to the following:

- A maximum of four (4) days of leave with pay in the event of the death of a spouse, parent, child or stepchild.
- A maximum of three (3) days of leave with pay in the event of the death of a brother, sister, mother-in-law or father-in-law, grandparent or grandchild.
- 2) Article 15 (I): The Employer agrees to pay the weekly health and welfare payment for modified part-time employees, when said part-time employees are on a paid vacation.
- 3) Holiday Add MLK day to paid holidays

4) Sick and Safe Time / Quarantine - if an employee must quarantine, the Employer will cover wages and benefits, up to 2 calendar weeks

#### **Classification**

- Any department head who is demoted or chooses to step down will revert to the classification they held prior to becoming a Department Head. Any department head who is demoted or chooses to step down, who has not previously held a classification or a part-time classification, will revert to Classified Assistant.
- 2) Part-Time Wage Scales. Remove if no active eligible employees: "The part-time Food Handlers Group of March 3, 1974 will also receive the following options....."

### **Working Conditions**

1) Clopening / Hours between scheduled shifts: All employees who have worked a complete shift shall be given a minimum of ten (10) hours before the next scheduled work shift, unless by mutual agreement.

2) Worker safety and well-being - willing to change Union language to "meet no less than once (1x) every 2 months" for the language below

There shall be in each store a safety and security captain and an alternate from the bargaining unit, designated by the Union. On a quarterly basis, each of the safety and security captains and/or alternates shall collectively meet on paid time (during a regularly scheduled shift) with representatives of management and the Union to discuss health, safety and security conditions in the stores to ensure employee well-being. Virtual meeting options will be provided by the Employer as appropriate. The safety and security captains and/or alternates will make recommendations in the area of safety, health and security, discuss employee complaints, and distribute information concerning safety, health and security. The participants in these meetings shall mutually identify and agree on training and/or experts helpful to the committee. Meetings shall be held the [first/second/third/fourth] [day of week] of the [first/second/third] month of each calendar quarter. The Employer will post in the employee break area the contact person for incident reporting. At each meeting, the Employer shall provide a summary of safety, health and security matters for the prior quarter.

There shall be a minimum of two (2) employees per store from the bargaining unit that serve on the safety committee. Twice per year, The safety committees shall collectively meet quarterly on paid time (during a regularly scheduled safety committee meeting) with representatives of management to discuss health, safety and security conditions in the stores to ensure employee well-being. The-Union representative(s) shall be allowed to attend and virtual meeting options will be provided by the Employer as appropriate. The safety committees will review information, engage in discussion, and make recommendations in the areas of safety, health and security. The committee members shall assist with identifying training and/or experts helpful to the committee to address specific topics. The Employer shall keep a log of all health, safety and security reports have a safety committee bulletin board to post incident reporting procedures and other relevant information, which will be reviewed at these quarterly meetings. Meeting dates and meeting outcomes will be posted in-store for all store employees to review and provide feedback.

#### **Existing TAs:**

- 1. Employees will not stop or approach in any suspected theft situations
- Escorts will be provided to employees between the store and an employee's vehicle, by request
- 3. Training will be provided for employees regarding how to respond and support fellow employees when they see or hear harassing language or behavior.

### **Union Employer Cooperation**

1) Replace BMS with FMCS

# Language Clean Up

1) Add to Appendix A-1 Sunday Clause a note to see Section 2.5(A) re: Mod PT

- 2) Visitation: use "Union representative" instead of "business agent" or "business representative" TA
- 3) Term of agreement should read: ...shall be in effect as of March... and continue in full force and effect through <u>11:59pm on March...</u>
- 4) Union can agree to editing language to use "controlled substances" or "individuals dismissed for use of controlled substances" instead of "drugs" or "drug offenders" in Employer proposal #15

Term of Agreement: 2 years – March 5, 2023 to March 2, 2025

### Existing TAs from Employer proposals:

- 1. ER Proposal #6 Language modification change qualify to "meet the qualification".
- 2. ER proposal #7 Language change burial to "memorial service"
- 3. ER proposal #1 Remove any language in CBA pertaining to Pharmacy.
- 4. ER proposal #12 "Should any of the defined holidays fall on a Sunday, the holiday shall be observed on Monday."

#### New TAs from Employer proposals:

- 1. Letter of Agreement regarding CSO employees, as counter proposed by Employer on 5/19
- 2. Employer proposal #14: Article 4 Replacement Language
- 3. Renew Letters of Agreement, to sunset at the end of the new CBA: sushi, e-shopping

TA new Pay Equity Letter of Agreement.

TA new counter H&W Letter of Agreement as proposed by Union.

The Union repudiates any past practice related to the application of Article 2, Section 2.2, and agrees to waive rights to file grievances that occurred prior to ratification.

The parties agree that as part of the phase out of a separate Courtesy/Custodial wage scale, the Union will agree to Employer Proposal #22.

As part of this total agreement, the <u>parties</u> agree, upon ratification of the Agreement, to 1) withdraw all active Unfair Labor Practices currently filed with the National Labor Relations Board, 2) not file any additional Unfair Labor Practices related to these negotiations, and 3) withdraw any outstanding information requests as relate to bargaining.

Produce Department Head	Housely Full time Minimum Control	Dotoo									
Assistant Manager   \$30.13   \$32.83   \$34.63   Head Meat Cutter   \$31.24   \$33.40   \$33.640   \$4   Produce Department Head   \$30.13   \$32.83   \$34.63   Bookkeeper or Head Cashier   \$30.13   \$32.83   \$34.63   Company Designated   \$30.13   \$32.83   Company Designated   \$40.83   Company Designated   \$4	nouny run-time wimimum Grocery	Rates									
Produce Department Head	Update these DM titles	2022	Effective 3/5/2023	Effective 3/3/2024			2022	Effective 3/5/2023	Effective 3/3/2024		
Prozes Food Department Head   \$3.013   \$3.263   \$3.463   \$3.205   \$3.453   \$3.205	Assistant Manager	\$30.13	\$32.63	\$34.63		Head Meat Cutter	\$31.24	\$33.49	\$35.49	\$4.2	
South Repert Pried Cashier   San 13   San 15	Produce Department Head	\$30.13	\$32.63	\$34.63		Journeyman	\$28.24	\$31.11	\$33.11	\$4.87	
Delicatessen Department Head   \$30.13   \$32.63   \$34.63   \$35.63   \$34.63   \$35.63   \$34.63   \$35.63   \$34.63   \$35.63   \$34.63   \$35.63   \$34.63   \$35.63   \$34.63   \$35.60   \$31.50	Frozen Food Department Head	\$30.13	\$32.63	\$34.63							
Company Designated   \$30.13   \$32.63   \$34.63   \$4.60   \$4.6	Bookkeeper or Head Cashier	\$30.13	\$32.63	\$34.63		Service Employee					
(up to 3 per store)         Image: Company of the company of th	Delicatessen Department Head	\$30.13	\$32.63	\$34.63			2022	Effective 3/5/2023	Effective 3/3/2024		
Crade 3   \$19.50   \$21.00	Company Designated	\$30.13	\$32.63	\$34.63	\$4.50	Grade 1	\$16.00	\$17.50	\$17.50		
Full-Time Food Handlers   Crade 4   \$24.35   \$29.15   \$30.63   \$68	(up to 3 per store)					Grade 2	\$18.00	\$19.50	\$19.50		
Crade 1						Grade 3	\$19.50	\$21.00	\$21.00		
Section   Sect	Full-Time Food Handlers					Grade 4	\$24.35	\$29.13	\$30.63	\$6.28	
Section   Sect		2022	Effective 3/5/2023	Effective 3/3/2024		If in progression, place lat	terally and progr	ess on the scale.			
Grade 3   \$27.13   \$29.38   \$31.38   \$4.25   Effective 3/5/2023   \$2.25     If in progression, place laterally and progress on the scale.	Grade 1	\$23.50	\$25.00	\$25.00							
If in progression, place laterally and progress on the scale.	Grade 2	\$24.00	\$27.00	\$28.00		Meat employees who are	top or above sca	ale will receive the follo	wing increases		
Classified Assistant    Classified Assistant   Classified Assistant   Any employee who is less than 12 months away from the top, will move to the top	Grade 3	\$27.13	\$29.38	\$31.38	\$4.25	Effective 3/5/2023	\$2.25				
Caracle 1	If in progression, place laterally and	progress on the sc	ale.			Effective 3/3/2024	\$2.00				
Caracle 1											
Grade 4       \$16.00       \$16.00       \$16.00         Grade 2       \$18.00       \$18.00       \$18.00         Grade 3       \$19.50       \$19.50       \$19.60         Grade 1       \$20.50       \$20.50       \$20.50         Grade 2       \$21.50       \$21.50       \$21.50         Grade 3 (hired or promoted after ratification)       \$22.50       \$22.50         Grade 4 (hired or promoted after ratification)       \$23.50       \$23.50         Grade 5 (hired or promoted after ratification)       \$24.50       \$24.50         Grade 6 (hired or promoted after ratification)       \$26.00       \$27.00         Grade 7       \$25.13       \$27.38       \$29.38       \$4.25         If in progression, place laterally and progress on the scale.       Full-time employees who are top or above scale will receive the following increases         Effective 3/5/2023       \$2.25	Classified Assistant	Assistant				*Any employee who is les	s than 12 month	nan 12 months away from the top, will move to the top			
Grade 2       \$18.00       \$18.00       \$18.00         Grade 3       \$19.50       \$19.50       \$19.60         Grade 1       \$20.50       \$20.50       \$20.50         Grade 2       \$21.50       \$21.50       \$21.50         Grade 3 (hired or promoted after ratification)       \$22.50       \$22.50         Grade 4 (hired or promoted after ratification)       \$23.50       \$23.50         Grade 5 (hired or promoted after ratification)       \$24.50       \$24.50         Grade 6 (hired or promoted after ratification)       \$26.00       \$27.00         Grade 7       \$25.13       \$27.38       \$29.38         \$4.25       \$4.25         If in progression, place laterally and progress on the scale.       \$4.25         Full-time employees who are top or above scale will receive the following increases       \$2.25		2022	Effective 3/5/2023	Effective 3/3/2024							
Grade 3         \$19.50         \$19.50         \$19.50           Grade 1         \$20.50         \$20.50         \$20.50           Grade 2         \$21.50         \$21.50         \$21.50           Grade 3 (hired or promoted after ratification)         \$22.50         \$22.50           Grade 4 (hired or promoted after ratification)         \$23.50         \$23.50           Grade 5 (hired or promoted after ratification)         \$24.50         \$24.50           Grade 6 (hired or promoted after ratification)         \$26.00         \$27.00           Grade 7         \$25.13         \$27.38         \$29.38         \$4.25           If in progression, place laterally and progress on the scale.         \$27.00         \$27.00         \$27.00           Full-time employees who are top or above scale will receive the following increases         \$29.38         \$4.25	Grade 1	<del>\$16.00</del>	\$16.00	\$16. <del>00</del>							
Grade 1         \$20.50         \$20.50         \$20.50           Grade 2         \$21.50         \$21.50         \$21.50           Grade 3 (hired or promoted after ratification)         \$22.50         \$22.50           Grade 4 (hired or promoted after ratification)         \$23.50         \$23.50           Grade 5 (hired or promoted after ratification)         \$24.50         \$24.50           Grade 6 (hired or promoted after ratification)         \$26.00         \$27.00           Grade 7         \$25.13         \$27.38         \$29.38         \$4.25           If in progression, place laterally and progress on the scale.         Full-time employees who are top or above scale will receive the following increases           Effective 3/5/2023         \$2.25	Grade 2	\$18. <del>00</del>	\$18.00	\$ <del>18.00</del>							
Grade 2         \$21.50         \$21.50         \$21.50           Grade 3 (hired or promoted after ratification)         \$22.50         \$22.50           Grade 4 (hired or promoted after ratification)         \$23.50         \$23.50           Grade 5 (hired or promoted after ratification)         \$24.50         \$24.50           Grade 6 (hired or promoted after ratification)         \$26.00         \$27.00           Grade 7         \$25.13         \$27.38         \$29.38         \$4.25           If in progression, place laterally and progress on the scale.         Full-time employees who are top or above scale will receive the following increases           Effective 3/5/2023         \$2.25         \$2.25	Grade 3	<del>\$19.50</del>	\$19.50	\$ <del>19.50</del>							
Grade 3 (hired or promoted after ratification)  \$22.50 \$22.50  Grade 4 (hired or promoted after ratification)  \$23.50 \$23.50  Grade 5 (hired or promoted after ratification)  \$24.50 \$24.50  Grade 6 (hired or promoted after ratification)  \$26.00 \$27.00  Grade 7  \$25.13 \$27.38 \$29.38 \$4.25  If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 1	\$20.50	\$20.50	\$20.50							
Grade 4 (hired or promoted after ratification) \$23.50 \$23.50  Grade 5 (hired or promoted after ratification) \$24.50 \$24.50  Grade 6 (hired or promoted after ratification) \$26.00 \$27.00  Grade 7 \$25.13 \$27.38 \$29.38 \$4.25  If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 2	\$21.50	\$21.50	\$21.50							
Grade 5 (hired or promoted after ratification) \$24.50 \$24.50 Grade 6 (hired or promoted after ratification) \$26.00 \$27.00 Grade 7 \$25.13 \$27.38 \$29.38 \$4.25  If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 3 (hired or promoted after ratif	fication)	\$22.50	\$22.50							
Grade 6 (hired or promoted after ratification)  Grade 7  \$25.13  \$27.38  \$29.38  \$4.25  If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023  \$2.25	Grade 4 (hired or promoted after ratif	fication)	\$23.50	\$23.50							
Grade 7 \$25.13 \$27.38 \$29.38 \$4.25  If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 5 (hired or promoted after ratif	fication)	\$24.50	\$24.50							
If in progression, place laterally and progress on the scale.  Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 6 (hired or promoted after ratif	fication)	\$26.00	\$27.00							
Full-time employees who are top or above scale will receive the following increases  Effective 3/5/2023 \$2.25	Grade 7	\$25.13	\$27.38	\$29.38	\$4.25						
Effective 3/5/2023 \$2.25	If in progression, place laterally and	progress on the sc	ale.								
Effective 3/5/2023 \$2.25											
	Full-time employees who are top or a	bove scale will red	ceive the following incre	ases							
Effective 3/3/2024 \$2.00	Effective 3/5/2023	\$2.25									
	Effective 3/3/2024	\$2.00									
	*Any employee who is less than 12 n	nonths away from	the ton will move to the	ton							

All Part-time M	inimum Rates				Courtesy and C	ustodial				
-iii r ai t-tiiiie ivi	illillialli itales				Courtesy and C	ustodiai				
	Effective 3/5/2023	Effective 3/3/2024				Effective 3/5/2023	Effective 3/3/2024			
Grade 1	\$14.00	\$14.00			Grade 1	\$12.00	\$12.00			
Grade 2	\$14.25	\$14.25			Grade 2	\$12.50	\$12.50			
Grade 3	\$14.50	\$14.50			Grade 3	\$13.00	\$13.00			
Grade 4	\$14.75	\$14.75			Grade 4	\$13.50	\$13.50			
Grade 5	\$15.00	\$15.00			Grade 5	\$14.00	\$14.00			
Grade 6	\$15.25	\$15.25								
Grade 7	\$15.50	\$15.50								
Grade 8	\$15.75	\$15.75								
Grade 9	\$16.00	\$16.00			Courtesy and cu	stodial employees:				
Grade 10	\$16.25	\$16.25			-		\$0.50 above their cur	rent rate on 3/5/2023		
Grade 11	\$16.50	\$16.50				•	ale every 6 months as			
Grade 12	\$16.75	\$16.75			, .,	. 5	,	<u> </u>		
Grade 13	\$17.00	\$17.00			At or near TOS/0	Dverscale courtesv ar	nd custodial employee	es:		
Grade 14	\$17.25	\$17.25				-	f part-time scale or at		rrent rate.	
Grade 15	\$17.50	\$17.50					of the scale during the			
Grade 16	\$17.75	\$17.75				· ·	time employees and		s regular PT.	
Grade 17	\$18.00	\$18.00						, , , , , , , , , , , , , , , , , , ,		
Grade 18	\$18.25	\$18.25			Effective 3/3/24.	Courtesv and Custoo	dial Grades 1 and 2 w	ill become obsolete		
Grade 19	\$18.50	\$18.50					ind Custodial scale wi			
Grade 20	\$18.75	\$18.75								
Grade 21	\$19.00	\$19.00								
Grade 22	\$19.25	\$19.25								
Grade 23	\$19.50	\$19.50	Examples of how c	urrent emplo	yees place in an	d progress on the n	ew scale			
Grade 24	\$19.75	\$19.75	· ·	t time				Courtesy and Custo	odial	
Grade 25	\$20.00	\$20.00								
Grade 26	\$20.25	\$20.25	Current rate	\$14.00	\$15.00	\$16.00	\$18.00	\$12.00	\$13.00	\$14.00
Grade 27	\$20.50	\$20.50	March 2023	\$14.75	\$15.75	\$16.75	\$19.50	\$12.50	\$13.50	\$14.50
Grade 28	\$20.75	\$20.75	Sept 2023	\$15.50	\$16.50	\$17.50		\$13.00	\$14.00	\$15.2
Grade 29	\$21.00	\$21.00	March 2024	\$16.25	\$17.25	\$18.25	\$21.00	\$13.50	\$14.75	\$16.0
Grade 30	\$21.25	\$21.25	Sept 2024	\$17.00	\$18.00	\$19.00		\$14.00	\$15.50	\$16.7
All PT employee	es place in 3 grades al	pove current wage	2 year total incre	\$3.00	\$3.00	\$3.00	\$3.00	\$2.00	\$2.50	\$2.7
and progress	3 grades every Marc	h and Sept on the scale								
Any part-time er	nployee whose currer	at rate is \$18.00 or over will red	ceive:							
3/5/2023	<u> </u>									
3/3/2024										

DRAFT Letter of Agreement re: Pay Equity

June 12, 2023 @ 3pm

The Union and the Employer agree to address pay equity. Acknowledging and rewarding active employees' years of service with Lunds & Byerlys and their relevant experience is critical for hiring and retention of workers.

The Union and the Employer will form a joint labor management committee of at least 5 workers and 5 management representatives to meet collectively on paid time to agree on the parameters of a pay equity program. Union representative(s) will also join this committee. This program will be implemented by October 1, 2023.

#### This committee will meet to:

- Identify what is the relevant service and experience to be considered for pay equity wage adjustments for new hires and internal store transfers
- Systematize how to track and audit workers' relevant service and experience
- Determine the remedies\* and procedures for how to implement pay equity wage adjustments
- Plan communications and education of workers and management on an ongoing basis to ensure successful long-term pay equity outcomes

\*For example - existing employees will receive an increase when new employees are hired at a higher or equal rate, comparable experience shall be taken into account

- Employees with more than 1 year of experience will receive \$0.50 above the new hire
- Employees with more than 2 years of experience will receive \$0.75 above the new hire
- Employees with more than 3 years of experience will receive \$1.00 above the new hire
- Employees with more than 4 years of experience will receive \$1.25 above the new hire
- Employees with more than 5 years of experience will receive \$1.50 above the new hire
- Employees with more than 6 years of experience will receive \$2.00 above the new hire

# LETTER OF AGREEMENT:

# **HEALTH & WELFARE BENEFIT MODERNIZATION**

This letter of agreement shall be included in the new retail collective bargaining agreement with UFCW Local 663.

This counter proposal is only offered as part of a package supposal and may not be agreed to independently of the total package. This letter of agreement shall only apply to the new CBA and shall sunset at the expiration of this Agreement.

# **Background**

- Lunds & Byerlys and UFCW Local 663 share an interest in improving the Health & Welfare benefits offered to Lunds & Byerlys employees with membership to UFCW Local 663.
- Attempts have been made to modernize the MRMC Health & Welfare plan since 2017, but no improvements have been implemented to date.
- Both parties remain committed to this effort and seek to renew their partnership to improve H&W benefits.

# **Benefit Modernization and Minimum Thresholds for Improvements**

#### Guiding principles for H&W benefit modernization and enrichment:

- 1. Current benefits will not be reduced
- 2. Waiting periods will be shortened to attract and retain employees
- 3. Financial integrity and sustainability of H&W benefits will be maintained
- 4. New benefit plan design will become effective no later than January 1, 2025

#### Benefit design improvements shall may include:

- Transition to monthly coverage and eliminating grace weeks
- Coverage termination to coincide with employment termination, not extended with accrued paid time off benefits
- Eliminate "tunnel contributions" which are made today prior to benefit coverage taking effect
- Benefit waiting periods need only be satisfied once by an employee no "re-waiting" due to qualified life events
- Offer tiered coverage for Full-time employees (i.e., Employee, Employee + Spouse, Employee + Child(ren), Family)

Benefit design improvements are based on the understanding that data provided by the Plan professionals will inform Trustee decision-making and (1) there may be increased costs on a per Employer basis associated with plan design changes and (2) the implementation of changes depends on all stakeholders willingness to accept these changes.

Both parties commit to being objective and open minded when evaluating how to provide the best possible benefit coverage to Lunds & Byerlys employees who are members of UFCW Local 663 in advance of negotiations on a successor Agreement. To achieve this, the following actions will be taken:

#### **Evaluation of MRMC Health & Welfare Plan Actions & Timeline:**

- The Chair for the MRMC Health & Welfare Board of Trustee has or will recommend that the trustees of the MRMC H&W Fund to evaluate options for modernizing the current benefit plan design.
- Trustees from UFCW Local 663 and Lunds & Byerlys will actively engage fellow Trustees in the modernization process and be advocates for benefit design changes that are fiscally responsible and sustainable.
- The next special H&W Trust meeting is scheduled for July 13, 2023. MRMC H&W plan

professionals have been instructed to update the model created in 2017-2019 by Trustee subcommittee with current and additional data from all participating Employers relating to eligibility and costs. This instruction will be renewed to ensure provision of this information by July 13, 2023.

- The Company will comply with any data requests that the MRMC H&W Fund consultants need to fully
  evaluate options for modernizing the current plan design and eligibility.
- Modernization to the MRMC H&W benefit design and eligibility rules must be approved by the Board of Trustees no later than May 31, 2024. Both parties will ensure that their representatives on the Trust Fund will act in good faith to achieve modernization and support modernization consistent with guiding principles for H&W benefit modernization and enrichment and benefit design improvements set forth herein.

#### **Evaluation of Company-Sponsored Health & Welfare Plan Actions & Timeline:**

- No sooner than May 31, 2024, the Company may make a formal request of the MRMC Health & Welfare Plan third-party administrator to provide a full, thorough, and complete demographic and claims experience report of its employees per the reporting requirements set by the Company's benefit consultant for a time period as defined by the benefit consultant. Such data shall be de-identified to safeguard employees' Protected Health Information (PHI) in accordance with HIPAA and shall comply with any data security requirements of the Plan Trust and as required by law. The Company, LFHI, and any potential benefit consultants shall enter into a Business Associate Agreement allowing for the release of PHI.
- The Chair for the MRMC Health & Welfare Board of Trustees and the trustee representative of Lunds & Byerlys
  will recommend that the trustees of the MRMC H&W Plan to approve such a request. All trustees shall be
  encouraged to vote in favor of the data request being provided to the Company's benefit consultant.
- No sooner than May 31, 2024, the Company will inform the Union and its bargaining committee of its intent to bring forth a proposal of an alternative company-sponsored health and welfare plan.

# Failure to Adopt H&W Benefit Modernization

With the understanding that both parties seek to provide the best possible benefit coverage to Lunds & Byerlys employees with membership to UFCW Local 663, should Plan Trustees fail to approve all reasonable measures to modernize the MRMC plan by May 31, 2024, the parties shall begin the following process. Should Plan Trustees approve all reasonable modernization measures no later than May 31, 2024, the provisions of this section shall be deemed null and void.

- 1. The parties agree to begin meeting for the exclusive purpose of evaluating, in good faith, health and welfare plan options between the MRMC Health & Welfare plan and any other Lunds & Byerlys-sponsored Health & Welfare plan will occur starting no later June 5, 2024.
- 2. Lunds & Byerlys employees with membership to UFCW Local 663 that are selected to serve on the Union's healthcare committee will be determined as follows:
  - UFCW Local 663 at its sole discretion shall select no more than fifteen (15) individuals that are employed by Lunds & Byerlys and who have membership with their Local.
- 3. The healthcare committee will meet in good faith with management representatives with regular frequency, but no less than twice per month, unless mutual agreement is reached between the Union and Company to meet at a different frequency.
- 4. The Company and the Union will conduct joint town hall meetings with employees/members in no earlier than August 2024 for the purposes of explaining the health and welfare options presented to the committee. Such joint town hall meeting(s) will only occur after the Company has provided the Union and the healthcare committee the full details of all health and welfare plans being proposed, discussed and considered, including scope of benefits, eligibility and providers.
- 5.—Town hall meetings will be used to communicate the facts pertaining to the then current Trust plan and the Company proposed plans. Any materials presented will first be provided to all parties involved. Nothing is this agreement shall limit or preclude the Union from any other means of communicating with members.
- 6. The parties will begin bargaining, in good faith, on a successor agreement no later than September 15, 2024 and will begin bargaining with the subject of health and welfare, with the mutual goal of first bargaining to agreement the 2025 health and welfare of employees. Such health and welfare agreement shall be drafted in a Letter of Understanding (LOU) that shall be expeditiously ratified by the membership of the Union with adequate time for any necessary open enrollment period. The parties agree to endeavor to resolve 2025 health and welfare before bringing forth other bargaining proposals.

# Company Commitment to MRMC Health & Welfare Plan

Should the MRMC Plan Trustees adopt all reasonable measures to modernize the Plan by the deadlines agreed herein, the Company commits to not propose any alternative company-sponsored health and welfare plan affecting bargaining unit employees during the negotiations of a 2025 successor agreement.

# **Disputes Over This Agreement**

Should any disputes occur over this Letter of Agreement, the parties agree to expedited arbitration. In lieu of Article 16, the parties agree that the following process will be applicable to disputes arising out of this LOA:

- A. A grievance concerning this provision may be submitted by either party for expedited arbitration.
- B. A grievance will be filed directly with the other party.
- C. The party in which the grievance was served upon will have five (5) days to issue a final decision to the grievance.
- D. The request for expedited arbitration will be made within five (5) calendar days after receipt of the final decision in the grievance procedure. If no final decision has been issued, the request will be made within five (5) calendar days from the date such decision should have been issued.
- E. The parties agree that such matters will be heard by \_\_\_\_\_ (insert name or process to select). An arbitrator unable to hear an expedited arbitration case within thirty (30) calendar days will be deemed unavailable and the Parties will select another arbitrator.
- F. The hearing will be conducted as soon as possible but in no event later than 30 days from the request to the Arbitrator. The Parties may arrange for a pre-hearing conference with or without the Arbitrator to consider means of expediting the hearing.
- G. The arbitrator will issue a decision as soon as possible, but no later than twenty (20) calendar days after the official closing of the hearing, unless otherwise agreed by the Parties. By mutual agreement, the arbitrator may issue a bench decision.