



**2020 - 2023**

**COLLECTIVE BARGAINING AGREEMENT  
BY AND BETWEEN**

**PACIFIC NORTHWEST STAFF UNION**

**AND**

**UNITED FOOD AND COMMERCIAL WORKERS  
LOCAL 21**

**EFFECTIVE**

**OCTOBER 25, 2020 THROUGH OCTOBER 31, 2023**



THIS AGREEMENT is entered into and is effective on the 25<sup>th</sup> day of October 2020, between UFCW Local 21, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the Employer,” and the Pacific Northwest Staff Union hereinafter referred to as the “Union or “PNWSU”.

Whereas, the parties hereto desire to cooperate in establishing conditions which will tend to secure to the employees concerned a living wage and fair and reasonable conditions of employment, and to provide methods for fair and peaceful adjustment of all disputes which may arise between them so as to secure uninterrupted operations of Local 21: And, whereas the parties agree that the principle responsibility of all employees covered by this agreement is to insure that all members of Local 21 are treated with the utmost dignity and respect: that their membership questions, problems, and related matters are handled in accordance with the highest of standards, including but not limited to a positive, helpful, patient and professional image, with a commitment to teamwork and the ideology of unionism, while working together with all other Local 21 employees to meet the needs of the people we serve. Local 21 and PNWSU will continue to promote a harmonious relationship between the parties.

#### **ARTICLE 1 - RECOGNITION AND BARGAINING**

- 1.01 Local 21 recognizes the Union as the sole and exclusive bargaining agent with respect to the rates of pay and other terms and conditions of employment in the unit as defined below:
- 1.02 The bargaining unit shall consist of Union Representatives, Organizers and Researchers but excluding all office/clerical employees, confidential employees, guards, department heads, supervisors, student interns under the supervision of a Local 21 staff person and full-time negotiators.

#### **ARTICLE 2 - UNION SECURITY**

##### 2.01 - Union Membership Status

Membership: It shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on or before the thirty-first (31st) day following the effective date of this Agreement, become and remain members in good standing in the Union.

It shall also be a condition of employment that all employees covered by this Agreement who are hired after its effective date shall, not later than the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. All of the foregoing provisions shall be implemented in accordance with, and consistent with, applicable federal and state laws.

- A. Fair Share Dissenter: The parties recognize that an employee will have the option of declining to participate as a member in the Union yet contribute financially to the activities of the Union in representing such employee as a member of the bargaining unit. Therefore, as an alternative to and in lieu of the membership requirements of the previous section (section 1

of this Article), an employee who declines membership in the Union shall pay to the Union each month a representation fee in an amount identified by the Union, but which shall not be higher than full membership dues. The representation fee shall be collected by the Employer in the same manner as monthly membership dues.

- B. Religious Objector: A bargaining unit employee who demonstrates a bona fide religious belief or tenet as determined by the established application and determination procedures of the Union, consistent with applicable state and federal statute, rules and regulations, and such employee is prohibited from becoming a member of the Union by such belief, such employee shall pay to the Union each month an amount of money equivalent to such regular current union dues to the Union, who shall then transmit that amount to a non-religious charity of the employee's choice from a list of non-religious based charities provided by the Union. Receipt of such transmittal to the charity organization shall be provided to the employee on an annual basis.

#### 2.02 - Maintenance of Membership

Employees who are required hereunder to maintain membership in the Union and pay union dues, or maintain non-member status and pay representation fees, and fail to do so shall, upon notice of such fact in writing from the Union to the Employer, be terminated thirty (30) days after receipt of said written notice to the Employer.

#### 2.03 - Deductions

**Dues and Fees:** The Employer shall deduct dues and fees from the pay of any employee who the Union notifies the Employer has authorized such deductions in writing.

**Verification of Authorization to Deduct:** Upon request for verification, payroll deduction authorization cards shall be submitted to the Employer from the Union showing the authorization for deduction and the employee's signature.

**Remittance List:** The Employer will provide each month, a list of employees whose dues and any fees have been so deducted. The list will include the first, middle, and last name, employee identification number, gross pay in which the dues/fees are based, and the amount of the dues/fees. The Employer shall provide the remittance list in excel format.

**Change in Status Notification:** The Employer shall notify the Union of any change in an employee's employment status. The Employer will provide the Union a copy of the Change Employment Status Form.

#### 2.04 - Hold Harmless

The Union shall indemnify and hold the Employer harmless against any and all claims, demands, suits that arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of this Article.

### **ARTICLE 3 - EMPLOYER RIGHTS**

- 3.01 The Union recognizes and agrees that except as limited by the provisions of this Agreement as they may ultimately be interpreted and applied through the grievance and arbitration procedures, that The Employer has the sole and exclusive right to manage the Union in such a

manner as The Employer shall determine to be in its best interests, so long as it does not violate any terms of this Agreement and has the sole right to establish, maintain and reestablish and enforce rules and regulations. The exercise or non-exercise of the rights retained by The Employer shall not be deemed to waive any such rights or the discretion to exercise any such rights in some way in the future.

- 3.02 The provisions of the collective bargaining agreement shall be subject to the Constitution of the United Food and Commercial Workers International Union and the Bylaws of Local 21.

#### **ARTICLE 4 - SENIORITY**

- 4.01 Seniority shall be considered as an employee's continuous and uninterrupted service with UFCW Local 21 including previous uninterrupted service with former Locals 1001, 1105, 44 or 81 based on most recent date of hire within the bargaining unit. Seniority shall be local wide and based on their most recent hire date.

In the event a member returns to the bargaining unit from a non-bargaining unit position within Local 21, an employee's seniority date shall be their most recent date of hire.

- 4.02 New employees will be considered on a probationary basis for the first six (6) months of employment except that newly hired organizers (including community organizers) will be subject to a nine (9) month probationary period. Employees on probationary status will be subject to the terms of this Agreement but may be terminated or disciplined at the discretion of Local 21. Such termination or discipline shall not be subject to the Grievance and Arbitration provisions as set forth in Article 5 of this Agreement. After the completion of the probationary period, an employee's seniority date shall revert to their original date of hire.
- 4.03 **PROJECT EMPLOYEES**  
A project employee may be hired for a period not to exceed nine (9) months (except by mutual agreement between Local 21 and the Union) for the purpose of increased work flow or special projects. Project employees employed beyond nine (9) consecutive months shall become regular employees. These employees will accrue no seniority during this time.
- 4.04 In the event a project employee takes a permanent position after nine (9) months, that employee's seniority and probationary period and application of Article 2 shall be based on the date of hire as a permanent employee except that for purposes of vacation and sick leave the employee's original start date as a project employee shall apply. Time worked as a project employee will be considered when evaluating placement on the wage scale.
- 4.05 Special Project Union Representatives or other employees partially financed by the UFCW International Union shall be exempt from the nine (9) month time limitation of this article.
- 4.06 **LAYOFF AND RECALL**  
Where merit and ability are equal, seniority shall prevail in the event the Employer determines it is necessary to lay off employees. The Employer's judgment shall be based on reasonable criteria and shall not be arbitrary or capricious.

4.06.1 An employee on layoff status less than one year shall be given consideration for an open position listed in the seniority roster other than the one from which they were laid off, provided the employee has kept the Employer apprised of their current address and phone number.

4.06.2 Seniority rights shall terminate for the following reasons: Termination, Layoff for one (1) year or more, Voluntary Quit, and Retirement

4.06.3 In the event a layoff of Community Organizers is determined necessary by the Employer and the employee(s) subject to layoff have previous representative or organizing experience with Local 21 the employee(s) may exercise their right to return to their former job classification in this sole instance.

4.07 Job Posting

Job openings within the Local shall be posted for seven (7) calendar days on the bargaining unit bulletin board in every Local office location and shall be emailed to all bargaining unit members.

4.08 Severance Benefits are payments made to employees upon termination of employment caused by work force reduction. Severance benefits shall be calculated at the employees' weekly rate of one weeks' pay for every full year of service up to a maximum of ten years.

4.09 Notice of Resignation

Employees are required to give at least thirty (30) days written advance notice of resignation. Failure to give required notice shall result in the loss of vacation accruing toward the employee's next anniversary date. The Employer will give consideration to situations that would make such notice by the employee impossible.

**ARTICLE 5 - GRIEVANCE AND ARBITRATION PROCEDURE**

5.01 Grievance Defined

A grievance, within the meaning of this Agreement, shall be any complaint by one (1) or more employees, which involves the interpretation or application of, or compliance with, the provisions of this Agreement. All grievances shall identify the Article(s) and Section(s) of the Agreement alleged to have been violated and shall specify the remedy requested.

5.02 Procedure

A grievance shall be processed as follows: An employee or employees shall file the grievance in writing not later than twenty (20) calendar days after the date of the event upon which the grievance is based, or the date on which such event should reasonably have become known. Any grievance not filed within the above-stated time frame shall be deemed withdrawn or dismissed.

The grievance shall be delivered in person, or sent by mail, email, and/or fax to the employee's supervisor, provided that at the option of the Union, Step 1 may be bypassed, in which case the grievance shall be filed at Step 2.

#### Step 1-Immediate Supervisor

Within eight (8) working days after receipt of the grievance referred to above, the immediate supervisor shall initiate a conference call or meeting with the grievant and his/her Union steward for the purpose of attempting to resolve the grievance. Within five (5) working days after the grievance meeting, the grievant shall be sent by mail, email, fax and/or hand-delivered, a written response by the designated Employer representative. A copy of that response also shall be sent to the Union.

#### Step 2-Local 21 President or Designee

If the grievance is not resolved at Step 1, the Union may file the grievance at Step 2 with the Local 21 President or designee. The grievance will be timely at Step 2 if it is filed, by service in person, by mail, by email and/or fax, within eight (8) working days after receipt of the Employer's Step 1 response. Within eight (8) working days after receipt of the Step 2 grievance, the Employer shall initiate a conference call or meeting with the grievant and his/her Union representative in an attempt to resolve the grievance. Within eight (8) working days of that conference call or meeting, the Employer shall provide the grievant a written response by mail, hand delivered, email and/or fax. A copy of that response shall be furnished to the Union.

#### Step 3-Arbitration

**Request for arbitration:** If a grievance is not resolved to the Union's satisfaction at Step 2 (or Step 3 if mediation was pursued), the Union may submit grievance to arbitration, provided that written request for arbitration must be sent by mail, hand delivered, email and/or fax, to the Employer within twenty (20) working days after receipt of the Employer's Step 2 answer. Upon the Employer's receipt of such a timely request, the parties shall then jointly request a list of seven (7) impartial Arbitrators from the Federal Mediation and Conciliation Service (FMCS).

**Selection of Arbitrator:** The parties shall then promptly select an Arbitrator pursuant to the alternative striking method. The Union and Employer will make a good faith effort to work collaboratively to expedite arbitration.

**Arbitrator's Authority:** The Arbitrator shall have no power to alter, amend, add to, or subtract from the provisions of this Agreement. The decision of the Arbitrator shall be final and binding on the Employer, the Union, and the employee(s).

**Arbitration Fees:** The fees and expenses of the Arbitrator and the FMCS shall be borne equally by both parties, except that if any expenses are incurred because a party unilaterally withdraws a case, then that party alone shall bear any such expenses.

### 5.03 Miscellaneous

**Extensions of Time Limits:** Extensions of the aforesaid time limits may be mutually agreed upon and shall be confirmed in writing. Unless an extension is mutually agreed upon between the Employer and the Union, the time limits set forth herein shall be applicable.

**Failure to Advance Grievance to the Next Step in Timely Manner:** A failure by the Union or employee at any step of the grievance procedure to appeal a grievance to the next step within the specified time limits, shall be deemed an acceptance of the Employer's decision rendered at that step.

**Failure of Employer to Respond in Timely Manner:** A failure by the Employer at any step of the grievance procedure to initiate a conference call and/or meeting, or to respond to a grievance within the specified time limits, shall result in the grievance being automatically moved to the next step with a written appeal from the Union.

**Pay Status of Grievant(s) During Processing of Claim:** Grievant shall not suffer any loss of pay for time spent attending an arbitration hearing and/or participating in Step 1, 2, and 3 meetings.

## **ARTICLE 6 - DISCRIMINATION AND DISCIPLINE**

- 6.01 The parties hereto state that no person covered by this Agreement shall be discriminated against because of age, sex, race, religion, national origin, handicap, sexual orientation, gender identity or political affiliation. Employees may have the option of filing discrimination charges either through a civil agency or the grievance procedure.
- 6.02 When an employee is to be disciplined within 24 hours, the employee may, at his/her election, have a Union representative present. In the event such disciplinary action is reduced to writing, a copy of the written notice shall also be given to the employee so that they may furnish it to their Union representative, if so desired. No employee shall be disciplined or discharged except for just cause.
- 6.03 No employee shall be discharged while on vacation, on their day off, on leave of absence or while on disability.
- 6.04 The employer and the Union jointly recognize the desirability of increasing employment opportunities for minority groups, women, Local 21, and UFCW members. Both parties see Affirmative Action as an ongoing process and will pursue a program of recruitment, retention, and training with emphasis on career advancement. This provision shall not be subject to the Grievance procedure.

## **ARTICLE 7 - VACATIONS**

- 7.01 Employees shall be entitled to, and may receive, annual vacation with pay on the following basis:
- One (1) Week: Five (5) working days after six (6) months of continuous service may be granted.
  - Two (2) Weeks: Ten (10) working days after one (1) year but not less than three (3) years of continuous service.
  - Three (3) Weeks: Fifteen (15) working days after three (3) but less than ten (10) years of continuous service.
  - Four (4) Weeks: Twenty (20) working days after ten (10) but less than fifteen (15) years of continuous service.
  - Five (5) Weeks: Twenty-five (25) working days after fifteen (15) but less than twenty (20) years of continuous service.
- 7.02 Vacation eligibility dates are based upon the employee's original full-time employment date with the Employer or former local 1001, 1105, 381, 44 or 81 provided that there has been no break in employment.
- 7.03 Vacations due must be taken before the next anniversary date except that employees may carry over two weeks of vacation to be scheduled by mutual agreement during the three months following the employees anniversary date. In the event a vacation must be canceled by the Employer, that available time may be carried over to the next anniversary year, if necessary.
- 7.04 When a holiday occurs during an employee's vacation, such holiday will not be counted as part of the employee's vacation and may be given as an additional day off at the end of the vacation period or at a time mutually agreeable between the Union President and the employee.
- 7.05 Employees with more than six (6) months' service will be paid any vacation earned upon separation of employment. When leaving the employ of the Local Union, any employee covered by this Agreement shall be paid for all unused earned vacations.
- 7.06 When a vacation day, a holiday, or comp-time is canceled by the Employer and there is not fair and reasonable opportunity to reschedule, these days shall be carried over to the next anniversary year. Any days carried over must be taken within four (4) months of the employee's anniversary date.
- 7.07 Vacation Scheduling. Senior employees shall be given preference in the selection of vacation periods if the request is submitted before March 1 of each year. Vacation requests submitted after March 1 shall be approved or disapproved within 14 days.



## **ARTICLE 8 - HOLIDAYS**

- 8.01 The following holidays and such other holidays observed by the office of the Employer shall be granted with no deduction in salary and shall be paid for as though the employee has worked a full shift at the actual rate of pay:
- New Year's Day
  - Martin Luther King Jr.'s Birthday
  - President's Day
  - Memorial Day
  - Juneteenth
  - Independence Day
  - Labor Day
  - Thanksgiving Day
  - Day after Thanksgiving Day or another day during the Christmas Season
  - Last Working Day before Christmas Day (see 8.02)
  - Christmas Day
- 8.02 The Employer may schedule another day off in lieu of this holiday if the work schedule will not permit granting such at the specified time. This determination will be made no later than December 1st.
- 8.03 Employees will also receive five (5) days compensation each calendar year. These days may be taken at a mutually agreeable time agreeable to the employee and the Employer's President. (Including but not limited to: Employees birthday, Anniversary Date of Employment, etc.)
- 8.04 The employee's birthday may be taken on any work day after three months of employment by mutual agreement.

## **ARTICLE 9 - HEALTH & WELFARE, DENTAL, VISION, PRESCRIPTION PLAN**

- 9.01 Effective January 1, 2006, the Employer shall provide coverage to employees under the Health and Welfare, Dental Vision, Prescription and Retiree plans established by the Retail Clerks Welfare Trust, now known as Sound Health and Wellness Trust ("Trust"). Parties agree that the intent of the changes reflected in the 2020 bargain are to mimic changes made by largest employers in said plan.
- A) Acceptance of Trust Agreements: The Employer and the Union agree to be bound by the terms of the Trust Agreements, which created the Retail Clerks Welfare Trust, as initially executed on June 18, 1957, and the Trust Agreement which established the Retail Clerks Retiree Welfare Trust, initially adopted December 3, 1998, as applicable, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, and Trustee actions.

- B) Adoption of Health and Welfare Labor Agreement: The Employer and the Union agree to be bound by the Health and Welfare and Pension Labor Agreement, effective May 3, 2010, by and between Allied Employers, Inc., and UFCW Union Locals Nos. 21, 44, 81, 367, 1439, UFCW International, and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto.
- C) Employers party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Trust for the purpose of providing the employees with hospital, medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc., and various Local Unions dated April 1, 1977 and subsequently amended, including the revision dated May 3, 2010.
- D) The details of the benefit programs including a description of exact benefits to be provided, and the rules under which employees and their dependents shall be eligible for such benefits, shall be determined by the Trustees of the Retail Clerks Welfare Trust in accordance with the terms and provisions of the Trust Agreement creating the Retail Clerks Welfare Trust, dated June 18, 1957, and as may be subsequently amended.
- E) The term “compensable hour” shall mean any hour for which any employee receives any compensation required by this Agreement.
- F) The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.
- G) Notwithstanding the foregoing Section, the Board of Trustees of the Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer’s total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

9.02 The bargaining unit agrees to pay all employee premiums as deemed necessary by the Board of Trustees for the Retail Clerks Welfare Trust.

9.03 The parties to this Agreement acknowledge their responsibility under FMLA and ADA for the life of this Agreement. Any modifications of these acts during the life of this Agreement shall be incorporated into said Agreement.

9.04 In the event the Congress or the State passes a national or state health care bill the Employer agrees to bargain with the Union over the effects of such change.

9.05 The Employer shall provide a Flexible Spending Account for qualified medical and dependent child care expenses in accordance with the provisions of the Internal Revenue Service. Employees who choose to participate must enroll upon hire or during the designated annual open enrollment period.

- 9.06 In the event the Trust requires higher contributions than \$5.10 per compensable hour starting with April 2019 hours until November 1, 2019, the Employer will contribute the required amount without a reduction in wages. The employer will participate in the Trust's "Buy-Up" option for all new hires during the first 60 months of their employment provided such option is available.
- 9.07 Effective with October 1, 2019 ("Effective Date") hours, the Employer will contribute to the Sound Health and Wellness Trust on behalf of all employees in the bargaining unit as follows:
- A) Effective with October 1, 2019 hours, the Employer's current contribution rate(s) shall be reduced by twenty-one cents per hour except that, effective for hours upon notice by the Sound Health and Wellness Trust, the Employer's contribution rate shall further decrease on a temporary basis in order to allow for an increase in the Employer contribution rate to the Sound Retirement Trust under Section 10.02(J).
  - B) Additionally, beginning with the month following notice from the Trustees of the Health and Wellness Trust that a temporary reduction in the Employer's contribution rate is authorized, the amount of such reduction shall be added as a monthly employer contribution to the Sound Retirement Trust on behalf of all eligible employees as described in Article 10.02(J). These amounts are in addition to the employer contributions required under Article 10.02(J). The payment of such reduced contributions shall continue until the earlier of the thirteenth month following the effective date of the reduction or when the Trustees determine, in their sole discretion, that the amount of surplus assets in the Health and Wellness is reduced to, or anticipated to be reduced to zero. The Health and Wellness Trust shall provide notice of such determination. However, in no event shall the Employer's contribution rate to the Health Trust be reduced below \$4.65 per hour if the Trust excess assets (above the required reserves) are anticipated to fall below 2 ½ months of excess reserves before such date.
  - C) Starting October 2020, every six months through March 2022, the consultants will project Plan expenses and income and report these amounts to the Trustees. Based on those projections, the Trustees will set the contribution rate (with a minimum rate of the initial hourly rate before the temporary decrease and up to a maximum rate of \$5.19 that is anticipated to result in an excess reserve of \$52 million by April 30, 2022. Each recalculated rate shall become effective for the Employer as of the effective date determined by the Trustees and the Employer shall pay the recalculated rate as of such effective date.
  - D) In March 2022, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2022, (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2022 hours, provided that the hourly rate shall not exceed \$5.19 and not be less than \$4.86. However, for January through March 2022, the Employer's contribution rate will be temporarily reduced from this contribution rate by

such amount as to redirect the total amount of \$15 million for all employers to the Variable Annuity Plan.

E) The buy-up rate, if applicable, also will be decreased and increased accordingly.

## **ARTICLE 10 - RETIREMENT PLAN**

10.01 Effective October 1, 2005 the Employer and the Union agreed to be bound by the terms and provisions of the executed Trust Agreement dated January 1, 1959, and as subsequently amended and known as the Retail Drug Employees Retirement Fund (Drug Retirement and subsequently merged with Retail Clerks Pension Trust) and now known as Sound Retirement Trust. Parties agree that the intent of the changes reflected in the 2020 bargain are to mimic changes made by largest employers in said plan.

- A) Acceptance of Trust Agreement: The Employer and the Union agree to be bound by the terms of the Trust Agreement, which created the Retail Clerks Pension Trust, as initially executed on January 13, 1966, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations, and Trustee actions.
- B) All contributions shall be paid on compensable hours with a maximum of one hundred seventy-three (173) hours per calendar month per employee
- C) The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.
- D) The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.
- E) Notwithstanding the foregoing Section, the Board of Trustees of the Sound Retirement Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

### 10.02 Payments Required

The employer shall pay into the Sound Retirement Trust in accordance with this Section 10. It is recognized and agreed that said supplemental contributions will not result in any pension credit for the covered employees.

- A) Until the effective date of the new future service defined benefit variable plan under Section 10.03, the Employer will continue to make contributions to the Sound Retirement Trust as described in this Section and the Employer's active participants will continue to earn benefit accruals until such effective date. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section.
- B) The parties hereby adopt the Preferred Schedule under the Rehabilitation Plan of the Sound Retirement Trust as revised December, 2019 with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and applicable Schedule and the Employer shall contribute in accordance with such Schedule.
- C) Upon the effective date of the new future service defined benefit variable plan under Section 10.03, future benefit accruals under the SRT will cease and the SRT plan will be frozen; as a result, the funding of 125% of the employer's base contribution for the SRT for the Employer's employees is discontinued once future benefit accruals commence under the VAP and all hourly contribution rates paid to the SRT will be reduced by this adjusted base contribution under this Section 10.02.
- D) The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT.
- E) The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.
- F) The Employer shall continue to pay all of the scheduled contribution increases under the updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date. In addition, the Parties ask the Trustees of the Plan to explore adopting specific language that all additional contributions will not be used in calculations of the employers' share of the unfunded vested benefits, to the extent permitted by law.
- G) The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between Safeway/Albertson's and the Union and the full implementation of the agreement between Kroger and the Union, including the transfer of liabilities and assets from

the SRT to the UFCW Consolidated Fund under the MOU between Kroger and the Union. If either the SRT or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives.

- H) The parties agree to request that the Actuaries for the SRT review and update, as they determine is appropriate, the current withdrawal liability methods used by the Fund.
- I) In part in order to ensure the prudent funding of the Sound Retirement Trust, the Employers, in total, agree to redirect health & welfare trust contributions up to the total amount of \$100 million to the SRT commencing with January 2020 hours.
- J) The parties will cooperate in seeking approval by the relevant parties for this global solution for accelerated funding of the unfunded liabilities of the SRT, including the SRT Board of Trustees, the PBGC and the UFCW Consolidated Fund Board of Trustees. (Subject to final agreement on the details of any Kroger transaction.)
- K) To that end, the parties agree to ask that the SRT Trustees consider the following:
  - i. Continue to extend cash-matched period under Beta portfolio as the situation warrants in order to continue to reduce investment risk in the SRT;
  - ii. Reduce the valuation assumption to 6.5% net of investment expenses; and
  - iii. Invest the \$165 million in assets to be transferred from the SRT to the UFCW Consolidated Pension Fund at a risk free rate of return from the ratification date of the collective bargaining agreement until the date of transfer. (Subject to final agreement on the details of any Kroger transaction.)
- L) This agreement is contingent on the bargaining parties reaching an overall collective bargaining agreement, including an agreement between the Employer and the Union for a new future service defined benefit variable plan for all current employees affected by this transfer.

### 10.03 Variable Annuity Plan.

As of the effective date of the new future service defined benefit variable annuity plan (VAP), future service benefit accruals will be earned in the VAP, a multiemployer variable annuity defined benefit plan. Participants' service earned under the Sound Retirement Trust (SRT) and the VAP will be recognized for participation, vesting and benefit eligibility purposes in both plans. In the event of a short plan year running from the transfer date to December 31, the benefit guarantee will apply for the short plan year and the subsequent initial full plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

- A) The Employer will contribute [(xx%) percent of salary per month] for each eligible active participant to the VAP, commencing with the VAP effective date [if salary percentage used, add] as determined by the actuaries for the VAP to reflect the intent of the parties that: (1) that the contribution is set based on the cost of the aggregate current benefit accrual for the Employer's employees, but determined using a 5.5% discount rate and administrative costs, and (2) the benefit accrual rate is determined by the amount that can be funded with such contributions determined under (1) above (with a margin in the benefit accrual rate that is designed to guard against adverse non-investment experience). Salary shall be gross wages per payroll period. Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made under the current collective bargaining agreement. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT.
- B) In addition, the Employer will contribute three cents (\$.03) per hour for each eligible active participant to the VAP, commencing with the effective date of the VAP through the end of the initial first full Plan Year.
- C) The benefit accrual under the VAP will be periodically reviewed (but at least every three (3) years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, all actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.
- D) The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the short plan year and the first full plan year, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.
- E) The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.
- F) Annual benefit improvements will be capped at 3.0% above the 5.5% hurdle rate. Any surplus investment return between the 5.5% and the 8.5% cap will fund benefit improvements and any surplus investment return over 8.5% shall be allocated to the stabilization reserve.
- G) The VAP board of trustees will formulate a stabilization reserve policy which will define the board's discretion to manage the stabilization reserve and determine how and when it

is used to support benefit accruals in years in which the plan investments underperform the hurdle rate. The Employer will contribute to the stabilization reserve from January through March, 2022 in accordance with Section 9.07(D).

- H) It is the intent of the parties that the stabilization reserve policy will be used to stabilize benefits for active and retired participants in the event of returns of 2% or lower (“the Floor Return”) and maintained in order to address the VAP investment and demographic experience and the level of assets/benefits accrued under VAP. It is not the intent that the stabilization reserve be used in the event of investment returns higher than the Floor Return.
- I) The Governance of the VAP will be modeled after the SRT Trust Agreement document, as appropriate and agreed to by the plan sponsor.

10.04 In the event that the required deficit reduction contribution is reduced, the Employer contribution to deficit will be reduced first.

10.05 During the term of this agreement, the Employer agrees to withhold from the wages of the employees such amounts as the employee may designate in a voluntary written authorization and forward such monies to the Western Employee Benefit Trust 401(K) Plan (hereinafter Web Trust). Employees may enroll or change their designated withholdings no more frequently than once every six (6) months. Employees may terminate their withholdings at any time.

10.06 The parties agree that the Employer is only liable for the withholding and forwarding of employee contributions to the Trust Fund. The employee assumes all investment risks for the monies invested in the Web Trust.

#### **ARTICLE 11 - REIMBURSED EXPENSES**

11.01 Only receipted items will be reimbursed, except that employees shall receive \$65 per week for non-receipted miscellaneous expenses such as metered and non-receipted parking, second privacy line for home business calls, cell phones, internet access, and other business related technology. To receive this non-receipted payment, all employees must have an accessible cell phone that is kept current with security updates, pass code protected, with voice messaging, up to date versions of applications that the employer deems necessary, such as Hustle, Ulink, and WorkIt, and email capability which meets the Local Union’s technology requirements. The cell phone must be turned on from 9:00 a.m. to 5:00 p.m. Monday through Friday or other hours or days when employees have been assigned business by the Employer. It is understood that hospital servicing requirements or Weingarten meetings may require the cell phone to be turned off for a limited period. Employees are required to check for cell phone messages immediately following any period when the phone has been turned off. The Employer may require verification of cell phone bills and usage at any time.

11.02 Overnight per diem will be the IRS standard for cities outside the state of Washington. Within Washington State, the per diem will be based on the average IRS standard rate for destination



locations within our jurisdiction. This rate will be adjusted annually according to the latest figures available October 1<sup>st</sup>.

- 11.03 Business related expenses must be pre-approved and shall be submitted within sixty (60) days of the expense and paid on pay days provided they are submitted by the previous Friday. Expenses in excess of \$50 shall be paid as soon as administratively possible. At the sole discretion of the President or designee this sixty day timeline may be extended due to extenuating circumstances.
- 11.04 When an employee who is assigned to work away from home on at out of town assignment incurs emergency medical expenses due to out of network care the employer will reimburse the employee for the cost difference between in network and out of network care up to the out of pocket maximum. The employee shall provide documentation of the charges and insurance payment to the employer in order to receive reimbursement.
- 11.05 Staff assigned out of town overnight shall where feasible be provided with their own Hotel/Motel room in the event that the Employer is solely responsible for the payment for lodging.
- 11.06 The employer will designate a parking spot at the Seattle office for Rep of the Day.

Note: Add an LOU for a joint labor management meeting to discuss technology within the first six months following ratification.

## **ARTICLE 12 - LEAVES OF ABSENCE AND SICK LEAVE**

- 12.01 An employee may be granted a leave of absence without pay up to thirty (30) days. Requests for such leave must be submitted in writing and receive prior approval before such leave may commence.
- 12.02 Active employees who are required to be off the job due to accident, illness, pregnancy, or qualifying event for PFMLA, will continue to receive their full supplemented salary according to the following schedule:

<u>Period of Employment</u>	<u>Benefit Period</u>
Less than six (6) months	One (1) Week
6 Months - 1 Year	Two (2) Weeks
1 - 3 Years	Not less than four (4) weeks nor more than eight (8) weeks as determined by the Employer president.
3 - 5 Years	Not less than six (6) weeks nor more than twelve (12) weeks as determined by the Employer's President.
5 - 10 Years	Not less than ten (10) weeks nor more than two (2) years as determined by The Employer's president.
10 or More Years	Not less than thirteen (13) weeks nor more than two (2) years as determined by The Employer's President.

- 12.02.1 The determination of the Employer's President in Section 12.02 of this Agreement is absolute and not subject to challenge through the grievance and arbitration procedures of this Agreement or through any other forum, including without limitation any court or administrative agency.
- 12.02.2 An employee on disability in excess of eight (8) weeks shall cease accruing vacation benefits. If the eight (8) week provision conflicts with FMLA or L&I the Employer will change to twelve (12) weeks.
- 12.02.3 Salary payments will be less other income benefits received by an employee such as Social Security benefits, UFCW disability benefits, Worker's Compensation, and Washington State Paid Family and Medical Leave Act. After sixteen (16) weeks, such benefits will be discontinued if the employee qualifies for a UFCW disability pension. After 26 weeks, if continued, such benefits will be sixty percent (60%) of the employee's salary. Extended sick leaves occurring within a twelve-month period will be aggregated for purposes of determining the benefit period. Benefit periods will be determined at the time the extended sick leave begins. Verification of the necessity for being off work may be a condition for receipt of extended sick leave benefits.

Employees are required to apply for time loss and disability benefits, if eligible. Employees who receive disability payments while receiving compensation from the Employer under this Article must submit a copy of their disability check and any corresponding explanation of disability benefits to the Employer in person or postmarked no later than five (5) days of receipt. Failure to provide the employer with a copy of the disability check and corresponding explanation of disability benefits within this time period shall be grounds for discipline subject to just cause.

If disability or time loss payments cause the Employee to earn more than full salary, the Employer will subtract the amount of the overpayment from the employee's next paycheck. If the amount of the overpayment exceeds the Employee's regular salary, the Employer will subtract the overpayment in more than one paycheck.

The Employer reserves the right, unless prohibited by law, to require an independent medical opinion at the Employer's request and expense as a condition of receiving benefits under this provision. In the event of conflicting medical opinions, a third, mutually agreeable independent medical opinion shall be used for determination of eligibility for continued sick leave benefits at the expense of the employer. The Employer reserves the right to adjust payments retroactive to the second opinion.

- 12.03 The Employer will provide a Long-Term Disability Insurance Plan that will provide up to 60% of the employee's weekly salary beginning on the 31<sup>st</sup> day of disability and to continue until age 65 or date of retirement. All provisions of the plan shall apply and will be coordinated with the Employer's sick leave plan.

### **ARTICLE 13 - JURY DUTY AND WITNESS PAY**

- 13.01 Employees who are called for service on a Municipal Court, District Court, Superior Court or Federal District Court jury shall be excused from work for the days on which they serve for up to three weeks within a calendar year.
- 13.02 Employees required to appear in court or in legal proceedings on behalf of their Employer shall receive their regular compensation.

### **ARTICLE 14 - DEATH IN THE IMMEDIATE FAMILY**

- 14.01 Any employee suffering the death of a spouse partner, child, parent, sister, brother, mother-in-law, father-in-law, grandchildren, grandparent, stepchild or stepparent shall be allowed a minimum of five (5) days leave from work with pay.. One (1) day of leave will be provided for the death of an aunt or uncle.

In rare and exceptional circumstances, the Employer will consider providing an equal amount of Bereavement Leave for family members not specifically addressed above. Any such consideration or leave granted is at the sole and exclusive determination of the employer, shall be non-precedent setting and shall not be subject to the grievance procedure in this agreement or any other recourse under local, state, or federal law.

### **ARTICLE 15 - AUTO POLICY**

- 15.01 Upon ratification, organizers, community organizers and field representatives shall receive \$550 per month payable bi-weekly for gas, and routine auto maintenance, insurance reimbursement and auto loan reimbursement and Member Resource Center representatives shall receive \$450 per month. These amounts will be reduced by \$100 per month for all staff that choose not to use a UAW vehicle.
- 15.02 Auto insurance as outlined in the auto policy must be in full force and in effect at all times.
- 15.03 Snow tires will be provided for automobiles operated by employees with work assignments in Eastern Washington or remote areas of Western Washington.
- 15.04 Employees receiving the car allowance outlined in 15.01 must comply with the UFCW 21 Auto Policy.

### **ARTICLE 16 – EMPLOYMENT AND TRAINING**

Requests for funding of continuing education and training brought to the Employer by employees shall be given fair and reasonable consideration. Approval shall be at the sole discretion of the employer. If approved, during the training the employee shall be considered on work time and paid accordingly. Approval shall be at the sole discretion of the employer.

**ARTICLE 17 - WAGES**

PNWSU STAFF WAGE SCALE					
2020		2021		2022	
Top Scale	1,842	Top Scale	1,879	Top Scale	1,879
9	1,545	9	1,545	9	1,545
8	1,495	8	1,495	8	1,495
7	1,445	7	1,445	6	1,395
6	1,395	6	1,395	5	1,345
5	1,345	5	1,345	3	1,250
3	1,250	3	1,250		
2	1,205	2	1,205		
1	1,160				

*Upon ratification, all members shall receive a one-time \$500 bonus with the understanding that both parties agree to discuss potential wage formulas during at least 3 additional LMC meetings throughout this contract cycle without any commitment of adopting any such wage formula.*

- 17.01 Organizational equity and/or significant progress by any employee may be recognized by the President by increasing the employee’s pay within these steps.
- 17.02 Previous experience or related work will be recognized as a factor in determining the appropriate starting rate.
- 17.03 Leads. The Employer may establish and assign up to six (6) non-supervisory lead positions in the bargaining unit. The employer has the sole authority to determine lead duties and which members of the bargaining unit shall be designated as leads. No employee shall be required to become a Lead. Leads shall be paid two thousand six hundred dollars (\$2600) per year payable in quarterly lump sum bonuses.
- 17.04 Multilingual Pay:  
 \$25 per week if assigned full time  
 \$25 per week for weeks periodically assigned
- 17.05 When an employee’s annual salary increase exceeds 4% per calendar year, the amount above 4% may be paid as a non-pensionable bonus until subsequent annual salary increases are below 4% per year. At the end of each calendar year, should the total pension cap increase for UFCW 21 be below 4%, a portion of the non-pensionable bonus shall be reclassified as salary in a manner that aims to maximize retirement benefits. The portion of bonus reclassified as salary shall be determined solely by UFCW 21.
- 17.06 Expanding UFCW 21 Reimbursement Policy—Reimbursement for briefcases and technology needs will be provided up to a maximum of \$150.00 per contract cycle.

## **ARTICLE 18 - MERGERS**

- 18.01 The Employer acknowledges that it has a legal obligation to meet and confer (negotiate in good faith) with the Union regarding the effects on employees covered by the Agreement of any merger which might occur between the Employer and any other UFCW Local Union accomplished in accordance with the UFCW Constitution.
- 18.02 The Employer agrees to notify the Union at least sixty (60) days prior to the effective date of any merger and meet and confer with the Union at least thirty (30) days prior to the effective date of any merger between the Employer and any other UFCW Local Union with the specific intent to resolve all issues regarding wages, hours, and other terms and conditions of employment of the employees then covered by this Agreement. In the event of a merger between Local 21 and any other Local there shall be no layoffs of bargaining unit members for a period of six months from the effective date of the merger.
- 18.03 The parties to this agreement recognize and agree that decisions on the direction of United Food and Commercial Workers Local 21 on such issues as mergers with other local unions chartered by the United Food and Commercial Workers International Union are matters to be determined by Local 21's elected leadership, subject to the United Food and Commercial Workers International Union's Constitution and Local 21's Bylaws. Accordingly, the parties agree that following the International President's and Executive Committee's approval of merger discussions between Local 21 and any other approved Local Unions, any employee covered by this agreement who either directly, or indirectly through their Union, involves themselves in any way in the merger, merger discussions, or merger election in any manner that would negatively affect the merger or election shall be subject to immediate discharge. In addition, should PNWSU violate these terms and conditions, an assessment will be paid by PNWSU to Local 21 equal to 20% of Local 21's per capita taxes paid to the International Union for 6 months. In the event of a merger PNWSU will be the representative of any appropriate merged unit, provided such designation is lawful. The parties agree to bargain over terms and conditions of employment for those employees new to such unit as a result of the merger.

## **ARTICLE 19 – UNION ACTIVITIES**

- 19.01 There shall be no discrimination against any employee because of his/her Union Membership or activities.
- 19.02 The rights and privileges of employees as members of UFCW Local 21 shall be governed by the Constitution and laws of the UFCW and the Bylaws of Local 21. The Union, party to this Agreement, shall not, as an organization, engage in any internal Local 21 political activities or attempt, as an organization, to exercise UFCW membership rights belonging to the employees as individuals.
- 19.03 Labor Management Committee  
A committee comprised of the PNWSU union representative plus three bargaining unit representatives shall meet with the Employer three (3) times per year to discuss concerns of either party. UFCW and PNWSU will pre-schedule Labor Management meetings in 2018.

**ARTICLE 20 – NO STRIKE/NO LOCKOUT**

- 20.01 During the term of this Agreement, the Union agrees that there shall be no strike or any other interference with or interruption of the Employer’s operations by the Union or its members. The Employer agrees that there shall be no lockout of employees.
- 20.02 It shall not be a violation of the Agreement and it shall not be grounds for discharge or discipline for any employee covered by this Agreement to refuse to cross or work behind any legal primary picket line established against Local 21 by any of its employees.

**ARTICLE 21 - TERMINATION AND RENEWAL**

- 21.01 This Agreement shall be in full force and effect from October 25, 2020 through October 31, 2023 and shall continue in effect from year to year thereafter unless either party gives notice, in writing, at least sixty (60) days prior to any expiration or modification date of its desire to terminate or modify such Agreement; provided, that in the event the Union serves written notice in accordance with this Section, any strike or stoppage of work after any expiration or modification shall not be deemed in violation of any provisions of this Agreement, any other provision to the contrary notwithstanding.

**Pacific Northwest Staff Union**



Ariana Davis

Date: 11/06/2020



Teasha Karell

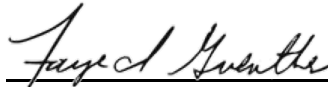
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Emily Kongchunji

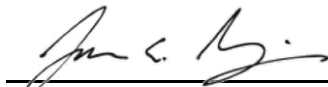
Date: 11/9/20

**United Food and Commercial Workers  
Union Local 21**



Faye Guenther, President

Date: 11/12/2020



Joe Mizrahi, Secretary-Treasurer

Date: 11/12/2020

LETTER OF UNDERSTANDING  
BETWEEN  
UNITED FOOD AND COMMERCIAL WORKERS LOCAL NO. 21  
AND  
PACIFIC NORTHWEST STAFF UNION

This letter outlines the agreement between the parties concerning the merger between UFCW Local 21 and Local 44.

Effective June 1, 2009 UFCW Local 21 acknowledges PNWSU as the sole collective bargaining representative for the former local 44 field representatives working out of the Mount Vernon office.

The parties have agreed that former local 44 field representatives shall be covered by all terms of the current collective bargaining agreement except as provided below:

1. The parties have agreed that for purposes of seniority and all other provisions of the agreement the original Local 44 hire date shall be considered as the most recent date of hire as provided in Article 4.01. The parties have agreed to merge seniority on the representative seniority roster.
2. Employees working out of the Mount Vernon office will be reimbursed for gas receipts for regular unleaded self-service gas only (except where self-service is unavailable by law) for all travel outside of Whatcom, Skagit, Island, and Snohomish counties.

**Pacific Northwest Staff Union**



Ariana Davis

Date: 11/06/2020



Teasha Karell

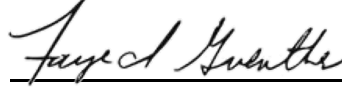
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Emily Kongchunji

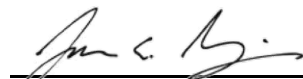
Date: 11/9/20

**United Food and Commercial Workers  
Union Local 21**



Faye Guenther, President

Date: 11/12/2020



Joe Mizrahi, Secretary-Treasurer

Date: 11/12/2020