

February 2, 2023 to February 1, 2026

**UFCW UNION LOCAL NO. 367**

**and**

**PACIFIC NORTHWEST STAFF UNION  
WAGE AND WORKING AGREEMENT**

This Agreement is made by and between UFCW Union Local No. 367, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Employer" and Pacific Northwest Staff Union, hereinafter referred to as the "Union".

It is the intent and purpose of the Employer and the Union to promote and improve Labor Management. It is the intent and relations between them and to set forth herein the basic terms of Agreement covering wages, hours, and conditions of employment to be observed by the parties of this Agreement.

In consideration of the mutual promises and agreements between the parties hereto, and in consideration of their mutual desire in promoting the efficient conduct of business and in providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

**ARTICLE 1 - RECOGNITION OF THE UNION**

1.1 The Employer agrees to recognize and hereby does recognize the Union as the sole and exclusive collective bargaining agent with respect to rates of pay, hours, and all other terms and conditions of employment for the appropriate bargaining unit. The bargaining unit shall consist of union representatives and organizers, except and excluding employees who also supervise union representatives, Executive Vice President and Department Directors. Executive Board members shall not be part of the bargaining unit. Any Executive Board member who is currently in the bargaining unit shall have thirty days to resign his/her position on the Board to remain in this bargaining unit.

**ARTICLE 2 - UNION SECURITY**

2.1 The Employer agrees that all employees covered under this Agreement shall, as a condition of employment, within thirty-one (31) days from the effective date of this Agreement, become and remain members of the Union in good standing.

2.2 The Employer further agrees that, within thirty-one days of employment, all new employees hired subsequent to the effective date of employment shall become and remain members of the Union in good standing.

2.34 It is expressly understood that employees receiving more than the minimum compensation or enjoying more favorable working conditions than provided for in this Agreement, shall not suffer by reason of signing or adoption; however, the terms of this Agreement are intended to cover only minimums of wages and other employee benefits. The Employer may place superior wages and other employee benefits in effect and reduce the same to the minimums herein prescribed without the consent of the Union.

### **ARTICLE 3 - UNION STEWARDS AND BARGAINING COMMITTEE**

3.1 The membership shall elect those members who will serve in the capacity of Union Steward in accordance with its Bylaws.

3.2 Union steward may be granted up to one (1) paid day off per calendar year to attend Steward functions. This applies to one steward.

3.3 Bargaining Committee - Subject to notification by the Union to the Employer, the bargaining team, consisting of up to three (3) employees, shall be allowed release time for joint negotiations. Vacation time or time without pay, at the sole discretion of the committee member, may be used.

### **ARTICLE 4 – PROBATIONARY PERIOD**

4.1 New employees shall serve a probationary period of nine (9) months from date of hire. During this probationary period, an employee shall not have seniority rights, may be discharged at the discretion of the Employer, and may not grieve a discharge. The probationary period may be extended by mutual consent between the Employer and the Union.

### **ARTICLE 5 – EMPLOYMENT PRACTICES**

5.1 Notice of Resignation. All employees shall give at least fourteen (14) days written notice of resignation to the Employer. The Employer will give consideration to situations that would make such notice by the employee impossible.

5.2 Discharge notice or pay in lieu thereof by the Employer, unless discharged for just cause, shall be as follows:

- a. Six (6) months to one (1) year: One (1) weeks' notice or one (1) weeks' pay
- b. One (1) year or more, two (2) weeks' notice or two (2) weeks' pay.

5.3 No employee shall be disciplined or discharged except for just cause.

#### **5.3.1 Discipline and Discharge**

Progressive discipline will be utilized by the Employer to include:

- a) Verbal Warning
- b) Written Warning
- c) Suspension
- d) Discharge

Offenses deemed to be egregious by the Employer may warrant suspension or discharge.

5.4 A copy of all warning notices shall be given to the employee and sent to the Union within Five (5) business days of issue to the employee.

5.5 Personnel Records. Personnel records will be maintained for each employee. Employee records shall be considered confidential.

5.6 Evaluations. All employees will be formally evaluated in writing prior to completion of the probationary period and on a regular and periodic basis thereafter. The evaluation is a tool for

assessing the professional skills of the employee and for improving and recognizing the employee's performance. The employee will be given a copy of the evaluation. Employees will be required to sign the evaluation acknowledging receipt thereof. Employees will be given the opportunity to provide a written response to the evaluation which will be retained with the evaluation in the employee's personnel file.

5.7 Position openings within UFCW Local 367 shall be posted on the Union bulletin board for five (5) working days.

A Labor Management Committee (LMC) shall be established consisting of no more than two (2) representatives selected by each party. The Committee shall meet quarterly. Agenda items shall be submitted in advance in writing by both parties. These meetings are not a substitute for the grievance procedure or negotiations on mandatory bargaining items but are a vehicle to discuss items of concern to the parties and will occur on work time. While acting in the scope of their recognized union duties and responsibilities, LMC elected representatives maintain the same rights and protections of a steward.

## **ARTICLE 6 – SENIORITY/LAYOFF**

6.1 Seniority shall be defined as an employee's continuous service within the bargaining unit, Since the most recent date of hire with Local 367

6.2 Seniority and Probationary Employees: Upon completion of the probationary period, the Employee shall be awarded seniority as defined in 6.1.

6.3 Reduction in force shall be determined by seniority in reverse order, provided qualifications and ability are equal. Recall from a layoff shall be done in order of seniority, provided qualifications and ability are equal. Union Representatives and Union Organizers shall be a separate seniority classification for purposes of reductions in force.

6.3.1 In the event of a layoff of a bargaining unit member that has been with UFCW Local 367 for at least one year, that member will be given two (2) weeks' notice or two (2) weeks' pay in lieu thereof.

### 6.4 Loss of Seniority

Except as otherwise provided for in Leave of Absence, seniority shall be broken, and the employee's service shall be terminated for the following reasons:

6.4.1 Voluntary quit

6.4.2 Discharge in accordance with the agreement.

6.4.3 Absence caused by a layoff in excess of four (4) consecutive months.

6.4.4 Absence caused by an illness or non-occupational accident of more than nine consecutive months.

6.4.5 Absence caused by an occupational accident of more than eighteen (18) consecutive months unless a longer period is agreed to between the employee and the Union.

6.4.6 Failure to report to work immediately following a Leave of Absence.

## **ARTICLE 7 - HOURS OF WORK**

7.1 FLSA Exemption. Bargaining unit salaried employees are professional employees and, as such, are exempt from the provisions of the Fair Labor Standards Act. Bargaining unit hourly employees are not exempt. For the convenience of the parties, leaves are accrued in hourly increments and with days as constituting eight (8) hours.

7.2 In the event the Employer requires a unit member to work an unusual or excessive weekly work schedule, the unit member may request compensatory time, and such compensatory time shall not be unreasonably withheld by the employer.

## **ARTICLE 8 - COMPENSATION**

8.1 Wage Rates. Employees covered by this Agreement shall be paid in accordance with Appendix A & hourly scale attached.

8.2 Date of Implementation. Wage increases set forth in this Agreement shall become effective at the beginning of the first full payroll period on or after the calendar dates designated.

8.3 Recognition for Past Experience. Employees hired prior to or during the term of this Agreement shall be compensated in accordance with the following plan:

8.3.1 Employees with previous Union Representative or Union Organizer experience shall be given full credit for prior experience if they have worked within the past two years.

## **ARTICLE 9 - OTHER COMPENSATION**

9.1 Technology Allowance: Each employee shall be eligible for reimbursement of \$60 per month to help cover cost of pagers, cell phones, internet service and/or any other future technology required by the employer.

9.2 Telephone Calls: When an employee is away from home on an out-of-town assignment, then he/she will be allowed one (1) personal telephone call per night which may be charged to Local 367's telephone number for a maximum of ten (10) minutes for each call. If they can use their cell phone, this does not apply. The Local may provide a calling card for this purpose.

9.3 Automobile Allowance: All Organizer/Representatives are required to have a working automobile. They shall maintain a current valid driver's license and car insurance that must include liability, medical, no fault, comprehensive, collision, underinsured motorist, and business use designation. Local 367 will reimburse up to \$100 per year for the cost of the business use designation requirement except those who have chosen an Employer provided vehicle. Employees are required to regularly utilize their car during the course of work, including but not limited to, visiting work sites or workers' homes, and/or safely transporting members, staff, other individuals, equipment or for other work purposes.

\*Business use insurance requirement/reimbursement is subject to a LRM

Employees who have their licenses suspended, or revoked, may be subject to discipline up to and including termination or voluntary resignation.

Employees are required to have a car available to them at all times, and forgo the option of an Employer provided model, will receive a monthly car allowance in accordance with the following

schedule:

Effective Upon Ratification \$750.00 per month

The Employer will reimburse employees up to one tank full of gasoline per week. The Employer will reimburse up to two tanks full of gasoline per week to employees whose territories are out of town (examples: Mason/Thurston, Lewis, Grays Harbor, Pacific Counties). If required to drive beyond normal route, the Local will consider reimbursement for two tanks of gasoline per week upon written explanation for employees whose territories are in Pierce County. The Employer will reimburse one (1) oil change every 5,000 miles, with supporting documentation in full. The Employer shall also provide membership with the American Auto Association ("AAA") "AAA" plus plan.

9.4 Assignments to Labor Councils: Employees who are appointed to the Central Labor Council will be compensated for their attendance in the amount stated below:

Pierce County CLC \$30.00

Lewis-Mason-Thurston CLC \$30.00

Grays Harbor CLC \$40.00

9.5 UFCW Local 367 Branded Merchandise- The Employer shall provide up to 2 additional pieces of UFCW Branded Merchandise per year in addition to what is distributed to the UFCW Local 367.

9.6 For the life of this Agreement, the Employer shall pay a Christmas bonus to bargaining unit employees in an amount equal to one week's pay.

## **ARTICLE 10 – VACATIONS**

10.1 Vacation Accrual: Vacations with pay shall be given to all employees on the plan of one (1) week after one (1) years' service, two (2) weeks after two (2) years' service, three (3) weeks after five (5) years' service and four (4) weeks after ten (10) years' service, and five (5) weeks after fifteen (15) years of service.

10.2 Previous UFCW Local Union experience will be recognized for purposes of vacation, after one year of service with Local 367. Vacation accrual will be at the employee's previous years of service level with the UFCW Local they left but will not exceed the vacation schedule in this agreement. The first year of employment will be the eligibility period and will not count for accrual purposes.

10.3 Vacations will be granted by seniority until the first of March. All vacations must be approved.

10.4 All earned vacation must be taken by the employee's anniversary date of employment.

10.5 When an employee terminates her/his employment for any reason, she/he shall be compensated for all accrued vacation leave.

10.6 The employer will notify the employee they have 90 days to schedule and take their vacation. In the event an employee fails to schedule vacation prior to the ninety days preceding their anniversary date, the Employer may schedule vacation to avoid carryover from year to year.

An employee will not lose accrued vacation benefits if the Employer was unable to schedule time off.

10.7 Donation of Vacation Leave: An employee who is on an approved leave and who has for themselves or immediate family exhausted his/her sick/vacation leave accrual benefit due to hardship, shall be eligible to receive vacation leave donations from other bargaining unit employees. To be eligible to make a donation, an employee must have at least one hundred and twenty (120) hours in his/her vacation leave account. The maximum number of hours an employee may donate to another employee is forty (40) hours per year. Any hours donated are transferred on an irrevocable basis.

## **ARTICLE 11 – HOLIDAYS**

11.1 The following will be considered holidays with no reduction in pay: New Year's Day, Washington's Birthday (Presidents' Day), Memorial Day, Independence Day, Labor Day, Juneteenth, Thanksgiving Day, The last working day before Christmas day, Christmas Day, and Martin Luther King's Day\*. Holiday pay will apply to part-time employees on a pro-rata basis. Current employees will receive five (5) personal holidays in their anniversary year if eligible. New hires will receive two personal holidays after three (3) months of employment, and three (3) more after six (6) months, for a total of five (5) personal holidays.

\*In recognition of Martin Luther King's Holiday, the office may remain open; however, the Employer may schedule another day off so as to operate the Local.

11.2 All of the aforementioned holidays, except Martin Luther King's Day, shall be observed on the same dates that are designated by Federal Legislation. When a holiday falls on a Saturday, the preceding Friday shall be the holiday. When any holiday falls on a Sunday, the following Monday shall be the holiday. Should a holiday fall during an employee's vacation, the employee shall receive a day off in lieu thereof that is mutually acceptable to the employee and the Employer or receive one (1) extra day's pay.

11.3 Employees shall receive eight hours comp time for work performed on a holiday (excluding labor disputes). The scheduling of that time must be by mutual agreement.

11.4 If an employee is absent from work on a scheduled working day immediately preceding or immediately following a holiday, such employee shall receive no pay for the holiday unless the absence was previously authorized or subsequently approved by the Employer.

## **ARTICLE 12 - SICK LEAVE**

12.1 UFCW Local 367 recognizes the inability to work because of illness or injury may cause economic hardship. UFCW Local 367 also recognizes that employees may require time off to secure necessary treatment for medical conditions, or to care for a family member with a qualifying medical condition (definitions of "family members" and "qualifying medical condition" are the same as those provided by the Family Medical Leave Act). For these reasons, UFCW Local 367 provides paid sick days to all of its employees.

Any additional sick leave requirements provided for within the CBA shall supplement this policy.

### **PAID SICK LEAVE POLICY:**

**Section 1: Accrual.**

1. Employees shall accrue 1.85 hours of paid sick leave for every forty (40) hours worked.
2. Employees are not entitled to accrue paid sick leave for hours paid while not working such as vacation, paid holidays, or while using sick leave.

**Section 2: Use and Availability.**

1. Employees are entitled to use their accrued, unused paid sick leave beginning on the 30-calendar day after the start of their employment.
2. After this 30-day period, employees shall be able to use accrued sick leave in the pay period immediately following its accrual.
3. Employees may use their accrued, unused paid sick leave hours to care for themselves or a family member:
  - a. For mental or physical illnesses, injuries, or health conditions;
  - b. For the need for medical diagnosis, care, or treatment of mental or physical illnesses, injuries, or health conditions;
  - c. For the need for preventative medical care;
  - d. When UFCW Local 367 is closed by order of a public official for any health-related reason;
  - e. When an employee's child's school or place of care has been closed by order of a public official for any health-related reason; or
  - f. To address issues related to domestic violence, sexual assault, or stalking covered by the State's Domestic Violence Leave Act (DVLA).
4. For purposes of defining "family members" this Policy is to be interpreted to be consistent with the paid sick leave requirements under both State and City of Tacoma Law. (Currently, a child, parent, spouse, registered domestic partner, grandparent, grandchild, sibling, step-parent, step-child, mother-in-law, father-in-law, or loco parentis).
5. Employees must provide reasonable notice of an absence from work.
  - a. If an employee's absence is foreseeable, the employee must provide notice to the Employer least 10 days, or as early as practicable, before the first day paid sick leave is used. The Employee shall include the expected duration of the absence.
  - b. If an employee's absence is unforeseeable, the employee must provide notice to the Employer as soon as possible before the required start of their shift. If possible, the Employee shall include the expected duration of the absence.
  - c. If an employee is unable to give advance notice because of an emergent or unforeseen circumstance related to the employee or the employee's family member being a victim of domestic violence, sexual assault, or stalking, the employee or their designee must give notice to the Employer no later than the end of the first day that the employee takes such leave.
  - d. Exceptions to this policy will be considered when an employee is physically unable to provide notification of an absence due to medical incapacitation.
6. If an employee has used paid sick leave for an authorized purpose for more than three (3) consecutive days during which the employee is required to work, the employee must provide verification as defined by the Washington Paid Family & Medical Leave program (amended to include Chiropractic services), that establishes or confirms that the use of paid sick leave is for an authorized purpose.
  - a. Verification must be provided to UFCW Local 367 within 10 calendar days of the first

day an employee used paid sick leave to care for themselves or a family member. b. In cases covered by the Domestic Violence Leave Act (DVLA), verification must be provided in a timely manner. If advance notice cannot be given due to emergency or unforeseen circumstances covered by the DVLA, verification must be provided within a reasonable time period during or after the leave.

c. If an employee believes the cost of verification for the reason for leave is an unreasonable burden, the employee must contact the Employer and explain why verification would result in an unreasonable burden or expense. Within 10 calendar days of receiving the employee's request, UFCW Local 367 will work with the employee to identify an alternative for the employee to meet the verification requirement in a way that does not result in an unreasonable burden or expense.

### **Section 3: Increments, Rate of Pay, and Payment.**

1. UFCW Local 367 requires employees to use paid sick leave in fifteen- minute increments.
2. Employees shall receive their normal hourly compensation.
3. Normal hourly compensation does not include holiday pay or any other premium rate unless the Collective Bargaining Agreement provides otherwise.
4. In no case shall paid sick leave constitute overtime hours or be paid at the overtime rate of pay.
5. Employees shall be paid sick leave in the same pay period in which the paid sick leave was used by the employee.
6. On an annual basis, employees may cash out up to two (2) days sick leave in their sick leave bank. Employees sick leave balance may not drop below forty (40) hours as a result of cash out. The time must exist in the sick leave bank, and all monies withdrawn will not be subject to pension contribution. Any such cash-out payments shall be in the form of a bonus, and not as wages.

Upon resignation of employment, the employee will be paid for twenty percent (20%) of the unused sick leave in their bank.

### **Section 4: Carryover of Accrued, Unused Paid Sick Leave & Sick Leave at End of Employment.**

1. An employee will carryover up to 160 hours of unused paid sick leave balances.
2. Accrual of paid sick leave is in addition to any carryover balance.
3. The definition of accrual year is January 1 to December 31.
4. Rehires:
  - a. UFCW Local 367 shall reinstate an employee's accrued and unused paid sick leave if they are rehired within 12 months of separation.
  - b. If an employee is rehired within 12 months of separation, UFCW Local 367 shall provide notification to the employee of the amount of accrued, unused paid sick leave available for use by the employee.
  - c. In the event an employee is rehired within 12 months of the date of separation, the employee shall not be required to wait 30 days to use paid sick leave.

### **Section 5: Miscellaneous.**

1. Employees shall not be retaliated against for use of paid sick leave.
2. Employees shall receive notice of available sick leave on pay stubs. This shall include sick leave accrued during the pay period, any sick leave reductions, and the total amount of accrued and unused sick leave balance remaining.
3. Employees or their representative shall contact the Employer if they have questions regarding the sick leave policy.

## ARTICLE 13 - LEAVES OF ABSENCE

13.1 Employees with one (1) year or more of continuous service shall be entitled to a leave of absence without pay for the following bonafide reasons:

Bonafide illness or non-occupational injury which requires absence from work.

1. Pregnancy
2. Serious illness or injury in the employee's immediate family, not to exceed 30 days.
3. A doctor's certificate verifying the absence must be furnished if requested by the Employer.

13.2 Leaves for personal reasons may be granted at the sole discretion of the Employer to employees regardless of length of service.

13.3 Leave Without Pay: Employees on an approved leave without pay shall not lose their seniority standing.

13.4 Any request for leave of absence under the terms of this agreement shall be in writing and state the following information:

1. Reason for such request
2. Date leave is to begin and
3. Date of return to work.

13.5 Any leave of absence, with the exception of 13.1 and 13.6, may run to a maximum of nine (9) months.

13.6 Leaves due to occupational injuries that result from employment with the current Employer regardless of length of service, shall be granted for a period up to eighteen (18) months, unless a longer period is agreed upon between the Employer and the Union.

13.7 The employee must be qualified to resume their regular duties upon return to work from an approved leave of absence.

1. A doctor's certificate verifying that the employee is able to resume their normal duties must be furnished if requested by the Employer.
2. The employee shall return to the job previously held or to a job comparable with regard to rate of pay, after the Employer has received notice in writing of the employee's availability.

13.8 Any employee who fails to return to work at the end of a leave of absence shall be terminated.

13.9 Any employee found to have abused the "leave of absence" by falsification or misrepresentation shall be terminated.

13.10 Military Leave: Leave required in order for an employee to maintain status in a military reserve of the United States shall be granted without pay, without loss of benefits accrued to the date such leave commences, and shall not be considered part of the employee's earned vacation leave time. Upon return from an approved military leave of absence, the employee shall be returned to the same full-time or part-time status the employee had prior to the leave.

13.11 Washington State Paid Family and Medical Leave: The Employer shall comply with the provisions of the Washington State Paid Family and Medical Leave Act. The Employer shall pay both the employee and the Employer cost of the premiums for the Family Leave and the Medical Leave for all employees.

#### **ARTICLE 14 - JURY DUTY**

14.1 All employees who are called to jury duty in any judicial proceeding shall be allowed time off and shall receive the difference between their regular wages and the pay received for jury duty during the period of actual jury service up to a maximum of one hundred and twenty (120) hours per year (prorated for part-time employees). If an employee is temporarily or permanently excused from jury duty, the employee shall promptly report to work, providing the employee could actually work four (4) or more hours during the scheduled shift.

#### **ARTICLE 15 - WITNESS DUTY**

15.1 All employees who are called to be a witness in regard to a work-related matter in which the Employer is a party in any judicial proceeding shall be allowed time off and shall receive the difference between their hourly wage rate and the pay received for witness duty during the period of actual service as a witness. Employees subpoenaed for proceedings in regard to a non-work related matter and/or a matter in which the Employer is not a party will be allowed to use vacation leave if available. If an employee is temporarily or permanently excused from the obligation to testify as a witness, the employee shall promptly report to work, providing the employee could actually work four (4) or more hours that day.

#### **ARTICLE 16 - FUNERAL/BEREAVEMENT LEAVE**

16.1 Up to forty (40) hours of paid leave (prorated for part-time employees) in lieu of regularly scheduled workdays shall be allowed for a death in the immediate family. The employee must attend the appropriate service if feasible. Upon request additional unpaid leave may be granted. Immediate family shall be defined as grandparent, parent, step-parent, wife, husband, brother, sister, child, step-child, in utero or living, or grandchild, mother-in-law, father-in-law, brother-in-law, sister-in-law, or domestic partner.

#### **ARTICLE 17 - HEALTH AND WELFARE/DENTAL**

17.1 The Employer agrees to provide health and welfare coverage for all bargaining unit employees including Vision and Dental.

17.2 Maintenance of Benefits: The Employer further agrees to pay any and all increased costs required to maintain benefits at the current level.

17.3 The Employer shall have the right to cover bargaining unit employees under a different medical plan without bargaining with the Union during the term of this Agreement, provided such medical plan provides the same or better level of benefits and does not increase employee premiums.

#### **ARTICLE 18 - RETIREMENT PLAN**

18.1 The Employer and the Union agree to be bound by the terms of the Trust Agreement, which

created the Sound Retirement Trust, 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. The Employer accepts the Employee Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purposes of managing the Trust.

18.2 Local 367 will continue to provide pension benefits through the current UFCW International Union Pension Plan For Employees, and pay into the Sound Retirement Trust, inclusive of trust fund deficit reduction as follows:

18.2.1 The contribution rate to the Sound Retirement Trust shall be in accordance with Appendix A. Supplement contributions will not count toward benefit accruals. The term "compensable hour" shall mean any hour for which an employee receives any compensation required by this Agreement.

18.2.2 During the life of the agreement, the Employer will continue to pay all supplemental contributions that are required by the Sound Retirement Trust.

18.2.3 The contributions 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.

18.2.4 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 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.

18.3 The Employer adopts Appendix A of the updated Rehabilitation Plan of the Sound Retirement Trust Preferred Schedule as adopted April 2013, and updated June 22, 2016 and updated December, 2019, as outlined in the attached Letter of Understanding, "Exhibit A."

18.3.1 In accordance with the Preferred Schedule, the Employer agrees to pay an additional supplemental contribution in an amount equal to the hourly rates contained in Appendix A, with the understanding that the supplemental contributions will not result in any pension credit for the covered employees. Supplemental contributions increase to be effective with the following hours worked.

18.3.2 Until the effective date of the new future service defined benefit variable plan under Section 18.4, 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.

18.3.3 Upon the effective date of the new future service defined benefit variable plan under Section 18.4, 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 Section 18.4.1.

18.3.4 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.

18.3.5 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.

18.3.6 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.

18.3.7 The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between UFCW 367 and the Union and the full implementation of the agreement between UFCW 367 and the Union, including the transfer of liabilities and assets from the SRT to the UFCW Consolidated Fund under the MOU between UFCW 367 and the Union. If either the SRT, PBGC or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives.

18.3.8 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.

18.3.9 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.

18.3.10 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.)

18.3.11 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.

#### **18.4 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.

18.4.1 The Employer will contribute One dollar (\$1.00) per hour for each eligible active participant to the VAP, commencing with the VAP effective date. 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. Salary shall be gross wages per payroll period. Contributions shall be remitted monthly.

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.

18.4.2 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.

18.4.3 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.

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.

18.4.4 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.

18.4.5 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 fund its share of the stabilization reserve by contributing an additional 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 this Agreement.

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.

18.4.6 The Governance of the VAP will be modeled after the SRT Trust Agreement document, as appropriate and agreed to by the plan sponsor.

18.4.7 The Employer shall increase its current maximum matching contribution to the UFCW 401K Plan from \$1,200 to \$1,700 commencing on January 1, 2025.

### **ARTICLE 19 - GENERAL PROVISIONS**

19.1 Bulletin Board - The Employer shall provide a bulletin board for the Union's use to post Union information and meeting notices.

19.2 When the Employer requires employees to wear blazers for work, the Employer shall be responsible for the cost of repair, replacement, and cleaning.

*19.3 Pandemic/Natural Disaster Provision- Upon the occurrence of a Pandemic or Natural Disaster within the Local's jurisdiction (Pierce, Mason, Thurston, Lewis, Grays Harbor and Pacific Counties as well as the State of Washington), the Employer and the Union shall meet to negotiate over the effects on members covered under this bargaining agreement.*

### **ARTICLE 20 - STAFF DEVELOPMENT**

20.1 Approved Expenses: When the Employer requires the employee to participate in an education program, the Employer will pay approved expenses.

### **ARTICLE 21 - GRIEVANCE PROCEDURE**

15.01 All matters pertaining to the proper application and interpretation of any and all of the provisions of this Agreement, shall be adjusted by the accredited representative of the Employer and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within fifteen (15) calendar days, the matter shall be referred for final adjustment to a Labor Relations Committee selected as follows: Two (2) members from the Employer and two (2) members from the Union, and the decision of this Committee shall be final and binding. In the event the Labor Relations Committee fails to reach an agreement within fifteen (15) days, the moving party must, within seven (7) days thereafter, refer the grievance to arbitration by written notice to the other party.

When selecting an arbitrator, the parties shall take turns striking names off the list of the following permanent panel:

1. Katrina Boedecker
3. Michael E. Cavanaugh
4. Paul Grace
5. Martin Henner
6. Alan Krebs
7. Howell Lankford
8. Charlene McMillan
9. Tom Levak
10. Michael Marr
11. Timothy D.W. Williams
12. Kenneth Pedersen

The arbitrator's Decision and Award shall be final and binding upon both parties to this Agreement and shall be rendered within thirty (30) days from the close of the arbitration hearing or the arbitrator's receipt of the post-hearing briefs, whichever is later. If the arbitrator does not render his decision within said thirty (30) days, neither party will be required to compensate the arbitrator. Payment of the arbitrator's fee shall be borne by the losing party. The parties agree that the arbitrator has the authority to determine appropriate pro-ration of this cost in the event of a split decision and award. The arbitrator should be made aware of the requirements of this provision at the time of selection. The Labor Relations Committee as thus constituted shall have no power to add to, subtract from or change or modify any provisions of this Agreement, but shall be authorized only to interpret existing provisions of this Agreement as they apply to the specific facts of the issue in dispute.

15.02 During the process of making adjustments under the rule and procedure set forth in paragraph 15.01 above, no strike or lockout shall occur.

15.03 No grievance or claim of violation of this Agreement shall be recognized unless presented in writing within forty-five (45) days of the date of the occurrence causing the complaint or grievance except, in case of discharge, which must be presented within fifteen (15) days; otherwise, the right to protest shall be deemed to have been waived. During the process of making adjustment under the rule and procedure set forth in paragraph 15.01 above, no strike or lockout shall occur. In the event the claim is one for additional wages, any such claim shall be limited to additional wages, if any, accruing within the ninety (90) day period immediately preceding the date upon which the Employer received notice in writing of the claim.

15.04 The payment of any wages computed at a lower rate than herein provided shall constitute a violation of this Agreement, as will any agreement or release or waiver contravening the spirit and condition of this Agreement. However, no claim arising under this Agreement shall be recognized unless presented in writing to the Employer or his representative within thirty (30) days of its first occurrence.

15.05 In the event a member of the permanent arbitrator panel informs the parties they are retiring or no longer accepting cases for an extended period of time, the parties shall confer and mutually agree to a replacement panel member within 30 calendar days. If the parties fail to mutually agree to a permanent replacement within thirty (30) days, the moving party on grievances may opt to request and utilize a regional FMCS panel of arbitrators who have a primary office in Washington, Oregon, or Idaho.

## **ARTICLE 24 - MANAGEMENT RIGHTS**

24.1 Except as specifically granted or modified by this Agreement, all of the rights and authority the Employer had prior to the signing of this Agreement are retained by the Employer provided these rights are not exercised in an arbitrary or capricious manner. Such rights shall include the management and the conduct of the business, care of the property, introduction of new or improved

practices, methods, and equipment, and the direction of the workforce.

**ARTICLE 25 – SEPARABILITY**

25.1 Should any Article, Section or portion thereof of this Agreement be held unlawful and not enforceable by any court of competent jurisdiction, such decision of the court shall apply only to the specific Article, Section or portion thereof directly specified in the decision; provided however, that upon such decision, the parties agree to immediately negotiate a substitute for the invalidated Article, Section or portion thereof.

**ARTICLE 26 - NO STRIKE OR LOCKOUT**

26.1 During the term of this Agreement, the Union shall not engage in any strike or work stoppage of any kind. Rather, the Union shall utilize the grievance and arbitration provision. The employer will not lock-out during the term of this agreement.

**ARTICLE 27 - DURATION OF AGREEMENT**

27.1 This Agreement shall be in full force and effect from and after February 2, 2023, until February 1, 2025, at which time it shall be automatically renewed for a period of one (1) year from said date, and thereafter for each year upon each anniversary of said date without further notice provided, however, that either party may open this Agreement for the purpose of discussing a revision within sixty (60) days prior to said expiration date of each anniversary thereof upon written notice being served upon either party by the other.



\_\_\_\_\_  
Pacific Northwest Staff Union



\_\_\_\_\_  
Michael Hines, President  
UFCW UNION LOCAL 367

Date 5/22/24

Date 5/21/2024

**APPENDIX A**

**SOUND TRUST AND WASHINGTON MEAT TRUST EMPLOYER BARGAINING  
AGREEMENTS\*  
NON-KROGER**

Local 367 and PNWSU

This is a Preferred Schedule for the Sound Retirement Trust Rehabilitation Plan applicable to Employers in bargaining agreement areas that required contributions to both the Sound Retirement Trust and former Washington Meat Industry Pension Trust. This Appendix applies to all employees in stores in bargaining agreement areas (e.g. Pierce County) in which the meat department employees historically had been covered under the former Washington Meat Industry

Pension Trust.

**PREFERRED SCHEDULE EFFECTIVE JULY 1, 2014**

This Preferred Schedule will apply to participating Employers and Unions that have adopted it as follows:

For bargaining agreements covering Sound Retirement Trust participants as of June 30, 2014, the rates are in the "Sound" column. For bargaining agreements that covered Meat Participants under the former Washington Meat Trust as of June 30, 2014, the rates in the "Meat" column.

In addition to the supplemental contributions for bargaining agreements that covered Meat Participants under the former Washington Meat Industry Pension Trust as of June 30, 2014, this Preferred Schedule allows for the Accruing Contribution rate to be reduced to not less than 45% of the Accruing Contribution level in effect on June 30, 2014, and calls for elimination of the 60% pre-Rehabilitation Plan supplemental funding contribution.

For bargaining agreements adopted on or after September 1, 2016, the contribution increases provided under this Table 3 are effective no later than for hours worked the first full month following the later of the effective date or ratification date of the new collective bargaining agreement, not to exceed 180 days following the expiration of such agreement.

Reduction in Benefits. As of the contract effective date, the 5-year certain guarantee on the normal form of payment for single participants will not apply to benefits earned prior to January 1, 2011.

  
\_\_\_\_\_  
Pacific Northwest Staff Union

  
\_\_\_\_\_  
Michael Hines, President  
UFCW UNION LOCAL 367

Date 5/22/24

Date 5/21/2024

**APPENDIX B WAGE SCALE**

**Rep Red Circle Scale**

	2024	2025	2026	Change
1st 6 months	1,332.00	1,362.40	1,557.00	
7 -12 months	1,358.64	1,389.65	1,588.14	2%
13 - 18 months	1,385.81	1,417.44	1,619.90	2%
19 - 24 months	1,413.53	1,445.79	1,652.30	2%
25 - 30 months	1,441.80	1,474.71	1,685.35	2%
31- 36 months	1,470.64	1,504.20	1,719.05	2%
Top Scale %	20%	20%	10%	
Top Scale	1,838.29	1,875.06	1,912.56	2%

**Hourly Rep Employee**

	Hourly 2024	Weekly	Hourly 2025	Weekly	Hourly 2026	Weekly
1st 12 Months	<b>29.36</b>	1,174.20	<b>30.24</b>	1,209.43	<b>31.14</b>	1,245.71
13-24 months	<b>31.14</b>	1,245.71	<b>32.08</b>	1,283.08	<b>33.04</b>	1,321.57

**Rep New Scale**

	2024	2025	2026	% Scale Change
25 - 36 month	1,332.00	1,362.40	1,557.00	2% / 12%
27 - 48 month	1,358.64	1,389.65	1,588.14	2% / 12%
49-60 months	1,385.81	1,417.44	1,619.90	2% / 12%
Top Scale %	25%	24%	15%	
Top Scale	1,838.29	1,875.06	1,912.56	2%

❖ One-time \$1000 ratification bonus for employees hired before January 1, 2023, and \$500 for employees hired thereafter. Bonus paid upon ratification.

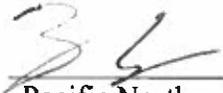
The appointment of the following job classifications will be and are the at the sole discretion of the Employer:

1. Grievance Representative classification \$50.00 per week in addition to the above.
2. Lead Representative Classification \$50.00 per week in addition to above.

Organizer Progression - same as above, except special project organizers. Special Project Organizers will be paid commensurate with the hourly rate that applies to their industry.

**LETTER OF UNDERSTANDING**

The parties agree that student interns will be exempt from the terms of this agreement, not to exceed six (6) months in the school year.

  
\_\_\_\_\_  
Pacific Northwest Staff Union

  
\_\_\_\_\_  
Michael Hines, President  
UFCW UNION LOCAL 367

Date 5/22/24

Date 5/21/2024

**LETTER OF UNDERSTANDING**

**Severance Pay**

In the event that a merger occurs that results in the layoff of a bargaining unit member that has been with UFCW Local 367 for at least one year, that member will be compensated four (4) weeks' pay for every year of service with UFCW Local 367, on a pro rata basis.

  
\_\_\_\_\_  
Pacific Northwest Staff Union

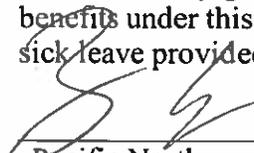
  
\_\_\_\_\_  
Michael Hines, President  
UFCW UNION LOCAL 367

Date 5/22/24

Date 5/21/2024

**LONG-TERM LEAVE POLICY:**

UFCW Local 367 recognizes that paid sick leave cannot account for all employee needs. Thus, the Long-Term Leave policy is in addition to the Paid Sick Leave Policy above. Long-Term leave applies when employees are seriously disabled and in need of a leave of absence. Employees must first exhaust the available accrued and unused paid sick leave bank, personal days and vacation benefits. The Employer shall provide full pay for disabled employees up to a maximum of 13 weeks per year. The Employer shall grant an additional paid leave of up to 13 more weeks in extraordinary circumstances subject to independent medical verification. The Employer, at its discretion, may grant additional unpaid leave beyond the paid long-term leave. Accrued sick leave benefits under this policy shall be used and run concurrently with other Federal, State or Municipal sick leave provided.

  
\_\_\_\_\_  
Pacific Northwest Staff Union

  
\_\_\_\_\_  
Michael Hines, President  
UFCW UNION LOCAL 367

Date 5/22/24

Date 5/21/2024