



December 17, 2021

## **Fred Meyer and QFC Contract Offer Includes Wage Increases and Bonuses, and Maintains Benefits**

We believe the decision by UFCW Local 555 to strike is “reckless” and we urge the union to consider the full implications for our over 5,000 associates - its members - heading into the holiday season. Fred Meyer and QFC stores will remain open.

We presented a Comprehensive Offer to Local 555 and stated that the offer was contingent upon the union not striking.

**Our Comprehensive Offer** affirms our commitment to our associates and provides, in part:

- **Immediate wage increases** with opportunities for additional wage increases through the life of the contract
- **Affordable health care benefits** with no plan design changes and no weekly contribution changes
- **Secure pension for when you retire**

### **Investment in Wages**

Our Comprehensive Offer provides \$36 million in additional wage increases through the life of the contract. For example:

- **Head Clerks/Journeyperson** – would receive wage increases of \$.55 at ratification and year two and three of the agreement for a total of \$1.65 per hour
- **One-time signing bonus** for non-CCK Journeypersons
  - \$4,000 Ratification bonus for those with more than 15 years of service
  - \$1,500 Ratification bonus for those with less than 15 years of service
- **CCK cashiers** – would align with grocery wage scales for increases of up to \$3.70 over the life of the agreement.
- **Apprentice Wage Progressions** – would receive up to \$2.75 per hour at ratification plus additional increases through the life of the contract.

### **Affordable Health Care**

**While medical health care costs are expected to increase by 6 to 10% in 2022, we are proposing for your health care benefits and weekly contributions to stay the same through the life of the contract.**

- Fred Meyer would continue to contribute nearly over \$30 million annually for your health care.

- Associate weekly contribution rates will not change –
  - \$10 per week on average for individual health care coverage compared to \$21 per week on average for Oregonians, according to the Kaiser Family Foundation’s 2020 health insurance survey.
  - \$25 per week on average for family health care coverage compared to \$117 per week on average for Oregonians, according to the Kaiser Family Foundation’s 2020 health insurance survey.

### **Stable Pension**

- Our Comprehensive Offer proposes the company would contribute nearly \$5 million annually on pension benefits.

### **Next Steps**

The union provided a notice at 11:42 p.m. on December 16 that they intended to strike on December 17. If you want the union to continue to negotiate on your behalf, we encourage you to call them at 1-800-452-8329.

### **It’s Your Turn to Decide and Act –**

- As we have shared, the decision to strike is yours. If you want to work, contact your store leader.
- If you agree with the company’s offer, contact your union, and let them know you want to vote on the offer.



Our complete offer is available on [www.FredMeyerCBA.com](http://www.FredMeyerCBA.com) or see a store leader for a copy. If you have any further questions, please contact your store leader, who will keep you updated. We appreciate all that you do to serve our customers, our communities, and each other.

Scan the QR code using your mobile device to bookmark the website for updates from Fred Meyer and QFC.

**UFCW Local 555 – Allied Employers, Inc.  
Fred Meyer/QFC Proposal  
Portland Grocery, CCK, and Meat  
December 17, 2021**

Fred Meyer and QFC make the following proposals to modify the Portland Area Agreements listed above with United Food and Commercial Workers Union Local 555. This proposal and all future proposals (unless expressly stated in writing) is conditioned on a full recommendation from the union and the union’s bargaining committee. The proposed changes to the prior Agreements are as follows:

This proposal reflects the changes to the Portland Grocery, CCK, and Meat Agreements. The Company proposes that these same changes apply to the Grocery, CCK, and Meat Agreements in other areas as per past practice (e.g., the same wage increases will apply to the current rates in those contracts, based on expiration/effective dates in those contracts).

This comprehensive proposal is made to reach final agreement on terms and conditions of employment to avert any labor disruption. We reserve the right to modify this offer if there is any labor disruption or any unprotected conduct under the law.

**TERM**

August 8, 2021 through August 10, 2024 (3 years)

**WAGES**

**Journeyman Ratification Bonus**

For CCK Journeymen, see Section 1.1.1 below. For all Journeymen other than CCK Journeymen:

Journeymen with less than 15 years of service: **\$1,500**

Journeymen with 15 years of service or greater: **\$4,000**

**Journeyman Wage Increases**

Increase all Journeyman wage rates and above as follows:

August 8, 2021 <sup>^</sup> :	\$0.55
August 7, 2022:	\$0.55
August 6, 2023:	\$0.55

<sup>^</sup>**Retroactivity**: Conditioned on a peaceful settlement with no further economic action by the union, the first wage increase above shall be retroactive to the effective date or employees shall be paid a commensurate lump sum.

Apprentice rates: See attached.

**ARTICLE 1 – RECOGNITION AND BARGAINING UNIT (CCK only)**

1.1 Recognition of Union – Accretion. Fred Meyer Stores, Inc. hereby recognizes United Food & Commercial Workers Union Local 555 as the sole and exclusive collective bargaining agency for a unit consisting of all employees employed in the Employer’s Combination Food/Non-food Checkstand Departments in all present and future Combination Food/Non-food Checkstand Departments in Multnomah, Washington, Clackamas, Columbia, and Yamhill Counties; provided that the total store area of each store is over 100,000 square feet ~~and the percentage of non-food sales constitute at least 50% of the total dollar sales within the store~~, with respect to rates of pay, hours, and other conditions of employment except and excluding the Department Manager and two Assistant Department Managers. Subject to the preceding exclusions and the terms of Section 3.1 of Article 3 – Bargaining Unit Work, all work of handling and selling of merchandise in such retail stores covered by this Agreement shall be performed only by employees of the Employer within the unit referred to above for which United Food & Commercial Workers Union Local 555 is recognized as the sole collective bargaining agency by the Employer.

1.1.1 (New) CCK Wage Rate Equalization. In addition to the regularly scheduled wage increases, the CCK Journeyperson wage rate will increase in two equal intervals so that the CCK Journeyperson wage rate will be equal to the Grocery Schedule A Journeyperson rate in the second year of the contract. The additional equalization wage increase will not be retroactive, so the additional equalization wage increases for Portland CCK rates will be as follows:

1<sup>st</sup> Sunday After Ratification: \$1.03  
 August 7, 2022: \$1.02

Therefore, the total CCK Journeyperson wage increases per contract year are as follows:

	<b>Regular Wage Increase</b>	<b>CCK Equalization</b>	<b>Total Increase Per Contract Year</b>
Year 1	8/8/21 <sup>^</sup> : \$0.55	FSAR: \$1.03	<b>\$1.58</b>
Year 2	8/7/22: \$0.55	1 YR Later: \$1.02	<b>\$1.57</b>
Year 3	8/6/23: \$0.55		<b>\$0.55</b>

With these changes, the parties agree that the grievances and ULPs filed by the Union related to CCK are fully resolved.

**ARTICLE 6 — COMPENSATION PRACTICES (Grocery and CCK)**

6.6 Premium Pay. The following premiums are payable on straight time hours only:

~~(b) — Evening Premium. Payable on the hours of 6:00 p.m. to 11:00 p.m.~~

~~(1) — Schedule “A” Employees, other than Demonstrators. Schedule “A” employees, other than Demonstrators, shall receive an evening premium of twenty five cents (25¢) per hour.~~

~~(2) Schedule "B" Employees: Schedule "B" employees shall receive an evening premium of twenty-five cents (25¢) per hour.~~

(c) Night Premium.

(1) ~~Schedule "A" Employees, other than Demonstrators.~~ Schedule "A" employees, other than Demonstrators, working 11:00 p.m. to 7:00 a.m. shall receive a night premium of ~~thirty~~fifty cents (~~30~~50¢) per hour.

(2) ~~Schedule "B" Employees.~~ Schedule "B" employees working 11:00 p.m. to 6:00 a.m. shall receive a night premium of ~~twenty-five~~fifty cents (~~25~~50¢) per hour.

**ARTICLE 8 — VACATIONS**

**Transition vacation accruals from anniversary year to calendar year basis.**

8.2 Vacation Pay for Employees on Regular Overtime Schedules. The amount of vacation pay paid an employee will be the regular and overtime pay normally earned by the employee each week for ~~at least ten~~ twelve (~~10~~12) months of the year's time in which the employee qualified for the vacation. The application of this Paragraph shall be limited to calculation of vacation pay for employees on a regular overtime schedule.

*(TA on 7/25/21)*

**ARTICLE 10 — SICK LEAVE** Package proposal on sick leave:

10.1 Eligibility. Employees during each twelve (12) months following their last anniversary date of employment shall be entitled, as set forth herein, to paid sick leave at their current regular straight time hourly rate for bona fide illness or injury off the job.

10.2 Accrual of Bank. **Employees shall accrue one hour of sick time for every thirty (30) hours worked up to a maximum of forty (40) hours per year.** ~~Sick leave pay shall be accumulated by an employee based upon the number of straight time hours worked by the employee with the current Employer in each anniversary year as follows:~~

~~Straight time hours ÷ 2,080 x 48 hours = Annual accrual~~

~~Employees who work less than 1,248 hours in their anniversary year shall accrue no sick leave pay for the year. Sick leave pay shall be cumulative from year to year up to a maximum of one hundred twenty (120) hours. Sick leave pay must be earned by employment with one (1) Employer.~~

10.4 Calculation of Benefits. **Sick leave shall be paid commencing with the first day of qualifying illness or injury, consistent with State law.** ~~A day of pay (or portion thereof) as used herein shall be in an amount per day equal to the average weekly straight time hours worked by the employee divided by five (5) during the twelve (12) month period immediately preceding the employee's last anniversary date of employment. Each employee who completes 1,248 hours or~~

~~more of work in the preceding year shall be entitled to sick leave pay to the extent it has been accumulated as follows:~~

~~———— Sick leave pay for absence from work due to illness:~~

~~Beginning with the third (3<sup>rd</sup>) working day and continuing through the seventh (7<sup>th</sup>) working day, except that in the event hospitalization occurs earlier than the third (3<sup>rd</sup>) working day, sick leave pay will commence on the day hospitalization starts and continue through the first five (5) working days of the first seven (7) working days of absence — 1 day of pay~~

~~Beginning with the eighth (8<sup>th</sup>) working day and continuing through the first five (5) working days in each succeeding period of seven (7) working days: ½ day of pay~~

~~———— Sick leave pay for absence from work due to injury off the job:~~

~~Beginning with the third (3<sup>rd</sup>) working day of absence and continuing through the seventh (7<sup>th</sup>) working day, except that in the event hospitalization occurs earlier than the third (3<sup>rd</sup>) working day, sick leave pay will commence on the day hospitalization starts and continue through the first five (5) working days of the first seven (7) working days of absence — ½ day of pay~~

~~Beginning with the eighth (8<sup>th</sup>) working day and continuing through the first five (5) working days in each succeeding period of seven (7) working days — ½ day of pay~~

~~———— For purposes of this Article disabling outpatient surgeries will be treated as hospitalization.~~

**10.8 (NEW) Sick Leave Cash Out. Any employee who on December 1: (1) has reached the maximum accrual in their sick leave bank; and (2) has worked (actual hours worked plus vacation hours taken) a minimum of 1,700 hours in the prior 12 months shall be cashed out forty (40) hours from their sick leave bank.**

**Side letter re E-Board/bargaining committee hours.**

**ARTICLE 12 — BEREAVEMENT LEAVE**

12.1 Eligibility - Calculation of Benefits. After six (6) months of continuous employment, regular full-time employees shall be allowed up to three (3) days off with pay at straight time for the purpose of grieving, attending the funeral and assisting in arrangements therefore in the event of a death in the employee's immediate family. Paid days off will be limited to the employee's scheduled workdays. Scheduled days off will not be changed to avoid payment for funeral leave. Immediate family shall be defined as the spouse or equivalent domestic partner, son, daughter, stepchildren, mother, father, brother, sister, grandparents, grandchildren, or present mother-in-law or father-in-law. **Should the employee be notified on the job of such death he or she will also get the remainder of that day off with pay.**

## **ARTICLE 13 — GENERAL CONDITIONS**

13.12 (New) First Aid Kits. The Employer agrees to furnish and maintain a first aid kit in a designated place and to check on a monthly basis to replenish any needed supplies.  
(TA on 7/23/2021)

13.13 (New) Union Shop Card. The Employer agrees to display in a conspicuous place the Union Shop Card of the United Food & Commercial Workers International Union, CLC, which is the property of the Union at all times, and may be removed from any market for violation of this Agreement.  
(TA on 7/23/2021)

## **ARTICLE 14 — HEALTH INSURANCE BENEFITS**

14.1 *Synch up eligibility language in all CBAs*: The Employer agrees to contribute to the UFCW Local 555 – Employers Health Trust the amounts set forth in the previous agreement per straight time compensable hour to provide benefits to eligible employees who have ~~actually worked~~ **been compensated** eighty (80) or more straight time compensable hours the previous month. For purposes of this Paragraph, an eligible employee is an employee who has successfully completed the probationary period set forth in Paragraph 2.5 (New Employee Evaluation) above.

No change to contribution rates or benefits during the term of this agreement.

14.2 Employer Contributions. The following shall be the Employer share of the monthly contribution rate:

- (a) ~~Effective with September 2020 hours (October 2020 payment),~~ **The** Employer contribution rate shall be six hundred eleven dollars and three cents (\$611.03) per month.
- (b) Effective with July 1, ~~2021~~ **2024** hours (August ~~2021~~ **2024** payment), the Employer will increase its contribution up to a maximum of six hundred fifty dollars (\$650) per month, if necessary, to address the amount the co-consultants agree that total expenses exceed total income for that specific month, calculated as follows:

The consultants will determine the actual cost of the plan as of August ~~2021~~ **2024** using (1) the 12 months actual incurred plan expenses for the period ending May 30, ~~2021~~ **2024** adjusted to reflect trend to the 12-month period ending August 31, ~~2021~~ **2024**, (2) the actual employee contributions for the 12-month period ending May 30, ~~2021~~ **2024**, (3) actual hours for the 12-month period ending May 30, ~~2021~~ **2024**, and (4) actual investment/other income. The contribution rate will be set at this amount effective July ~~2021~~ **2024** hours, not to exceed the

maximum amount of \$650 per eligible per month on a composite basis.

The Employer's obligation to increase its contribution rate terminates on August 7, ~~2021~~ **2024**. After that date the Employer shall be obligated only to continue making the contribution rate in effect on August 7, ~~2021~~ **2024**, unless the Parties specifically negotiate increases in the contribution rate after that date.

In the event that the required contribution increase exceeds the same amount of the maximum Employer contribution as set forth above, the difference shall be made up through plan benefit modifications and/or an increase in the employee contribution.

### **ARTICLE 15 – PENSION**

Employer **shall** contribute the following increases toward the rehabilitation plan, regardless of whether they are “needed” or not:

January 2022:	\$0.08
January 2023:	\$0.07

Trustees will be directed to make benefit modifications totaling \$0.12 per hour.

These two changes will provide additional funding for the pension plan that will allow the plan to lower the expected return and make it easier for the plan to meet its funding goals in the future.

### **ARTICLE 24 – MOST FAVORED EMPLOYER**

24.1 Should the Union at any time after the date of this Agreement enter into an agreement, or any extension thereof covering any retail ~~employer department similar to the departments covered by this Agreement~~ **who UFCW Local 555 is the legal representative at the date of ratification of this agreement**, within the geographic area covered by the Agreement, based upon a settlement with new terms and conditions negotiated after the date of this Agreement which are more advantageous to such retail department(s), the Employer signatory to this Agreement shall be privileged to adopt such advantageous terms and conditions, provided the Employer has sent written notice to the Union of its desire to do so. Upon written request, the Union will provide the Employer with its Agreements, Letters of Understanding, and Letters of Agreement or other similar memorandum with other retailers in the geographic area.

### **LETTER OF UNDERSTANDING - HEALTH & WELFARE CONTRIBUTIONS ALTERNATE CONTRIBUTION METHOD**

Delete.



**LETTER OF UNDERSTANDING - WORKPLACE SAFETY & EMERGENCY PROVISIONS (New)**

**This LOU will address safety and emergent issues that may arise in the workplace.**

1. If a federal, state, or local government declares a state of emergency, this emergency provision shall apply.
  - a. Changes in policy, process, or working conditions. The Company will communicate to the Union changes in policy, procedures, and working conditions taken in response to the emergency. The parties recognize that emergencies are dynamic in nature and often decisions are fluid and fast changing. The Company will make its best effort to keep the Union advised of these changes. If any change in working conditions is contrary to any express provisions of the labor agreement, the Company will not make such change without mutual agreement with the Union.
  - b. Employee Leave. If an employee is unable to perform work due to the nature of the emergency, the Company and the Union will meet and discuss in good faith the proper application of the leave of absence provisions provided by Article 9 of this Agreement and/or any additional leave that the parties' may mutually agree to provide.
  - c. Layoffs. Any layoffs (or recall of employees) as a direct result of the emergency shall be in accordance with the seniority provisions of Article 5 of the Agreement. The Company and the Union may mutually agree to modify or extend various terms (e.g., the parties may agree to extend the period of time an employee may be on layoff without losing seniority), except that layoffs due to the emergency, recall rights are extended to no less than six (6) months
2. Safety Issues
  - a. Store-level Safety Committees. Each store shall have a Safety Committee, with one half of the members employee elected or volunteer members (one of whom will be appointed by the Union) and one half selected by the Employer, who shall perform any duties and responsibilities under applicable law. Should either party have a concern about a member of the Store Safety Committee or whether various recommendations have been followed by a Store Safety Committee, such concerns may be escalated for discussion by the Master Safety Committee. The Safety Committee will hold monthly meetings. Upon request, the Employer will notify the Union when the Safety Committee will meet. During an emergency, the Safety Committee may hold special meetings in addition to the regularly schedule meetings to address health and safety issues presented by the emergency. Committee members shall be paid for time spent for Safety Committee

meetings. Contractual hours provisions (e.g., minimum shifts, no split shifts, etc.) shall not apply to this work on the Safety Committee.

- b. Master Safety Committee. In addition to the store level safety committees, the Employer and the Union will set up a Master Safety Committee, made up of an equal number of members from the Union and the Company, with no less than three committee members appointed from each party. If necessary to address certain issues at a workplace, either party may invite guests, with prior approval of the committee.

The Master Safety Committee will meet periodically, and no less frequently than once per quarter, to review workplace safety matters. The Master Safety Committee may consider broader-based safety issues or specific store-level issues that are not successfully getting resolved at the Store-level committees. If there are recommendations from OSHA for store safety committees, those recommendations will be discussed and addressed at the Master Safety Committee.

The Company and Union agree that the Employer is responsible for maintaining a sound safety program and its employees are responsible for adhering to the safety program. In addition, the Company and the Union agree that they will continue to discuss and jointly address safety related issues and/or questions about the Company's safety program in good faith.

Should the Company begin utilizing Pharmacy Technicians to administer vaccines, the Company shall provide the Union with the safety protocols and measures around this additional work and, if requested, meet with the Union to bargain over the effects of these changes.

*(TA on 11/11/2021)*

### **Fred Meyer Nutrition Centers**

Accelerate conversion to grocery rates, to be completed within six (6) months of date of ratification.

### **ULPs and Grievances**

All unfair labor practice charges and grievances related to bargaining, information requests, and the Union's campaign related to bargaining, shall be withdrawn. Regular grievances, not specifically related to bargaining, will be processed through the normal procedure.