

Agreement by and between
UFCW 3000
and
Safeway (Ephrata)

Meat

Effective: 10/14/2018 - 10/16/2021

UFCW3000

Faye Guenther, President • Joe Mizrahi, Secretary-Treasurer





WEINGARTEN RIGHTS

Your Right to Union Representation

You have the right to union representation if you are called to a meeting with management that could lead to discipline.

“I understand that this proceeding is for the purpose of investigating whether I may receive discipline. Therefore, I request that a union representative be present on my behalf before this proceeding continues. If you insist that the proceeding continue without allowing me union representation, I hereby protest your denial of rights guaranteed to me under federal labor law.”

Weingarten rights were won in a 1975 Supreme Court decision with these basic guidelines:

-  You must make a clear request for union representation either before or during the interview. Managers do not have to inform employees of their rights.
-  Management cannot retaliate against an employee requesting representation.
-  Management must delay questioning until the union steward arrives.
-  It is against Federal Law for management to deny an employee’s request for a steward and continue with an interrogation. In this case, an employee can refuse to answer management’s questions.

Discipline? Contract violations?

Call the Member Resource Center

If you or a coworker need help regarding an Investigatory Meeting, are facing Discipline or Corrective Action, or need to report Contract Violations our MRC Representatives will work with you on a plan of action.

Call the Member Resource Center at: 1-866-210-3000

AGREEMENT

By and Between

**ALLIED EMPLOYERS, INC.
For and on Behalf of
SAFEWAY INC.**

and

**UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 1439**

**MEAT
(EPHRATA)**

Effective: October 14, 2018

To: October 16, 2021

Ratified: December 5, 2018

Table of Contents

Article 1 - Recognition And Bargaining Unit.....	1
Article 2 - Non-Discrimination.....	1
Article 3 - Union Security.....	2
Article 4 - Working Hours.....	2
Article 5 - Vacations.....	3
Article 6 - Holidays.....	5
Article 7 - Apprentices.....	6
Article 8 - Previous Experience.....	7
Article 9 - General Conditions.....	7
Article 10 - Jurisdiction.....	9
Article 11 - Jury Duty.....	9
Article 12 - Grievances/Arbitration.....	9
Article 13 - Health & Welfare - Dental - Prescription - Vision.....	10
Article 14 - Classifications.....	11
Article 15 - Retirement Savings.....	12
Article 16 - Sick Leave.....	13
Article 17 - Responsibility Clause.....	14
Article 18 - Funeral Leave.....	14
Article 19 - Wrappers Desirous of Becoming Meat Cutters.....	15
Article 20 - Leave of Absence.....	15
Article 21 - On-The-Job Training.....	16
Article 22 - Savings Clause.....	16
Article 23 - No Strike And Lockout.....	17
Article 24 - Term of Agreement.....	17
Appendix "A"- Ephrata Wage Rates.....	18
Letter of Understanding - Most Favored Nations.....	21
Letter of Understanding - 4x Ten-Hour Workweek.....	22
Letter of Understanding - Dues Check-off.....	23
Letter of Understanding - Limit On Back Pay For Discipline Cases.....	24
Letter of Understanding - Corporate Campaign.....	26
Letter of Understanding - Health & Welfare Contributions.....	27
Letter of Understanding - Optional Accelerated Arbitration Procedure.....	30
Signature Page.....	32

A G R E E M E N T

**By and Between
ALLIED EMPLOYERS, INC.**

**For and On Behalf of
SAFEWAY INC.**

and

UNITED FOOD & COMMERCIAL WORKERS LOCAL NO. 1439

**EPHRATA
MEAT**

This Agreement is made and entered into between United Food and Commercial Workers Union Local No. 1439, chartered by United Food and Commercial Workers International Union, AFL-CIO, CLC, party of the first part, hereinafter referred to as the Union, and Ephrata, Quincy, Soap Lake and Othello area Retail Meat Dealers, represented by Allied Employers, Inc., hereinafter referred to as the Employer, agree:

That for the mutual benefit of the parties hereto, the following shall be the scale of wages, the limitations of hours, and the rules and working to be observed by both parties to this Agreement.

ARTICLE 1 - RECOGNITION AND BARGAINING UNIT

1.1 Ephrata Area Retail Meat Dealers, represented by Allied Employers, Inc. hereby recognize, during the term of this Agreement, United Food and Commercial Workers International Union, Local No. 1439, as the sole and exclusive collective bargaining agency for all employees of the Employer whose job classification is set forth in this Agreement.

1.2 United Food and Commercial Workers International Union, Local No. 1439, for and on behalf of its members, hereby recognizes the Ephrata, Quincy, Soap Lake and Othello area Retail Meat Dealers, represented by Allied Employers, Inc., during the term of this Agreement as the sole and exclusive bargaining agency for all Employers who are designated as parties to this Agreement.

ARTICLE 2 - NON-DISCRIMINATION

2.1 When the gender term "he" or "she" is used within this Agreement, it is for explanatory purposes only and does not refer to the actual sex of any person.

2.2 Both parties recognize that in all cases of conflict between Title VII and any provision of this Agreement or any practice under any provision of this Agreement, Title VII shall prevail. If the Employer is required by Executive Order No. 11246, as amended, and revised Order No. 4 to develop and implement Affirmative Action Programs, and in the event of any conflict between

the provisions of such program and any provision of this Agreement or any practice under any provision of this Agreement, the Affirmative Action Programs shall prevail.

2.3 The parties agree to comply with all applicable laws and regulations prohibiting discrimination.

ARTICLE 3 - UNION SECURITY

3.1 Pursuant to and in conformance with Section 8(a)3 of the Labor Management Relations Act of 1947, it is agreed that all employees coming under the terms of this Agreement who have been in the employ of the Employer for a period of thirty-one (31) days shall make application to and shall become and remain members in good standing of the Union, and that the Employer shall discharge any employee as to whom the Union, through its business agent, delivers to the Employer a written notice that such employee is not in good standing in the Union as a result of failing to tender payment of regular initiation fees and/or periodic dues.

3.2 Upon the failure of any employee to comply with any provisions of Article 3, paragraph 3.1 of this Agreement, the Union may then notify the Employer in writing of such failure. The Employer will not be asked by the Union to discharge any employee for noncompliance with the provisions of paragraph 3.1 until seven (7) days after the Union has furnished the Employer with notice in writing which contains the following:

- a. A statement that the Union has strictly complied with the necessary procedural steps pursuant to the International Constitution and Bylaws in making its demand.
- b. A statement that demands for termination is made for no reason other than the employee's failure to pay the dues and initiation fees uniformly required by the Union for membership in the Union pursuant to the Union Security clause.
- c. The Union agrees to hold the Employer harmless for discharges made pursuant to this Article.

3.3 It is agreed the Employer shall send to the Union office a postcard indicating the employee's name, address, social security number, classification, store, location and starting date for all new employees not later than thirty-one (31) days from date of employment. These prepaid postage cards shall be furnished by the Union.

ARTICLE 4 - WORKING HOURS

4.1 Forty (40) hours shall constitute a basic workweek. All time in excess of forty (40) hours in any one week or in excess of eight (8) hours in any one day shall be paid for at one and one-half (1-1/2) times the regular rate. Eight (8) hours in a period of nine (9) hours with not more than one (1) hour allowed off for lunch shall constitute a basic workday.

4.2 Any employee called to work shall be offered no less than four (4) hours' work. Employees working six (6) days, Monday through Saturday, shall be paid time and one-half (1-

1/2) for hours worked on the shortest day of employment.

4.3 Rest periods shall be provided in conformance with State and/or Federal law and all employees shall receive the same rest period benefits. Rest periods shall be paid by the Employer.

4.4 A premium rate of thirty cents (30¢) per hour shall be paid for all work performed between the hours of 6:00 p.m. and 9:00 p.m., and work performed after 9:00 p.m. and before 6:00 a.m. shall be paid for at a premium rate of fifty cents (50¢) per hour. There shall not be any compounding or pyramiding of overtime and/or any premium pay, and only the highest applicable rate shall apply.

4.5 The Employer shall post a weekly work schedule for all regular full and part-time employees not later than 6:00 p.m. Thursday preceding the first day of the following workweek. Any alterations in such work schedule changing the employees' days off must be made not later than Saturday of such preceding week, except in cases of emergency. However, it is understood that the established work schedule may be changed by unexpected developments, such as illness of employees, accidents, reduction of business, etc. Daily starting times may not be changed once an employee has reported for work. Regular full-time employees called for work on their predesignated days off as established in the work schedule provision, shall be offered eight (8) hours of work at the overtime rate. Nothing in the above shall be construed to guarantee any hours of work to anyone.

4.6 It is agreed that any work performed shall be done by a member of the bargaining unit. This clause includes the cutting, wrapping, and displaying of any meat, fish, and poultry covered by this Agreement. The owner is hereby excluded. Whenever a member of the bargaining unit is not on duty, prepackaged meat items and those products that have been prepared by meat department Employees and are in storage ready for sale, may be placed in the meat case by a person in charge.

4.7 There shall be a Head Meat Cutter on duty each workday of the workweek (Monday through Saturday) except for his designated day off, and except in cases of emergency of less than forty (40) working hours in a workweek. Such Head Meat Cutter shall receive the minimum contract rate provided in the attached Appendix.

4.8 Each employee shall receive a detailed wage statement each pay period.

4.9 No employee shall be required to take time off in lieu of overtime.

ARTICLE 5 - VACATIONS

5.1 Employees who have worked for the same Employer for a period of one-year (after the first year of continuous work) shall be entitled to a vacation with pay at their straight-time hourly rate based upon the number of straight-time hours worked in the preceding twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1200 to 1600	24
1600 to 2000	32
2000 to 2496	40
2496 or more	48

5.2 Employees who have worked for the same Employer for a period of three years (after the third year of continuous work) shall be entitled to a vacation with pay at their straight-time hourly rate based upon the number of straight-time hours worked in the preceding twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1200 to 1600	48
1600 to 2000	64
2000 to 2496	80
2496 or more	96

5.3 Employees who have worked for the same Employer for a period of seven (7) years (after the seventh year of continuous work) [eight (8) years for employees hired after June 23, 2011] shall be entitled to a vacation with pay at their straight-time hourly rate based upon the number of straight-time hours worked in the preceding twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1200 to 1600	72
1600 to 2000	96
2000 to 2496	120
2496 or more	144

5.4 Employees who have worked for the same Employer for a period of fifteen years (after the fifteenth year of continuous work) shall be entitled to a vacation with pay at their straight-time hourly rate based upon the number of straight-time hours worked in the preceding twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Paid Vacation</u>
1200 to 1600	96
1600 to 2000	128
2000 to 2496	160
2496 or more	192

The third and fourth weeks of vacation shall be taken at a time mutually agreeable.

5.5 Employees who average twenty (20) hours or more per week, who terminate or are terminated (discharge for dishonesty, drunkenness, sale or possession of illegal drugs excepted) after the first (1st) or any subsequent anniversary date of their employment prior to their next anniversary date of employment, shall be entitled to vacation pay at their straight-time hourly rate based upon the number of straight-time hours worked since the last anniversary date of their

employment, at the following rates for each full two hundred (200) hours worked: After the first (1st) to the third (3rd) anniversary date, four (4) hours' vacation pay; after the third (3rd) to the seventh (7th) anniversary date, eight (8) hours' vacation pay; after the seventh (7th) anniversary date to the fifteenth (15th) anniversary date, twelve (12) hours' vacation pay; after the fifteenth (15th) anniversary date, sixteen (16) hours' vacation pay.

NOTE: For employees hired on or after June 23, 2011, see above for appropriate anniversary date.

5.6 Vacation may not be waived by employees nor may extra pay be received for work during that period, provided, however, that by prior mutual agreement between the Employer, employee, and Union this provision may be waived.

5.7 Employees whose vacations are scheduled during a holiday week shall receive holiday pay provided for under the terms of Article 6 of this Agreement in addition to vacation pay.

5.8 It is hereby understood and agreed that in computing hours of paid vacation for full-time employees (employees who regularly appear on the payroll for forty (40) or more hours per week), the terms of paragraphs 5.1, 5.2, 5.3, and 5.4 of this Article shall be applied so that working time lost up to a maximum of thirty (30) hours due to temporary layoff, verified cases of sickness or accident, or other absences from work approved by the Employer (in addition to vacations and holiday time off earned and taken by the employee), shall be counted as time worked.

5.9 In the scheduling of vacation, seniority shall be considered with the understanding that in the case of employees entitled to three (3) or four (4) weeks of vacation, two (2) weeks may be scheduled consecutively, considering seniority and the needs of the business, and the remaining earned vacation time by mutual agreement between the Employer and the employee. It is understood and agreed that for the purposes of this section, seniority shall be considered on a store-by-store basis.

ARTICLE 6 - HOLIDAYS

6.1 The following days shall be considered as holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

6.2 To be eligible for holiday pay, employees hired prior to June 23, 2011, must satisfy the following requirements:

- 1) Must have worked for the same Employer six (6) months or more,
- 2) Must work the hours specified below:

<u>Hours Normally Worked</u>	<u>Hours of Holiday Pay</u>
20 to 31 inclusive	4
32 or more	8

3) Must work the last scheduled working day preceding, on the holiday if scheduled, and the next scheduled working day following the holiday;

4) Must earn pay for work actually performed during the week in which such holiday occurs (this requirement does not apply to those employees on paid vacation during the holiday week).

6.2.1 Employees hired on or after June 23, 2011, must be on the Employer's payroll for six (6) months and meet the other requirements of this Article in order to qualify for any holiday pay/premium benefits.

6.3 Employees hired prior to June 23, 2011, who qualify for holiday pay as specified in paragraph 6.2 of this Article 6 shall be paid time and one-half (1-1/2) in addition to such holiday pay, for work performed on holidays named in paragraph 6.1 of this section. Employees who do not qualify for holidays pursuant to paragraph 6.2 of this section will receive time and one-half (1-1/2) for work performed on such holidays. This paragraph shall not apply to the employee's birthday.

For employees hired on or after June 23, 2011:

*No premium for first six (6) months (birthday wait remains twelve [12] months).

*Next 2080 hours, premium for working on holiday shall be \$1.25 per hour per hour.

*Thereafter, premium for working on holiday shall be time and one-half (1½).

6.4 Employees with one (1) year of continuous service with the Employer shall receive their birthday as a paid holiday. By mutual agreement between the Employer and employee, the employee may receive payment in lieu of such holiday in accordance with Article 6, paragraph 6.2. Employees shall give the Employer a thirty (30) day notice prior to their birthday. The birthday shall be observed within thirty (30) days of the employee's birthday on a mutually agreeable day. In the event the employee's birthday falls on the same day as any of the holidays specified in paragraph 6.1 of this section, the employee's birthday will be celebrated on another day in accordance with the procedure set forth in the previous sentence.

6.5 Holidays either worked or not worked shall not be considered as days worked for the purpose of computing weekly overtime except in the case of employees who normally work six (6) days per week, totaling at least forty-four (44) hours per week. In the case of the employee's birthday, the week in which the birthday is observed shall be considered as the holiday week.

6.6 No employee shall be required to work past 7:00 P.M. on Christmas Eve.

ARTICLE 7 - APPRENTICES

7.1 Employers will be allowed one Apprentice to every three Journeyperson or fraction thereof, and no apprentice shall be allowed to manage any retail market. Every effort shall be made by the Employer to assure the completion of any apprentice's development to a Journeyperson. Such ratio shall not apply to apprentices who are hired when qualified Journeypersons are not available in the geographical area covered by this Agreement.

ARTICLE 8 - PREVIOUS EXPERIENCE

8.1 For the purpose of classifying new employees who have worked in the retail trade for three (3) years or more in other localities, and in order to protect the Employer as well as the Union from inferior help, the Union agrees to create an examining board, if necessary, to classify persons making application for membership. This Board shall be composed of at least two (2) members of the Union and two (2) representatives of the Employer.

8.2 Employees shall receive credit for actual comparable work experience with other Employers in the retail meat industry, provided such previous experience is claimed on their employment application. If the Union or the Employee disagrees with the experience credit given, a grievance must be filed, stating such disagreement, within sixty (60) days after the employee's first day of work.

ARTICLE 9 - GENERAL CONDITIONS

9.1 The Employer agrees to display in a conspicuous place to the public, the Union Shop Card of the United Food and Commercial Workers International Union, AFL-CIO, CLC, at all times. Such cards shall remain the property of the Union and can be withdrawn from any market by the President of the Union for violation of this Agreement, provided the dispute has first been processed through the grievance procedures provided in Article 12 and the Employer refuses to comply with a final determination thereunder. The card may also be withdrawn from any shop that ceases to employ Union members.

9.2 No member shall be discharged without just cause. There shall be no individual agreements entered into between the Employer and employees, and the Union at all times reserves the right to discipline its members for violation of this Agreement. The Employer reserves the right to discharge any person in his employ if his work is not satisfactory. After an employee has been continuously employed for a period of six (6) months, the Employer shall give the employee one (1) written warning, with a copy to the Union, prior to discharge, except in cases of discharge for drunkenness, dishonesty, insubordination, or other just cause. Nothing herein shall preclude an Employer from terminating an employee without said notice, but it is the intent of this section that the Employer shall, insofar as practical, advise the employee of dissatisfaction with the Employee's work performance.

9.3 The Employer shall bear the expense of furnishing gowns and/or uniforms and laundering them. Employer shall also furnish mesh aprons for knife persons. The Employer shall bear the expense of sharpening tools for all Employees or furnish a sufficient grinder or stone for the employees to sharpen their tools on Company time. Failure to wear mesh aprons may be grounds for discharge.

9.4 The ordinary rule of seniority shall apply, with the understanding that the ordinary rules of merit and ability shall also apply.

9.4.1 The first sixty (60) calendar days of employment by a new employee shall be considered a probationary period in which the Employee may be terminated without recourse from the Union.

9.4.2 Seniority shall only apply after the first one hundred twenty (120) calendar days of employment with the Employer; then seniority shall date back to the date of hire.

9.4.3 Seniority shall terminate when an employee has been laid off in excess of ninety (90) calendar days.

9.5 It is the desire of both the Employer and the Union to avoid, whenever possible, the loss of working time by the employees covered by this Agreement. Therefore, the Union business representative shall be admitted to the Employer's sole premises during the hours employees are working for the purpose of ascertaining whether or not this Agreement is being observed, provided such representatives shall first contact the store manager or person in charge. Contacts with the employees during such visits shall be conducted in a manner so as not to interfere with the orderly operation of the Employer's business nor to interfere with the employee's duties or with the service to the customer, it being further agreed that lengthy discussions between employees and representatives of the Union or among themselves concerning disputes shall not take place during working hours.

9.6 It is agreed that an employee shall notify the Employer of his/her intent to quit his job prior to the end of his/her last shift and before leaving the market. Failure to give such notice will result in the loss of earned vacation pay. It is further agreed that the Employer will notify an employee of discharge prior to the end of the last scheduled shift and before leaving the market.

9.7 During the term and course of this Agreement, no collective bargaining shall be had upon any issue covered by this Agreement, or upon any issue which has been disposed of during the course of the collective bargaining which resulted in the consummation of this Agreement, or upon any matter not expressly set forth in this Agreement. Nothing herein shall preclude the parties by mutual agreement from discussing problems which may arise under the Agreement.

9.8 Except as herein clearly and explicitly limited in the express terms of this Agreement, the right of the Employer in all respects to manage its business shall be unimpaired.

9.9 The Employer shall be responsible for payment for all hours worked, and an employee shall only work those hours specifically authorized by the Employer. Accordingly, it is intended that there shall be no "free time off-the-clock" work practices under this Agreement. Any employee found by the Employer or the Union to be engaging in such practice shall be subject to discipline, which may include termination. Likewise, the Employer shall not encourage, intimidate, or coerce an employee to perform "off-the-clock work".

9.10 Store Meetings: Required store meetings shall be paid for at the straight-time hourly rate for only the actual time spent in attendance, and shall be considered time worked only for the purpose of computing overtime for work hours in excess of forty (40) per week.

9.11 The Company agrees to notify the Union of the sale and/or closure of a store at least thirty (30) days in advance, whenever practical. Reasons where the thirty (30) days notice is not practical may include but are not limited to lease contingencies, financing arrangements, and/or finalization of the buy/sell arrangements.

9.12 Drug Testing: The Employer may require the employee to submit to a legally recognized drug or alcohol test at the Employer's expense, if the Employer has reasonable grounds to believe the employee is under the influence of alcohol or drugs. Reasonable grounds will not be required for drug or alcohol testing when an employee is involved in an industrial accident which involved injury or damage. Time spent in such testing shall be on Company time; however, any employee refusing to submit to a drug or alcohol test shall be taken off the clock effective with the time of the Employer's request. An employee who refuses to take a drug or alcohol test upon request shall be subject to termination.

9.13 The Employer agrees to allow the posting of Union meeting notices in the store at a location designated by the Employer. The notice will state the date, time, and place of the Union meeting.

ARTICLE 10 - JURISDICTION

10.1 The jurisdiction of Local No. 1439 shall cover the cutting and handling and sale of all meats, fish, poultry, and rabbits in the area covered by this Agreement in either service or self-service markets.

ARTICLE 11 - JURY DUTY

11.1 After their first year of employment, employees who are regularly employed twenty-four (24) hours or more per week, who are called for service on a Superior Court or Federal District Court jury, shall be excused from work for the days on which they serve and shall be paid the difference between the total amount received for such service and the amount of straight-time earnings lost by reason of such service, up to a limit of eight (8) hours per day and forty (40) hours per week, with a total limit of ten (10) working days. Nothing in this section shall have the intent of limiting the amount of time an employee may serve.

11.2 An employee called for jury duty who is temporarily excused from attendance at court must report for work if sufficient time remains after such excuse to permit him to report to his place of work and work at least one-half (1/2) of his normal workday.

11.3 In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served and the amount of jury pay received.

ARTICLE 12 - GRIEVANCES/ARBITRATION

12.1 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 seven (7) days from the date a grievance is filed in writing by either party upon the other, the matter shall be referred for final adjustment to a labor relations committee made up of equal representative(s) from the Employer and Union. In the event the labor relations committee fails to reach an agreement, to move the matter to arbitration,

the moving party must file a demand in writing with the non-moving party. Upon such written demand for arbitration, the parties shall attempt to agree on an arbitrator. If the parties cannot reach an agreement on an arbitrator, the parties shall strike from the following list of arbitrators:

- | | | | |
|----|----------------------|-----|-----------------------|
| 1. | Michael E. Cavanaugh | 7. | William E. Riker |
| 2. | Joseph W. Duffy | 8. | Shelly Shapiro |
| 3. | Martin Henner | 9. | Kathryn T. Whalen |
| 4. | Alan Krebs | 10. | Jane R. Wilkinson |
| 5. | Howell Lankford | 11. | Timothy D.W. Williams |
| 6. | Ron Miller | | |

The use of this permanent panel shall be on a trial basis. At any time, either party may opt to instead use the former method of using a panel of 11 arbitrators from FMCS (the party opting out of the permanent panel shall pay for the FMCS panel) and such panel must be of arbitrators who have their primary residence in the Northwest (WA, OR, ID).

12.2 The arbitrator shall issue a decision within thirty (30) days after the close of the arbitration hearing and such decision shall be final and binding on both parties. Any expense incurred jointly through arbitration shall be borne equally by the parties hereto.

12.3 It is agreed that during the life of this Agreement there will be no strike by the Union or lockouts by the Employer unless the other party to the Agreement is refusing to comply with a final decision of an arbitrator reached in accordance with the provisions of this Agreement. Local No. 1439 agrees that during the life of this Agreement they will not encourage or perform any picketing, boycotting, or handbilling at the Employer's place of business.

12.4 It is distinctly understood and agreed that the Arbitrator is not vested with the power to change, alter, or modify this Agreement in any of its parts. The arbitrator shall not decide on any subject, the condition of which is not specifically treated in this Agreement, but only on the contractual obligations that are specifically provided in this Agreement.

ARTICLE 13 - HEALTH & WELFARE - DENTAL - PRESCRIPTION - VISION

13.1 The Employer agrees to provide the same level of coverage and make the same contributions as provided in the Spokane Retail Grocery Agreement. Any modifications in coverage or contribution rates shall be effective on the same dates such modification becomes effective under the Spokane Agreement.

13.2 The above-listed contributions are due and payable on or before the twentieth (20th) day of each month for the preceding month, and contributions will be delinquent if not paid by the twenty-fifth (25th) day, which delinquency will be a violation of this Agreement.

13.2.1 Notwithstanding the provisions of paragraph 13.2, the Board of Trustees of the United Food and Commercial Workers Welfare Trust shall establish and enforce, as an alternate method of contribution, a method for reporting contributions on an accounting period basis rather than a calendar month basis. In such a case, the eighty (80) hour provision shall be appropriately adjusted as directed by the Trustees. 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. In the event this alternate system deprives the employee of benefits that would otherwise have been covered on a calendar basis, the Employer is obligated to make the remittance for such employee to the Trust Fund.

13.3 The Employer and the Union agree to be bound by the terms of the provisions of that certain revised and restated Trust Agreement effective January 1, 1989, dated August 28, 1987 (date of initial execution, April 1, 1963), creating the United Food and Commercial Workers Welfare Trust, and agree to be bound by said Trust Agreement and all amendments thereto, heretofore or hereafter adopted. The Employer further agrees to accept as his representatives the Employer Trustees serving on the Board of Trustees of said Trust and their lawful successors.

13.4 "Hours worked" for the purpose of establishing the "eighty (80) hours or more" eligibility for continuing employees, shall include all vacation and holiday hours earned and taken.

13.5 For employees who terminate employment, eligibility for coverage shall terminate on the last day of the month of employment termination.

13.6 See the Letter of Understanding (attached) regarding Employer contribution methodology to comply with ACA. As discussed and agreed in negotiations, it is the intent of this Letter of Understanding that the total Health & Welfare contributions required from the Employer shall not be increased or decreased as a result of the implementation of this contribution methodology.

ARTICLE 14 - CLASSIFICATIONS

14.1 The classifications and minimum scale of wages as set forth in the attached Appendix are hereby made a part of this Agreement.

14.2 It is understood and agreed that the rates of pay provided for herein are minimum rates and apply to the job classification and not to the individual. No employees receiving a higher hourly rate not provided for herein shall have such wage rate taken away by reason of any provision of this Agreement; however, the terms of this Agreement are intended to cover minimums of wages and other employee benefits. The Employer may place superior wages and other employee benefits in effect and may reduce the same to the minimums herein prescribed without the consent of the Union.

14.3 New Methods: Within thirty (30) days after the Employer party to this Agreement introduces new methods of operation into the bargaining unit that require the establishment of a new job classification, the Employer shall notify the Union in writing of the new classification, including a description of work being performed and the wage rate established. Any question as to the adequacy of the wage rate established for the new job classification shall be presented in writing by the Union within ten (10) calendar days following the Employer's written notice to the Union, and shall be subject to the grievance procedure as set forth in Article 12 of this Agreement. If through the procedure as set forth in Article 12 it is determined that the wage rate assigned by the Employer should be adjusted, such adjustment shall be retroactive to the date of the Employer's written notice to the Union.

ARTICLE 15 - RETIREMENT SAVINGS

15.1 The Employer hereby agrees to make pension contributions in the amounts set forth below on a straight-time hourly basis:

15.1.1 For employees hired prior to February 9, 2005: There shall be a waiting period of 1040 hours before the employer is required to begin making required contributions. After the waiting period, the contribution rates shall be:

	Journeyman Cutter/Wrapper[∇]	Service Counter
Base	\$0.55	\$0.25
Pre-PPA Suppl. [^]	\$0.10	\$0.10
Past Rehab Incr.	\$0.45	\$0.45
Current Total:	\$1.10	\$0.80
Rehab Plan Increases This Term:		
Jan. 2019 hours (+\$0.198)	\$1.298	\$0.998
Jan. 2020 hours (+\$0.106)	\$1.404	\$1.104
Jan. 2021 hours (+\$0.106)	\$1.510	\$1.210

[∇] Additionally, for Cutters and Wrappers, \$0.20 per hour to UFCW Investment Savings Plan and Trust.

[^] The pre-PPA supplemental contribution is based on the parties' pension agreement.

15.1.2 For employees hired on or after February 9, 2005: There shall be a waiting period of 1040 hours or one calendar year, whichever is longer, before the employer is required to begin making required contributions. After the waiting period, the contribution rates shall be:

	Service Counter Apprentice*	Service Counter Journeyman	Cutter/Wrapper Apprentice*[∇]	Cutter/Wrapper Journeyman[∇]
Base	\$0.15	\$0.25	\$0.25	\$0.55
Pre-PPA Suppl. [^]	\$0.10	\$0.10	\$0.10	\$0.10
Past Rehab Incr.	\$0.45	\$0.45	\$0.45	\$0.45
Current Total:	\$0.70	\$0.80	\$0.80	\$1.10
Rehab Plan Increases This Term:				
Jan. 2019 hours (+\$0.198)	\$0.898	\$0.998	\$0.998	\$1.298
Jan. 2020 hours (+\$0.106)	\$1.004	\$1.104	\$1.104	\$1.404
Jan. 2021 hours (+\$0.106)	\$1.110	\$1.210	\$1.210	\$1.510

[∇] Additionally, for Cutters and Wrappers, \$0.20 per hour to UFCW Investment Saving Plan and Trust.

[^] The pre-PPA supplemental contribution is based on the parties' pension agreement.

* Employees shall receive the Apprentice rate until they work 10,400 hours (actual hours worked plus hours compensated for vacation and holiday pay). If an employee is given prior experience credit or for whatever reason moved up the wage progression more quickly than hours worked as defined above, that shall have no effect on the number of hours required for pension progression purposes. That is, the pension progression is independent of the wage progression and the employee must actually work (as defined above) the full number of hours before being entitled to the Journeyperson pension contribution.

15.2 Notwithstanding the provisions of the above paragraphs, the Board of Trustees of the UFCW Investment Saving Plan and Trust shall establish and enforce, as an alternate method of contribution, a method of reporting contributions on an accounting period basis rather than a calendar month basis. In such a case, the alternate method shall be appropriately adjusted as directed by the Trustees. 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.

15.3 The Employer and the Union agree to be bound by the terms of the provisions of that certain revised and restated Trust Agreement, effective January 1, 1976, dated June 22, 1976 (date of initial execution, September 1, 1955), creating the UFCW Investment Saving Plan and Trust, and all amendments thereto, heretofore or hereafter adopted. Further, the Employer accepts as his/her representatives for the purpose of such Trust Fund, the Employer Trustees serving on the Board of Trustees of said Trust Fund and their duly appointed successors.

15.4 Pension Protection Act ("PPA"). This Agreement is subject to the 2010-2011 Rehabilitation Plan adopted by the Board of Trustees, as revised June 22, 2016.

ARTICLE 16 - SICK LEAVE

16.1 Employees, during each twelve (12) months (after the first and each succeeding year of continuous employment with their current Employer), shall be entitled as set forth below to paid sick leave at their current regular straight-time hourly rate for bona fide illness or injury off the job.

16.2 Sick leave shall be accrued by an employee depending upon the number of straight-time hours worked, including paid vacations and paid holiday hours, from anniversary date to anniversary date. In converting these dates from a contract year basis to the anniversary date basis, employees will be given credit on a prorated basis from the period from September 11, 1977, to their next anniversary date for hours worked, including paid vacations and paid holidays.

16.3 The hours to qualify for sick leave pay are as follows:

<u>Hours Worked</u>	<u>Hours of Sick Leave Pay</u>
1400 to 1662	16
1663 to 2064	32
2064 or more	40

16.4 Sick leave pay, to the extent it has been earned, shall begin on the third (3rd) normally scheduled working day of illness or injury off the job, or the first (1st) normally scheduled working day if the employee is hospitalized or has a medically determined disabling outpatient surgery on such first (1st) normally scheduled working day of illness thereafter, and shall be in an amount per day equal to the average number of straight-time hours worked per day by the employee during the past twelve (12) months, provided that: 1) in no event shall the daily total of sick leave pay under this section and disability payments provided by the Health and Welfare Plan exceed the net pay for the employee's average hours up to eight (8) hours per day; and 2) not more than five (5) days' pay shall be required in any one workweek.

16.5 Sick leave pay shall be cumulative from year to year, but not to exceed a maximum of one hundred twenty (120) hours. Sick leave pay must be earned by employment with the Employer.

16.6 A doctor's certificate or other authoritative verification of illness may be required by the Employer and, if so, must be presented by the employee prior to returning to work.

16.7 Any employee found to have abused sick leave benefits by falsification or misrepresentation, shall thereupon be subject to disciplinary action, reduction or elimination of sick leave benefits (including accumulated sick leave), and shall further restore to the Company amounts paid to such employee for the period of such absence, or may be discharged by the Company for such falsification or misrepresentation.

16.8 Sick leave benefits shall apply only to bona fide cases of illness and injury off the job and shall not apply to on-the-job accidents which are covered by State Industrial Insurance.

16.9 Employees shall be permitted family leave in accordance with RCW 49.12 on the same terms and conditions (including eligibility requirements) as provided in Section 16.1 through 16.8 above.

ARTICLE 17 - RESPONSIBILITY CLAUSE

17.1 The above-listed contributions for Health and Welfare (Article 13) and Retirement Savings (Article 15) are due and payable on or before the twentieth (20th) day of each month for the preceding month, and contributions will be delinquent if not paid by the twenty-fifth (25th) day, which delinquency will be a violation of this Agreement.

17.2 The Employer agrees to post monthly audited billings received from the Trust Office marked for Meat Personnel.

ARTICLE 18 - FUNERAL LEAVE

18.1 After their first year of employment, employees who are regularly employed twenty-four (24) hours or more per week shall be allowed up to three (3) days off with pay for loss of their normal scheduled hours of work during the three (3) calendar days commencing with or

immediately following the date of death of a member of their immediate family, provided the employee attends the funeral. Funeral leave will be paid only with respect to a workday on which the employee would otherwise have worked, and shall not apply to an employee's scheduled days off, holidays, vacations, or any other day on which the employee would not, in any event, have worked. Scheduled days off will not be changed to avoid payment of funeral leave. Funeral leave shall be paid at the employee's regular straight-time hourly rate. Immediate family shall be defined as spouse, son, daughter, mother, father, brother, sister, grandparents, and mother-in-law and father-in-law of present spouse.

ARTICLE 19 - WRAPPERS DESIROUS OF BECOMING MEAT CUTTERS

19.1 Wrappers desirous of promotion to Apprentice Meat Cutter status shall make their desires known to the Company, in writing, and such employees shall be given equal consideration for such vacancy. Selection to fill the vacancy shall be made on the basis of Company seniority, ability and qualifications being equal.

19.2 A Wrapper commencing the Apprenticeship Training Program for Meat Cutters shall have a ninety (90) day trial period. Said trial period shall not jeopardize the employee's former classification or seniority. There shall be no reduction in pay to any Wrapper as a result of entering the Apprenticeship Program, i.e., the Wrapper's rate of pay shall apply until such time as the Apprentice Meat Cutter rate exceeds the Wrapper's rate, at which time the Apprentice Meat Cutter rate shall apply.

ARTICLE 20 - LEAVE OF ABSENCE

20.1 Regular employees with one (1) year or more of continuous service shall be entitled to a leave of absence without pay for the following bona fide reasons:

20.1.1 Illness or non-occupational injury which requires absence from work for more than fifteen (15) days;

20.1.2 Pregnancy;

20.1.3 Serious illness, injury, or death in the employee's immediate family, which leave will not exceed thirty (30) days;

20.1.4 Leaves due to occupational injuries shall be granted for periods up to twelve (12) months unless a longer period is agreed upon between the Employer and the Union.

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

20.3 An employee who wants a leave of absence shall submit to his Employer in writing his/her request for such leave, stating 1) reason, 2) date leave is to begin, and 3) expected date of return.

20.4 Any leave of absence with the exception of 20.1.3 and 20.1.4 above may run to a maximum of six (6) months.

20.5 Employees who fail to return at the end of a leave of absence or any agreed-upon extension of a leave of absence shall be considered as terminated. Any request for extension of a leave of absence period must be presented in writing to the Employer prior to the expiration of the initial leave; however, in case of a bona fide emergency, telephone requests for extensions may be made to management for their approval, which extensions must be confirmed in writing.

20.6 The Employee must be able to resume his regular duties upon return to work from an approved leave of absence. A doctor's certificate verifying that the Employee is able to resume his normal duties may be required before the employee is returned to the work schedule. The Employee shall then be returned to the job previously held or to a job comparable in rate of pay, on the first weekly schedule made up after the Employer and the Union have received notice in writing of the Employee's availability.

20.7 Self-employment or employment elsewhere during an authorized leave of absence shall be considered as a voluntary quit with forfeiture of all rights inherent in this Agreement.

20.8 The parties agree to comply with the Family and Medical Leave Act of 1993.

20.9 Upon request of the Union, leaves of absence without pay for Union business not to exceed nine (9) months may be granted by the Employer to employees regardless of length of service. The Union agrees such employees shall not be used to organize or engage in any campaign related to signatory employers.

ARTICLE 21 - ON-THE-JOB TRAINING

21.1 The Employer shall have the right to place Management Personnel in the Meat Department for the purpose of receiving on-the-job training and instructions up to a maximum of one hundred seventy-three (173) hours per person, provided no regular employees are laid off or suffer a reduction in their normal hours. Such management personnel will not be required to become members of the Union. It is further agreed the Union will not attempt to impose any restrictions or penalties upon an Employer for exercising this right.

ARTICLE 22 - SAVINGS CLAUSE

22.1 Any provision of this Agreement which may be adjudged by a court of last resort to be in conflict with any Federal or State law shall become inoperative to the extent and duration of such conflict. Since it is not the intent of either party hereto to violate any such laws, it is agreed that in the event of a conflict between any provision of this Agreement and such Federal or State law, the remainder of this Agreement shall remain in full force and effect. The Employer and the Union agree that substitute provisions shall be written within thirty (30) days to replace those provisions coming into conflict with the laws herein described.

ARTICLE 23 - NO STRIKE AND LOCKOUT

23.1 During the life of this Agreement there will be no strikes or other economic action by the Union nor lockouts by the Employer, unless the other party is refusing to comply with a final decision of an arbitrator reached in accordance with the provisions of this Agreement. Sympathy strikers shall not be accorded any greater rights under law or contract than the rights of a striking employee.


ARTICLE 24 - TERM OF AGREEMENT

24.1 This Agreement shall be in full force and effect from October 14, 2018 through October 16, 2021, and thereafter from year to year unless sixty (60) days' notice of cancellation or modification is given by either party in writing prior to the expiration date.

24.2 This Agreement shall be binding upon the heirs, executors, administrators, and assignees of the parties hereto.

ALLIED EMPLOYERS, INC.
For and on behalf of Safeway Inc.

UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL NO. 1439



Scott Klitzke Powers 3-22-19
President Date



Eric Renner 7-12-19
President Date

APPENDIX "A"

EPHRATA WAGE RATES

MEAT CUTTERS

Employees hired on or after February 9, 2005:

	Current	10/14/18	10/13/19	10/11/20	
Head Meat Cutter	\$18.565	\$18.815	\$19.015	\$19.215	
Journeyman	18.235	18.485	18.685	18.885	
	Current	10/14/18	1/1/19	1/1/20	1/1/21[^]
Next 2080 hours	15.21	15.21	15.21	15.21	
8th 1040 hours	14.37	14.37	14.37	14.37	
7th 1040 hours	13.49	13.49	13.49	13.90	
6th 1040 hours	12.70	12.70	12.70	13.85	
5th 1040 hours	11.90	11.90	12.30	13.80	
4th 1040 hours	11.60	11.75	12.25	13.75	
3rd 1040 hours	11.60	11.70	12.20	13.70	
2nd 1040 hours	11.60	11.65	12.15	13.65	
1st 1040 hours	11.60	11.60	12.10	13.60	

[^]Wage rates TBD based on state minimum wage at that time.

All employees shall be paid a minimum of ten cents (10¢) per hour above the then current Washington State minimum wage

Sunday Rates: For employees hired prior to June 23, 2011, effective June 26, 2011, all work performed on Sundays shall be paid for at time and one-third (1/3) the regular straight time rate. For employees hired on or after June 23, 2011, all work performed on Sundays shall be paid for at one dollar (\$1.00) over the regular straight time rate.

Night Premium: 9:00 p.m. to 6:00 a.m. - twenty-five cents (25¢) per hour.

MEAT WRAPPERS

Employees hired on or after February 9, 2005:

	Current	10/14/18	10/13/19	10/11/20	
Journey person	\$15.825	\$16.075	\$16.275	\$16.475	
	Current	10/14/18	1/1/19	1/1/20	1/1/21[^]
Next 2080 hours	11.80	12.00	12.50	14.00	
8th 1040 hours	11.60	11.95	12.45	13.95	
7th 1040 hours	11.60	11.90	12.40	13.90	
6th 1040 hours	11.60	11.85	12.35	13.85	
5th 1040 hours	11.60	11.80	12.30	13.80	
4th 1040 hours	11.60	11.75	12.25	13.75	
3rd 1040 hours	11.60	11.70	12.20	13.70	
2nd 1040 hours	11.60	11.65	12.15	13.65	
1st 1040 hours	11.60	11.60	12.10	13.60	

[^]Wage rates TBD based on state minimum wage at that time.

All employees shall be paid a minimum of ten cents (10¢) per hour above the then current Washington State minimum wage

Sunday Rates: For employees hired prior to June 23, 2011, effective June 26, 2011, all work performed on Sundays shall be paid for at time and one-third (1⅓) the regular straight time rate. For employees hired on or after June 23, 2011, all work performed on Sundays shall be paid for at one dollar (\$1.00) over the regular straight time rate.

Night Premium: 9:00 p.m. to 6:00 a.m. - twenty-five cents (25¢) per hour.

SERVICE COUNTER EMPLOYEES

Employees hired on or after February 9, 2005:

	Current	10/14/18	10/13/19	10/11/20	
Journey person	\$12.32	\$12.57	\$12.77	\$13.60	
	Current	10/14/18	1/1/19	1/1/20	1/1/21[^]
Next 2080 hours	11.60	12.00	12.50	13.60	
8th 1040 hours	11.60	11.95	12.45	13.60	
7th 1040 hours	11.60	11.90	12.40	13.60	
6th 1040 hours	11.60	11.85	12.35	13.60	
5th 1040 hours	11.60	11.80	12.30	13.60	
4th 1040 hours	11.60	11.75	12.25	13.60	
3rd 1040 hours	11.60	11.70	12.20	13.60	
2nd 1040 hours	11.60	11.65	12.15	13.60	
1st 1040 hours	11.60	11.60	12.10	13.60	

[^]Wage rates TBD based on state minimum wage at that time.

Sunday Premium: For employees hired prior to June 23, 2011, effective June 26, 2011, all work performed on Sundays shall be paid for at \$2.00 per hour over the regular straight time rate. For employees hired on or after June 23, 2011, all work performed on Sundays shall be paid for at one dollar (\$1.00) over the regular straight time rate.

Night Premium: 9:00 p.m. to 6:00 a.m. - Twenty-five cents (25¢) per hour.

Service Counter - Service Counter employees will be considered a separate classification for all purposes, including seniority. Service Counter employees shall not be permitted to cut, bone, or grind fresh meat or perform any wrapping of meat product for preparation for sale in self-service cases. Service Counter employees may cut a steak or roast, which has already been processed by a Meat Cutter, to size in order to serve a customer, modify any prepared cut to suit a customer, or use the slicing or cube machines to serve a customer. Meat Wrappers and/or Meat Cutters shall continue to be assigned the duties of stocking prepackaged meat items in the Meat Department, however, when other Meat Department employees are not on duty, prepackaged meat items and those products that have been prepared by Meat Department employees that are in storage ready for sale may be placed in the meat case by Service Counter employees. Service Counter employees will be confined to the Service Counter, the holding cooler areas, and other areas necessary to perform the work required by the Department.

Lead Service Counter - This shall be a separate classification at the option of the Employer. Seniority shall not apply to the selection of a Lead Service Counter employee.

LETTER OF UNDERSTANDING

MOST FAVORED NATIONS

Should UFCW Local #1439 enter into a Collective Bargaining Agreement with any other major Ephrata area grocery Employer after ratification of this proposal, up to the expiration date of this Agreement, which Safeway perceives to be more advantageous to the Employer than this Agreement, Safeway has ninety (90) days from the receipt of a signed copy of that Agreement to invoke this Article and adopt in full all of the terms and conditions of the other Employer's Agreement as a substitute for this Agreement. The right to invoke this Article shall expire at midnight on the ninetieth (90th) day after the Agreement with the other Ephrata area Employer is received. It is the specific intent of the parties that invocation of the Article by Safeway requires it to adopt the entire Agreement of the other Ephrata area Employer. Should Safeway desire to adopt only portions of the other Employer's Agreement, it may seek mutual agreement with Local #1439, but nothing herein shall require such mutual agreement. In the event the parties fail to reach agreement, Safeway may invoke the right to adopt the entire Agreement.

LETTER OF UNDERSTANDING

4X TEN-HOUR WORKWEEK

The parties agree that by mutual agreement the Employer may create 4x ten-hour workweeks in recognition that there may be some positions falling under the scope of the referenced Labor Agreements that would accommodate a 4x ten-hour workweek schedule for the employees occupying those positions. In that event, the parties agree that the daily overtime provisions of Article 5.1 of the Grocery Agreement and Article 4.1 of the Meat Agreement shall be applicable after ten hours worked. The rest periods provided for in paragraph 4.3 of the Meat Agreement and 5.4 of the Grocery Agreement will be scheduled to provide for a ten minute and 15 minute rest period on either side of the employee's scheduled meal period. In addition, holiday pay provided for in Article 6 of the Grocery Agreement and Meat Agreement shall be applied on the basis that the employee shall receive eight hours' pay for each holiday that the employee is eligible for, unless the employee is scheduled for thirty (30) hours during the holiday week, and in that event the employee shall receive ten hours' holiday pay.

LETTER OF UNDERSTANDING

DUES CHECK-OFF

1. Added initiation and uniform dues through payroll deduction as follows:
 - a. Union Dues Check-Off: On a weekly basis the Employer agrees to deduct uniform dues from the paycheck of those covered employees whose individual written unrevoked authorizations are on file with the Employer and to transmit the amounts so deducted to the Union monthly. Said deduction authorizations shall be in such form as to conform with Section 302 (c) of the Labor Management Act of 1947.
 - b. Authorized initiation fees will be deducted in three (3) equal installments and remitted to the Local Union monthly.
 - c. It is understood the Employer is not liable in any manner if the employee is not on the payroll at the time deductions are being processed.
 - d. Indemnify and Hold Harmless: The Union shall indemnify and hold the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon signed authorization cards furnished to the Company by the Union or for the purpose of complying with any of the provisions of this Article.
2. The involved Employer shall be granted a reasonable period to adopt administrative and payroll procedures to accommodate this agreement.
3. Active Ballot Club: For employees who voluntarily authorize a contribution to the UFCW Active Ballot Club political action committee, the Employer agrees to deduct the authorized amount each payroll period on a payroll deduction basis and forward the same to the Union monthly.

LETTER OF UNDERSTANDING

LIMIT ON BACK PAY FOR DISCIPLINE CASES

In cases where it is concluded that an employee has been improperly discharged or suspended, the arbitrator may reinstate the improperly discharged employee. The arbitrator may not render an award which requires the Employer to pay an improperly discharged or suspended employee for time that the employee has not actually worked in excess of the wage and benefits the employee would have earned had he worked his normal schedule during the ten calendar months immediately following the date of discharge or suspension.

Exception: If the arbitration decision is issued greater than ten months following the date of the discharge or suspension, the above cap on back pay shall apply unless the Union proves that the Employer is at fault for the case taking longer than the usual time-line as designated below. If the Union proves the Employer is at fault for the case taking longer than the usual time-line, the arbitrator may assign a back pay period longer than ten calendar months (not applicable in cases where time frame(s) have been mutually extended) with the additional time being equal to the additional amount of time caused by the employer's delay.

The parties agree that the following shall be the timeframe for the processing of a discipline grievance (time frame(s) may be extended by mutual agreement):

<u>Calendar Days</u>	<u>Action Item</u>
0	Incident
15 (termination) from date of discharge	Grievance must be filed in writing
30 (all others) from date of discipline	Grievance must be filed in writing
15 from date of receipt of grievance	Response in writing due to be faxed or postmarked
15 from date of receipt of response	Moving party must request in writing a grievance meeting
30 from date the request of grievance meeting was received	Grievance meeting held by this date
15 from date of grievance meeting	Moving party must file a demand for arbitration with both the Employer and FMCS in writing
15 from date the parties receive FMCS list	Parties must mutually select an arbitrator
90 from the date the parties select arbitrator	Arbitration hearing is held

30 from date of arbitration

Briefs are filed

60 from date briefs are received

Arbitration decision issued

This Letter of Understanding shall provide no right or argument for forfeiture of a claim or position. The sole purpose of this Letter is to address a limit on backpay and an exception to that limit. Forfeiture of claims must be established without regard to this Letter.

This Letter of Understanding and the provisions herein shall have no effect on the issue of mitigation of damages. Whether or not an employee has adequately mitigated damages is a completely separate issue and the resolution of that issue should not be influenced by the provisions of this Letter of Understanding.

LETTER OF UNDERSTANDING

CORPORATE CAMPAIGN

This Letter reiterates and confirms the agreement reached by Safeway and UFCW Local No. 1439 during the negotiations for clerk and meat agreements in Ephrata with regard to Local No. 1439 and Safeway in Ephrata. Local No. 1439 believes it has a good faith working relationship with Safeway and will not take any action to depart from that relationship or take any action inconsistent with maintaining that relationship. Consistent with its duty of fair representation under the Agreements and their grievance procedures, Local No. 1439 will not be a party to, instigate or support class action litigation (except charges with the National Labor Relations Board), or engage in any type of corporate campaign against Safeway.

It is also recognized that various monies from Local No. 1439 are paid to UFCW International Union funds. The Local does not control such funds. Consequently, the UFCW International Union's use of those funds for purposes contrary to this Agreement will not be a violation of this Agreement.

LETTER OF UNDERSTANDING
HEALTH & WELFARE CONTRIBUTIONS

RECITALS

A. Safeway Inc. (the "Employer") and United Food and Commercial Workers Local 1439 (the "Union") are party to various collective bargaining agreements (the "CBAs").

B. Pursuant to the CBAs, the Employer makes contributions on a monthly basis to the United Food and Commercial Workers Welfare Trust (the "Plan") on behalf of specified bargaining unit employees who work 80 hours per month.

C. The contribution presently required to be made to the Plan by the CBAs is expressed as a monthly dollar amount that commences with hours worked after the employee completes their probationary period (the "Monthly Rate").

D. The undersigned parties desire to modify the contribution structure to convert the Monthly Rate to an equivalent hourly contribution rate commencing at date of hire (the "Hourly Rate") pursuant to the methodology outlined below, with the express intent of maintaining the overall economic terms of the CBAs by requiring a monthly reconciliation to ensure the amount contributed each month pursuant to the new Hourly Rate structure equals the amount that would have been contributed under the Monthly Rate structure.

AGREEMENTS

The undersigned parties hereby agree as follows effective with hours worked beginning March 1, 2015:

1. The Monthly Rate shall be converted to an equivalent Hourly Rate commencing with an employee's first hour of employment pursuant to the methodology outlined below. The undersigned parties agree the Hourly Rate provided for herein shall supplant and replace the Monthly Rate specified in the CBAs, and the Employer shall have no additional obligation to contribute to the Plan beyond the Hourly Rate (subject to the monthly reconciliation provided for herein).

2. The Monthly Rate shall be converted to an equivalent Hourly Rate as follows:

(a) The Plan's consultant (presently Rael & Letson) shall calculate the Hourly Rate. The Hourly Rate shall be the amount projected by the Plan's consultant to provide an equivalent dollar amount of monthly contributions to the Plan as would have been made had the Monthly Rate remained in effect.

(b) The Plan's consultant shall calculate the Hourly Rate to begin effective commencing with hours worked as of March 1, 2015, and such Hourly Rate shall be effective when approved by the Plan's Trustees. The Plan's consultant shall thereafter update his

calculation of the projected Hourly Rate each January 1 and July 1 (or such other dates as determined as necessary and appropriate by the Plan's Trustees) based on Plan experience and funding levels, and such updated Hourly Rate shall become effective when approved by the Plan's Trustees.

(c) In order to maintain the overall economic terms of the CBAs, the undersigned parties agree the Plan administrator shall reconcile contributions on a monthly basis to compare the amount actually contributed by the Employer pursuant to the Hourly Rate each month relative to the amount that the Employer would have contributed had the Monthly Rate remained in effect for such month. The Plan administrator will notify the Employer by the last day of each month whether the amount contributed to the Plan in such month pursuant to the Hourly Rate structure was more or less than would have been paid pursuant to the Monthly Rate structure. To the extent the amount of the Employer's actual Hourly Rate contributions for a month exceed the amount the Employer would have contributed had the Monthly Rate remained in effect for such month, then the Employer shall be entitled to a credit in the amount of such excess against contributions due for the following month. EXAMPLE ONE: EMPLOYER CONTRIBUTES \$50,000 TO THE PLAN ON APRIL 10 FOR MARCH HOURS. PLAN ADMINISTRATOR WILL RECONCILE AND NOTIFY EMPLOYER BY APRIL 30. IF PLAN ADMINISTRATOR DETERMINES EMPLOYER WOULD HAVE PAID \$48,000 HAD MONTHLY RATE STRUCTURE BEEN IN EFFECT FOR THE MONTH, EMPLOYER WILL BE ENTITLED TO \$2,000 CREDIT TO BE TAKEN AGAINST CONTRIBUTION DUE IN MAY FOR APRIL HOURS. Conversely, to the extent the amount of the Employer's actual Hourly Rate contributions for a month are less than the amount the Employer would have contributed had the Monthly Rate remained in effect for such month, then the Employer shall pay the amount of such difference to the Plan as an additional contribution, with such amount due for the following month. EXAMPLE TWO: EMPLOYER CONTRIBUTES \$50,000 TO THE PLAN ON APRIL 10 FOR MARCH HOURS. PLAN ADMINISTRATOR WILL RECONCILE AND NOTIFY EMPLOYER BY APRIL 30. IF PLAN ADMINISTRATOR DETERMINES EMPLOYER WOULD HAVE PAID \$54,000 HAD MONTHLY RATE STRUCTURE BEEN IN EFFECT FOR THE MONTH, EMPLOYER WILL CONTRIBUTE AN ADDITIONAL \$4,000 WITH THE CONTRIBUTION DUE IN MAY FOR APRIL HOURS.

(d) Notwithstanding the foregoing, all other terms of the CBAs with respect to the amount of the Employer and employee contributions payable to the Plan shall remain in effect, including, for example, the Trustees' right to approve additional contribution as provided for in the parties' CBAs.

3. The Employer shall pay the Hourly Rate to the Plan on behalf of those employees covered by the CBAs who are in a class of employment eligible for the Plan (even if such employees have not yet satisfied the eligibility requirements to qualify for initial Plan eligibility) beginning with the first hour worked with the Employer in such an eligible position. The hours for which the Employer shall be obligated to contribute the Hourly Rate to the Plan shall be the same hours that are credited under the CBAs for purposes of determining whether employees satisfy the 80-hour qualifiers for receiving the prior Monthly Rate contributions. However, employees shall not be required to work such 80 hours to qualify for the Hourly Rate

contribution. The Employer shall continue to report credited hours to the Plan on a monthly basis, and the contribution amount shall continue to be payable each month by the deadline required under the CBAs.

LETTER OF UNDERSTANDING

OPTIONAL ACCELERATED ARBITRATION PROCEDURE (Optional by mutual agreement only)

1. In order for a grievance to go to AAP, *both* the Employer and Union representative must agree that the matter is appropriate for resolution by AAP. If either party's representatives disagree, the grievance shall not be submitted to AAP and the matter shall be resolved by the usual grievance process (see article 24).
2. It is understood that prior to referring the matter to AAP the parties' representatives will discuss with each other and explore the possibility of settlement. If the parties' representatives agree to refer the grievance to the AAP, then the following shall govern:
3. Selection of Arbitrator: The parties shall use the normal arbitrator selection procedure. If the chosen arbitrator is not able to fulfill his/her duties per the timelines/terms of this Letter of Understanding, the parties will go to the last struck arbitrator (and so on, in reverse order of struck arbitrators).
4. The date for the hearing shall be within forty-five (45) days of the request for AAP unless an extension is mutually agreed to by the parties.
5. Hearing Conduct and Procedure:
 - A. The hearing shall be informal;
 - B. No briefs shall be filed or transcripts made;
 - C. Each party may offer an opening statement and closing argument;
 - D. Each party's case shall be presented by a representative of their choosing;
6. Removing the Grievance from AAP:
 - A. Prior to the commencement of the hearing, either party may unilaterally remove the matter from the AAP so long as they do so forty-eight (48) hours prior to the hearing. Any arbitrator cancellation fees or joint hearing expenses will be the responsibility of the party removing the matter from AAP. The matter shall then revert back to the usual grievance procedure.
 - B. Within forty-eight (48) hours of the hearing, it shall take both parties' agreement to remove the matter from the AAP and refer it back to the usual grievance procedure.
7. Arbitrator's Decision:
 - A. The Arbitrator shall render his/her decision within five (5) working days after the conclusion of the hearing, (excluding Saturdays, Sundays and Holidays).

- B. His/her decision shall be based on the record developed by the parties at the hearing and shall include a **brief** written explanation of the basis for his/her conclusion.
 - C. These decisions will not be cited as a precedent in any future grievances, arbitrations, or AAPs, except as it relates to that Grievant.
 - D. The authority of the Arbitrator shall be the same as those provided in the usual grievance procedure negotiated between the parties.
 - E. Copies of the decision shall be emailed/faxed and mailed to the parties' representatives within five (5) working days of the hearing (excluding Saturdays, Sundays and Holidays).
8. It is the intent of the parties that any grievance appealed to the AAP must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.

SIGNATURE PAGE

The Parties hereby agree to the following Letters of Understanding:


- *Letter of Understanding: Most Favored Nations
- *Letter of Understanding: 4X Ten-Hour Workweek
- *Letter of Understanding: Dues Check-Off
- *Letter of Understanding: Limit on Back Pay for Discipline Cases
- *Letter of Understanding: Corporate Campaign
- *Letter of Understanding: Health and Welfare Contributions
- *Letter of Understanding: Optional Accelerated Arbitration Procedure

ALLIED EMPLOYERS, INC.
For and on behalf of Safeway Inc.

UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL #1439



Scott Klitzke Powers Date
President 3-22-19



Eric Renner Date
President 8-12-19

THE UNION DIFFERENCE

As a union member, you have certain rights at your workplace:

A Voice at Work

Because you have a union, you have a voice at work. A negotiating committee of union members and staff negotiate with management—as equals—over wages, benefits, working conditions, and other issues. The union committee pushes for the issues that union members choose. The result of negotiations is a proposed contract which members vote on before it takes effect.

Right to Union Representation

Every union member has the right to union representation during an investigatory interview that could lead to discipline. This is called your “Weingarten” right, after a Supreme Court case which established the right to representation.

Just Cause for Discipline

The just cause provision in your union contract ensures you have due process in cases of discipline. The just cause standard is a well-defined set of legal rules that involve several different “tests” of a disciplinary action. The tests of just cause provide considerable protection against retaliation, discrimination, or other unfair actions.

The Security of a Union Contract

As a union member, your wages and working conditions are spelled out in writing in a legally-binding union contract. You are not alone at the workplace—instead, you have the security of knowing that your rights are protected by your union contract and backed up by the 50,000 other members of UFCW 3000.

Union Leadership

UFCW 3000 leadership is provided by the member-elected Executive Board. The Executive Board is made of rank-and-file UFCW 3000 members from diverse workplaces, income levels and backgrounds.

My Shop Steward is:

My Union Rep is:

*Building a powerful Union that fights for economic,
political and social justice in our workplaces
and in our communities.*

Seattle: 5030 First Ave S, Suite 200, Seattle, WA 98134-2438

Mt. Vernon: 1510 N 18th St, Mt Vernon, WA 98273-2604

Des Moines: 23040 Pacific Hwy S, Des Moines, WA 98198-7268

Silverdale: 3888 NW Randall Way, Suite 105, Silverdale, WA 98383-7847

Spokane: 2805 N Market St, Spokane, WA 99207-5553

Spokane: 1719 N Atlantic St., Spokane, WA 99205

Tri-Cities: 2505 Duportail St, Suite D, Richland, WA 99352-4079

Wenatchee: 330 King St, Suite 4, Wenatchee, WA 98801-2857

Yakima: 507 S 3rd St, Yakima, WA 98901-3219

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