

**THIS DOCUMENT
REPRESENTS THE COMPANY'S
FINAL AND COMPLETE OFFER**

March 5, 2020

Discussions between UFCW Local 400 and Giant Stores have recently concluded. This analysis was printed and assembled as accurately as possible for review at your meeting. It is as complete as we could make it. Kindly forgive any omissions or typing errors.

All current articles, paragraphs and side letters that do not appear as changed in this proposal remain as they are in the current agreement. We have only addressed areas of change in this document.

We will have to stick strictly to the business at hand. We expect a full but orderly discussion, and any member creating a disruption will be asked to leave.

RULES FOR THE CONDUCT OF THIS SPECIAL MEETING

1. Only matters **directly bearing on the proposed contract** may be discussed.
2. No member shall speak more than once on any subject until all members wishing to be heard have the opportunity to speak.
3. So that all views may be presented, members must limit their remarks on any subject **to one minute**.
4. Those who speak must state their name and the department where they work.
5. **This offer is a complete package. It must be accepted or rejected in its entirety.**
6. **Video, audio or any media recording of this meeting is strictly prohibited.**

Following are the significant changes to the contract. For stylistic reasons, or clarity, the language as approved may be altered slightly in its final form.

What We Fought For and ACHEIVED In This Agreement

- ✓ **Preserve and stabilize pensions for a generation to come and protect the benefits of our retirees.**
- ✓ **Wage scales that keep ahead of Minimum Wage and continue to progress.**
- ✓ **Wages in Virginia comparable with Maryland.**
- ✓ **Minimal weekly premium increase while maintaining health benefits.**
- ✓ **Reduce or eliminate costs on many specialty drugs.**
- ✓ **Increase availability of Health & Welfare benefits through increase maximization of hours.**
- ✓ **Incorporation of the Lexington Park and Fredericksburg Addendum in the main contract.**

**TENTATIVE AGREEMENT
BY AND BETWEEN
UFCW LOCAL 400
AND
GIANT FOOD STORES**

TERM OF THE AGREEMENT:

Four (4) years: October 27, 2019 through October 28, 2023.

2019 GIANT BARGAINING LANGUAGE AGREEMENTS

1. Witnesseth

Modify the language in the 2nd paragraph as follows:

WHEREAS, the Employer and the Union in the performance of this Agreement agree not to discriminate against any employee or applicant for employment because of race, color, religious creed, origin, age, gender, **gender identity or expression**, sexual orientation, disability, Union activity **or any other status protected by applicable federal, state or local law.**

2. Article 6 – Hours and Overtime

Modify the language in Section 6.2 and 6.3 as follows:

For the purpose of this Agreement the basic work week **for employees hired prior to ratification and part time employees hired on or after ratification** shall be from Monday through Saturday, inclusive. **For the purpose of this Agreement the basic workweek for employees hired on or after ratification and promoted to full time shall be from Sunday through Saturday, inclusive.**

For employees hired prior to ratification and part time employees hired on or after ratification, Sunday work shall be isolated and shall not be part of the basic work week.

In any event, senior associates will have the ability to work Sunday hours first. Thereafter, new full-time associates will be scheduled for any remaining Sunday hours available to work as part of their forty (40) hours.

In the event that new full-time associates are not able to work Sunday because of the lack of availability of Sunday hours, they will be scheduled forty (40) hours Monday through Saturday.

In no event shall the provisions in Articles 6.2 and 6.3 be interpreted to reduce part time minimum hours.

3. Article 6 – Hours and Overtime

Modify the language in Section 6.13 as follows:

Part time employees **hired prior to November 1, 2013** shall be employed a maximum of thirty-five (35) hours per week. Part time employees hired on or after November 1, 2013 **with less than three (3) years of continuous service** shall be employed a maximum of twenty-four (24) hours per week. **Part time employees hired on or after November 1, 2013 with three (3) or more years of continuous service shall be employed a maximum of thirty (30) hours per week.**

4. Article 13 – Leaves of Absence

Modify the definition of domestic partnership in Article 13.3 as follows:

For purposes of funeral leave, domestic partnership will exist where ~~(a) both persons are of the same sex;~~ (b) both persons have a common residence; (c) both persons are at least 18 years of age; (d) neither person is married or a member of another domestic partnership; and (e) the two persons are not related by blood in a way that would prevent them from being married to each other under state law.

5. Article 17 – Health and Welfare

MOB reserve target moved from three (3) months to two (2) months effective upon ratification.

MOB rate increases capped at 8% in any given year. If the actual cost to maintain benefits is less than the maximum allowed in any year, then the remaining percentage shall be carried over to the following years during the term of this agreement.

MOB sunset moved to end of new term.

The Fund administrative manager or consultant (whichever recommends MOB contribution rates) shall monitor the reserve monthly and shall immediately calculate and propose MOB contribution rates designed to have a two month reserve each month, if the reserve is, or is projected to be, below two months.

Weekly associate contributions increase by one dollar (\$1.00) for each group on June 1st of each year beginning in 2021.

Increase Ambulance coverage from \$25.00 to \$200.00 per claim, effective June 1, 2020.

6. Article 18 – Pension

Pension Benefits Already Earned (Past Service Benefits)

Vested pension benefits already earned under the FELRA Pension Fund and the Mid-Atlantic Pension Fund will be funded without reduction.

These past service benefits may be paid from more than one pension plan. For example, they may be paid from:

- The FELRA Pension Fund or a new pension plan created by combining the existing FELRA and Mid-Atlantic Pension Funds; and
- A new pension plan created by Giant and the Union.

This arrangement will call for past service benefits to be paid even if one of the applicable pension funds becomes insolvent in the future.

Pension Benefits to Be Earned in the Future (Future Service Benefits)

Future service benefits will be provided under a new variable annuity defined benefit pension plan established by Giant and the Union (New Plan.)

Giant will contribute the amount necessary to provide the same level of benefits as currently provided under the Mid-Atlantic Plan, as long as the New Plan earns investment returns of at least 5.5%.

If investment returns are above 5.5%, benefits may increase. If investment returns are below 5.5%, benefits may decrease.

The New Plan will start with a \$6 million stabilization reserve that will be used to minimize the impact of investment returns under 5.5%.

7. Schedule “E” – Non-Food

Delete the language in the first paragraph:

~~Anyone relieving a Department Manager in non-food for one (1) full week or more shall receive an additional twenty-five dollars (\$25.00) per week for each week of relief.~~

8. SIDE LETTERS:

Renew and update all current side letter agreements, except as amended herein.

Move Christmas (Voluntary workday) to Article 12.8.

Lexington Park Agreement and Fredericksburg Addendum

Incorporate into main agreement

WAGE INCREASES

Maryland and Virginia Food Clerks

Maryland and Virginia Food Clerks hired prior to 1/1/20 will remain on the current wage scale. Through October 28, 2023, any such Maryland Food Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale six months after each such minimum wage increase through 2023. Through January 1, 2022 any such Virginia Food Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale.

	Current	Food Clerks Hired Before 2020 MD/VA - Effective 1-1-2020	Food Clerks Hired Before 2020 MD/VA - Effective 1-1-2021	Food Clerks Hired Before 2020 MD/VA - Effective 1-1-2022	Food Clerks Hired Before 2020 MD Only - Effective 1-1-2023	
Start	\$10.10					
+90 days	\$10.20					
+3 months	\$10.25					
+6 months	\$10.40					
+6 months	\$10.55					
+6 months	\$10.70					
+6 months	\$10.85					
+6 months	\$11.00	\$11.00				
+6 months	\$11.25	\$11.25				
+6 months	\$11.50	\$11.50				\$11.75
+6 months	\$12.00	\$12.00	\$12.00			
+6 months	\$12.50	\$12.50	\$12.50			\$12.50
+6 months	\$13.00	\$13.00	\$13.00			\$13.00
+6 months	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50	
+6 months	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	
+6 months	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50	

Maryland Food Clerks hired on or after 1/1/20 will receive the Maryland minimum wage and will have their wage rate increased to the Maryland minimum wage on the effective date of each increase in the Maryland minimum wage thereafter until 2023. Virginia Food Clerks hired on or after 1/1/20 will receive the Maryland minimum wage and will have their wage rate increased to the Maryland minimum wage on the effective date of each increase in the Maryland minimum wage thereafter until 2022. Maryland and Virginia food clerks will receive a \$0.20 increase 6 months after each wage increase as noted on the scale below. Food clerks hired on or after 1/1/20 will not be entitled to general wage increases.

	Food Clerks Hired on or after 1/1/ 2020 MD/VA - Effective 1/1/20	Food Clerks Hired on or after 1/1/ 2020 MD/VA - Effective 1/1/21	Food Clerks Hired on or after 1/1/ 2020 MD/VA - Effective 1/1/22	Food Clerks Hired on or after 1/1/ 2020 MD Only - Effective 1/1/23
Start	\$11.00	\$11.75	\$12.50	\$13.25
+6 months	\$11.20	\$11.95	\$12.70	\$13.45
+6 months			\$12.90	
+6 months			\$13.10	

Maryland and Virginia GM/HBC Clerks & Service Clerks

Maryland and Virginia GM/HBC Clerks hired prior to 1/1/20 will remain on the current wage scale. Through 2023, any such Maryland GM/HBC Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale six months after each such minimum wage increase through 2023. Through 2022, any such Virginia GM/HBC Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale.

Maryland and Virginia Service Clerks hired prior to 1/1/20 will be paid on the wage scale noted below. Through 2023, any such Maryland Service Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale six months after each such minimum wage increase through 2023. Through 2020, any such Virginia Service Clerk whose wage rate is below the Maryland minimum wage will have their wage rate increased to the Maryland minimum wage on the effective date of the Maryland minimum wage increase and will then be eligible for the next wage increase on the wage scale.

	Current	GM/Rx/Service Clerks Hired before 2020 MD/VA Effective 1/1/20	GM/Rx Clerks(MD/VA) Service Clerks (MD Only) Hired before 2020 Effective 1/1/21	GM/Rx Clerks(MD/VA) Service Clerks (MD Only) Hired before 2020 Effective 1/1/22	GM/Rx/Service Clerks Hired before 2020 (MD Only) Effective 1/1/23			
Start	\$10.10							
+90 days	\$10.15							
+3 months	\$10.25							
+6 months	\$10.40							
+6 months	\$10.55							
+6 months	\$10.70							
+6 months	\$10.85							
+6 months	\$11.00	\$11.00						
+6 months	\$11.15	\$11.15						
+6 months	\$11.30	\$11.30						
+6 months	\$11.45	\$11.45						
+6 months	\$11.60	\$11.60						
+6 months	\$11.75	\$11.75				\$11.75	\$12.50	\$13.25
+6 months	\$12.00	\$12.00				\$12.00	\$12.65	\$13.40

Maryland GM/HBC Clerks hired on or after 1/1/20 will receive at least the Maryland minimum wage and will have their wage rate increased to the then-current Maryland minimum wage on the effective date of each increase in the Maryland minimum wage until 1/1/2023. Virginia GM/HBC Clerks hired on or after 1/1/20 will receive at least the Maryland minimum wage and will have their wage rate increased to the then-current Maryland minimum wage on the effective date of each increase in the Maryland minimum wage until 1/1/2022. Maryland and Virginia GM/HBC clerks will receive a \$0.15 increase 6 months after each wage increase as noted on the scale below. GM/HBC clerks hired on or after 1/1/20 will not be entitled to general wage increases.

Maryland Service Clerks hired on or after 1/1/20 will receive at least the Maryland minimum wage and will have their wage rate increased to the then-current Maryland minimum wage on the effective date of each increase in the Maryland minimum wage until 1/1/2023. Virginia Service Clerks hired on or after 1/1/20 will receive at least the Maryland minimum wage and will have their wage rate increased to the then-current Maryland minimum wage on the effective date of each increase in the **Maryland** minimum

wage until 1/1/2020. Service clerks hired on or after 1/1/20 will not be entitled to general wage increases.

	GM/Rx/ Service Clerks Hired on/after 1/1/2020 MD/VA Effective 1/1/20	GM/Rx Clerks(MD/VA) Service Clerks (MD Only) Hired on/after 1/1/2020 Effective 1/1/21	GM/Rx Clerks(MD/VA) Service Clerks (MD Only) Hired on/after 1/1/2020 Effective 1/1/22	GM/Rx Clerks (MD Only) Service Clerks (MD Only) Hired on/after 1/1/2020 (MD Only) Effective 1/1/23
Start	\$11.00	\$11.75	\$12.50	\$13.25
+6 months	\$11.15	\$11.90	\$12.65	\$13.40
+6 months	\$11.25		\$12.80	
+6 months	\$11.35		\$12.95	
+6 months	\$11.45			
+6 months	\$11.55			
+6 months	\$11.65			

Maryland Courtesy Clerks

	1/1/2020 VA/MD	1/1/2021 MD Only	1/1/2022 MD Only	1/1/2023 MD Only
Rate	\$11.00	\$11.75	\$12.50	\$13.25

General Wage Increase

All Full Time & Part Time Classified Employees at or above top of scale (excluding Washington, DC Employees hired on or after 10/30/2016; employees hired on or after ratification in Montgomery County, MD; Service Clerks; and Courtesy Clerks) shall receive:

10/27/19
\$0.40

10/25/20
\$0.40

10/24/21
\$0.40

10/23/22
\$0.45

All Full Time & Part Time Service Clerks at or above top of scale (excluding Washington, DC Employees hired on or after 10/30/2016; employees hired on or after ratification in Montgomery County, Maryland; and Courtesy Clerks) shall receive:

10/27/19
\$0.20

10/25/20
\$0.20

10/24/21
\$0.20

10/23/22
\$0.25

Washington, DC food clerks at minimum wage will receive a \$0.10 increase 6 months after the minimum wage increase effective July 1, 2020 and 6 months after each minimum wage increase thereafter during the term of this Agreement.

Montgomery County, Maryland food clerks hired on or after ratification at minimum wage will receive a \$0.10 increase 6 months after the minimum wage increase effective July 1, 2020 and 6 months after each minimum wage increase thereafter during the term of this Agreement.

Department Manager Wages – Department Managers will receive the greater of the GWI or rate noted below:

- Grocery, Produce, Meat (promoted on or after June 1, 2014),
Dairy/Deli \$20.50
- Bakery, Pharmacy, Frontend, Seafood \$19.00
- Assistant Frontend \$16.00

Premiums

Modify the language in Schedules A, B, C, C-1, C-1 Revised and C-2 as follows:

The Second Person (designated by the Employer) in the Dairy/Deli and Produce Departments **and the Service Deli Lead** will receive a twenty-five cent (\$.25) per hour premium for such work.

What We ACHIEVED by the Numbers

Baseline Cost over 4 years: \$1,489,050,860.00

Increases on Wages: \$ 62,400,000.00

Pension Increases: \$107,600,000.00

Cost increase of \$170,000,000, which is an 11.4% increase. That is a Per Hour Increase over term of \$8.14

Pension – Currently Pension cost is \$1.67/hr. The Company will increase pension payments from \$24.6 million per year to \$51.5 million per year, an increase of \$26.9 million per year. This represents an increase of \$1.85/hr.

Health Benefits – The current costs of Health Benefits are \$62 million per year or \$4.22 per hour worked. This will remain similar over the next four years.

Wages - Wages increases:

Year 1 – Increase by \$6.9 Million

Year 2 – Increase an additional \$12.7 Million

Year 3 – Increase an additional \$18.5 Million

Year 4 – Increase an additional \$24.3 Million



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