

MOU – Local 400

ARTICLE 6 – Night Shift Employees

Delete the current language in Section 6.7 as follows:

~~6.7 Night Captain that has successfully completed the Employer's Level II Career Development Program would also be entitled to the additional fifty cents (\$.50) per hour as long as actively in that position.~~

ARTICLE 7 – Working Conditions

Modify the current language in Section 7.21(A) as follows:

7.21 Health and Safety

A. The Employer, recognizing the importance of a safe and healthy work place, shall institute a program to insure and maintain the guarantee of a safe and healthful work place free of all unsafe recognized hazards to all its employees. **Furthermore, the Company and the Union agree to meet, at either parties' request, to discuss procedures, trainings, and protocols that protect workers in case of a shooting, other violent attack, or other similar emergency that can affect the physical, emotional, or mental health of workers. This language will not delay the company's response to any emergencies described in this article.**

ARTICLE 8 – Vacations

Modify the current language in Section 8.1 as follows:

8.1 Full-time employees with one (1) or more years of continuous full-time service shall be granted vacations as follows:

Annual Vacation	Pro-Rata Vacation on Termination
One (1) week uninterrupted after one (1) year	1/12 week for each additional month
Two (2) weeks uninterrupted after three (3) years	2/12 week for each additional month
Three (3) weeks after Seven (7) years	3/12 week for each additional month
Four (4) weeks after thirteen (13) twelve (12) years	4/12 week for each additional month
Five (5) weeks after twenty (20) years	5/12 week for each additional month

ARTICLE 15 – Health and Welfare

Modify the current language in Section 15.10, 15.20, 15.23 and 15.24 as follows:

15.10 The Employer will make monthly contributions in amounts determined by the Board of Trustees, based on the reasonable determination of the Fund's actuarial benefits consultant, the goal of which is to maintain the health care plan of benefits and to further provide

a financial reserve targeted at three (3) months measure on the last day of each month. On and after the date coverage under Humana's Medicare Advantage Plan becomes available to retirees under the Fund, which shall be no later than April 1, 2023, the reserves will be measured and applied with respect to the active employee coverage only because coverage for retirees will be as set forth in Section 15.20.

Monthly Contribution rates effective for months worked beginning ~~the first of the month following ratification~~ **July 1, 2024**, shall be the Current Monthly Contribution Rate (**eff. July 1, 2023**) as set forth below, multiplied by **1.069** ~~1.08~~, meaning a **six and 9/10th** ~~n-eight percent (6.98%)~~ increase in the Employer Monthly Contribution Rate for each plan of benefits. ~~On and after the date coverage under Humana's Medicare Advantage Plan becomes available to retirees under the Fund which shall be no later than April 1, 2023, these Employer Monthly Contribution Rates will be updated by the Fund's benefits consultant (currently "Segal"), meaning reduced to reflect the amounts the Employer will be paying pursuant to Section 15.20 for retiree medical.~~

Effective for contributions payable the first month following ratification, t~~The~~ Employer shall **take an Employer contribution credit for contributions payable immediately following ratification of this agreement until such time as a total of One Million Two Hundred Thousand Dollars (\$1,200,000) is taken as a credit** ~~timely pay the additional payments set forth in the Reserve Determination Report dated September 2022 totaling \$1,639,716 for the months September 2022 through March 2023 in the amounts and during the months as set forth on page 1 of the Report. In the future, t~~The Employer shall ~~also~~ timely pay the additional payments set forth in future Reserve Determination Reports by Segal or its successor (i.e., any report provided for months beginning October 2022 and after), provided that it may designate amounts as paid subject to challenge. In the event of such an Employer challenge, the Employer still will timely pay to the Fund the amounts as reflected in the Reserve Determination Report, and the Fund may use such amounts to pay Fund benefits expenses if other reserves are not available, but the Fund's administrative manager will separately account for such amounts while the Employer, the Unions and/or the Fund meet and confer on the amounts in such a report. For the avoidance of doubt, these additional payments are payments in addition to the MOB contributions and shall not be included in the MOB rates for purposes of any MOB calculation.

Plan	Status	Current Monthly Contribution Rate (<u>eff. July 1, 2023</u>)		Monthly Contribution Rate effective July 1, 2024
JSS2	NA	\$1,852.56	\$1,497.96	\$1,601.87
Y	FT	\$1,032.82	\$1,204.69	\$1,288.26
Y	PT Individual	\$520.94	\$607.63	\$649.78
Y	PT Family	\$1,476.99	\$1,722.76	\$1,842.26
Y20	FT	\$590.09	\$688.28	\$736.02
Y20	PT	\$280.94	\$327.69	\$350.42
Y30	FT	\$545.82	\$636.65	\$680.81

Y30	PT	\$263.52	<u>\$307.37</u>	<u>\$328.69</u>
Y40	PT	\$36.46	<u>\$42.53</u>	<u>\$45.48</u>

Thereafter, beginning with hours worked in ~~beginning~~ July ~~1, 2025~~ 2023, Maintenance of Benefit (MOB) rate increases for active employee coverage may be increased up to eight percent (8%) over the Employer Monthly Contribution Rates in effect ~~for active employees~~ as of June 30, ~~2025~~ 2023 ~~(which will have been reduced to account for the provisions of Section 15.20 of this Article).~~ **In determining the rates necessary to maintain benefits, the Fund's actuarial consultant will base its calculations on a 2-year weighting of historical expenses provided by the Administrative Manager's Reports ("AMRs"), trending experience from mid-point of the experience period to the mid-point of the projection period and setting lives back three months for lag between paid claims and incurred claims.**

The cap will be calculated as follows. The Projected Expected Contribution for active employee coverage is the annualized sum of the product of each plan's Employer Monthly Contribution Rate and projected headcount (on and after ~~the date Humana's Medicare Advantage Plan becomes available to retirees under the Fund, but no later than April 1, 2023,~~ excluding retirees as addressed in Section 15.20 below with respect to retiree medical). The MOB contribution rates for the following year will be calculated so that expected contributions in the following year based on such MOB contribution rates do not exceed the Projected Expected Contribution rates (after the application of Section 15.20) plus eight percent (8%). However, in the MOB rate computation, the rates for a plan with a projected increase under the cap may have its rate increased as necessary to cover the projected expenses of other plans with projected increases over the cap as long as the expected contributions so calculated are not expected to exceed in the following year Projected Expected Contributions plus eight percent (8%). 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. Such rates will be calculated on a pro rata basis applicable to the cost of the plan of benefits compared to the cost of other plans of benefits.

The Fund's actuarial consultant Segal, working with the Fund's administrative manager, shall monitor the Fund's reserve level monthly, providing a report to the Trustees no later than the 15th day of each month (using the assets and claims expenses of the last day of the immediately preceding month). ~~Beginning July 1, 2023, i~~**In the event the reserve for active employee benefits in any month is less than three (3) months or is projected to be less than three (3) months within six (6) months following the date of actuary's monthly calculation, then the actuary, as part of the monthly report, shall also calculate and propose MOB contribution rates to restore the reserve to three (3) months subject, of course, to the eight percent (8%) annual cap described above. Any increase in contribution rates necessary to provide not less than a three (3) month reserve as calculated by the Fund actuary, shall automatically go into effect on the first of the month following the thirty (30) day period after such rates are proposed, unless the Trustees agree by a majority vote to alternate rates during such thirty (30) day period. The Fund administrative manager shall**

notify the Employer of any such increase by the 25th of the month preceding the month in which the increased contribution rates are due.

15.20 Notwithstanding any other provision of this Agreement, effective on and after the date coverage under Humana's Medicare Advantage Plan becomes available to retirees under the Fund but no later than April 1, 2023, the Employer's only post-65 retiree contribution obligation is limited to the coverage provided pursuant to this Section 15.20.

Effective on and after the date coverage under Humana's Medicare Advantage Plan becomes available to retirees under the Fund but no later than April 1, 2023, the Employer agrees to contribute to the Fund for benefits under the Humana Medicare Advantage Plan for eligible retirees, less any applicable retiree contributions (Section 15.21) for all retirees not currently covered under the Kaiser Medicare Supplemental coverage available under the Fund. One Hundred Seventy Eight Dollars and Sixty Seven Cents (\$178.67) per month, less any applicable retiree contributions (Section 15.21) for all retirees not currently covered under the Kaiser Medicare Supplemental coverage available under the Fund. Such contributions shall be used to pay premiums for the Humana Medicare Advantage Plan for these retirees. On and after January 1, ~~2025~~ 2024, the Employer agrees to contribute up to One Hundred Eighty Eight dollars and Twenty Seven cents (\$188.27) per month, increase the monthly contribution rate up to Eight Percent (8%) above the contribution rate in effect as of July 1, 2024, less any applicable retiree contributions (Section 15.21) for all retirees not currently covered under the Kaiser Medicare Supplemental coverage available under the Fund. The foregoing contribution rates may only be increased, up to eight percent (8%) per year, if any changes in applicable law or regulations mandate a change to the plan of benefits that results in an increase in the cost of such plan of benefits and, further, at the request of Humana. Effective January 1, 2026, the Employer agrees the contribution rate can be increased an additional eight percent (8%) above the contribution rate in effect December 31, 2025.

Furthermore, all eligible participants who become retirees after April 1, 2023, the date the Humana Medicare Advantage Plan becomes available under the Fund will only be covered under the Humana Medicare Advantage Plan (or a subsequent insurer selected by the Trustees) and will not be eligible for any coverage under the Fund provided by Kaiser, and any retiree currently covered by Kaiser who later opts out of Kaiser coverage will not be allowed to opt back into Kaiser coverage.

For those currently covered by the Kaiser Medicare Supplement Plan A available under the Fund, the Employer shall ~~pay Two Hundred and Forty Six Dollars and Thirty Six Cents (\$246.36) per month~~ make contributions to the Fund to provide benefits under the Kaiser Medicare Supplemental Plan A, less any applicable retiree contributions (Section 15.21). ~~For those currently covered by the Kaiser Medicare Supplement Plan C, the Employer shall pay Three Hundred Nine Dollars and Seventy Two Cents (\$309.72) per month, less any applicable retiree contributions. Both of these groups are closed groups Both of these are~~ This is a closed groups, meaning no additional retirees can be added to this these groups after April 1, 2023, the date the Humana Medicare Advantage Plan becomes became available under the Fund. These The Kaiser Employer contribution rates applicable to Kaiser coverage under the Fund in effect as of June 30, 2024, shall continue to be in effect through December 31, ~~2024~~ 2023, at which time the Employer

contribution rates can be increased up to eight percent (8%) as necessary, for coverage for the Kaiser benefits under the Fund on and after January 1, **2025, and again for coverage on or after January 1, 2026** 2024.

In addition to the retiree contribution rates set forth above for coverage under Kaiser and/or Humana, the Employer shall also pay a reasonable administrative contribution necessary to cover the administration of the plan of benefits as determined by the Plan Administrator and approved by the Trustees, but in no event to exceed Five Dollars (\$5.00) per retiree per month.

The Employer contribution rates for the Humana Medicare Advantage Plan and the Kaiser Medicare Supplemental Plan A may, and have been, combined into a single composite Employer contribution rate (which includes a reasonable administrative contribution as described above). This contribution rate may be increased effective January 1, 2025, and again effective January 1, 2026, limited to the caps described above in this Section 15.20.

~~On and after the date on which coverage under Humana's Medicare Advantage Plan becomes available to retirees under the Fund but no later than April 1, 2023, the monies for active employee coverage and retiree coverage shall be separately accounted for by the Fund's administrative manager and used solely to provide for only (a) active employee coverage and related administrative expenses or (b) post-65 retiree medical benefits and related administrative expenses, respectively, and, further the MOB rate for active employees will be calculated separately for active employee coverage and post-65 retiree medical benefits.~~

~~15.23 The Employer will contribute to the Fund \$22,500 a year by each January 1st (the first year's payment due by January 31st) of this Agreement for the purpose of hiring staff and/or a consultant or similar entity to provide advice to employees in deciding how to obtain the appropriate health coverage. Such funds shall be held separately by the Fund and the usage reported separately to the Fund trustees.~~

15.24 Throughout the term of the Agreement and notwithstanding anything set forth in the Agreement to the contrary, the Employer and Unions may meet and discuss moving the employees, active and/or retiree (with the ability to move each group separately so long as all members of the group are moved), to the Food Employers Labor Relations Association and UFCW Health and Welfare Fund or to a Taft-Hartley health plan established by the Employer with management jointly between the Employer and the unions with participating bargaining unit members, provided the Employer is able to maintain substantially the same level of benefits, and that no employee or retiree contribution is required to pay any amount over and above any then required employee or retiree contributions for such same level of benefits that are provided at the time of the move to the other plan. The Union agrees to cooperate jointly with the Employer in discussing such a move. It is agreed by the parties that the cost savings, if any, from any change in plans shall not be a subject of bargaining and shall be retained by the Employer.

The Employer and the Union shall enter into a side letter which provides that, within One Hundred Twenty (120) days of ratification of this Agreement, the Employer and the Union will initiate meetings to discuss retiree medical coverage options and cost containment. If the Employer proposes to move the retirees to a different Taft-Hartley retiree medical plan (including an annuity program) or to annuitize the retiree medical with

a private insurance company (with the retirees receiving equal or greater value to the benefits the retirees currently receive under the benefits provided by the Fund), such topics shall be discussed at these meetings. Any annuitization may include conversion to a Health Reimbursement Arrangement (“HRA”) that would allow the retiree to purchase retiree medical insurance through public or private carriers. It is agreed by the parties that the cost savings, if any, from any such change in retiree medical coverage shall not be a subject of bargaining and shall be retained by the Employer.

Employer and Unions agree to instruct the Trustees to conduct an RFP for dental and vision services that may include adding endodontic coverage to the dental benefit and increasing the vision benefit frame allowance by Fifty Dollars (\$50) as long as there is no increase to the annual cost to the Fund by the addition of these benefits.

ARTICLE 16 – Pension Fund

Modify the current language in Section 16.1 as follows:

16.1 The Employer agrees to contribute to the UFCW Unions and Participating Employers Pension Fund a composite rate of **one dollar and eighty-eight cents (\$1.88)** per hour, effective January 7, **2024 and each January 7 thereafter for the term of the agreement.** Hours paid shall include paid hours on vacation, holidays and other hours of leave paid for by the Employer. Such contributions shall be made on or before the twentieth (20th) day of each month for the preceding calendar month. Upon payment of monthly contributions, the Employer shall report to the Union and the Trust Fund all hours worked by all employees for which contributions were required during the preceding month.

ARTICLE 17 – Legal Services Plan

Modify the current language in Section 17.1 and 17.2 as follows:

17.1 The Employer shall continue to make contributions for all employees (excluding Lottery Clerks and Courtesy Clerks hired after 4/30/1993) with one (1) year of service covered by this Agreement. Said contributions are to be remitted monthly to the UFCW Unions and Participating Employers Legal Benefit Trust. ~~Contributions shall be made in amounts necessary to maintain existing benefits for the duration of this Agreement.~~

17.2 The Employer **contribution rate shall remain unchanged from the rate in effect on June 30, 2024, but shall increase by Three Percent (3%) effective January 1, 2025, and shall increase another Three Percent (3%) effective January 1, 2026** ~~shall contribute amounts required to continue Legal Benefits for the duration of the agreement.~~

ARTICLE 24 – Duration of Contract

July 14, 2024 – July 11, 2026

ACROSS THE BOARD INCREASES

The following wage increases for full-time and part-time employees who are at top of scale and above scale:

Effective July 14, 2024: Sixty cents (\$0.60) per hour

Effective January 1, 2025: Fifty cents (\$0.50) per hour

Effective July 13, 2025: Fifty cents (\$0.50) per hour

Effective January 1, 2026: Sixty cents (\$0.60) per hour

Clerks, Service Clerks and Courtesy Clerks will be paid under the same progression schedules (separate wage schedules for Maryland, Montgomery County, and Virginia).

Clerks will be slotted into the new wage scale effective on 7/14/2024 at their then current base rate (excludes any premiums) and continue to progress based on the step increases. Associates whose base wage rate falls between steps will be slotted to the next highest rate and continue to progress based on the step increases.

Maryland and Virginia Stores: Associates with a wage rate at or above \$16.30 on July 13, 2024, will not be slotted in the new wage progression. These associates will be eligible for the General Wage Increase (GWIs) starting in 2024 and provided throughout the term of this agreement.

Montgomery County Stores: Associates with 36 months or more of service will not be slotted in the new wage progression. These associates will be eligible for the General Wage Increase (GWIs) starting in 2024 and provided throughout the term of this agreement.

WAGE SCHEDULE NOTES

Modify the current language as follows:

Effective January 7, 2001, employees at the top of their wage scale ~~shall~~ **as of that date received** an additional ten cents (\$0.10) per hour increase. This increase ~~was shall~~ not be added to pay scales. **This note remains for historical purposes only.**

SIDE LETTER

Upon thirty (30) days' notice to the union, the Employer may offer a voluntary early retirement program, with eligibility based on years of service as set by the Employer. Any such program shall provide that, upon execution of a satisfactory release, any employee who elects early retirement shall be eligible for a lump sum payment, subject to applicable withholdings, to be paid within thirty (30) days of retirement.