

AGREEMENT  
BETWEEN  
CUB FOODS, DULUTH  
A DIVISION OF SUPERVALU, INC.

and

UNITED FOOD AND COMMERCIAL WORKERS UNION  
LOCAL #1189



**Effective Date: May 5<sup>st</sup>, 2013**  
**Expiration Date: November 1, 2014**

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COLLECTIVE BARGAINING AGREEMENT  
*Cub Foods – Duluth*  
*and*  
*UFCW Local 1189*

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## **AGREEMENT**

THIS AGREEMENT is entered into and is effective on the **5th day of May, 2013**, between Cub Foods, Duluth, hereinafter referred to as the "Employer", and the United Food and Commercial Workers Union Local No. 1189, chartered by the United Food and Commercial Workers International Union, and hereinafter referred to as the "Union".

### **ARTICLE 1, INTENT AND PURPOSE**

1.1 The Employer and the Union in recognition of the need of continuous service through cooperation, mutually agree to cooperate fully for harmonious relationship, efficient store operation and maximum service to store customers.

1.2 All Employer rights, functions, responsibilities and authority, not specifically limited by the express terms of this Agreement, are retained by the Employer and remain exclusively within the rights of the Employer. These include, but are not limited to, the right to plan, determine, direct and control store operations and hours, the right to study and introduce new methods, facilities and products, the right to direct and control the work force, including the determination of its size and composition, scheduling and assignment of work, and also including the right to hire, assign, demote, promote and transfer, to lay off or reduce the hours of work because of lack of work, to discipline, suspend or discharge for just cause, and to establish and maintain reasonable rules and regulations covering the operation of the store.

1.3 The Employer recognizes the established rights, responsibilities and values of the Union and has no objection to its employees becoming members of the union, responsible in conjunction with the Employer and for making and keeping this Agreement.

1.4 In consideration of the mutual promises herein contained and for the purpose of creating a working agreement by and between the Employer and its employees and the Union, the parties hereto mutually covenant and agree to and with each other as follows:

### **ARTICLE 2, RECOGNITION**

2.1 The Employer recognizes said Union as the sole representative of the employees in the classifications set forth in this Agreement for the purpose of collective bargaining with respect to the hours of labor, rates of pay, and working conditions hereinafter specified, excluding the Store Manager, the two (2) Assistant Store Managers, Store Merchandiser, DSD employees, time and attendance clerks, the full-time bookkeeper, watchmen, guards and supervisors as defined in the National Labor Relations Act, as amended. The Store Manager and Assistant Store Managers may perform bargaining unit work.

2.2 The Employer agrees not to enter into any other agreement with any other labor organization during the life of this Agreement with respect to employees covered by this Agreement.

2.3 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors assigns. The Employer shall give the Union and the employees affected one (1) week's (7 calendar days) notice of termination of employment where the Employer is terminating his business or selling the same.

Where the employee works less than his normal schedule after the notice, he shall receive his normal pay. The Employer shall give notice of his intent to sell not later than seven (7) days prior to the close of the sale.

2.4 This Agreement shall apply to the Employer's operations as performed on the effective date of this Agreement and this Contract and Union representation there under shall also extend to any extension, expansion, or relocation of such present operations now represented by this Local Union in the geographical area of jurisdiction that is covered under the charter of this Local Union.

2.5 If any store space is leased out for the purpose of allowing a lessee to operate a segment of the store operation, which work was being performed by the Employer's employees in the store at the time the store was opened, said leased operation shall be covered by an appropriate collective bargaining agreement negotiated between the lessee and the Union.

### **ARTICLE 3, UNION SECURITY**

3.1 It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union and in good standing on the date of execution of this Agreement shall remain members in good standing, and those who are not members on the date of the execution of this Agreement shall, on or after the thirty-first (31<sup>st</sup>) day following the execution of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its date of execution shall, on the thirty-first (31<sup>st</sup>) day following the beginning of such employment, become and remain members in good standing in the Union.

3.2 The Employer agrees to deduct Union dues and initiation fees and/or reinstatement fees and uniform assessments from the wages of the employees in the bargaining unit who provide the Employer with a voluntary written authorization which shall not be revocable for a period of more than one (1) year or beyond the termination date of this Agreement, whichever occurs sooner.

3.3 The deduction of the Union dues shall be made on a weekly basis and shall be deducted from employee's paycheck each pay period. Dues shall be forwarded to the Union office within fourteen (14) days after the last deduction of the month. In the event no wages are due the employee, or if there are insufficient funds to cover the required deduction, the Employer will deduct whatever portion of the required amount

that can be deducted. The Employer and the Union, during the interim period of this Contract, shall, by mutual agreement, be authorized to alter or amend the functional procedures of this Section only if necessary.

3.4 The Employer agrees, under the Contract requirements of Paragraphs 3.1 and 3.2 above, to have a new employee complete a Union membership card and dues authorization at the time of hiring. The Union agrees that should the Employer take an initial deduction prior to the completion of the employee's probationary period, such amount shall be promptly refunded by the Union to the employee. This provision shall be subject to the Letter of Interpretation attached hereto and made a part hereof.

#### **ARTICLE 4, HOURS OF LABOR**

4.1 All work performed in excess of eight (8) hours in any one (1) day, **scheduled or pre-approved** or forty (40) hours in any one (1) week shall be paid at time and one-half (1½) the employee's regular rate of pay for all hours so worked. There shall be no pyramiding or duplicating of overtime or premium pay. For payroll purposes, the workweek commences at 12:01 a.m. on Sunday. Employees shall not be scheduled six (6) consecutive days (in a calendar week), except by mutual agreement.

4.2 All time worked shall be consecutive, except up to one (1) hour by mutual agreement shall be allowed for lunch each day if the employee works more than four (4) hours. Lunch to be scheduled as near as possible to mid-shift. No employee shall be schedule to work in excess of five (5) hours without a meal period.

4.3 When scheduled or called to work, full-time and part-time employees, if available, shall receive a minimum of four (4) hours' work or pay, except in case of emergency, when call in shall be two (2) hours for all employees. There shall be no pyramiding or duplicating of daily, weekly overtime or premium pay.

4.4 No employee shall be scheduled for less than eighteen (18) hours per week, except by mutual agreement. This minimum does not apply if the employee has restricted his/her availability to work or is a Conditional Part-Time employee.

4.5 Employees will be guaranteed ten (10) hours off between shifts unless mutually agreed to do otherwise.

4.6 It is expressly understood and agreed that the Employer shall establish a regular starting time for each employee. A record of such starting time shall be furnished to Local Union No. 1189 upon request. It is further agreed that each Employer shall keep a record of time showing the hours per day and the days per week worked, and the wages paid each employee. The payroll record for an individual employee shall be available to that employee or a representative of Local No. 1189. The Employer shall furnish the Union with copies of the requested payroll records. All such requests shall be reasonable and limited to two (2) requests per year for each employee. The payroll records will be available for a maximum period of one (1) year.

4.7 Work schedules for all regular full-time and part-time employees shall be made up for a two (2) week period. These schedules shall be posted for a period not less than two (2) weeks prior to the first working day covered by that schedule. When posting the schedules, the Employer shall show the employee's first and last name on the schedule in ink. All employees shall have the opportunity prior to the posting of the schedule to request of the Company, in writing, a particular day or days off. If the requested day or days off are for a justifiable reason, the Employer will make every effort to schedule the employee so he receives his requested day or days off without loss of hours, based on seniority. Once the schedule for any period is posted, there shall be no change in the schedule for that period, except for emergencies. Where the Employer knows in advance that the scheduled hours will not be available, the Store Manager will make every effort to notify the employees. Employees will notify the Employer in advance when they will not be available for work.

4.8 Employees, if absent, shall call in daily, or shall report the length of time that they expect to be absent from work. If absent for more than three (3) days, the employee shall report his availability for work at least twenty-four (24) hours prior to the time that he expects to report for work, or prior to the time the Employer makes up his schedule for the next week.

4.9 Each employee who works more than four (4) hours shall receive a fifteen (15) minute rest period. Employees who work seven (7) hours per day or more shall receive two (2) fifteen (15) minute rest periods, one (1) before lunch and one (1) after lunch.

4.10 Employees shall be paid in full for all time spent in the service of the Employer. All employees currently being paid on a weekly payroll basis shall continue to be paid on a weekly payroll basis.

4.11 COMPANY MEETINGS – Required attendance at Company meetings shall be paid for at the employee's regular wage rate for the time actually spent at the meeting. Any meetings in excess of four (4) per calendar year shall entitle the employee to no less than the guaranteed call in time at the proper hourly wage rate, inclusive of premium rates and overtime if applicable.

4.12 The Employer agrees that upon hiring an employee, it will seek from the employee that particular employee's preferences as to scheduling work time, both as to hours of the day and as to days of the week. Consistent with efficient business operations and store staffing needs, the Employer will attempt to honor any such scheduling request preferences. Any employee may make changes in his/her scheduling request preferences quarterly.

## **ARTICLE 5, MISCELLANEOUS PROVISIONS**

5.1 A duly authorized representative of the Union shall be admitted to the Employer's premises during the hours employees covered by this Agreement are at work, for the purpose of ascertaining whether or not this Agreement is being observed

and for collection of dues. Such activities shall be conducted in such manner as not to interfere with the orderly operation of the Employer's business. It is understood, however, that the authorized representative of the Union will make their presence known to the store manager or their representative.

5.2 The Employer shall have the right to adjust wages of its employees, provided such adjustments are made over the Contract wage rate range and, provided further, that such adjustments are made within the Contract period.

5.3 Tools shall be furnished by the Employer and maintenance of tools shall be on the Employer's time. All tools and equipment shall be maintained in an operable condition.

5.4 All employees shall present themselves on time, ready for work, clean and neat in appearance, in accordance with written company policies, and shall not at any time conduct themselves in a way that will reflect unfavorable upon the Shop, the Employer and the Union.

5.5 No employee shall make any written or verbal agreement that will conflict with this Agreement.

5.6 Any employee, at the date of entering into this Agreement, receiving a higher rate of pay than those herein specified, shall suffer no loss as a result of this Agreement.

5.7 No employee shall be required to make good any bad checks cashed, unless said checks have been cashed in violation of store rules and regulations that have been posted in a conspicuous place in the store for at least thirty (30) days and a copy to the Union.

5.8 Customers in the store at closing time shall be waited upon by the employees, provided the doors were closed at the store's regular closing time.

5.9 The Union shall use its best efforts as a labor organization to enhance the interests of the Company as an Employer of Union labor.

5.10 Members of the Union may wear the Union button when on duty.

5.11 The Company shall provide a bulletin board on which the Union may post notices pertaining to Union business.

5.12 Where time clocks are not provided, the Employer shall institute adequate payroll procedures to insure that all hours worked are properly recorded.

5.13 The Employer will comply with all legal requirements for the safety and health of their employees during the hours of employment, and shall provide a first aid kit containing bandages, etc. Employees will comply with all safety rules, including the Employer's policy on drug testing.

5.14 If a physical examination or health permit is required by the Employer, the medical fee for such examination shall be borne by the Employer.

5.15 Any employee who serves in the National Guard for military reserve units which require annual training shall be granted the necessary leave without pay to fulfill the annual training requirements of the unit which they serve. Such employee shall give the Employer two (2) weeks' prior notice. An employee shall not be required to take military training duties as his/her earned vacation.

5.16 The Employer will comply with the applicable laws of the United States concerning the reemployment of persons leaving the military service of the United States.

5.17 The Employer shall not request the employee to take a lie detector test not in conformance with the law.

5.18 **NON-DISCRIMINATION CLAUSE** – The Employer and the Union agree not to discriminate against any individual with respect to his/her hiring, compensation, terms of conditions of employment, nor will they limit, segregate or classify employees in any way to deprive any individual employee or employment opportunities because of his/her race, color, religion, sex, national origin, age, marital status, veteran status, sexual orientation, status relating to public assistance, disabilities of otherwise qualified individuals, and other protected groups as defined by law.

5.19 Food handling employees may stock and package meat products and there is no limitation on meat products which can be brought in and marketed in the store.

5.20 The Company agrees to deduct amounts designated by employees for the Active Ballot Club when the Company has been furnished an individual written authorization for making such deductions. It is agreed that the authorization is to be voluntary. The Company agrees to remit the contributions in the same manner as the Union dues.

## ***ARTICLE 6, LAUNDRY-UNIFORMS***

In the event the Employer requires its employees to wear smocks, aprons, jackets, caps, uniforms or insignia, the Employer shall furnish and maintain same. In the event the Employer furnishes to the employees drip-dry uniforms, and the employees accept the same, the employees shall launder the uniforms. Jackets or raingear for employees working outside will be available for inclement weather. Jackets for unloading trucks will be available. Where the Employer is presently furnishing and maintaining uniforms, it shall continue to do so.

## ***ARTICLE 7, NO STRIKE-NO LOCKOUT***

7.1 The Employer agrees not to engage in any lockout of employees and the Union agrees that it will not engage in any strikes during the life of this Agreement.



Participation in any strike, slow-down, sit-down or stoppage of work brought about either by action of the Union in violation of this Agreement, or by action of an individual or individual groups without Union authority shall be just cause for dismissal or discipline by the Employer of any and all employees participating therein.

7.2 Except as provided above, nothing herein shall affect the right of the Union to call, assist or support a strike officially authorized by the Union. It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a primary legal picket line, including the primary legal picket line of Unions party to this Agreement, and including primary legal lines at the Employer's place of business.

## **ARTICLE 8, VACATIONS**

8.1 Full-time employees who have been employed by the Employer for a period of one (1) year or more shall receive one (1) week's vacation with pay. Full-time employees who have been employed by the Employer for two (2) years or more shall receive two (2) weeks' vacation with pay. Full-time employees with seven (7) years of service or more with the Employer shall receive three (3) weeks' vacation with pay. Full-time employees with fifteen (15) years of service or more with the Employer shall receive four (4) weeks' vacation with pay.

8.2.1 Full-time and part-time employees hired before June 21<sup>st</sup>, 2005, with six (6) months or more of continuous service with an Employer who quit, are laid off or dismissed, except dismissed for cause, shall be entitled to pro-rated vacation. Such pro-rated vacation to be based on the length of time an employee served from the date of employment during the first year and thereafter the length of time an employee served since his last anniversary date of employment, pro-rated.

8.2.2 Part-time employees hired after June 20<sup>th</sup>, 2005, must be employed for at least two years before they are entitled to pro-rated vacation if they leave.

8.3.1 Part-time food handling employees hired before June 21<sup>st</sup>, 2005, working under thirty (30) hours per week shall be entitled to vacation of one (1) week with pay after the first (1<sup>st</sup>) year, two (2) weeks after the second (2<sup>nd</sup>) year, three (3) weeks after the seventh (7<sup>th</sup>) year, and four (4) weeks after the fifteenth (15<sup>th</sup>) year, with their pay to be based on the average number of hours actually worked on a weekly basis during the year. During the year means the fifty-two (52) weeks immediately preceding the employee's anniversary date.

8.3.2 Part-time employees hired after June 20<sup>th</sup>, 2005, shall be entitled to the following vacation: 1 week after 2 years, 2 weeks after 5 years, 3 weeks after 8 years.

8.4.1 Part-time non-food handling employees hired before June 21<sup>st</sup>, 2005, who have completed at least one (1) year of service shall be entitled to one (1) week's vacation with pay, and those who have completed at least two (2) years of service shall be entitled to two (2) weeks' vacation with pay. Vacation pay shall be based on the

average number of hours worked on a weekly basis during the year. During the year means the fifty-two (52) weeks immediately preceding the employee's anniversary date.

8.4.2 Non-food handling employees hired after June 20<sup>th</sup>, 2005, shall not be entitled to paid vacation.

8.5 Employees hired before June 21<sup>st</sup>, 2005, who, at the date selected for his/her vacation, has less than one (1) year, but six (6) months or more of continuous service with the same Employer, shall be entitled to a part of one (1) week's vacation pay equivalent to the part of the preceding twelve (12) months that such employee has been employed. In no event can employees borrow ahead on vacation time not yet earned.

8.6 Full-time employees taking their vacation during a holiday week shall be given one (1) extra day of eight (8) hours' vacation or pay in lieu thereof.

8.7.1 Vacation pay for full-time employees shall be at the employee's straight time rate and shall be based upon the average number of hours worked for each week in the preceding year for each week of vacation to which the employee is entitled, inclusive of overtime.

8.7.2 Vacation hours for full-time employees who miss work time due to illness, workers compensation, etc. will be determined by taking the total number of hours worked for the past year and dividing that, by the number of full or partial weeks worked in the past year, vacation shall not exceed forty (40) hours for the week.

8.8.1 Vacation shall, as far as possible, be granted for the period preferred by the employee, but should the granted time requested by the employee interfere with the operation of the business, the Employer and employee will mutually arrange a vacation time as near as possible to the time desired by the employee that will not interfere with the operation of the business. A vacation sign up schedule shall be posted by January 1<sup>st</sup> of each year.

In posting the annual vacation sign up schedule, the Employer may designate up to four (4) weeks (i.e., a period of seven (7) consecutive days during which no employee shall be permitted to schedule vacation.) Such designations shall be made separately for each department and shall be indicated by "blacking out" the period in question at the time of posting the vacation sign up schedule. Vacation shall be scheduled on a calendar year basis and shall be scheduled on the basis of seniority, provided the more senior employee notified the Employer of his/her requested vacation dates, in writing, prior to March 1<sup>st</sup> of each year. The Employer will approve vacations in writing for the sign-up period by March 15<sup>th</sup>. When additional weeks of vacation time for a particular job category become available following the completion of the annual vacation schedule, the time available will be posted for a period of one (1) week and awarded to the most senior person in that job category who requests to use that time. The Employer will approve these requests no later than two (2) weeks after the request is made. Each employee will be notified of his or her vacation period as far in advance as

practicable. The Employer reserves the right to make changes in vacation period when considered advisable for efficient operation. Vacations for each year must be taken during the year or be forfeited. Vacation pay will be paid at the beginning of the vacation period, if requested. In those stores where problems arise and/or in those stores where mutual agreement cannot be achieved, a procedure for vacation selection shall be adopted as a matter of Company policy. In each store, the following may be on vacation at any one (1) time: A minimum of one (1) full-time Grocery employee; one (1) part-time Grocery employee; one (1) Meat Department employee. In no instance, may more than one (1) Department Head (other than one (1) Grocery Department Head and one (1) Meat Department Head) be on vacation at the same time.

8.8.2 Seniority during the vacation sign-up period shall be based on the following categories:

- (1) Stockers (including frozen food, dairy, grocery)
- (2) Non-food handling employees
- (3) Cashiers (including service center employees) & Pricing clerks
- (4) Produce clerks
- (5) Cake decorators
- (6) Part time bookkeepers
- (7) Deli
- (8) Bakery
- (9) Meat Cutters
- (10) Meat helpers

Grocery Department employees are defined as being in 1 – 8. Meat Department employees are defined as being in 9 – 10.

8.9 The Employer will continue its past practice of making its best effort to permit employees using paid vacation in one week blocks to have the day before and the day after the scheduled vacation as their regular day off. It is understood and agreed that, if it proves to be impossible to continue this practice in a majority of cases in the future, the Employer and the Union will meet and attempt to negotiate a mutually satisfactory solution.

8.10 An employee may take up to five (5) days of his/her paid vacation entitlement on a “day at a time” basis (increments of less than one week), provided that:

a. The employee's request to use vacation on a "day at a time" basis must be received during the week prior to posting the work schedule covering the period when the vacation days are to be used; and

b. Vacation use on a "day at a time" basis will be granted on this basis by mutual agreement of the employee and the Employer, with the understanding that the Employer's consent may not be withheld because the days requested are weekend days or because they would result in an extended weekend.

8.11 In granting employee requests for use of vacation, preference shall be given to the request of an employee proposing to use vacation in a block of one week or more over the request of an employee proposing to use vacation in an increment of less than one week.

8.12.1 Part-time employees who move into a full-time position with the same Employer shall receive credit on their vacation schedule for time spent as a part-time employee. Example: A part-time employee for six (6) years receives two (2) weeks' pro-rated vacation and then moves to full-time for one (1) year, then has seven (7) years with the Employer. That employee shall receive two (2) weeks' pro-rated vacation and one (1) week of forty (40) hours.

8.12.2 Any part-time employee promoted to full-time shall receive part-time pro-rata vacation credit by adding to the employee's full-time service the equivalent full-time years of service as a part-time employee, which shall be established by dividing the total hours as a part-time employee for which he/she was paid, by 2,080.

8.13 An employee absent from work because of Workers' Compensation, injury, accident, or illness verified by a doctor's certificate, if requested, will have the time absent from work for any one of those reasons counted as time worked for a period of up to three (3) months.

## **ARTICLE 9, HOLIDAYS**

9.1 For purposes of this Contract, the following days are holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Employees shall not work on Christmas Day and after 4:00 p.m. on Christmas Eve.

9.2.1 In addition to these holidays, full-time employees hired before June 21<sup>st</sup>, 2005 shall have two (2) additional days off with pay which shall be granted as personal holidays to individual employees by mutual agreement between the Employer and the employee so that employees on an individual basis will have a three (3) day weekend counting their regular day off.

9.2.2 Full-time employees hired after June 20<sup>th</sup>, 2005, shall be entitled to these two (2) additional days off with pay after five (5) years of service with the Employer.

9.3.1 Part-time food-handling employees hired before June 21<sup>st</sup>, 2005, shall be entitled to receive a personal holiday after 520 hours of employment and another holiday with pay after completing one (1) year of employment.

9.3.2 Part-time food handling employees hired after June 20<sup>th</sup>, 2005, shall be entitled to these two (2) personal holidays after five (5) years of service with the Employer.

9.4 Food-handling employees will be granted one (1) additional personal holiday after completing ten (10) years of employment.

9.5 Employees can volunteer to work on holidays and such opportunities will be rotated among those volunteering in each seniority category as equitably as possible, consistent with efficient operation of the store. If there are insufficient volunteers in a seniority category, the Employer may schedule employees to work holidays, but any such scheduling shall be rotated among employees in each category so that working holiday is distributed as equitably as possible on all employees consistent with efficient operation of the store. In no event will an employee be required to work on two (2) successive holidays. There will be a sign-up sheet in each department.

9.6.1 Employees hired before June 21<sup>st</sup>, 2005, who work on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Easter Sunday shall be paid at time and one-half (1 ½) their regular hourly wage rate for hours worked on those days. This wage shall be in addition to any other holiday benefits which may accrue to these employees under the Collective Bargaining Agreement.

9.6.2 Part time employees hired after June 20<sup>th</sup>, 2005, will receive straight-time for hours worked on these days.

9.6.3 In the event any other employers who operate retail grocery stores in the Duluth/Superior area who have a collective bargaining relationship with the Union are permitted to have employees work on these holidays without payment of time and one-half (1 ½) their regular hourly rate, then the Employer shall not be required to pay time and one-half (1 ½) the regular hourly wage rate to its employees working on these holidays.

9.7 It is agreed that no employees shall work after 4:00 p.m., December 24<sup>th</sup>, Christmas Eve. No deduction shall be made for time not worked after 4:00 p.m., December 24<sup>th</sup>, Christmas Eve. All part-time food handling employees hired before June 21<sup>st</sup>, 2005, normally scheduled to work after 2:00 p.m. on the day on which Christmas Eve falls, will receive three (3) hours of Christmas Eve pay.

9.8 Full-time employees shall receive eight (8) hours' straight time pay for any of the days mentioned in Paragraph 9.1 above, if the employees have worked during the holiday week their scheduled day before and their scheduled day after the holiday, except for bona fide illness.

9.9 A basic holiday workweek for full time employees shall be thirty-two (32) hours excluding holiday pay and actual hours worked on the holiday unless changed by mutual agreement. Full time employees on a holiday shall receive time and one-half (1 ½) their regular hourly rate of pay.

9.10 Regularly scheduled part-time food handling employees, hired before June 21<sup>st</sup>, 2005, working in any holiday week, who have worked ninety (90) calendar days for the Employer, and part-time non-food handling employees hired before June 21<sup>st</sup>, 2005, who have worked one hundred and twenty (120) calendar days for the Employer, and who have worked their last scheduled workday before and their first scheduled workday after a holiday, and any part-time food handling or non-food handling employees hired after June 20<sup>th</sup>, 2005, who have worked 2 years for the Employer, except for bona fide illness, shall be entitled to holiday pay calculated as follows:

The PT employee's average hours worked per week will be determined by averaging the hours worked (inclusive of vacation hours) during the preceding anniversary year and will be granted for each anniversary year's use. Average hours worked per week for employees with less than 1 year of employment in the preceding anniversary year will be based on the average of the hours to date at the end of that preceding anniversary year.

After the average hours worked per week have been calculated, the holiday pay due to the employee will be determined by applying the following schedule:

15 hours to 19.99 hours	=	four (4) hours' pay
20 hours to 29.99 hours	=	six (6) hours' pay
30 hours and over	=	eight (8) hours' pay

Holiday pay will be paid based on the employee's current hourly rate of pay. Holiday pay will not be taken into account in determining an employee's entitlement to overtime rates or full-time wages. No employee shall be rescheduled to avoid payment of holiday pay.

9.11 In the event any of the above mentioned holidays fall on Sunday, the following Monday shall be observed as a holiday for the purpose of this Article, except that Christmas Day shall always be observed as a holiday on December 25<sup>th</sup>.

9.12.1 For full-time employees hired prior to June 21<sup>st</sup>, 2005, during the week in which Christmas Eve and Christmas Day occurs, the basic workweek shall be twenty-nine (29) hours. When Christmas Eve falls on Saturday, the preceding basic workweek will be thirty-seven (37) hours, and the following basic workweek will be thirty-two (32) hours. All time worked in excess of that adjusted basic workweek hours for Christmas Eve and Christmas Day shall be paid for at one and one-half (1½) times the employee's regular rate of pay.

9.12.2 For full-time employees hired after June 20<sup>th</sup>, 2005, the basic Christmas work week shall be thirty-two (32) hours.

## **ARTICLE 10, SENIORITY**

10.1 DEFINITION – Seniority shall be defined as the length of continuous service with the Employer while working under the jurisdiction of this Agreement.

10.2 Seniority shall prevail in regard to laying off and recalling, provided the employee is qualified to do the work available and works at the Contract rate. Seniority may be exercised for layoff and rehire against the most junior employees in the following manner:

(A) Among the employees within each seniority group, as provided for in Paragraph 10.6.1, within each store.

10.3 The Employer may, in its sole discretion, select and place employees in classified positions without regard to seniority. No Employer shall be required to establish all the classified positions described in this Agreement. However, once an Employer establishes such a classified position, the Employer must maintain and keep that position filled, unless otherwise agreed to, in writing, by the Union. All classified employees, as provided for in this Agreement, shall acquire super seniority in the store where they are employed. During the first six (6) months of an employee's service in a classified position, the employee will be regarded as probationary, subject to removal from that classified position by the Employer in its sole discretion, without recourse to the grievance or arbitration procedure. Once an employee has completed a six (6) month probation period in a classified position, the employee may be removed from that position only for reasonable grounds. Any objection by such an employee that there are no reasonable grounds for removal shall be subject to the grievance and arbitration procedures in Article 14 of this Agreement. The Employer has the right to appoint employees from time to time as leads; employees appointed as leads will receive an hourly pay premium as set forth below. The Employer will have no continuing obligation to continue their lead status or any premium pay. During the first year of service in a lead role for the Employer, the employee will receive a fifty cent (.50¢) per hour premium; during the second year of service, the employee will receive a fifty-five cent (.55¢) per hour premium; during the third year, a sixty-five cent (.65¢) per hour premium; during the fourth year, a seventy-five cent (.75¢) per hour premium. Employees already serving in lead positions at the time of ratification of the premium pay schedule will be given credit for the time they have served in a lead position to date in calculating premium pay.

10.4 A full-time employee reduced in hours to below forty (40) hours per week may elect to, (1) displace a less senior full-time employee's hours in the same seniority category on a weekly basis within his store; or (2) displace a less senior full-time employee's hours in the same seniority category within the store on a weekly basis; or (3) displace the most senior part-time employee within the store in the same seniority category on a weekly basis. Such full-time employee must be qualified and available to perform such work in each instance.

10.5 No less senior part-time employee in a seniority category will be scheduled for more hours than a more senior part-time employee in that same category, unless the employee has restricted his/her availability, except that night stockers may be scheduled on a weekly basis for more or less hours than other part-time employees.

10.6.1 A separate seniority list shall be prepared for full-time employees and one (1) for part-time employees in the following seniority categories:

- (1) Stockers (including, frozen foods, dairy, grocery, meat helpers)
- (2) Non-food handling employees
- (3) Cashiers (including service center employees) & Pricing Clerks
- (4) Produce Clerks
- (5) Cake Decorators
- (6) Part-time Bookkeepers
- (7) Bakery/Deli
- (8) Meat Cutters

10.6.2 Because the Employer has the ability to introduce pre-packaged meat items into the store, the parties agree to "meatcutter protection" language as follows:

- (1) Meatcutters will be utilized exclusively in the meat/fish department areas until all grocery workers are no longer being used.
- (2) Instead of a layoff, the employer may use meatcutters in other grocery areas of the store if further hours reductions are needed.
- (3) Meatcutters utilized in grocery will be by inverse seniority.

It is understood that the above seniority categories define the principal duties of employees working in those categories. However, nothing herein prevents the Employer from assigning any employee to perform any and all available work in order to keep the employee fully occupied during his workday and to ensure efficient store operations.

Any employee who voluntarily transfers from one seniority category to another shall retain seniority in the seniority category from which he/she transferred for six (6) months and will not establish seniority in the new category until he/she has been continuously employed in the new category for at least six (6) months. After being continuously employed in the new category for at least six (6) months, the employee's seniority date shall then be established in the new seniority category only. Any employee who is involuntarily transferred from one seniority category to another shall continue to hold seniority in the category from which he/she was transferred. It is understood that the Employer may temporarily transfer employee from one seniority category to another without regard to seniority for purposes of efficient store operations and to provide necessary training to the particular employee. It is expected that no employee will be temporarily transferred to a new seniority category for purposes of training in excess of six (6) months.



If an employee holding seniority in a seniority category is unable, with reasonable accommodation, to perform the essential functions of his/her regular job due to a disability, a reasonable effort will be made to place the employee in another seniority category where he/she is able to perform the essential functions with reasonable accommodation, provided there is an opening in the seniority category.

The effort will be made in a lateral or lower category. Such transfers may be permanent when, in the judgment of the Employer based on competent medical evidence, the employee will not again be capable of performing the essential functions of the employee's regular job. In the event such a transfer is temporary when, in the judgment of the Employer based on competent medical evidence, the employee is again capable of performing the essential functions of the employee's regular job, the employee will return to his/her regular job, seniority permitting.

10.7.1 When an opening occurs for full-time employees, part-time employees shall be given the first opportunity to fill such opening, provided they have the ability and availability to perform the work. All full-time openings (exclusive of classified positions) shall be posted. All postings must remain posted for a period of not less than one (1) week. Interested and available employees shall acknowledge their interest in filling the position by signing the posting. Part-time employees within the seniority category who have signed the posting and have the qualifying abilities and are available will receive fifty percent (50%) of all full-time job openings in that particular seniority category based on seniority. If no such part-time employees in the category apply who are qualified and available, the Employer is free to pick whoever it chooses to fill the vacancy. Seniority will not apply to the rescheduling of hours of work of part-time employees, except as provided herein. No part-time employee shall have his hours reduced in an effort to discriminate against said part-time employee. Part-time non-food handling employees will be given the opportunity for part-time food handling positions within their store, based on their seniority, provided they have the qualifying abilities and are available. The Employer shall give part-time non-food handling employees who have the qualifying abilities and are available, fifty percent (50%) of all part-time food handling job openings based on seniority. If no part-time non-food handling employee has the qualifying abilities or is not available, the Employer may hire a new part-time employee. If a new employee is hired, the next part-time food handling position must be offered to the part-time non-food handling employees based on seniority, who are available and have the qualifying abilities to perform the work. Part-time non-food handling employees moving to part-time food handling positions shall receive the next higher food handling employee part-time rate above the rate last received by that employee as a part-time non-food handling employee.

10.7.2 It is understood under paragraph 10.7.1 that while part-time employees who apply and have the qualifying abilities will receive 50 percent of all full-time job openings based on seniority in a category, this 50 percent of previous openings based on seniority in the category, subsequent openings can be awarded in the Employer's discretion until such time as it is necessary to award the next opening based on seniority in order to maintain that at least 50 percent of the full-time job openings have been filled based on seniority in the category.

10.8.1 Full-time employees shall be any employee who works thirty (30) hours or more per week for four (4) consecutive weeks.

10.8.2 Part-time employees shall be any employee who works less than thirty (30) hours per week for four (4) consecutive weeks.

10.8.3 Non-food handling employees shall be employees whose principal duties do not include handling food items.

10.9.1 The duties of non-food handling employees shall be limited to sorting, bagging and packaging sold merchandise; carrying and loading sold merchandise; floor maintenance anywhere in the store; cleaning the parking lot and other adjacent areas outside the store; returning shopping carts to the store; cleaning areas around the check-out lanes; cleaning and refacing shelves; cleaning rest rooms; collecting and sorting bottles; disposing of trash and rubbish; hanging of window signs and washing of store windows; cleaning all areas in the store; repair or maintenance work in all store areas; pulling cardboard; returning unsold merchandise to shelves; removing merchandise from the shelf and replacing merchandise to the shelf in case of equipment breakdown and house cleaning, and stocking, pricing, marketing and selling non-food items such as by way of examples those listed in 16.3 (1), (2) and (3).

10.9.2 If a non-food handling employee performs duties at the specific direction of the Employer other than as defined in Section 10.9 above, he/she shall receive the top part-time or full-time food handling rate for all hours worked that day by the non-food handling employee.

10.10 Full-time employees shall be paid the appropriate full-time rate for their length of service inclusive of the past comparable services. Part-time employees shall be paid the appropriate part-time rate for the length of service, inclusive of the past comparable service. Should a part-time employee work thirty (30) hours or more in any week, they shall be paid the starting full-time rate for all hours worked that week.

10.11 Under the terms of this Agreement, part-time employees are those employees who are working under thirty (30) hours per week.

10.12 New employees or employees whose seniority has been terminated in accordance with Section 10.13, shall obtain seniority after thirty (30) days from the date of employment, at which time their seniority shall take effect and date back to their last date of hire. The date of employment or hire shall be the date when the employee first punched in for training. Where two (2) or more employees have the same date of hire or employment, relative seniority shall be established by the order in which employees first punched in on that date with the earliest time being the most senior.

10.13 An employee shall cease to have seniority if the employee:

- (A) Quits;
- (B) Is discharged for cause;

- (C) Fails to return to employment after layoff, and reasonable notice of recall;
- (D) Is absent for any reason, except military service, for a period of one (1) year or more;
- (E) No employee shall lose seniority because of sickness or accident or for any reason beyond the control of the employee, subject to this one (1) year limitation, except as provided for in Article 19.1(B), as long as the employee complies with all medical restrictions and requirements; or
- (F) After six (6) months as a supervisory employee.

10.14 Seniority listings of all employees employed by the Company in each individual store shall be posted in a conspicuous place in each store and kept current.

#### ***ARTICLE 11, UNION LABEL CARDS***

The Union label card or decal is the property of the Local Union No. 1189 at all times and is loaned to the Employer while this Contract is in effect and is to be displayed in a conspicuous place.

#### ***ARTICLE 12, EMPLOYMENT TERMINATION***

12.1 The Employer shall be entitled to two (2) weeks' notice of an employee's intention to quit. Failure to give such notice shall result in a forfeiture of accrued vacation pay for a period equal to the time deficiency in giving the notice.

12.2 Any new employee shall be subject to discharge at the option of the Employer during the first thirty (30) days of employment after the last date of hire. The probationary period may be extended upon the Employer's request by mutual agreement between the Employer and the Union.

12.3 The Employer shall not discharge nor suspend any employee without just cause. In respect to discharge, the Employer shall give at least one (1) warning notice of the complaint against such employee to the employee, in writing, and a copy of the same to the Union. No warning notice need be given to an employee where he is discharged if the cause for discharge is dishonesty, drunkenness or drinking on the job, willful insubordination, violation of an established written work rule or willful destruction of property. In addition, no warning notice need be given in the instance of a suspension which is defined as a removal from the payroll for a period of time with the right to be reinstated without loss of seniority at the end of said period of time. A warning notice as herein provided shall not remain in effect for a period of more than twelve (12) months from the date of the warning notice. However, all warning notices and other notification of discipline will remain in an employee's file even if no longer in effect. All discharges must be by proper written notice to the employee and the Union affected. Any employee may request an investigation as to his discharge or

suspension. Should such investigation prove that an injustice has been done an employee, he shall be reinstated and compensated at his usual rate of pay while he has been out of work. Appeal from discharge or suspension must be taken within ten (10) days by written notice. It shall comply with the grievance machinery set forth herein.

### **ARTICLE 13, AGREEMENT VIOLATIONS**

13.1 All claims for back pay for loss of wages arising under this Agreement on account of any violations of the terms hereof must be made in writing within thirty (30) days from the pay day following the accrual of the claim and, if not made within such period, a claim will be barred. The Employer shall not be required to pay back pay on grievances for more than a ninety (90) day period prior to the filing of the grievance.

13.2 If the Employer willfully fails to grant wage increases in accordance with the Contract or willfully fails to pay non-food handling employees the proper rate of pay when they do work outside the limitations as provided in Article 10, Section 10.9 herein, the penalty assessed shall be in an amount double that provided for, but shall not exceed one hundred eighty (180) days.

### **ARTICLE 14, GRIEVANCE AND ARBITRATION PROCEDURE**

14.1 Should a difference arise between the Employer and the Union or employees as to the meaning and application of the provisions of this Agreement or as to the compliance of either party with any of its obligations under this Agreement, an earnest effort shall be made to settle such differences immediately under the following procedure by negotiations:

- (A) Between the employee affected and his/her Department Head.
- (B) By a representative of the Union and an executive of the Employer, at which time either party may call in an outside representative.
- (C) Any dispute, difference, or grievance not resolved in Steps A or B above, may be reduced to writing within ten (10) days of the meeting in Steps A or B above. Once reduced to writing, representatives of the Union and the Company will meet in an effort to resolve the grievance.
- (D) Should the dispute, difference or grievance not be resolved in Step C, by mutual agreement either party may submit the matter to non-binding mediation. The services of the Federal Mediation and Conciliation Services (FMCS) will be used for this mediation. Mediation must be requested within ten (10) days of the Step C meeting.
- (E) If the dispute, difference or grievance is not settled in Step D (or Step C, if mediation is not mutually agreed upon) the matter may be referred to binding arbitration. Such request for arbitration must be within ten (10) days of the Step D meeting (or Step C meeting if Step D is not used).

- (F) If a dispute, difference or grievance is arbitrated, the moving party will submit a request for an arbitration panel to the Federal Mediation and Conciliation Services. The list will consist of seven (7) names. The arbitrators will be selected by the parties alternately striking names until one (1) arbitrator is left. The order of strikes will be determined by lot.

14.2 The decision of the arbitrator shall be final and binding upon all parties. However, the arbitrator shall not have the power to add to, subtract from, or modify the terms or conditions of the agreement.

14.3 Any expense involved by the use of arbitration shall be borne equally by the Union and the Employer.

14.4 At any step in this grievance procedure the Executive Committee of the Local Union shall have the final authority, in respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty or dispute further if, in the judgment of the Executive Committee, such grievance or dispute lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement, to the satisfaction of the Union Executive Committee.

14.5 All disputes, differences, or grievances must be brought to Steps A and/or B in 14.1 within thirty (30) days of the alleged violation, except in cases of wage disputes in which sixty (60) days will be the time limit. These time limits, and the time limits in 14.1, C, D, & E are binding and all disputes, differences, or grievances will be barred if not adhered to. Time limits may be extended by mutual agreement of the parties.

14.6 In the event either party refuses to arbitrate on demand of the other party, and an order compelling arbitration is obtained in Federal Court on the basis contended by the moving party, the refusing party will pay to the moving party reasonable attorney's fees as awarded by the Court. Similarly, if the moving party fails to prevail in such an issue, the moving party will pay reasonable legal fees as awarded by the Court to the refusing party.

## ***ARTICLE 15, PENSION AND HEALTH AND WELFARE***

### **15.1 PENSION**

(A) The Employer agrees to be bound by the Agreement and Declaration of Trust, as amended, establishing the Northern Minnesota-Wisconsin Retail Clerks Pension Fund, copies of which have been furnished to and read by the Employer prior to the execution of this Agreement. It is mutually agreed that the provisions of said Agreement and Declaration of Trust and any rules, regulations, or plans adopted by the Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. The Employer irrevocably designates the Employer Trustees of said Fund and its successors as their representatives for the purpose set forth in said Agreement and Declaration of Trust.

(B) Effective June 20<sup>th</sup>, 2005, the Employer agrees to contribute eighty cents (\$.80) per hour contribution to said Pension Fund for each hour worked by each current full-time or part-time employee hired before June 21<sup>st</sup>, 2005 (exclusive of part-time non-food handling employees). The Employer agrees to contribute sixty cents (\$.60) per hour for all employees hired after June 20<sup>th</sup>, 2005. For the purpose of this Section, "hours worked" shall mean all hours worked not in excess of forty (40) hours in any one (1) week by any full-time or part-time employee, and shall include, pursuant to said forty (40) hour limitation, any holiday or vacation time for which any said employee of the Employer is entitled to straight time pay under the terms of this Agreement. It is understood and agreed that the said Pension Trust and benefits to be provided from the Pension Trust shall conform in all respects to the requirements of the Treasury Department, Bureau of Internal Revenue, and to any other applicable State and Federal laws and regulations.

(C) 1. Effective January 1<sup>st</sup>, 2006, the Employer agrees to contribute ninety cents (\$.90) per hour to the pension plan for all employees hired before June 21<sup>st</sup>, 2005, with less than 5 years of service to the Employer. The Employer agrees to contribute one dollar (\$1.00) per hour to the pension plan for any employee with 5 years of service to the Employer.

2. Effective January 1<sup>st</sup>, 2007, the Employer agrees to contribute one dollar and ten cents (\$1.10) per hour to the pension plan for any Employee with 5 years or more service to the Employer.

3. Effective January 1<sup>st</sup>, 2011 the Employer agrees to contribute one dollar and twenty cents (\$1.20) per hour to the pension plan for any Employee with 5 years or more service to the Employer.

4. Effective June 1<sup>st</sup>, 2011 the Employer will contribute to the "Plan" in accordance with the Preferred Schedule of the Rehabilitation Plan; see the attached "Supplemental Pension Agreement"

(D) 1. Contributions to the Trust Fund shall be due and payable fifteen (15) days following the end of the preceding month for all employees covered under the Collective Bargaining Agreement, or for whom contributions are required. The failure of an Employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise, shall subject the delinquent Employer to a payment of liquidated damages of an additional ten percent (10%) of the amount due, plus all costs and reasonable attorney's fees incurred in connection therewith. Payments and liquidated damages unpaid by the first (1<sup>st</sup>) day of the following month shall be subject to an interest charge on the payments and liquidated damages equal to the interest, as provided by law to be charged by the IRS on delinquent or deficient tax returns.

2. If legal action is taken to recover the amount due the Trust Fund, the delinquent Employer shall also be required to pay all Court costs, including reasonable attorney's fees. In addition to the other provisions as herein set forth, any Employer

who is delinquent in its payments to the Trust Fund shall make such Employer primarily liable and responsible to its employees or employees' estates for any claim for benefits accruing to such employees or employees' estates which would otherwise be due such employees or employees' estates under the administration of this Trust Fund. The payment of any and all claims shall not operate to relieve such Employer from its liability to make the payments due the Trust Fund, including the liquidated damage payment.

3. Any Employer who on more than one (1) occasion during any one (1) year becomes delinquent in its payment to the Trust Fund shall be required to post a bond with the Trustees in an amount equivalent to the total contributions which it was obligated to make during the preceding calendar year.

4. Non-payment, by any Employer, of any contribution or other monies owed to the Fund shall not relieve any other Employer from its obligation to make required payments to the Trust Fund.

(E) 1. In no event shall the provisions relating to Pension set forth herein be subject to or suitable for grievance and arbitration under the terms of this Agreement.

2. The above Paragraph shall not be applicable when, in the judgment of the Trustees, the delinquency results from a clerical error or a bona fide difference or dispute concerning eligibility.

3. The Employer agrees that applicable payroll records shall be made available for audit to employees of the Pension Fund as directed by action of the Board of Trustees of these Funds.

(F) If the Employer fails to make prompt and timely payments of monthly contributions required by this Article and such delinquency results in an employee or beneficiary or dependent being denied or being rendered ineligible for benefits otherwise payable under the plans provided by the Trustees, then in such event, the Employer shall be fully and personally responsible to (and hereby agrees to pay) such employee or beneficiary or dependent for all such losses of benefits.

(G) If the Pension contribution, for any time period by other Employers covered by the contract between the Union and various Employers in the Arrowhead Retail Grocers' Alliance, is transferred from the Pension Fund to the Northern Minnesota-Wisconsin Retail Food Health and Welfare Fund, Cub is not obligated to make its Pension contribution set forth above for the same time period.

(H) **401 K Plan** - Cub Foods will make available a 401K Plan for all employees to invest in through Payroll Deductions. The Employer will have no obligation to make contributions to the Plan. The Plan used will be UFCW Union Local #1189 and Saint Paul Employer's 401 K.

## 15.2 HEALTH AND WELFARE

- (A) The Employers agrees to be bound by the Agreements and Declarations of Trust, as amended, establishing the Northern Minnesota-Wisconsin Area Retail Food Health and Welfare Fund (Health and Welfare Fund) bound copies of which all parties agree have been furnished to and read by all Employers hereby prior to the execution of this Agreement. It is mutually agreed that the provisions of said Agreements and Declarations of Trust and any rules, regulations, or plans adopted by the Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. All Employers bound hereby irrevocably designate the employer Trustees of said Funds and their successors as their representatives for the purposes set forth in said Agreements and Declarations of Trust.
- (B) The parties intend that the coverage provided to employees under this collective bargaining agreement complies with the requirements of the Affordable Care Act. In the event that any provisions of this Health Plan are determined to not be in compliance with the Act, the Employer and union will implement a Plan in order to comply with the Act. If any necessary change results in a reduction in benefits to full-time employees, the Employer will meet with the Union to negotiate the changes and whether the Plan can be modified in a manner that does not result in a reduction in benefits to the full-time employees.

### FULL-TIME HEALTH & WELFARE CONTRIBUTION RATES:

(B) The Employer agrees to pay the full monthly contribution of one thousand and ninety dollars (\$1,090.00) per month for each Full-time Employee (family coverage) to the Health and Welfare Fund effective September 1, 2013.

The Employer will pay monthly contributions to the Health and Welfare Fund for each Full-time Food Handling Employee according to the following schedule:

<u>Effective Date</u>	<u>Amount/month</u>
September 1, 2013	\$1090.00 (family coverage)
September 1, 2013	\$460.00 (single coverage)

FAMILY COVERAGE – All new full-time Employees (hired, promoted, or transferred) after October 16<sup>th</sup>, 2008, have a co-pay of eighty six dollars (\$86.00) per Month (effective September 1, 2013).

(C) All Employees who are currently on the payroll have the right to participate in the Health and Welfare Fund if they meet eligibility requirements. Employees hired before June 21, 2005 will not have Health and Welfare benefits available until after six (6) full



months of employment. Employees hired after *October 16<sup>th</sup>, 2008*, will not have health care benefits available until after *nine (9)* full months of employment.

(D) The Employer agrees to make Health Fund contributions on behalf of each Full-time Employee on the first of the month following six (6) months of the Full-time Employee's date of hire.

(E) Full-time Employees shall be eligible for Family benefits commencing with the first day of the month following the date on which the Employer has made three (3) monthly contributions on behalf of the Employee. The initial three (3) monthly contributions on behalf of Full-time Employees shall be at the Single contribution rate. In the event the Full-time Employee elects Family coverage commencing the following month, the Employer shall pay a lump sum "make-up contribution" to the Fund in an amount equal to the difference between the Single contribution rate and the Family contribution rate for the initial three (3) months.

(F) Any Employee desiring family coverage must enroll for such family coverage at the time they initially apply. After initial enrollment, changes to family coverage will be permitted where an Employee's immediate family changes. All coverage terminates effective the date an Employee's employment terminates.

**15.3 PART-TIME HEALTH & WELFARE CONTRIBUTION RATES:**

(A) The Employer agrees to pay monthly contribution of four hundred and sixty dollars (\$460.00) per month (single coverage) for each Part-time Food Handling Employee to the Health and Welfare Fund.

<u>Effective Date</u>	<u>Amount/month</u>
September 1, 2013	\$460.00 (single coverage)
September 1, 2013	\$1090.00 (family coverage)

(B) The Employer will pay the full cost of single coverage for part time Employees averaging less than thirty (30) hours of regular employment a week [four (4) week average]. If a part-time Employee who has elected family coverage as of January 1, 2012, and elected to continue family coverage, the cost to the Employee will be:

Effective September 1, 2013, one hundred seventy one dollars (\$171.00) per month

(C) Any other part-time Employee (post January 1, 2012) who desires to elect family coverage will pay the full amount of the difference between the single/part-time contribution rate and the family/full-time contribution rate, (\$630.00).

(D) The Employer agrees to make Health Fund contributions at the Single contribution rate on behalf of each Part-time Employee on the 1<sup>st</sup> of the month following six months of active employment. (Exclusive of part-time non-food handling Employees) Part-time Employee eligibility will begin the first of the month after the

Employers first contribution. Also, Employees who return to work or are reinstated following an absence from work, where their seniority has not been interrupted, shall have payments made on their behalf on the 1<sup>st</sup> of the month following their return to work. In addition, Employees that have not had a break in coverage with the health fund, or are still eligible for their COBRA election, shall have payments made on their behalf on the 1<sup>st</sup> of the month following their return to work. Utility Employees promoted to part time during the first six (6) months of employment as a Utility will begin the six month waiting period for medical fund contributions commencing on the 1<sup>st</sup> day of the month following date of promotion.

(E) In the event of absence of an Employee from work because of injury, illness or sickness, the Employer shall continue to make the required contributions for a period of three (3) months from the date on which the Employee leaves active employment due to injury, illness, or sickness. The forgoing shall be applied consistent with and in conjunction with, any FMLA leave granted by the Employer, including a rolling 12 month eligibility period for additional FMLA and coverage under this paragraph. In the event of leave of absence or military leave or in the event of Employees who are laid off or are off because of illness, sickness, or injury beyond the said three (3) month period they shall be permitted to continue coverage as a member of the group by paying in advance the regular monthly premium as paid by their Employers after the respective date that contributions by the Employers cease pursuant to the provisions hereof, provided that such coverage may be continued only to the maximum period allowed under the rules established by the Trustees.

(F) During the time that the Employees covered hereunder are on vacation, the Employer shall continue coverage with co-payments deducted from the applicable vacation pay paid to the Employee.

**15.4 (A) Contributions to the Trust Fund** shall be due and payable fifteen (15) days following the end of the preceding month for all Employees covered under the collective bargaining agreement, or for whom contributions are required. The failure of an Employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise, shall subject the delinquent Employer to a payment of liquidated damages of an additional ten percent (10%) of the amount due plus all costs and reasonable attorneys' fees incurred in connection therewith. Payments and liquidated damages unpaid by the first day of the following month shall be subject to an interest charge on the payments and liquidated damages equal to the interest as provided by law to be charged by the IRS on delinquent or deficient tax returns.

(B) If legal action is taken to recover the amount due the Trust Fund, the delinquent Employer shall also be required to pay all court costs including reasonable attorney fees. In addition to the other provisions as herein set forth, any Employer who is delinquent in its payments to the Trust Fund shall make such Employer primarily liable and responsible to its Employees or Employees' estates for any claim for benefits accruing to such Employees or Employees' estates which would otherwise be due such Employees or Employees' estates under the administration of this Trust Fund. The payment of any and all claims shall not operate to relieve such Employer from its liability to make the payments due the Trust Fund, including the liquidated damage payment.

(C) Any Employer who on more than one occasion during any one year becomes delinquent in its payment to the Trust Fund shall be required to post a bond with the Trustees in an amount equivalent to the total contributions which it was obligated to make during the preceding calendar year.

(D) Non-payment, by any Employer, of any contribution or other monies owed to the Fund shall not relieve any other Employer from its obligation to make required payments to the Trust Fund.

**15.5** In no event shall the provisions relating to Health and Welfare and Pension set forth herein be subject to or suitable for grievance and arbitration under the terms of this Agreement.

The above paragraphs shall not be applicable when, in the judgment of the Trustees, the delinquency results from a clerical error or a bona fide difference or dispute concerning eligibility.

The Employer agrees that applicable payroll records shall be made available for audit to employees of the Health and Welfare Fund and/or Pension Fund as directed by action of the Board of Trustees of these funds.

**15.6** If the Employer fails to make prompt and timely payments of monthly contributions required by this Article and such delinquency results in an Employee or beneficiary or dependent being denied or being rendered ineligible for benefits otherwise payable under the plans provided by the Trustees, then in such event, the Employer shall be fully and personally responsible to (and hereby agrees to pay) such Employee or beneficiary or dependent for all such losses of benefits.

**15.7** If the Employer is required by federal or state law to make any payment for health care costs other than those specified here, the Employer may reopen Article 15 insofar as it pertains to Health and Welfare for modification. As long as the Employer on the date of the Reopening Notice to the Union also notifies the Federal Mediation and Conciliation Service in accordance with 29 U.S. Code (d)(3) and 158(d) it shall have all rights afforded by the NLRA.

**15.8** In the event of such a reopening and the parties fail to reach agreement, the provisions of Article 7, No Strike, No Lockout, shall be inapplicable until agreement is reached on these issues.

## **ARTICLE 16, SHELF STOCKING**

16.1 Employer shall be allowed to utilize suppliers, vendors, and salesmen to stock products that they represent, stocking of these products will be held at the minimum consistent with a good operation. Further, the Employer shall be allowed to utilize retail merchandisers for the purpose of doing resets. The above referenced individuals shall be utilized in addition to, not as a replacement of, bargaining unit employees. All other products will be stocked by members of Local 1189, only, except that the Store Manager, and Assistant Managers, (but no other supervisor) may stock products.

16.2 As a condition of this Article, the participating Employer agrees that there shall be no layoff or reduction in hours of any full-time employee on the Employer's seniority list for the duration of the Collective Bargaining Agreement. If such an employee is laid off or suffers a reduction in hours during this period, the Employer shall lose its right to operate under the terms of this Article.

It is understood and agreed that this provision regarding layoffs and reduction in hours shall have no application in the event of store closure, proven loss of business, excluding seasonal fluctuations, retirement, voluntary quit, discharge for just cause, inability to perform the essential functions of the job due to disability, termination prior to the completion of the probationary period, interruption of business due to "act of God", or death. Moreover, it is understood that the employees intended to be protected by this provision do not include retired employees working on a part-time basis, "Sunday-only" employees, or employees working on waivers.

16.3 Outside vendors including drivers/salesmen may stock the following items:

1. All general merchandise items including but not limited to pet food and supplies, books, magazines, cards, candies, photo supplies and all household goods.
2. All health, beauty and cosmetic products.
3. All tobacco products.

#### ***ARTICLE 17, JURY DUTY***

A full-time or part-time employee, exclusive of part-time non-food handling employees, who is called to serve on jury duty shall be paid for actual hours worked for the Company. If this pay, together with his jury duty pay, does not equal his regular weekly pay, the Employer will make up the difference, provided the employee works such hours as he/she is available during the hours when Court is not in session. The above shall apply to petit jury duty only. An employee receiving full pay from his/her Employer while serving on jury will be required to turn in to his/her Employer the jury duty pay for the period he/she served on the jury.

#### ***ARTICLE 18, FUNERAL LEAVE***

The Employer agrees to pay any employee, for necessary absence on account of death in the immediate family up to and including a maximum of three (3) scheduled work days at straight time, not to exceed eight (8) hours per day, provided the employee attends the funeral, and provided the compensable day or days off fall on the employee's normally scheduled workdays. The term "immediate family" shall mean spouse, parents, child, brother, sister, father-in-law, mother-in-law, grandparents, legal guardian or any relative residing with the employee or with whom the employee is residing. A maximum of four (4) days' funeral leave shall be granted in the event of the death of a spouse. The last day of the leave shall be the day of the funeral, except if the funeral is more than 200 miles from the employee's place of residence. In the event

an employee would be entitled to funeral leave during the period they are on vacation, one (1) day of funeral leave shall be allowed.

## **ARTICLE 19, LEAVES OF ABSENCE**

19.1 Employees shall be entitled to written leaves of absence, for the following reasons:

- (A) Illness or injury of the employee which requires absence from work. Such absence shall be for a period of up to six (6) months, renewable upon request, for a maximum of one (1) year, provided that once each month after six (6) months the employee notifies the Union and the Employer of his whereabouts and status.
- (B) In cases of compensable injury, employees shall be granted a leave of absence for a period of one (1) year. Where required, two (2) six (6) month extensions shall be granted, provided the employee notifies the Personnel Department, in writing, that such an extension is needed. In no event shall such a compensable leave of absence exceed a total of two (2) years.

19.2 Employees injured on the job shall not be docked for any part of the day in which the injury occurs, providing a call to the Employer is made from the doctor's office, by doctor's personnel, notifying them of the extent of the injury. If the injury is not serious, the employee must return to work at once upon leaving the doctor's office. In no instance will the Employer be obligated to pay an employee for more than eight (8) hours.

19.3 Disability due to pregnancy shall be treated the same as other disabilities for leave purposes.

19.4 A leave of absence for military service by the employee shall be granted as required by the provisions of the Veterans Reemployment Act.

19.5 Election or appointment to office in/or as a delegate representing the Union requiring either temporary or full-time leave shall be granted by the Employer. Such leave shall not exceed the term of office to which he is elected.

19.6 Leaves of absences may be granted for any other reason acceptable to the Employer. The Employer will use reasonable and fair judgment in determining whether or not an employee shall be granted a leave of absence. Such leave will not exceed one (1) year and can be renewed by the Employer for one (1) additional year. If a leave of absence shall exceed three (3) months, the Employer shall provide written notice of such leave of absence, and any extensions thereof to the Union. The Employer is not required to grant leaves in excess of three (3) months.

19.7 Other leaves, as per item 19.6 above, shall run to a maximum of three (3) months for employees, to be renewed for such length of time as the Employer and the employee may agree.

19.8 Any employee who is granted a leave of absence and, while on such leave of absence, accepts employment with another employer, or who goes into business for himself or herself, is subject to discharge.

19.9 Upon return to work from a leave of absence, the employee will be restored to the job previously held, or to a job comparable with regard to work and rate of pay. Upon notice to the Employer of availability for work at least twenty-four (24) hours prior to the posting of a work schedule, the employee shall be restored to work to begin not later than the first regular working day in the period covered by that work schedule. If the notice of availability for work is given after that deadline, the Employer shall schedule the employee no later than the schedule prepared for the next following period.

19.10 Employees on leave of absence shall not be entitled to holiday pay or any other benefits of this Contract, unless specifically provided for herein.

#### **ARTICLE 20, NIGHT STOCKERS**

20.1 The Employer may use a night stock crew to stock the store.

20.2 "Night stockers" are employees whose duties are limited to filling store displays and shelves and operations related thereto. Night stockers are generally scheduled to work between the hours of 6:00 p.m. and 9:00 a.m., and generally do not operate cash registers, or normally service store customers.

20.3 "Night stock crew" is an organized group of stockers generally scheduled to work between the hours of 6:00 p.m. and 9:00 a.m. The primary purpose of a night stock crew is to stock the store with merchandise for retail sale and prepare the store for retail operations.

#### **ARTICLE 21, RATE OF PAY**

21.1 Previous comparable experience shall be considered for the purposes of rate determination. All claims by employees for prior food handling experience must be disclosed during the application process. Employers that employ employees with previous comparable experience shall negotiate a wage rate that is mutually agreeable with the Employee(s) affected and the Union.

21.2 All employees doing night work shall receive a thirty-five cent (.35¢) per hour premium over and above the regular hourly rate. The night premium of thirty-five cents (.35¢) per hour will be paid to all employees working between the hours of 10:00 p.m. and 8:00 a.m., provided such employees are scheduled to start work prior to 5:00 a.m. The night premium of thirty-five cents (.35¢) per hour also will be paid to any

employee who has the majority of his/her scheduled work hours between 10:00 p.m. and 6:00 a.m.

21.3 For the purpose of computing wage rates, a full-time employee shall be defined as any employee who works thirty (30) hours or more in any one (1) week.

21.4 Time for part-time progression to be computed by counting each week in which an employee works. Employees shall be paid in full for all time spent in the service of the Employer.

21.5 A transfer from department to department or to one store from another by the same Employer covered by this bargaining unit within the same town shall not be made on a discriminatory basis.

21.6 If an employee is required to work in more than one (1) store during his/her regular eight (8) hour shift, he/she shall be paid his/her regular straight time rate of pay for time spent in transit, one (1) way.

21.7.1 It is understood that the Company may promote part-time employees to temporary full-time status for the summer on the following basis:

- (A) Any employee moved from part-time to full-time during the summer months shall receive the beginning full-time rate and no other full-time benefits. However, at the end of summer when his/her hours are reduced, his/her wages shall be readjusted back to that rate being paid at the time of his/her temporary advancement to full-time status. Such employee shall, however, receive credit for the purpose of wage progression for all hours worked from date of hire, including "summer time" hours.
- (B) The "summer period" shall extend from May 15<sup>th</sup> until September 15<sup>th</sup>.
- (C) Employees hired for summer months shall receive no benefits under the terms of the Contract, including Pension payments, Health and Welfare payments, holidays, vacations, or seniority.
- (D) The Employer shall notify the Union, in writing, of any employee placed on summer waiver and any additional part-time employee hired during the summer period. The Employer will notify the Union within one (1) week after an employee has been hired as a summer part-time employee.
- (E) There shall be no reduction in the hours of work available to other employees in the store as a result of the hiring of summer part-time employees because of the increase in the number of summer full-time employees during the summer months.

- (F) Employees hired during the summer months shall be required to belong to the Union on the same basis as other part-time employees and shall receive the regular part-time beginning rate.
- (G) If a summer part-time employee is retained beyond the summer waiver period, that employee shall be treated as a regular part-time employee (except for those offered Conditional Part-time roles) for all purposes and that employee's seniority shall date back to the date of original hire with the Employer.

21.7.2 In addition, in the event that a full-time employee is absent or unavailable to work for one (1) week or more at any time, regardless of season, as a result of injury, illness, maternity leave, leave under the Family Medical Leave Act, or other similarly unexpected absence, then a part-time employee may be moved temporarily to a full-time schedule for the duration of that absence, subject to the provisions of Paragraph (A) of this Section regarding rate of pay, benefits and credit for wage progression.

21.8.1 The following shall be considered classified employees:

- Produce Department Head
- Customer Service Manager or Head Cashier
- Grocery Manager
- Bakery/Deli Manager
- Meat Department Manager
- Frozen/Dairy Manager
- General Merchandise Manager

21.8.2 In the event that the Labor Agreement currently in effect between the Local Union and the members of the Arrowhead Retail Grocers' Alliance is amended to include the position of Night Stock Manager as a classified position, then the Employer will meet and negotiate with the Local Union over the making of a similar change to this Agreement.

21.9 Attached to and made a part of this Contract, wage rates appear under Addendum "A".

**ARTICLE 22, COLLECTIVE BARGAINING**

This Agreement is executed in full satisfaction of each and every demand of each party against the other for the duration of this Agreement. For the duration only of this Agreement, each party waives its right to require the other to bargain collectively within the meaning of the National Labor Relations Act, as amended, or the Minnesota Labor Relations Act, as amended, with respect to any matter whatsoever, except:

1. As to grievances;
2. If any new classification or jobs are created, the Employer shall negotiate a new wage schedule to apply, if requested to do so by the Union;



3. If the Union becomes a representative of a new unit of employees of the Employer, the Employer shall bargain with the Union on such new unit;
4. As expressly provided for herein.

### **ARTICLE 23, SEPARABILITY**

23.1 It is hereby declared to be the intention of the parties to this Agreement that the sections, paragraphs, sentences, clauses and phrases of this Agreement are separable, and if any phrase, clause, sentence, paragraph or section of this Agreement shall be declared invalid by the valid judgment or decree of a court of competent jurisdiction because of any conflict with any Federal or Minnesota or Wisconsin State law, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Agreement.

23.2 The Employer and the Union agree that they will meet within a thirty (30) day period following the declaration of invalidity to begin negotiations upon a substitute clause to replace the provisions found to be invalid. This places no time limitations on the parties during which they may negotiate.

### **ARTICLE 24, CONDITIONAL PART-TIME EMPLOYEES**

24.1. A Conditional Part-time Employee (CPT) is a “base wage rate only” position with no compensable fringe benefits (e.g. no paid vacation, no paid personal days, no holiday pay, no premium pay except 1½ for working holidays after one year of employment). New Part-time Food handling Employees shall be offered Conditional Part-Time status in lieu of regular part-time status. Once CPT status is elected by the new Employee, the Employee may not change to regular Part-time Employee status for a period of not less than 3120 hours of employment.

24.2. A CPT shall not be eligible for, and the Employer shall make no health fund contributions for any CPT for a minimum of 3120 hours of employment. Except as otherwise agreed to by the Employer and the Union, the Employer shall contribute to the Health & Welfare Fund an amount equal to 55¢/hour for all hours worked by each CPT after one (1) year as a CPT Employee. This contribution shall be made to the Health & Welfare Fund by the Employer on a monthly basis. The Employer shall make a pension contribution on behalf of a CPT, in the amount of 5¢ per hour for each hour worked after completion of the sixty (60) day probationary period.

24.3. CPT Employees shall be scheduled for hours to be worked by seniority in classification and a CPT employee shall have the same seniority rights as regular Part-time Employees based on date of hire.

24.4. The maximum employment period for any CPT is 6240 hours of service. A CPT may voluntarily change status to regular Part-time Employee status at 3120 total hours as a CPT and at 6240 total hours as a CPT. If such a change is made, the

Employee's wage rate shall be adjusted to the appropriate wage rate based on total hours worked. Upon voluntary change to regular Part-time Employee status, the Employer will commence regular Part-time Employee pension contributions on behalf of the former CPT Employee beginning on the effective date of status change. The Employer will commence health contributions beginning with the next health fund contribution and the Employee shall be eligible for health fund benefits the first of the month following three Employer health fund contributions made on the Employee's behalf.

24.5. A CPT shall change to regular Part-time Employee status upon completion of 6240 hours of work. Upon such mandatory change to regular Part-time status, the Employer shall commence full pension contributions immediately effective on the date of status change and will commence health contributions beginning with the next health fund contribution. The former CPT Employee shall be eligible for health benefits commencing the first of the month thereafter in conformance with health fund eligibility rules. The CPT will slot into the regular part-time employee seniority list based on their date of hire as a CPT.

24.6. At no time will the CPT employees in the store number more than 15% of the entire workforce in the store and the total number of CPT and summer waiver cannot exceed 15% of the entire workforce.

24.7. When utilizing Conditional Part-Time employees in the store, no CPT employee will be allowed to work an equal or greater number of average hours per week than regular part-time employees (except for those regular part-time employees who self restrict their availability to work). No regular part-time employee will be scheduled for less than eighteen (18) hours per week except by mutual agreement. This minimum does not apply if the employee has restricted his/her availability. The employer will notify the union annually of the number of CPT employees or otherwise as reasonably requested.

24.8. Summer waiver employees may be offered CPT status upon completion of their summer waiver status, but hours worked as a summer waiver will count towards the total service hours as a CPT.

24.9. This will be a pilot program, set to review during the negotiations in 2014.

**ARTICLE 25, TERM OF AGREEMENT**

This Agreement shall take effect the **5th day of May, 2013**, and continue to the **1<sup>st</sup> day of November, 2014**, and thereafter from year to year unless written notice of desire to change, modify or terminate the Agreement is given by either party to the other party sixty (60) days prior to the annual date of expiration.

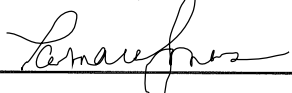
**Dated this 29 day of October, 2013.**

**FOR THE EMPLOYER CUB FOODS:**

**BY:** 

**ITS:** VP, Labor Relations & Benefits

**FOR THE UNION:**

**BY:** 

**ITS:** Union Representative

### Addendum "A"

	5/6/2012	5/5/2013
<b>Meat Manager</b>	\$21.67	\$22.02

	5/6/2012	5/5/2013
<b>Journeyman Meat Cutter</b>	\$20.55	\$20.90

	5/6/2012	5/5/2013
<b>Apprentice Meat Cutter</b>		
1 <sup>st</sup> 6 months	\$11.84	\$11.84
2 <sup>nd</sup> six months	\$12.63	\$12.63
3 <sup>rd</sup> 6 months	\$13.45	\$13.45
4 <sup>th</sup> 6 months	\$14.22	\$14.22
5 <sup>th</sup> 6 months	\$16.16	\$16.16
+ 30 months Journeyman rate		

	5/6/2012	5/5/2013
<b>Full-time Non-Food Handlers</b>		
1 <sup>st</sup> 6 months	\$8.80	\$8.80
2 <sup>nd</sup> 6 months	\$9.61	\$9.61
1 year	\$10.40	\$10.40
2 years	\$11.16	\$11.16
3 years	\$11.91	\$11.91
4 years	\$12.80	\$12.80
5 years	\$13.40	\$13.40
6 years	\$16.11	\$16.46

	5/6/2012	5/5/2013
<b>Part-time Non-Food Handlers</b>		
Start - 1040 hours	\$6.75	\$7.25
1041 - 1560 hours	\$6.95	\$7.35
1561 - 2080 hours	\$7.50	\$7.50
2081 - 3120 hours	\$8.50	\$8.50
3121 - 4160 hours	\$8.55	\$8.55
4161 + hours	\$9.18	\$9.53

**Addendum "A", continued**

<b>Department Manager</b>	<b>5/6/2012</b>	<b>5/5/2013</b>
	\$21.06	\$21.41

<b>Full-time Food Handler</b>	<b>5/6/2012</b>	<b>5/5/2013</b>
1 <sup>st</sup> 6 months	\$12.12	\$12.12
2 <sup>nd</sup> 6 months	\$12.75	\$12.75
1 year	\$13.10	\$13.10
2 years	\$13.78	\$13.78
3 years	\$14.26	\$14.26
4 years	\$14.68	\$14.68
5 years	\$16.10	\$16.10
6 years	\$18.61	\$18.96

<b>Part-time Food Handler</b>	<b>5/6/2012</b>	<b>5/5/2013</b>
0 - 500 hours	\$7.35	\$7.40
501 - 1040 hours	\$7.65	\$7.65
1041 - 1560 hours	\$7.75	\$7.75
1561 - 2080 hours	\$7.82	\$7.82
2081 - 2600 hours	\$8.63	\$8.63
2601 - 3120 hours	\$9.45	\$9.45
3121 - 3640 hours	\$10.18	\$10.18
3641 - 4160 hours	\$10.99	\$10.99
4161 - 4680 hours	\$11.68	\$11.68
4681 - 5200 hours	\$13.20	\$13.20
5201 hours and above	\$13.97	\$14.32

Conditional Part-time Employees will be paid per the above Part-time Food Handler rates.

A premium of \$0.75/hr will be paid for the one union member working as Certified Pharmacy Technician, effective upon the date of ratification, August 29, 2013. The base wage rate for this Certified Pharmacy Technician is addressed in the Letter of Agreement regarding "Cheryl Hann's addition to the Union."

**Addendum "A", continued**

**All employees who were at or above the top of scale on May 5, 2013, will receive the following increases retroactive to the dates set forth below:**

	<b>5/5/2013</b>
Meat Manager (\$21.67*)	\$0.35
Journeyman/ Apprentice (\$20.55*)	\$0.35
FT Non-Food Handler (\$16.11*)	\$0.35
PT Non-Food Handler (\$9.18*)	\$0.35
Department Manager (\$21.06*)	\$0.35
FT Food Handler (\$18.61*)	\$0.35
PT Food Handler (\$13.97*)	\$0.35

**\*Top of scale rate prior to the settlement on August 29, 2013, meaning these are the rates prior to the retroactive increases effective May 5, 2013.**

**In addition to the above increases, a lump sum will be paid of \$200 for Full-time and \$100 for Part -time employees who are at top of Scale or above and who are actively employed on the date of payment. Payment will be made via a Cub Gift Card less deductions required by law. Payment will be paid as soon as administratively possible following 12 months from contract ratification which occurred on August 29, 2013.**

**LETTER OF UNDERSTANDING**


Cub Foods, Duluth ("Employer") and the United Food and Commercial Workers Union, Local No. 1189 ("Union") reached the following understandings in connection with their negotiations of the Collective Bargaining Agreement in effect between the parties through **April 30<sup>th</sup>, 2011:**

1. The parties have agreed that a pharmacy which is operated by SUPERVALU, Inc. and a bank pursuant to lease arrangements between the Employer and these entities are outside the scope of the Collective Bargaining Agreement. The parties further agree that if at any time should Cub Foods lease space for a "food court" operation that such operation also would be outside the scope of the Collective Bargaining Agreement. In the interest of maintaining peaceful relations among the Union, the Employer and its employees at the store, the Union has agreed that it will not seek to organize or represent any employee of these particular lessees, unless another labor organization commences organizing directed at the employee of one of the lessees.

**FOR THE EMPLOYER CUB FOODS:**

**FOR THE UNION:**

**BY:** 

**BY:** 

**ITS:** VP, Labor Relations & Benefits

**ITS:** Union Representative

**DATE:** 10/29/13

**DATE:** December 6, 2013

**LETTER OF UNDERSTANDING**

Cub Foods, Duluth ("Employer") and the United Food and Commercial Workers Union, Local No. 1189 ("Union") agree to the following job protection understanding concerning full-time Meat Department employees, currently employed at the Duluth Cub Foods location at the time of this contract ratification:

- No current Meat employees will lose their jobs as a result of pre-packaged meat products being introduced into the store.
- The "Employer" reserves the right to move these Meat employees to other grocery classification positions within the store.

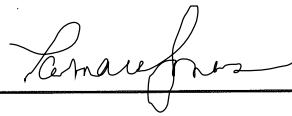
**FOR THE EMPLOYER CUB FOODS:**

BY: 

ITS: VP, Labor Relations & Benefits

DATE: 10/29/13

**FOR THE UNION:**

BY: 

ITS: Union Representative

DATE: December 6, 2013



**SUPPLEMENTAL PENSION AGREEMENT**

**BETWEEN  
UFCW Local 1189  
AND CUB FOODS - DULUTH**

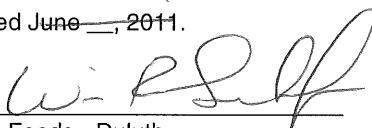
This Supplemental Pension Agreement is made by and between Cub Foods - Duluth ("Employer") and UFCW Local 1189 ("Union") and supplements the parties' collective bargaining agreement ("CBA") in the below upon the action of the parties with respect to the other terms and conditions of the Collective Bargaining Agreement that expired on April 30, 2011.

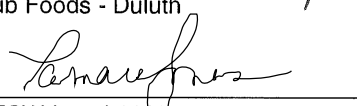
1. The parties acknowledge they have received notice that the actuary for the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund ("Plan") certified that the Plan is in "critical status."
2. The parties further acknowledge they have received a copy of the rehabilitation plan adopted by the Plan's trustees dated November 27, 2010 ("Rehabilitation Plan"), which is incorporated by reference into this Supplemental Pension Agreement.
3. The parties have bargained over whether to adopt the terms of the Preferred Schedule or the Default Schedule as described in the Rehabilitation Plan.

NOW THEREFORE, the parties agree to adopt and implement the Preferred Schedule of Rehabilitation Plan as follows:

- A. Effective June 1, 2011, the Employer will contribute to the Plan in accordance with the Preferred Schedule. Specifically, the Employer's contribution rate will be modified as follows:
  1. On June 1, 2011, the Employer will permanently cease paying the PPA required surcharge it is currently paying to the Plan and its contribution rate will decrease by that amount.
  2. Also on June 1, 2011, the Employer's hourly contribution rate paid to the Plan – as set forth in the Parties' 2008 – 2011 Collective Bargaining Agreement will increase by \$0.16 per hour on all hours requiring a pension contribution. The newly increased portion of the employer contributions will not serve as the basis for any benefit accruals under the Plan.
- B. Pursuant to the Preferred Schedule outlined in the Rehabilitation Plan, the benefit multiplier in Section 5.1 of the Plan Document is reduced from 1.75% to 1.00% for future Normal Pension accruals. The benefit multiplier of 1.00% will apply to benefits earned on or after January 1, 2011.
- C. Additionally, the Plan's early retirement subsidy is eliminated for past and future benefit accruals. The Special Early Pension Benefit is eliminated, and the amount of the Early Pension is equal to the actuarial equivalent of the Normal Pension based on the Normal Retirement Age in effect when the Participant earned each year of Credited Service. The actuarial equivalent of the Normal Pension is set forth in the Rehabilitation Plan.
- D. In the event the Rehabilitation Plan conflicts with this Supplemental Agreement, the terms of the Rehabilitation Plan shall control.

10/29/13  
Dated June   , 2011.

  
Cub Foods - Duluth

  
UFCW Local 1189