

Spectrum Community Health, Inc.

Contract

Effective
02/28/2024 – 06/30/2027



United Food and Commercial Workers Union Local 1189

2002 London Rd Ste 211

Duluth MN 55812

Phone: 218-728-5174 or 800-942-3546

Fax: 218-728-5178

Website: www.ufcw1189.org

Health care/dental (Wilson McShane): 1-800-570-1012
Employee assistance program (T.E.A.M., Inc.): 1-800-634-7710

BARGAINING AGREEMENT
By and Between
Spectrum Community Health, Inc.
And
United Food and Commercial Workers Union
Local #1189
February 28th, 2024 through June 30th, 2027

INDEX

<u>ARTICLE</u>		<u>PAGE</u>
	UNION MANAGEMENT RELATIONSHIP	1
1	RECOGNITION OF UNION	1
2	HOURS OF WORK	3
3	SENIORITY	4
4	TERMINATION OF EMPLOYMENT	4
5	DISCHARGE	4
6	GRIEVANCE PROCEDURE	5
7	MINIMUM SCHEDULE OF WAGES	7
8	LEAVES OF ABSENCE	9
9	MISCELLANEOUS	10
10	SEPARABILITY	10
11	NO STRIKE OR LOCKOUT	10
12	MANAGEMENT RIGHTS	10
13	DURATION OF AGREEMENT	11
	RETAIL CLERKS PENSION FUND PARTICIPATION AGREEMENT	12

A G R E E M E N T
By and Between
SPECTRUM COMMUNITY HEALTH CENTER
and
UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCAL #1189
Chartered by
UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION

THIS AGREEMENT made as of this **28th** day of **February 2024**, by and between Spectrum Community Health, Inc. a home care operator in Eveleth, Minnesota, hereinafter referred to as the EMPLOYER, and the United Food and Commercial Workers Union, Local #1189, AFL-CIO, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the UNION.

UNION MANAGEMENT RELATIONSHIP

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. The Employer will not tolerate on the part of its partners or representatives any discrimination or activity whatever against the Union and will discipline any employee who, on the Employer's time, carries on anti-union or pro-union activity.

The Union agrees to do all in its power to discourage and prevent any irregular interruptions in the efficient operation of the Employer's business and agrees that the action against any employee or employees participating in or responsible for such interruption. Any complaints as to the propriety of the disciplinary action taken by the Employer in such cases shall be taken up through the grievance procedure set up herein.

In consideration of 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 1
RECOGNITION OF UNION

- 1.1 The Employer recognizes said Union as the sole representative of its Home Health Aides, scheduled and working out of its Eveleth, Minnesota operations, excluding supervisory employees, as defined by the National Labor Relations Act, and Registered Nurses and Licensed Practical Nurses, for the purpose of collective bargaining with respect to the hours of labor, rates of pay, and working conditions hereinafter specified.
- 1.2 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. 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, after ninety

(90) calendar days following the execution of this Agreement, become and remain members in good standing in the Union.

- 1.3 Dues Check-Off: The Employer agrees to deduct union dues, initiation fees, and assessments from the wages of 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 year, or beyond the termination date of this Agreement, whichever occurs sooner. Dues collected by the Employer shall be outlined in the current Union dues schedule and will be transmitted to the Union every four (4) weeks. The Employer agrees under the contract requirements above to provide a new employee with a Union Membership Application and Dues Authorization at the time of hire. The Union agrees that, should the Employer take an initial deduction prior to the completion of ninety (90) calendar days, such amount shall be promptly refunded by the Union to the employee upon request.

In the event no wages are then due the employee, or are insufficient to cover required deduction, the deduction for such month shall nevertheless be made from the first wages of adequate amount next due the employee and thereupon transmitted to the Union.

Either party shall promptly notify the other in writing of any revocation of the aforesaid authorization.

- 1.4 Accretion: This Agreement shall apply to the Home Health Aides working in Employer's operations as performed on the effective date of this Agreement, and this Agreement and Union representation thereunder shall also extend to any extension, expansion, or relocation of such present and related operations within a thirty (30) mile radius of the Eveleth, Minnesota, office.

- 1.5 Successor Clause: In the event of any sale, purchase, merger, or other transaction affecting ownership of Employer's business or ownership of the assets of Employer's business, Employer shall make known to the Union prior to said transaction the nature of the transaction and further shall make known to all parties to the transaction the terms and conditions of this Agreement.

Following any such transaction, Employer shall use its best efforts to assure that:

- A. All employees shall be provided employment by the successor employer.
- B. A new seniority list shall be drafted and posted by the successor employer upon which the seniority of each employee will date from his/her earliest date of employment with the Employer or the successor employer.
- C. If there is to be a reduction in work force as a result of such transaction, any such reduction shall be in inverse order according to the amount of continuous service of the employees with the Employer or the successor employer; and

D. Service by the employees with the Employer shall be included whenever continuous service is required for other benefits or practices instituted by the successor employer.

ARTICLE 2
HOURS OF WORK

- 2.1 All hours worked in excess of eighty (80) hours in each pay period shall be considered overtime and shall be compensated for at a time and one-half (1 ½) rate. Rate of pay will be based upon the actual hours at each specific classification for the hours in excess of eighty (80). Employees required to stay beyond their scheduled shift shall be paid for a minimum of one (1) hour, for one (1) hour worked.
- 2.2 All employees who are required to attend in-service meetings at times when they are not scheduled to work shall receive their current Home Health Aide rate of pay, and any such hours so spent shall be included in total hours worked for the purpose of computing overtime. The foregoing shall not apply to any Home Health Aide training course instituted and mandated by the State of Minnesota.
- 2.3 The Employer agrees to offer overtime to the more senior employees, provided they are qualified to do the work. All hours worked shall be accrued for the purpose of APPL at the current Home Health Aide rate. Employees who are offered extra hours in the first week of a two (2) week pay period, shall not have hours reduced the second week, so as to avoid over-time pay.
- 2.4 The Employer agrees to pay each employee time and one-half (1½) for six (6) of seven (7) holidays worked. For purposes of this contract, the following days are holidays:

New Year's Day
Easter
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

- 2.5 Mentoring Pay - A premium of one dollar (\$1.00) per hour extra will be paid to each employee who has been selected and agrees to provide training to other employees.

This premium will only be paid for the hours the employee actually provides training.

ARTICLE 3
SENIORITY

- 3.1 Seniority shall prevail in regard to laying off and rehiring, provided the employee is qualified to do the work available. Seniority shall be based upon the date of hire.
- 3.2 Newly hired employees shall be probationary employees for the first ninety (90) days, and during such period may be discharged by the Employer without cause and without the same causing a breach of this contractor constituting a grievance hereunder.
- 3.3 Any controversy over seniority standing or relative to any questions of seniority shall be subject to adjustment, settlement and arbitration in the same manner as other controversies arising under this contract.
- 3.4 Seniority shall apply to all conditions of employment, provided, however, that the necessities of the business are not jeopardized.
- 3.5 Seniority listing of Home Health Aides shall be posted in a conspicuous place and kept current every six (6) months.
- 3.6 All additional hours shall be scheduled in order of seniority. No less senior employee shall be offered more hours in a pay period than a more senior employee. The Employer is not required to schedule hours that would put employees into overtime. The Employer shall have a book for employees to sign for additional hours that are known in advance.

ARTICLE 4
TERMINATION OF EMPLOYMENT

- 4.1 Employees covered by this Agreement electing to resign or quit their employment will give the Employer two (2) weeks' written notice and shall continue in the Employer's service, except if the Employer finds a replacement employee before the two (2) weeks are up. Failure to give such notice shall result in a forfeiture of APPL pay for a period equal to the time deficiency in giving notice.
- 4.2 If an employee fails to report for work as scheduled or to furnish the Employer with an acceptable excuse therefor within forty-eight (48) hours thereof, such failure to report to work shall be conclusively presumed to be a resignation from the service of the Employer and a termination of such employee's seniority and employment.

ARTICLE 5
DISCHARGE

- 5.1 With respect to discharge, the Employer shall give at least one (1) warning notice of a complaint against an employee to the employee, in writing, and a copy of the same to the Union prior to discharge.

No such warning notice need be given to an employee where he/she is discharged for "just cause." The term "just cause" shall include, but not be limited to:

1. Dishonesty
2. Racial Intolerance
3. Drunkenness
4. Drinking on the job
5. Reporting to work intoxicated
- 6.. Failure to notify Employer to be excused from work
7. Use of illegal drugs
8. Falsification of records
- 9 Theft
10. Giving confidential information pursuant to Minnesota Statute No. 144A.44 (The Bill of Rights for clients receiving home care services).
11. Violating clients' rights pursuant to Minnesota Statute No. 144A.44 the Bill of Rights for clients receiving home care services)
12. Violence
13. Gross insubordination
14. Disrespectful treatment of clients in any form or degree
15. Physical or psychological abuse of clients in any form or degree

5.2 In addition to the foregoing, 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 a right to be reinstated without loss of seniority at the end of said period of time in cases of vindication.

5.3 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. All discharges must be by proper written notice to the employee and the Union.

5.4 Any employee may request an investigation as to his/her discharge or suspension. Should such investigation prove that an injustice has been done an employee, he/she shall be reinstated and compensated at his/her usual rate of pay while he/she has been out of work. Appeal from discharge or suspension must be taken within ten (10) days from such discharge or suspension by written notice and a decision reached within fifteen (15) days. In the event of non-resolution, the case shall then be taken up as provided for in the grievance procedure of this Agreement.

ARTICLE 6

GRIEVANCE PROCEDURE

6.1 Any dispute or controversy involving the interpretation or application of any of the terms or provisions of this Agreement shall be submitted for settlement under the grievance procedure as herein provided:

STEP 1. Any employee who believes that the Employer has violated any of the terms or conditions of this contract in relation to his/her employment shall be considered to have a complaint and such employee shall immediately and promptly take such complaint to the immediate supervisor.

Such employee and supervisor shall attempt to resolve said complaint. No complaint will be considered by any supervisor or representative of the Employer unless it is brought to the attention of the supervisor or representative of the Employer within five (5) days of its alleged occurrence, except as hereinafter provided as to wages.

STEP 2. If said employee and supervisor cannot resolve said complaint within such five (5) day period, the employee shall reduce the complaint to writing which shall be considered a grievance. The grievance shall be so reduced to writing and submitted within ten (10) days after the occurrence of the alleged violation of this Agreement to the Employer; provided, however, that complaints or grievance as to the amount of money due and payable to any employee for wages, hours worked, APPL allowances and days off may be filed and furnished to the Employer within thirty (30) days after the first regular payday following the occurrence of such alleged violation relating to such wages. Failure to give any such notice or follow the time frames of any grievance shall constitute a permanent waiver and bar of the grievance and the employee shall be forever foreclosed from raising any complaint or grievance in regard thereto. The representatives of the Employer and the Union shall immediately after the submission of such grievance, in writing, by mutual negotiations, attempt to arrive at a satisfactory settlement thereof. After such grievance is reduced to and submitted in writing, the employee shall be represented by the Business Representative of the Union or such other persons as may be designated by the Union to represent such employee, not exceeding, however, three (3) in number.

STEP 3. If such grievance cannot be settled promptly between the parties within five (5) calendar days after the delivery of written notice of the grievance, the matter may be submitted to an arbitrator by either party. Such an appeal to arbitration shall be in writing and served on the other party. A representative of the Employer and representative of the Union shall attempt to select such arbitrator. A coin toss shall determine who strikes the arbitrator off the list first. If they cannot agree upon the arbitrator, then either the Employer or the Union may request the Federal Mediation and Conciliation Service to submit a list of five (5) names from which the arbitrator shall be selected by elimination. The decision or award of said arbitrator shall be final and binding upon the parties. The expenses and remuneration of the arbitrator shall be borne by the parties equally.

- 6.2 The Union will not authorize, assist or support any strike or stoppage of work because of any matter covered by this Agreement for which procedure for settlement herein provided is available, but has not been utilized. Participation in any strike, slow-down or stoppage of work brought either by action of the Union in violation of this Agreement or by action of individuals or groups without Union authority shall be just cause for dismissal or discipline by the Employer, subject to the grievance procedure herein provided.
- 6.3 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 judgement of the Executive Committee such grievance or dispute lacks merit or lacks justification under the terms of this Agreement to the satisfaction of the Union Executive Committee.

ARTICLE 7
MINIMUM SCHEDULE OF WAGES,
MILEAGE, AND HEALTH & WELFARE

Home Health Aides

	6/1/2024	6/01/2025	6/1/2026
Start	\$12.25	\$12.90	\$13.45
6 Months	\$12.45	\$13.10	\$13.65
12 Months	\$12.60	\$13.25	\$13.80
24 Months	\$12.75	\$13.40	\$13.95
36 Months	\$13.50	\$14.15	\$14.70

Over 36 Months (Above Scale) Employees Effective June 1, 2024 those above the then current wage schedule shall receive seventy five cents (\$.75) per hour. Those above scale employees shall receive an additional sixty five cents (\$.65) per hour effective June 1st, 2025 and an additional fifty five cents (\$.55) per hour effective June 1st, 2026.

- 7.1 No employee shall suffer any reduction in wages or loss in working conditions as a result of this contract.
- 7.2 The employees shall be paid according to the IRS standard mileage rate for travel between clients. No reimbursement exists for the travel between home and the first client/office each day or the last client/office to home each day. Employees, who are required to return to the office at the end of the day, shall receive mileage to the office. A mileage chart shall be established. Spectrum has agreed to adjust the mileage chart when discrepancies are found. The Employer will make every effort to minimize "down time" between scheduled clients.
- 7.3 The employees will have access to company sponsored benefits, following applicable waiting period and enrollment guidelines.
- 7.4 The employees' hire date shall be the beginning of benefit accrued for non-statutory benefits.

7.5 *APPL/PTO*

Start	.0385
4000 Hours	.0462
6000 Hours	.0462
7500 Hours	.0500
9000 Hours	.0500
12000 Hours	.0625
15 Years	.0750

All APPL must be approved prior to being used. APPL hours start from date of hire.

1. Employees may bank up to one hundred twenty (120) hours of APPL.
2. When APPL is taken in pay rather than time, total hours in pay period will not exceed eighty-eight (88).
3. The APPL schedule will be done quarterly as follows:

<u>Request Date</u>	<u>Approval Date</u>	<u>Effective Date</u>
March 1	March 15	April, May, June
June 1	June 15	July, Aug., Sept.
Sept. 1	Sept. 15	Oct., Nov., Dec.
Dec. 1	Dec. 15	Jan., Feb., March

4. Employees are not responsible for finding their own replacements when they go on APPL. This is the responsibility of the Employer.
- 7.6 All employees may be scheduled every other weekend for work.
- 7.7 Comparable experience in the five (5) years preceding employment will be recognized for the purposes of wages.
- 7.8 Effective upon ratification, all new employees hired 3-1-2012, upon completion of ninety (90) days probation, will have Pension Contributions made on their behalf by the Employer.

Effective November 1st, 2007, the Employer agrees to contribute the following rates to the Northern Minnesota Wisconsin Area Retail Clerks Pension Fund, for each hour worked by a covered bargaining unit employee:

91 st Day to 18 months:	\$0.10cents/hour
18 months to 36 months:	\$0.30 cents/hour
36 months plus:	\$0.60 cents/hour

Spectrum Community Health, Inc. (Employer) and United Food and Commercial Workers Local 1189 (Union) hereby adopt into the Collective Bargaining Agreement, the Pension Rehabilitation Plan "Preferred" Schedule for the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan, which includes, among other changes:

1. Parties adopt into the Collective Bargaining Agreement the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan Rehabilitation Plan "Preferred" Schedule.
2. Effective with hours worked in December 2011, the Employer agrees to pay the Rehabilitation Plan Preferred Schedule's \$0.17 per hour non-benefited contribution rate increase (all pension hours).
3. Effective with hours worked in December 2011, the Employer will cease to pay the "employer surcharge" of 10%.

ARTICLE 8
LEAVES OF ABSENCE

- 8.1 A. Employees shall be entitled to time off for the purpose of caring for themselves, or for family members who have a medical condition, as in accordance with the current state and federal Family and Medical Leave Act.
- B. Any Employee who believes they have been injured on the job must report the injury to the Employer as soon as practical. Employees injured on the job shall not be docked for any part of any day in which the injury occurs, provided 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, if so scheduled. In no instance will the Employer be obligated to pay an employee for more than their scheduled hours.
- C. Military service by the employee in compliance with the provisions of the Veterans' Re-employment Act.
- D. Election or appointment to office in or as a delegate representing the Union requiring either temporary or full-time leave. Such leave shall not exceed the term of office to which he/she is elected.

8.2 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 themselves, is subject to discharge.

8.3 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 of the Employer of availability for work prior to Thursday noon of any week, the employee shall be restored to work to begin not later than Monday following the giving of such notice. If the notice of availability for work is given after Thursday noon of any week, the Employer is required to schedule the employee on the schedule prepared for the following week, and the employee will begin work the Monday thereafter.

8.4 Jury Duty: An employee who is called on jury duty shall be paid for actual hours worked for the company. If his/her pay together with his/her jury duty pay does not equal his/her regular weekly pay, the Employer will make up the difference for a maximum period of ten (10) scheduled working days, 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 a jury will be required to turn in to his/her Employer the jury duty pay for the period he served on the jury, not to exceed two (2) weeks.

8.5 Bereavement Leave: All employees shall be entitled to four (4) consecutive days' unpaid bereavement leave following the death of a father, mother, spouse, child, legal guardian and any relative residing with the employee or with whom

the employee resides. The employees will not have to replace themselves for bereavement leave. One paid bereavement day for immediate family members (parent, spouse, sibling, children). Employees must attend the funeral to receive pay.

ARTICLE 9
MISCELLANEOUS

- 9.1 Pay Period: Employees shall be paid bi-weekly. Seven (7) business days shall be allowed for payroll make-up.
- 9.2 The Employer will schedule no meetings of employees on free time (rest periods and lunch periods). Employees required to attend management meetings called on their day off (and these will not be excessive), will receive pay at straight time at the Home Health Aide rate of pay for the time spent in the meeting, but not less than one (1) hour.
- 9.3 Labor Management: The Employer has agreed to establish a labor management committee that will meet, as necessary, to discuss problems and concerns relative to their employees.
- 9.4 Paid Family Medical Leave: The parties agree effective January 1, 2026, the employer will pay 100% of the payroll taxes related to the new Minnesota Paid Leave program.

ARTICLE 10
SEPARABILITY

- 10.1 Should any part hereof or any provision herein contained be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by a decree of competent jurisdiction or an unfair labor practice by final decision of a labor relations board of competent jurisdiction, such invalidation or such part or portion of this Agreement shall not invalidate the remaining portions hereof. Nothing herein shall be construed to replace or abridge the right of either party for the purpose of arriving at a mutually satisfactory replacement or such part or portion declared illegal.

ARTICLE 11
NO STRIKE OR LOCKOUT

There shall be no strike, work stoppages, picketing or lockouts during the term of this Agreement. No employee shall engage in any sitdown, sit-in, slowdown, cessation or other concerted work stoppages.

ARTICLE 12
MANAGEMENT RIGHTS

Except as specifically limited by the express written provisions of this Agreement, the management of Spectrum Community Health, Inc. a home care operator with a branch in Eveleth, Minnesota shall be deemed the exclusive director of the Home Health Aide workforce. Such management and direction shall include, but is not limited to, the rights to:

1. Hire, lay off, demote, promote, transfer, discharge or discipline for just cause;
2. Maintain discipline;
3. Assign and delegate work;
4. Determine quality and quantity of work performed;
5. Maintain and improve efficiency
6. Require observance of home care rules and regulations;
7. Direct the working forces;
8. Determine the number of hours to be worked;
9. Determine the materials, means and type of services provided;
10. Determine the methods, supplies and equipment to be utilized;
11. Determine methods of compliance with federal and state regulations affecting home health care;
12. Discontinue jobs because of valid management and economic reasons;
13. Decide employee qualifications consistent with federal and state standards.
14. Manage and administer Employer's operation.

ARTICLE 13
DURATION OF AGREEMENT

THIS AGREEMENT shall become effective **February 28th, 2024** and shall be in full force and effective until **June 30th, 2027**, 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.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

Spectrum Community Health, Inc.
Eveleth, Minnesota

United Food and Commercial Workers
Union Local #1189
Duluth, Minnesota

By: 
Merle Sampson, Chief Executive Officer
Representative

By: 
Adam Evenstad – Union

Date: 1-14-25

Date: 1/13/25

NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND

PARTICIPATION AGREEMENT

THIS AGREEMENT made and entered into on the 28th day of February, 2024, by and between the employer and the UNITED FOOD & COMMERCIAL WORKERS UNION, LOCAL #1189 by their authorized representatives.

WITNESSETH:

WHEREAS, the Union and the Employer have entered into an Agreement which provides for participation in the NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND in order to obtain retirement benefits for employees represented by the Union and employed by the Employer.

NOW THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and the acceptance of the parties as participants by said Trust Fund, the Union and the Employer hereby agree as follows:

1. The Union and the Employer agree to be bound by, and hereby assent to, all of the terms of the Trust Agreement creating said NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND, all of the rules and regulations heretofore adopted by the Trustees of said Trust Fund pursuant to said Trust Agreement, and all of the actions of the Trustees in administering such trust Fund in accordance with the Trust Agreement and rules adopted. The Union and the Employer acknowledge receipt of a copy of said Trust Agreement and of the Pension Plan Rules and Regulations and have read the same.
2. The Employer hereby accepts as Employer Trustees the present Employer Trustees appointed under said Trust Agreement and all such past or succeeding Employer Trustees as shall have been or will be appointed in accordance with the terms of the Trust Agreement.
3. The Union hereby accepts as Union Trustees the present Union Trustees appointed under said Trust Agreement and all such past or succeeding Union Trustees as shall have been or will be appointed in accordance with the terms of the Trust Agreement.
4. In accordance with that certain collective bargaining agreement now in effect between the Union and Employer and which is made a part hereof by reference, the effective date of participation in the Pension Fund is 10-1-2007.
5. The Employer agrees to make contributions as provided in and required by said collective bargaining agreement and any succeeding collective bargaining agreements to the NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND.

IN WITNESS WHEREOF said Employer and Union have caused this instrument to be executed by their duly authorized representatives, the day and year first above written.


SPECTRUM COMMUNITY HEALTH INC.

By:


For the Company

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL #1189

By:


For the Union

**MEMORANDUM OF UNDERSTANDING BETWEEN
SPECTRUM COMMUNITY HEALTH INC., EMPLOYER
AND
LOCAL NO. 1189 WITH UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL
UNION, AFL-CIO (f/k/a LOCAL NO. 1116)**

Spectrum Community Health Inc., the Employer, and Local No. 1189 with United Food and Commercial Workers International Union, AFL-CIO (formerly, Local No. 1116), the Union, are parties to a collective bargaining agreement which requires contributions to the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan (the "Plan").

The Plan has been classified as being in critical status as of January 1, 2019. The Trustees of the Plan have adopted a Rehabilitation Plan pursuant to the terms of the Internal Revenue Code. **The Rehabilitation Plan will impose certain statutory surcharges (see page 3), unless the Employer and the Union affirmatively adopt the Rehabilitation Plan with this MOU and agree to one of the prescribed Schedules described below. The Employer and the Union must either:**

(1) adopt the Rehabilitation Plan along with one of the Schedules by executing this MOU on or before May 30, 2019, or

(2) not adopt the Rehabilitation Plan and be subject to contribution surcharges, and also further be subject to the Default Schedule if Employer and the Union do not agree to one of the prescribed Schedules below within 180 days of the expiration of its collective bargaining agreement.

In light of this information, and as more fully set forth below, Employer and Union, by signing this Memorandum of Understanding, adopt the Rehabilitation Plan. In addition, Employer and the Union further elect the following contributory schedule, which is described more specifically after the chart on the next page:

Election – Select one of the Schedules	Schedule	Contribution Change	Effective Date of Contribution Changes
<input type="checkbox"/>	Alternative One - Benefiting	Increase contribution rate by \$0.29 per hour	January 1, 2020
<input type="checkbox"/>	Alternative Two - Benefiting	Increase contribution rates for 3 years cumulatively by: \$0.10 per hour; \$0.12 per hour; \$0.14 per hour	January 1 of 2020, 2021 and 2022 for each successive, cumulative rate increase
<input checked="" type="checkbox"/>	Alternative Three - Limited Benefiting	Increase contribution rate by \$0.20 per hour	January 1, 2020
<input type="checkbox"/>	Default Schedule* - Non-Benefiting	Increase contribution rate by \$0.20 per hour	January 1, 2020

***If Employer and Union sign this MOU, but do not check any of the above boxes, Employer and Union are deemed to have selected the Default Schedule.**

MORE DETAILED DESCRIPTION OF SCHEDULE OPTIONS IN THE REHABILITATION PLAN

Alternative Schedule One

A. Employer Contributions. Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.29 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting.

B. Effect on Benefits. Adoption of Alternative Schedule One will result in an increase in the future benefits available to Plan participants who are covered by the collective bargaining agreement which adopts it. The benefit increase is commensurate with the increase in employer contributions to the Plan called for by Alternative Schedule One, because the increased contribution will be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month.

Alternative Schedule Two

A. Employer Contributions. Contributing Employers are required to make increased contributions to the Pension Plan in the amounts specified in the table below:

Date of First Increased Contribution	Amount of Contribution Increase
January 1, 2020	\$0.10 per hour
January 1, 2021	\$0.12 per hour
January 1, 2022	\$0.14 per hour

The contribution increases called for by the above table are cumulative. For example, as of January 1, 2022, the cumulative increased contribution will be \$0.36 per hour. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting.

B. Effect on Benefits. Adoption of Alternative Schedule Two will result in an increase in the future benefits available to Plan participants who are covered by the collective bargaining agreement which adopts it. The benefit increases are commensurate with the increases in employer contributions to the Plan called for by Alternative Schedule Two, because the increased contributions will be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month. The increases in benefits will occur as the increases in contributions take effect.

Alternative Schedule Three

A. Employer Contributions. Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.20 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting. The increased contribution required by Alternative Schedule Three will also be non-benefiting except as determined by Paragraph B below.

B. Effect on Benefits. Adoption of Alternative Schedule Three will not result in an immediate increase in the future benefits available to Plan participants. However, the increased contribution called for by Paragraph A above will become benefiting for future benefit accruals, effective on

January 1st of the first Plan Year as to which the Plan actuary certifies the Plan as being in neither endangered or critical status (sometimes referred to as the "green zone") and, further, that causing the increased contribution to be benefiting will not cause the Plan to fall out of the green zone. The benefit increase then occurring will be commensurate with the increase in employer contributions to the Plan called for by Alternative Schedule Three, because the increased contribution will then be subject to the Plan's benefit formula which provides a benefit of one percent (1%) of employer contributions per month.

Default Schedule

The Plan was subject to a previous Rehabilitation Plan, effective November 27, 2010, which had the effect of reducing future accruals and other benefits to the maximum extent of the law. For that reason, the Default Schedule implements only contribution increases necessary for the Plan to emerge from critical status.

A. Employer Contributions. Contributing Employers are required to make increased contributions to the Pension Plan in the amount of \$0.20 per hour beginning January 1, 2020. Employer contributions that were in effect under the predecessor collective bargaining will remain in effect and those contributions that were previously not subject to the benefit formula will remain non-benefiting. The increased contribution required by the Default Schedule will also be non-benefiting.

B. Effect on Benefits. Adoption of the Default Schedule will not affect future benefits available to Plan participants

EMPLOYER'S AND UNION'S RECOGNITION THAT FAILURE TO ADOPT REHABILITATION PLAN WILL RESULT IN SURCHARGES TO EMPLOYER

Employer and the Union recognize that if this MOU is not executed on or before May 30, 2019, that the following surcharges, as required by the Pension Protection Act, will apply:

- 5% of the contributions for hours worked on and after June 1, 2019 through December 31, 2019 (or, if earlier, when the MOU is adopted).
- 10% of the contributions for hours worked on and after January 1, 2020 until a satisfactory MOU is adopted.

Employer and the Union further recognize that this Surcharge cannot be waived and non-payment by an Employer must be treated as a violation of federal law and is subject to liquidated damages and interest charges.

EMPLOYER'S AND UNION'S RECOGNITION THAT DEFAULT SCHEDULE MAY BE IMPOSED

If a collective bargaining agreement providing for contributions to the Plan that was in effect on January 1, 2019 expires, and after receiving the Rehabilitation Plan Default Schedule, the bargaining parties fail to adopt one of the prescribed Schedules, the Default Schedule will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Furthermore, the surcharges will continue to be imposed until the bargaining parties adopt one of the prescribed Schedules.

EMPLOYER'S AND UNION'S RECOGNITION THAT REHABILITATION PLAN MAY BE AMENDED

The Employer recognizes that the Trustees of the Plan may need to amend the Rehabilitation Plan, and that the Rehabilitation Plan is monitored and reviewed by the Trustees and their service providers each year.

Dated: _____

Spectrum Community Health Inc.

By: _____

Its _____

Dated: 2/13/2020

Local No. 1189 with United Food and Commercial
Workers International Union, AFL-CIO

By: Gary Morgan

Its Union Representative