

**FRED MEYER PORTLAND & VICINITY  
GROCERY, PRODUCE AND DELICATESSEN AGREEMENT;  
FRED MEYER PORTLAND & VICINITY -- RETAIL MEAT AGREEMENT;  
FRED MEYER BEND GROCERY PRODUCE AGREEMENT;  
FRED MEYER BEND RETAIL MEAT AGREEMENT; QFC PORTLAND & VICINITY  
GROCERY AGREEMENT; AND QFC PORTLAND RETAIL MEAT AGREEMENT  
WITH  
UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 555  
BEST OFFER TO SETTLE**

**August 23, 2024**

The Company makes this Best Offer to Settle for a new collective bargaining agreement. This offer is conditioned on a peaceful settlement. The Company reserves the right to add to, delete from, amend, correct, clarify, modify, or withdraw any part or all of this proposal for the bargaining unit prior to its acceptance by the Union, or in the event the Union engages in a strike, picketing, boycott, anti-company publicity or other economic action against the employer. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject matter for bargaining and only after that full agreement is ratified by the parties.

This Best Offer to Settle is conditioned on a full recommendation for ratification by the Union and Union’s bargaining committee and a ratification before September 5, 2024.

This document references Fred Meyer Portland Grocery dates/Articles. The same proposals apply to the other agreements where applicable.

**TERM:** August 11, 2024-through September 11, 2027

**WAGES:** Increase all Journey person wage rates as follows:

1 <sup>st</sup> Pay Period After Ratif.:	<b>+\$1.50</b>
8/10/25:	<b>+\$1.00</b>
8/9/26:	<b>+\$1.00</b>

If the Union agrees to the (NEW) LETTER OF UNDERSTANDING REGARDING THIRD PARTY CUT PRODUCE VENDOR, (see details below), **and the parties reach a peaceful settlement without disruption to the business**, then the following wage increases and ratification bonus terms will apply:

Increase all Journeyperson wage rates as follows:

1 <sup>st</sup> Pay Period After Ratif:	<b>+\$2.00</b>
8/10/25:	<b>+\$1.00</b>
8/9/26:	<b>+\$1.00</b>

**RATIFICATION BONUS:**

If there is a ratification by **September 5, 2024** with no disruption to business, employees on the payroll on the date of ratification and on the date of payment shall receive a lump sum bonus as follows:

1. Employees with 1 year or less: **\$1,000**
2. Employees with >1 year, but less than 10 years: **\$2,000**
3. Employees with 10 or more years: **\$4,000**

**Apprentice rates:** In Portland, starting rate in first year of the CBA of \$17.00/hour. Then \$0.25 steps, using current hours/steps. **See attached wage charts.**

**Except as provided in Article 6.10, employees who are hired above the first step of the apprentice wage scale will be required to work the total hours required before moving to the next step increase.**

**Add: In no event shall any wage classification be less than twenty five cents (25¢) per hour above the then current minimum wage. Each rate will be at least twenty five cents (25¢) per hour higher than the previous rate in the progression schedule not to exceed the Journeyperson rate.**

**ARTICLE 1 — RECOGNITION AND BARGAINING UNIT**

1.1.1 CCK Wage Rate Equalization. In addition to the regularly scheduled wage increases, the CCK Journeyperson wage rate will increase in two equal intervals so that the CCK Journeyperson wage rate will be equal to the Grocery Schedule A Journeyperson rate one year after ratification. The additional equalization wage increase will not be retroactive, so the additional equalization wage increases for Portland CCK rates will be as follows:

January 2, 2022	-----	\$1.03
August 7, 2022	-----	\$1.02

~~The parties agree that upon ratification the CCK Agreement shall cease to exist and all CCK employees shall be placed into the Grocery Agreement as CCK Clerks. Effective August 7, 2022 all CCK Clerks shall be reclassified as Schedule A Grocery Clerks.~~

## **ARTICLE 2 — UNION SECURITY AND EMPLOYMENT - NON-DISCRIMINATION**

Dues Check-Off.      **OPEN.**

~~2.7 — Affirmative Action Programs. Both Parties recognize that in all cases of conflict between Title VII and any provision of the Agreement, or any practice under any provision of the Agreement, Title VII shall prevail. If the Employer is required by Executive Order No. 11246 as amended, and Revised Order No. 4, to develop and implement Affirmative Action Programs and in the event of any conflict between the provisions of such program and any provision of the Agreement, or any practice under any provision of the Agreement, the Affirmative Action Programs shall prevail.~~

## **ARTICLE 4 – HOURS OF WORK – OVERTIME**

4.11 Work Schedule. Weekly work schedules for employees shall be posted by noon on the Thursday prior to **seventeen (17) days in advance of** the start of the workweek. It is understood that the established work schedule may be changed as required by unexpected developments such as illness of employee, accidents, reduction in business, etc. The work schedule (made out in ink) will include the name of the employee (first and last), starting and ending time, days off, and the total hours scheduled for the week.

## **ARTICLE 4 – HOURS OF WORK - OVERTIME**

4.3 **Sixth and Seventh Day Worked in One Week - Rate of Pay.** When an employee works six (6) **or seven (7)** days in a workweek, time and one-half (1½) rate shall be paid for work on the day(s) the least number of hours are worked.

## **ARTICLE 10 – SICK LEAVE**

Incorporate the Letter of Agreement Regarding Executive Board / Bargaining Committee Hours Sick Leave Cash Out into the Agreement, adding a new Article 10, Section 10.8 (A).

## **ARTICLE 14 — HEALTH INSURANCE BENEFITS**

**Effective January 1, 2025, increase the dental annual maximum from \$2,000/year to \$2,500/year, for both Level 2 and Level 3 benefit levels.**

14.1 The Employer agrees to pay into the UFCW Local 555 – Employers Health Trust the monthly composite contributions specified below on behalf of eligible employees for the purpose of providing group insurance benefits for the employees covered by this Agreement. For purposes of this Article, an eligible employee is one who has successfully completed the probationary period set forth in Paragraph 2.5 (New Employee Evaluation) above, and has been compensated for **the following straight time compensable hours:** ~~eighty (80) or more straight time compensable hours during the preceding calendar month.~~

**To measure for eligibility, instead of a calendar month, the Employer will apply either four (4) or five (5) week months. In a 4-week month, the employee must have been compensated for eighty (80) or more straight time compensable hours. In a 5-week month, the employee must have been compensated for one hundred (100) or more straight time compensable hours.**

Contributions on new employees shall commence with hours worked beginning the first day of the month following the month in which the new employee completes his or her probationary period as outlined in Paragraph 2.5 (New Employee Evaluation) above.

14.2 Employer Contributions. The following shall be the Employer share of the monthly contribution rate:

- (a) ~~Effective with September 2020 hours (October 2020 payment),~~ ~~†~~ The Employer contribution rate shall be six hundred eleven dollars and three cents (\$611.03) per month.
- (b) Effective with July 1, ~~2027~~2024 hours (August ~~2027~~2024 payment), the Employer will increase its contribution up to a maximum of six hundred fifty dollars (\$650) per month, if necessary, to address the amount the co-consultants agree that total expenses exceed total income for that specific month, calculated as follows:

The consultants will determine the actual cost of the plan as of August ~~2027~~2024 using (1) the 12 months actual incurred plan expenses for the period ending May 30, ~~2027~~2024 adjusted to reflect trend to the 12-month period ending August 31, ~~2027~~2024, (2) the actual employee contributions for the 12-month period ending May 30, ~~2027~~2024, (3) actual hours for the 12-month period ending May 30, ~~2027~~2024, and (4) actual investment/other income. The contribution rate will be set at this amount effective July ~~2027~~2024 hours, not to exceed the maximum amount of \$650 per eligible per month on a composite basis.

The Employer's obligation to increase its contribution rate terminates on **September 11, 2027**~~August 10, 2024~~. After that date the Employer shall be obligated only to continue making

the contribution rate in effect on ~~September 11, 2027~~ August 10, 2024, unless the Parties specifically negotiate increases in the contribution rate after that date.

In the event that the required contribution increase exceeds the same amount of the maximum Employer contribution as set forth above, the difference shall be made up through plan benefit modifications and/or an increase in the employee contribution.

14.3 Employee Contributions. Weekly employee contributions will be:

Opt Out	All Levels	\$0.00
Level 1	Employee Only	\$7.00
	Employee + Child	\$12.00
	Employee + Spouse	N/A
	Employee + Family	N/A
Level 2	Employee Only	\$10.00
	Employee + Child	\$15.00
	Employee + Spouse	\$20.00
	Employee + Family	\$25.00
Level 3	Employee Only	\$10.00
	Employee + Child	\$15.00
	Employee + Spouse	\$20.00
	Employee + Family	\$25.00

- (a) Payroll Deductions For Past Due Employee Contributions. When the proper payroll deduction for the employee contribution was not made, the Employer is authorized to make appropriate payroll corrections, including recovering the amount due in the form of a weekly payroll deduction, with the following limitations:
- (1) The maximum amount of money that may be deducted per payroll period shall be two times the weekly amount owed by the employee; and
  - (2) The maximum total recovery of past due contributions shall be limited to eight (8) weeks in a rolling 12 month period (12 weeks in a rolling 12 month period if the missed contributions are due to a FMLA leave) and the employer will not seek further recovery from the employee.

During the term of this agreement, if the employee contribution is increased above \$25/week, the parties will meet and confer before the employer seeks to recoup more than \$25 per week.

- (b) Working Spouse Option. A participant with a working spouse (or qualified same-sex domestic partner) who has health (Medical and Prescription) coverage available from their employer, may choose to have the spouse or qualified same-sex domestic partner covered in full on a primary basis by the UFCW555-EHT for an additional \$100 per month. Spouses or qualified same-sex domestic partners choosing coverage available through their own employer shall be covered on a secondary basis by UFCW555-EHT.

14.4 Retiree Health and Welfare Benefits. Health and welfare benefits will be provided for all United Food & Commercial Workers Union Local 555 members and their dependents drawing retirement benefits (present and future) from the Oregon Retail Employees Pension Trust, in accordance with the provisions of Paragraph 14.5 (Retiree Health and Welfare – Eligibility Requirements) below. The Trustees of the UFCW Local 555 - Employers Health Trust will establish and administer the Retiree Health and Welfare Plan. *NOTE: For purposes of this Article, Oregon Retail Employees Pension Trust includes the Butchers Pension Plan of the Oregon Retail Employees Pension Trust.*

14.5 Retiree Health and Welfare - Eligibility Requirements. Retiree health and welfare coverage shall be provided for persons who meet all of the following requirements:

- (a) Be a retiree who is currently receiving the Oregon Retail Employees Pension Trust pension benefit or disability retirement (either regular or spouse option), based on the Oregon Retail Employees Pension Plan in effect as of October 1, 1987; and
- (b) Have been covered as an employee under the plan for hospital, medical, surgical, and prescription drug benefits for sixty (60) months of the eighty-four (84) months immediately preceding the date of retirement. For purposes of this requirement, “covered as an employee under the plan” shall mean coverage under the UFCW Local 555 - Employers Health Trust.
- (c) An employee opting for retirement before age sixty-five (65) must be at least fifty-five (55) years of age, have completed fifteen (15) years or more of service for retirement purposes with the Oregon Retail Employees Pension Trust (unreduced early retirement benefits beginning at age sixty [60] for those with fifteen [15] years credited service or who satisfy the 750-hour recency test), and have contributions made on their behalf for sixty (60) out of the last eighty-four

(84) months and make self-payments at the current premium rate until age sixty-five (65).

14.6 Reserves. Rates shall be set each year based on the projected contribution needed to maintain benefits and leave the Trust with one (1) month of unrestricted reserves (in addition to the IBNR and lag month reserve) at the end of the year.

**Effective the first of the month following ratification, there shall be an Employer contribution holiday until excess reserves are at three (3) months of expenses.**

14.7 Termination of Coverage. The Employer shall not be obligated to make a contribution on any hours for which the employee receives compensation during the employee's final month of employment, regardless of the number of hours for which the employee received compensation. Upon a participant's termination of employment from any participating Employer, eligibility for benefits will terminate on the last day of the month of termination of employment.

14.8 Funding of Retiree Health and Welfare Benefits. The amount allocated for Retiree Health and Welfare will not exceed four dollars (\$4.00) per month from the total Employer health and welfare contribution. Such contribution and the amounts set forth herein shall be used to maintain the level of benefits provided retirees. In the event the cost of retiree health and welfare exceeds the amount specified above during the life of this Agreement, the Parties are instructed to direct the Trustees of the Health and Welfare Trust to adjust benefits to retirees to bring the cost of the benefits within the limitations of the requirement provided above.

14.9 Employer Obligation - Funding Only. The Employer's obligation to pay contributions to help fund retiree health benefits for eligible retirees is limited to the commitment to pay the hourly rate based upon hours worked by current employees for the duration of this Agreement. While the Employer has agreed to monthly payments which may purchase retiree benefits, the Employer has not agreed to fund or guarantee benefits which are either vested or unvested for employees now retired or present employees who subsequently retire.

14.10 Newly Organized Groups. Employees who are covered by any of the Employer's Medical Health Care Plans, who become unionized, shall be placed on the appropriate level of the Union Health Trust Plan based on their hire date.

## **ARTICLE 19 — GRIEVANCE AND ARBITRATION PROCEDURES**

19.2 Mandatory Fact-Finding. Any such grievance shall be adjusted by accredited representatives of the Employer and the Union and the Parties agree to participate in a mandatory

fact-finding meeting in which the grievant(s) shall participate. **Such meeting may, at the request of either party, be conducted virtually.**

**19.3 (Insert New) Except by mutual agreement, once a timely grievance has been filed, verbal and/or written warnings need not be processed further through the grievance procedure. In such case, the grieving party may challenge the basis of the written warning if it is used to support further discipline in the future.**

~~19.4 Prompt Issuance of Decision and Award. The Arbitrator shall render the decision and award within thirty (30) days of the close of the hearing or the receipt of briefs, whichever is later; any Arbitrator failing to comply with these provisions shall not be compensated except for actual costs incurred. The moving Party shall notify the Arbitrator of this provision during the selection process. If the assignment is refused, the last Arbitrator struck from the list shall be selected as an alternate. By mutual agreement between the Parties, the Arbitrator may also be requested in advance to be prepared to render a bench decision at the close of the arbitration hearing.~~

## **LOU CONCERNING VARIOUS SUBJECTS**

2. Resolution of Grievances – Employee Must Be Present at Grievance Steps. The Parties agree that when an employee grieves a disciplinary action of the Employer, the affected employee must be present **and actively participate** at all fact-finding and arbitration steps of the dispute’s resolution procedure, unless the Parties mutually agree otherwise in writing. Failure of an employee to appear as required shall result in the grievance being withdrawn. Such grievances may not thereafter be refiled.

~~3. Seniority and the Assignment of Hours. The Employers and the Union agree to meet not less than four (4) times a year as needed to discuss assignments of hours problems within the various stores. Though this Letter is not a part of the Labor Agreement, it represents the spirit and intent of the final settlement agreement reached.~~

~~4. Child Care. The Employers and the Union agree to establish a child care task force made up of UFCW Local 555 representatives and interested retail food industry representatives to act as a steering committee to study child care needs of industry employees and to make recommendations to the Union and interested Employers concerning child care.~~

Incorporate the **Letter of Understanding Regarding Workplace Safety and Emergency Provisions** into the body of the Agreement, adding a new Article titled “Workplace Safety & Emergency Provisions” and subsequent Sections.



**(NEW) LETTER OF UNDERSTANDING REGARDING THIRD PARTY CUT PRODUCE VENDOR**

This Letter of Understanding summarizes the key elements associated with transitioning from off-site to on-site.

- Current associates will not have their hours reduced as a direct result of the implementation of this agreement.
- The Company reserves the right to have a third party continue to produce all cut produce products.
- The vendor staff will have full access and utilize preparation areas within the store for the production of cut produce items.
- The vendor duties will consist of but are not limited to: gathering produce from coolers and staging areas, cutting produce, packaging, labeling and stocking all cut produce items for customer purchase.

**MEAT AGREEMENTS:**

Delete 6.14 ~~Superannuated Employees—Wage Rates.~~ The wages of superannuated employees shall be determined by the Executive Board of the Union, the Employer, and the superannuated employee acting jointly.