

03/01/2021 – 02/28/2024

**WAGE & WORKING AGREEMENT**  
By and Between

Macy's Tacoma Furniture Gallery  
and  
United Food and Commercial Workers No. 367

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3/1/21 -2/28/24

## Macy's Furniture Gallery Wage & Working Agreement

This agreement, mutually entered into by and between Macy's Furniture Gallery, Tacoma Washington hereinafter called the "Employer", and United Food and Commercial Workers Union Local No. 367 chartered by the United Food and Commercial Workers International Union, CLC, hereinafter called the "Union".

WITNESSETH:

That for the mutual benefit of the parties hereto, it is hereby expressly agreed that the following shall be the scale of wages, the limitation of hours, and the rules and working conditions to be observed by the parties of this Agreement. The Union retains all rights given it by the provisions of the Agreement as by law. Management of each store retains all rights except as those rights may be limited by this Agreement or by law.

### SECTION 1 - Union Security

1.01 The Employer recognizes the Union as the sole exclusive collective bargaining agent for its retail store employees in the classifications set forth herein with respect to rates of pay, wages, hours and other conditions of employment.

1.02 The Employer agrees that employees shall, as a condition of continued employment, become and remain members of the Union on and after thirty (30) days following the date of employment, or the date of execution of this agreement, whichever is the latter. The Employer will provide a monthly list, by the 15th day after the close of the prior fiscal month of all employees, including new hires, terminations, transfers, and employees returning from a leave of absence. The list will include name, hire date, wage rate, job title, associate number, total hours paid during the previous month and store number. Electronic mail may be used.

1.03 The Employer agrees not to keep in his employ in the classifications listed herein, anyone whose membership in the Union has been terminated because of failure to tender periodic dues or initiation fees uniformly required as a condition of acquiring or retaining membership in the Union.

1.04 All new employees failing or refusing to secure membership in the Union as provided above, shall, upon written demand by an authorized officer of the Union, be released from the employ of the Employer.

1.05 During the term of this Agreement, the Employer shall deduct uniform dues and fees from the pay of each member of the Union who voluntarily executes a wage assignment authorization form. When filed with the Employer, the authorization form will be honored in accordance with its terms. The amount deducted and a roster of all employees using payroll deduction will be promptly transmitted monthly to the Union by check payable to its order (or Electronic Funds

Transfer (EFT) if capable). Upon issuance and transmission of a check to the Union, the Employer's responsibility shall cease with respect to such deductions. The Union and each employee authorizing the assignment of wages for the payment of Union dues hereby undertakes to indemnify and hold the Employer harmless from all claims, demands, suits or other forms of liability that may arise against the Employer for or on account of any deduction made from the wages of such employee.

Colleagues who are on an approved Company leave of absence (LOA), for a full calendar month(s), will neither be required to pay union dues nor will the Employer be required to accrue dues, while such colleague is on leave. Upon such colleagues return, the Employer will resume deduction of union dues; such colleagues will not be required to remit dues that were missed while out for a full calendar month(s) (i.e. 1<sup>st</sup> day of the month to last day of month). Colleagues are responsible for applying for leave of absence timely.

1.06 The company agrees to give the union the opportunity to give a presentation to each new colleague covered by the bargaining unit following their completed new hire orientation. The union and the company will agree on the content of the presentation and any information provided in new hire packets.

1.07 Negotiating team members (not to exceed 2) shall be given unpaid release time for joint negotiations of this agreement between UFCW Local 367 and Macy's. Time spent during negotiations will be treated as time worked for the purposes of seniority and benefit hours accrual to include holiday pay in accordance with 11.02.

## SECTION 2 - Jurisdiction

2.01 All salespersons employed by Macy's Furniture Gallery in Tacoma Washington and all other employees shall be members of the United Food and Commercial Workers Union Local No. 367.

This Agreement shall not apply to management, merchandising and operating executives, confidential employees and supervisors as they are defined in the *Labor Management Relations Act of 1947*, as amended, and management trainees.

2.02 Union Visitation - For the purposes of seeing that the conditions under which members of this Union are working are in accord with this Agreement, officials of the Union who are not on the payroll of the Employer shall be permitted to visit any store covered by this Agreement. In making such visits, Union officials will notify the Human Resource Office and/or Senior Store Management on arrival and shall not interfere with customer service nor interrupt any Associate's work. The Union will notify management of the day it intends to visit those members who work anytime the store is closed for business. No more than two Union officials will visit the store at any one time.

### SECTION 3 - Hours of Employment

3.01 Working hours shall be as follows: forty (40) hours, consisting of not more than five (5) days of eight (8) hours each, Sunday through Saturday, shall constitute the basic work week for regular full-time employees. Lunch periods shall be one (1) hour. In the case of an employee working a shift of six (6) hours or less, one-half (1/2) hour lunch periods may be granted. Lunch periods shall be no sooner than two (2) hours nor later than five (5) hours into an employee's schedule. Time worked in excess of eight (8) hours in any one (1) day, or forty (40) hours in any one (1) week, shall be paid for at the overtime rate of time and one-half (1-1/2).

Time worked on the sixth (6th) day, Sunday through Saturday, shall be voluntary and shall be paid for at the straight time rate. This option is with the understanding that hours on the sixth (6th) day shall be in addition to the regular schedule. Employees shall not be required to take time off in lieu of receiving overtime pay.

Designation of daily hours to be worked shall be at the discretion of the Employer, provided there shall be no split shifts and that the employee will continue to properly serve customers who are in the store at closing time.

3.02 The Employer recognizes the desirability of giving employees as much notice as possible in the planning of their weekly schedules of work and accordingly agrees to post in the company website and P.O.S. a work schedule not later than 6:00 p.m. on Thursday two weeks preceding the start of the work week. Upon implementation of MySchedule Plus (MSP) for sales associates, 9 days prior to the first scheduled work week, schedules will be made available.

The work schedule shall not be changed except in case of emergency or where the change is mutually agreed to between the Employer and the employee affected. A power outage, inclement weather conditions, are examples of emergencies justifying a change in employee's schedule, providing the employee is called before leaving for work. If the employee arrives at work without notification, he/she will be paid for their full shift as scheduled on that day, but no less than four (4) hours.

In the case of an emergency, employees are expected to call the established emergency phone line for instructions if, through prior understanding, and or public notice, they had reason to believe the store could be closed on their regularly scheduled day. A further condition to the notification is the employee's responsibility to keep the Human Resources Office informed in writing of his/her present address and telephone number.

3.03 The day off shall be designated by the Employer. Employees shall be entitled to a preferred day off based on seniority.

3.04 No employee shall be called to work for less than four (4) hours during day shifts and upon MSP implementation for sales associates, three and one half hours during evening shifts.

3.05 Sunday Premium will be calculated as follows:

- For all colleagues hired on or before June 1, 1987, except during inventory, all work performed on Sunday shall be paid for at time and one-half (1-1/2)
- For all colleagues hired after June 1, 1987 and prior to July 25, 1996, a one dollar (\$1.00) per hour premium will be paid in lieu of time and one-half (1-1/2) for all hours worked on Sunday.
- For all Colleagues hired after July 25, 1996 and prior to November 3, 2000, a fifty cent (\$0.50) per hour premium will be paid in lieu of time and one-half (1-1/2) for all hours worked on Sunday.
- For all Colleagues hired after November 3, 2000, all hours worked on Sunday will be paid at the straight-time hourly wage rate.

3.06 For employees hired prior to May 1, 1987, all work on Sunday shall be voluntary. Any of these employees who choose not to work on Sunday shall not be discriminated against. Upon implementation of MySchedule Plus, associates hired prior to May 1, 1987, shall be given a one-time opportunity to select to work or not to work on Sundays. Associates who choose not to work on Sunday shall not be discriminated against.

3.07 Consistent with the needs of business, the Employer shall make every effort to spread Sunday work among Associates.

3.08 Associates within the same department may, by mutual agreement, trade single shifts provided the employer has approved the trade.

3.09 There shall be a minimum of ten (10) hours between scheduled straight-time shifts. Work performed prior to the ten (10) hours or between two (2) straight-time shifts, when scheduled by the Employer, shall be paid at the rate of time and one-half (1-1/2) up to the end of the ten (10) hour rest period, unless the shift was one voluntarily picked up by a Sales Associate following the implementation of MySchedule Plus.

Associates, by mutual agreement, may be scheduled to work with less than ten (10) hours rest between shifts during the Holiday Season and inventory, at the straight-time rate of pay.

3.10 Rest periods for bargaining unit Colleagues shall be as follows:

- Six (6) Hours or more  
Fifteen (15) minutes in each of the two (2) shifts, which shall constitute the total time away from the work station.
- Six (6) Hours or less  
One fifteen (15) minute relief period in the longer shift, which shall constitute the total time away from the work station.
- Five (5) Hours  
Fifteen (15) minutes a shift.
- Part-Time (PT)  
Fifteen (15) minutes in each shift.

## SECTION 4 - Seniority & Available Hours

4.01 The following provisions shall prevail upon completion of a probationary period of ninety (90) consecutive days. Termination during the probationary period shall not be subject to the provisions of Section 16. Realizing the importance and necessity of protecting the interests of both parties to this Agreement in case of layoffs, it is agreed and understood that ample consideration will be given the employees with reference to their qualifications and their length of service with the Company. In the restoration to the service of laid off employees, the same consideration will be given.

4.02 An associate who within the posted time period, makes a written request for an open position in another department, will be given fair and reasonable consideration. Where merit and ability are equal, an associate's store seniority and availability shall be recognized when considering an associate's written request for transfer to job openings. The transferring associate will carry the store seniority to the new department for the purpose of determining vacation, holidays, decrease in hours and for layoffs. There is no bumping allowed under this provision. Any subsequent increase in hours or preferred days off selections will be based on department seniority. All such transfers shall be voluntary.

4.03 Seniority shall be on a departmental basis by store. Where merit and ability are equal, an employee's seniority shall be recognized when it is necessary to increase or decrease the number of regular employees or their work hours. Merit and ability means the merit and ability to do an available job in a good and proficient manner, taking into consideration an employee's total conduct, performance, and contribution. Employees changing their availability, shall notify the personnel office in writing. Whenever feasible, it is the store's desire to provide as many hours as possible to our senior employees prior to scheduling less senior or new hires.

4.03.1 The Employer shall be the judge of whether the merit and ability of the employees are equal; but this judgment shall be fairly and reasonably exercised. If a senior employee in a department is not returned to work or has his/her hours reduced or is laid off, and the Employer's judgment as to this employee's merit and ability is challenged through the grievance procedure, it shall be the obligation of the Employer to demonstrate that the merit and ability of the senior employee was not equal to that of the preferred junior employee.

4.04 The employer agrees to continue to observe the following grandfather examples discussed by the parties during bargaining.

1. Employees currently paid at a commission rate(s) that is higher than the rate set forth in this Agreement;
2. Employees currently receiving B&I's as of the date this Agreement is ratified;
3. Employees opting to remain under the existing Tacoma Mall Macy's holiday Section 11 provisions.

#### 4.05 Regarding MySchedule Plus Implementation of MySchedule Plus

Macy's, Inc. shall give UFCW Local #367 no less than ninety (90) days' notice of the implementation of the MySchedule Plus scheduling program and will not implement the MySchedule Plus scheduling program any earlier than February 1, 2011.

##### Selling Zones

The parties shall hold a Labor Management Committee meeting to determine appropriate selling zones. This meeting will take place shortly after the Company provides ninety (90) days' notice of MySchedule Plus, and determination of selling zones will be completed prior to implementation of MySchedule Plus.

##### Full-Time Positions Under MySchedule Plus System

The MySchedule Plus scheduling system is not designed or intended to reduce full-time positions as defined in Full-Time Option One or Full-Time Option Two.

##### Grievances and MySchedule Plus

Issues arising from the selection of additional shifts through MySchedule Plus shall not be subject to the grievance procedure. However, Macy's shall make a good faith effort to investigate and remedy situations involving erroneous seniority dates. This Memorandum of Understanding shall expire at the end of this Collective Bargaining Agreement.

##### Regarding Health and Welfare Eligibility

Each month, the Employer shall provide the Union a report reflecting available hours that were not selected by associates through the MySchedule Plus program. Each quarter, the Employer shall provide the Union with a list of associates in jeopardy of losing health and welfare coverage. If it is determined that there are mitigating circumstances such as no available hours to select through MySchedule Plus, the associate will not lose coverage.

#### 4.06 Regarding: MySchedule Plus Selling Schedules

##### Full-Time Option 1 – Grandfathered

Current associates may select a 5-day per week assigned work schedule. Shift length shall be 7.5 hours per day (37.5 hours per week). Associates who have been compensated an average of 39 to 40 hours per week over the past 52 weeks shall continue to work a 40 hour per week schedule should they choose to do so. Associates who work more than six hour shifts but less than eight hour shifts shall no longer be paid for time not actually worked. However those associates may choose to work a 40 hour per week work schedule.

##### Full-Time Option 1A (New)

You will be assigned 5 days with 35-40 hours per week assigned. Shift length shall be 6-8 hours per day (5.5 – 8 hours per day on Sunday).

### Full-Time Option 2 – Grandfathered

Current Associates may select a 4-day per week assigned work schedule. Shift length shall be 7 to 7.5 hours (28 to 30 hours per week). Associates selecting this option shall have the ability to test this schedule for a period not to exceed six (6) months. Upon giving the Company four (4) weeks' notice, the Associate may opt to select Full-Time Option 1 and be assigned 37.5 hours per week. In the event that the associate is participating in Full-Time medical and dental plans, the Company will grandfather participation in that plan if the Associate continues to work a minimum of 28 hours per week.

### Full-Time Option 2A (New)

You will be assigned 4 days with 28-32 hours per week assigned. Shift length shall be 6-8 hours per day (5.5 – 8 hours per day on Sundays).

### Part Time Option 1

Associates hired after implementation of MySchedule Plus may have a Company assigned weekly work schedule with a maximum of 4 days assigned. Associates shall be assigned 12-20 hours per week. Shifts lengths shall be 3.5 to 7.5 hours.

### Schedule Options & Process for Selling Associates Effective Upon Implementation of MySchedule Plus

- I. Full-Time Option 1 and 1A Associates will choose one preferred day off Monday through Thursday by seniority. They may also choose one preferred morning off Monday through Friday by seniority, and will not be scheduled to work prior to 1:00 on that day.
- II. Full-Time Option 2 and 2A Associates may select up to 5 mornings off Monday through Friday or select up to 4 evenings off Monday through Thursday or select 2 full days off Monday through Thursday by selecting 2 mornings and 2 evenings on the same day. Conflicts in selections shall be resolved by seniority.
- III. Full-Time Option 1/1A and Full Time Option 2/2A Associates will be scheduled a maximum of 2 late shifts per week. A late shift is defined as any shift ending after 7:15 p.m.
- IV. Full-Time Option 1/1A and Full Time Option 2/2A Associates will have three (3) days to use per month in any combination. Two (2) of which may be utilized on Saturday/Sunday, except on key days. Where possible, requests to opt out of the weekend off rotation shall be granted by seniority.
- V. Part-Time Option 1 Associates may select up to 5 mornings off Monday through Friday or select up to 4 evenings off Monday through Thursday or select 4 full days off Monday through Thursday. Conflicts in selections shall be resolved by seniority.
- VI. Part-Time Option 1 Associates will be scheduled a maximum of 4 late night shifts per week. A late night shift is defined as any shift ending after 7:15 p.m.

VII. Full-time benefits eligibility, including medical, shall be 30 average weekly hours paid per week. Those colleagues who moved from Full-Time Option 2 to Full-Time Option 1 in 2009 (original MSP implementation) and who work a minimum of 28 average weekly hours shall continue to be eligible for Full-Time benefits, including medical.

VIII. Overtime hours shall be by seniority.

IX. Grandfathered colleagues (FT Option 1 and 2) will have the opportunity to select any NEW FT option provided. Associates who choose to leave their grandfathered option shall be prohibited from returning to a grandfathered option. Grandfathered Colleagues do not have the ability to move from one grandfathered option to another as they are closed for entry.

#### Temporary Requests and Selection of Shifts

1. Minimum four (4) weeks prior to the live schedule, all Selling Associates shall indicate their paid time off and temporary requests for that week (a temporary request is a particular day they would need to be off in addition to their regular day off). These temporary requests are designed to be for periodic needs (as opposed to weekly) and will be accommodated whenever possible. If a conflict arises regarding requests of multiple individuals, the day off shall be resolved by seniority. Preferences shall be considered during non-peak times and shall be ignored during events or busy days in accordance with the needs of the Company.

2. Minimum Nine (9) days prior to the live schedule, associates will view the Company generated schedule, inclusive of paid time off and temporary requests.

3. Beginning that day and for two days, the Associate is provided available shifts to pick up in his or her selling zone (prior to them being made available to on-calls and temporary employees).

4. For the first six (6) hours following the posting of the schedule, selection of additional shifts shall be limited to associates with five or more years of service. Auditing of this process shall be at the sole discretion of the Company. Associates determined to have violated this provision may be subject to discipline.

5. Following this two-day limit period, and up to the actual work day, all associates can pick up additional shifts.

6. If no additional shifts are made available to any associate, minimum nine (9) days prior to the live schedule, conflicts concerning the number of assigned hours shall be resolved by seniority.

#### SECTION 5 - General Provisions

5.01 No employee shall be disciplined or discharged except for just cause. The Employer shall be the judge of the competency and qualifications of the employees and shall make such judgment fairly. The Employer shall have the right to discharge any employee for insubordination,

dishonesty or failure to observe the Employer's store policy, which shall be either given to the employee or conspicuously posted, and copy made available to the Union.

5.02 Employees shall be compensated for attendance for any department or group meeting held for the purpose of imparting information pertaining to merchandise, selling techniques, store regulation procedure and/or store policies. Stores are entitled to require attendance at this type of meeting. For commission based colleagues, this time shall count as non-productive time.

5.03 Employees shall not be compensated for attendance for any store meeting for civic or patriotic purposes, such as U.S. Bond Drives, United Way, Red Cross, etc., and such meeting shall be voluntary.

5.04 Any condition or provision herein contained, relative to a wage paid to any employee contrary to the terms and conditions contained in the Fair Labor Standards Act of 1938, as amended, shall be void and of no force and effect, but shall be superseded by the pertinent provisions controlling such wage payments as contained in said Act.

5.05 To the extent provided by law, no employee will be discriminated against because of race, creed, gender, sexual orientation, gender identity or expression, age, national origin or disability as defined under the ADA. No employee shall be discriminated against for upholding union principles and any employee working under instructions of the Union or on a committee shall not lose his/her position or be discriminated against for that reason, provided there shall be no interference with required duties. A member elected to attend a convention as a Union delegate shall be granted, after reasonable notice to his/her Employer, not more than once each year, the required time that is necessary to attend such convention, provided, however, that the time such employee is off work shall constitute a leave of absence without pay.

5.06 Previous experience: Colleagues with Macy's experience in a like position, within the previous two (2) years from the date of hire shall be hired or transferred at a wage rate no less than their base rate during their prior employment period with Macy's.

5.07 Any employee authorized by the Manager or Assistant Manager of the store to use his/her automobile for Company business shall be compensated at the Internal Revenue Service standard rate per mile for all miles so used. Further, the employee must complete the standard mileage report form in its entirety and present it to the Assistant Manager of the store weekly to receive payment.

5.08 No employee in initial employment interview or testing, and no employee as a condition of continued employment, shall be required to submit to the use of a polygraph, lie detector or other like device.

5.09 The Employer shall furnish to the Union a master list of its employees upon request.

5.10 Job openings for Department Associates will be posted for seven (7) calendar days at the store where the opening exists. Open positions will be filled within fifteen (15) days following end of posting period, based upon overall practicability, seniority, availability and ability to do the work.

5.11 It is agreed and understood that should the Company require a Substance Abuse program, the Company and Union shall negotiate and submit to the members for consideration guidelines and effect on employees.

#### SECTION 6 - Jury Duty

6.01 Any employee who is required to serve on a municipal, county, or federal jury or grand jury shall be granted time off to serve. Regular associates with six months of service, who have been paid for 780 hours the prior calendar year (or an average of 15 hours the prior fiscal quarter if not employed the prior full calendar year) will receive normal pay for jury duty, without offset of compensation provided by the Court. Associates on vacation during jury duty will have the individual days serving on jury duty classified as such, and vacation allotment will be adjusted accordingly.

Paid leave is calculated as the prior fiscal quarter average weekly hours paid divided by 5 (for the daily rate), paid at their base hourly rate (or benefit rate if the associate is on a draw vs. commission pay plan).

6.01.1 An employee must notify his/her supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty.

6.01.2 An employee called for jury duty, who is temporarily excused from attendance at court, must report for work if sufficient time remains after such excuse to permit him/her to report to the store and work at least one-half (1/2) of his/her normal work shift.

6.01.3 In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public officer showing the date and time served and the amount of pay received.

6.01.4 Employees who are called to be a witness on behalf of their Employer shall be paid for such time as though it is work time.

#### SECTION 7 - Leave of Absence

7.01 All employees will be entitled to a leave of absence for the following bona fide reasons:

7.01.1 Extended non-occupational injury or illness (including pregnancy) which requires absence from work.

7.01.2 Occupational injury which requires absence from work.

7.02 Leaves of absence for personal reasons may be granted at the discretion of the Employer based upon Company Policy.

7.03 Any request for a leave of absence under the terms of paragraph 7.01 and 7.02 shall be in writing and stating the following information:

7.03.1 Reason for such request.

7.03.2 Date leave is to begin.

7.03.3 Date of return to work.

7.04 Any leave of absence may run to a maximum of six (6) months with the exception of leaves due to occupational injuries which extend up to twelve (12) months.

7.05 Upon completion of a leave of absence, the employee shall return with full seniority and longevity rights to the job previously held or to a job comparable with regard to rate of pay in the first weekly schedule prepared after the Employer has received notice in writing of the employee's availability.

7.06 The employee may be required to support his/her absence by a medical doctor's certificate, and the employee may further be required to support his/her recovery by such medical doctor's certificate. If the above provisions are not met, the employee forfeits his/her right of reinstatement under this clause.

7.07 Family/Medical Leave. As required by federal and state laws, upon completion of one (1) year continuous employment, any employee who has worked at least 1,250 hours during the prior twelve (12) months shall be entitled up to twelve (12) weeks of unpaid leave per year for the birth, adoption or placement of a foster child; to care for a spouse or immediate family member with a serious health condition; or when the employee is unable to work due to a serious health condition. The Employer shall maintain the employee's health benefits during this leave and shall reinstate the employee to the employee's former or equivalent position (same team/assignment, job status and shift). If a particular period of leave qualifies under both the Family and Medical Leave Act of 1993 (FMLA) and state law, the leaves shall run concurrently. This leave shall be interpreted consistently with rights, requirements, limitations and conditions set forth in the federal law and shall not be more broadly construed. Generally, employees must give at least thirty (30) days' advance notice to the Employer of the request for leave.

7.08 Paid Adoption Leave Benefits. For the term of this agreement, the Employer shall provide a new Adoption Leave benefit to all regular associates with twelve (12) months of service or more. Benefits include up the three (3) weeks paid leave time and financial assistance up to two thousand dollars (\$2,000) per event utilized for eligible expenses. Plan details available from the employer.

7.09 If requested, an employee may take up to six (6) months' leave of absence as union leave. The employee shall be entitled to return to the position previously held with full seniority and longevity rights.

## SECTION 8 - Bereavment Leave

8.01 If any regular employee covered by this contract suffers a death in the immediate family; i.e., spouse, domestic partner, children, parents, siblings at the request of the employee, the employee may choose up to five (5) regular working days off and shall be compensated for his/her

wage loss by payment of hourly straight-time pay (commission employee's earnings to be calculated at their benefit rate) for such time lost as a result of his/her absence from his/her employment.

8.02 If the associate suffers from a death in the immediate extended family (grandparent, grandchild, step child, step parent, step sibling, parents-in-law, parent of domestic partner, son or daughter-in-law, child of domestic partner, sister or brother-in-law or sibling of domestic partner), the employee may choose up the three (3) regular working days off with pay, as described above.

8.03 If the associate suffers from the death in the extended family (great grandparent, great grandchild, aunt, uncle, niece or nephew) the employee may choose up the one (1) regular working day off with pay, as described above.

8.04 Domestic partner designation shall comply with any and all Federal, State, or Local ordinances.

8.05 In the event the employee is notified of the death while working, the employee shall, upon request, be excused from work for the balance of the work shift. This shall be in addition to the above leave. This time shall not be charged against the quota of commission employees.

#### SECTION 9 - Paid Time Off (PTO)

9.01 The Employer's Paid Time Off (PTO) program provides eligible Colleagues time to refresh and gives them flexibility to deal with life outside of work. Eligibility is determined by the Colleague's location, status, average hours paid in the prior calendar year and length of service.

9.02 Benefit Period - The Employer's Paid Time Off (PTO) benefit period begins the first day of the fiscal year and ends the last day of the fiscal year. (The Employer's fiscal year runs February through January.)

9.03 Eligibility - Hourly Colleagues are eligible to earn and use Paid Time Off (PTO) if they:

- Are regular Full-Time (FT), regular Part-Time (PT), or Flexible Work Team.
- Have at least 6 months of regular, continuous service as of the first day of the fiscal year, and
- Were paid an average of at least 15 hours per week during the prior calendar year.

Temporary or Seasonal Colleagues are not eligible for Paid Time Off (PTO).

If a Colleague has less than 6 months of service as of the first day of the fiscal year, or if the Colleague is hired after the first day of the fiscal year, the Colleague may be eligible for a pro-rated New Hire Annual Paid Time Off (PTO) Benefit. The New Hire Annual Paid Time Off (PTO) Benefit takes effect the first of the month following—or concurrent with—six (6) months of regular service if the Colleague has been paid an average of at least fifteen (15) hours per week during the previous ninety (90) days. Any Colleague who does not meet the hours paid eligibility requirement upon achieving 6 months of service will be re-evaluated for Paid Time Off (PTO) eligibility at the beginning of the following fiscal year.

The Annual Paid Time Off (PTO) Benefit a Colleague may earn varies based on the Colleague's average number of days paid per week in the prior calendar year. For example, if during the prior calendar year, a Colleague was typically scheduled three (3) days per week but averaged four (4) days by picking up extra shifts, then this Colleague would earn Paid Time Off (PTO) benefits at the rate of four (4) days per week for the current fiscal year.

9.04 Annual PTO Benefit

9.04.1 New Hires and Colleagues with less than six (6) months of continuous service at the beginning of the fiscal year. Eligible Colleagues who averaged at least fifteen (15) hours per week during the previous ninety (90) days will earn up to the following Paid Time Off (PTO) benefit based on their month of hire:

		New Hire Maximum Annual PTO Benefit for Colleagues who Average			
Hire Date	PTO Eligibility Date	5 Days/Week**	4 Days/Week**	3 Days/Week**	2 Days/Week**
July	Feb	8 days	6 days	5 days	3 days
Aug	Mar	7 days	6 days	4 days	3 days
Sep	Apr	7 days	6 days	4 days	3 days
Oct	May	6 days	5 days	4 days	2 days
Nov	Jun	5 days	4 days	3 days	2 days
Dec	Jul	5 days	4 days	3 days	2 days
Jan	Aug	4 days	3 days	2 days	2 days
Feb	Sep	3 days	2 days	2 days	1 day
Mar	Oct	3 days	2 days	2 days	1 day
Apr	Nov	2 days	2 days	1 day	1 day
May	Dec	1 day	1 day	1 day	1 day
Jun	Jan	1 day	1 day	1 day	1 day

9.04.2 Colleagues with six (6) months of continuous service as of the beginning of the fiscal year. Colleagues who have six (6) months of continuous service as of the beginning of the fiscal year and who have been paid an average of at least fifteen (15) hours per week in the prior calendar year may, earn and use the following Annual Paid Time Off (PTO) benefit:

Service as of 2/1	Maximum Annual PTO for Colleagues who Average			
	5 Days/Week**	4 Days/Week**	3 Days/Week**	2 Days/Week**
6 months – 1 year	8 days	6 days	5 days	3 days
2 – 4 years	10 days	8 days	6 days	4 days
5 – 9 years	18 days	14 days	11 days	7 days
10 – 14 years	20 days	16 days	12 days	8 days
15 – 24 years	25 days	20 days	15 days	10 days

25 + years	30 days	24 days	18 days	12 days
**Average days paid per week in the prior calendar year (or previous ninety (90) -day period if employed for less than one (1) year). Average days are rounded up at .5 (i.e., 4.5 days = 5 days benefit; 4.2 days = 4 days benefit)				

9.05 Earning Paid Time Off (PTO) - Colleagues earn their Annual Paid Time Off (PTO) Benefit at a rate of 1/12th per month from the start of each fiscal year. Paid Time Off (PTO) is earned in the same fiscal year in which it may be taken.

Colleagues who become eligible for Paid Time Off (PTO) after the start of the fiscal year will earn Paid Time Off (PTO) on a prorated basis depending on the date, they become eligible. For example, if a Colleague becomes eligible to earn Paid Time Off (PTO) on August 1, they earn 1/6th of the Annual Paid Time Off (PTO) Benefit (as shown on the New Hire Paid Time Off (PTO) chart in 9.04.1) per month for the remaining six (6) months of the fiscal year.

Colleagues must be actively employed for the entire calendar month to earn Paid Time Off (PTO) for the month. Paid Time Off (PTO) is not earned until the month has been completed. Colleagues continue to earn Paid Time Off (PTO) while on an approved Leave of Absence (LOA). Colleagues must work at least four (4) hours in the current fiscal year before they begin earning Paid Time Off (PTO).

Carryover Paid Time Off (PTO) - Paid Time Off (PTO) must be taken in the same fiscal year it is earned, and unused Paid Time Off (PTO) may not be carried over but will be forfeited at the end of the fiscal year in which it was earned.

9.06 Using Paid Time Off (PTO) - Hourly Colleagues may request Paid Time Off (PTO) in partial day or full-day increments. The combination of Paid Time Off (PTO) and hours worked may not exceed 40 hours per week.

- Tracking Paid Time Off (PTO) - Colleagues can view their Annual Paid Time Off (PTO) Benefit, request time off and track time taken on My IN-SITE (My Day > Time Off (MTO) in the Time/Attendance section).
- Paid Time Off (PTO) is paid in the Employer's normal pay cycle.

All Paid Time Off (PTO) must be entered into the My Time Off (MTO) system by the end of the fiscal year.

9.07 Requests and Approval of Paid Time Off (PTO) - Paid Time Off (PTO) requests may be made for scheduled or unscheduled absences. Scheduled absences are absences which are requested, scheduled and approved by a People Leader prior to the date of the absence (such as vacation, etc.). A minimum of four (4) weeks prior to the live schedule, all Sales Colleagues shall indicate their Paid Time Off (PTO) requests. Unscheduled absences are absences which are not requested, scheduled or approved by a People Leader prior to the date of the absence (such as days missed due to personal illness).

### Scheduled Absences

- Paid Time Off (PTO) must be approved in advance by the Colleague's People Leader and scheduled according to the Colleague's request, as well as the department's business needs. When requesting a Paid Time Off (PTO) day, the system defaults to the Colleague's Average Daily Hours. Colleagues may request up to a maximum of forty 40 hours of Paid Time Off (PTO) in a work week. The combination of Paid Time Off (PTO) taken and hours worked may not exceed forty (40) hours per week.
- Colleagues may request Paid Time Off (PTO) for the hours they would have worked had they not used Paid Time Off (PTO). Requests of more or less than the Colleague's Average Daily Hours, or scheduled hours for the day, are subject to a People Leader's approval and will be approved based on business needs.
- Colleagues can request to take a half-Paid Time Off (PTO) day ("Partial Paid Time Off (PTO) day") only if they have six (6) or more Average Daily Hours. When requesting a Partial Paid Time Off (PTO) day, the Colleague must work the remaining half of their shift. If the Colleague does not work the remaining half shift, it will be considered an unscheduled absence and counted as a full Paid Time Off (PTO) day.

When selecting a Partial Paid Time Off (PTO) day, the My Time Off (MTO) system defaults to half Colleague's Average Daily Hours. Stores Colleagues may take Paid Time Off (PTO) in minimum increments of three (3) hours.

Colleagues may take less than the applicable minimum increment of Paid Time Off (PTO) (either two (2) or three (3) hours as noted above) only if they have less than two (2) or three (3) hours left of their Annual Paid Time Off (PTO) Benefit. At this point, all remaining Paid Time Off (PTO) must be taken at one (1) time.

Colleagues may not request more than two consecutive weeks of Paid Time Off (PTO) at one (1) time.

If more than one (1) Colleague requests to take Paid Time Off (PTO) in the same timeframe, the Colleague with longer service will be given priority.

9.08 Unscheduled Absences - When a Colleague has an unscheduled absence, the Colleague is responsible for calling the location's Call-Out line (if one exists) or their People Leader prior to the start of their shift. A Colleague's attendance may be impacted (for more information, please see Letter of Understanding #18 - Attendance).

- For unscheduled absences, Colleagues are not required to use a Paid Time Off (PTO) day. If a Colleague does not request to be paid for an unscheduled absence, the day will be unpaid. If the Colleague wishes to be paid for the day, their People Leader will enter unscheduled Paid Time Off (PTO) equal to the Colleague's scheduled hours for the day.

For Stores Colleagues, if an unscheduled absence is taken on a day that is an exception (black) or key day (purple) on the exception calendar, it can only be paid if approved by the VPSM.

- Even if a Colleague used and receives payment for a Paid Time Off (PTO) day in conjunction with an unscheduled day, the Colleague will still use an Attendance Credit per the Letter of Understanding #18 - Attendance.

Legally Mandated Sick Time - The Employer complies with all federal, state, and local laws, rules and regulations, requiring employers to provide paid sick time. Where permitted by applicable law, sick pay will be included in the Colleague's Annual Paid Time Off Benefit as described in Section 9.04. When Colleagues use a Paid Time Off (PTO) as paid sick time, they may not be required to provide as much notice, the days may not be subject to any blackout period, and/or the time may be used in increments smaller than three (3) hours.

9.09 Change of Job Status - Colleagues who experience a change in job status during the fiscal year will, for the remainder of the same fiscal year, continue to earn and take Paid Time Off (PTO) up to the Annual Paid Time Off (PTO) Benefit which is applied prior to the change in status.

For examples:

- A Colleague who changes status from Part-Time (PT) to Full-Time (FT) during the fiscal year will retain their Part-Time (PT) Annual Paid Time Off (PTO) Benefit for the remainder of that fiscal year.
- A Colleague who changes status from Full-Time (FT) to Part-Time (PT) during the fiscal year will retain their Full-Time (FT) Annual Paid Time Off (PTO) Benefit for the remainder of that fiscal year.
- A Flex Team Colleague who changes status to Part-Time (PT) or Full-Time (FT) becomes eligible for, and begins to earn, Paid Time Off (PTO) the first day of the month after reaching six (6) months of benefits eligible service.
- A bargaining unit Colleague who changes to Flex Team status will no longer be eligible for Paid Time Off (PTO) for the remainder of the year of status change. The Colleague will receive payment for their earned but unused Paid Time Off (PTO) balance when their status changes to Flex Team. Pursuant to Section 9.03, such colleague will be re-evaluated for Paid Time Off (PTO) eligibility at the beginning of the following fiscal year.
- If an Hourly Colleague changes status to a People Leader and this move makes the Colleague eligible to earn additional Paid Time Off (PTO):
  - Effective the first day of the month following the change in status, the amount of Paid Time Off (PTO) the individual can earn each month will accelerate.
  - If this change in status occurs during the first year of employment or before

a Colleague has any Paid Time Off (PTO) entitlement (i.e., was not in a benefits eligible status), the Executive Paid Time Off (PTO) benefit will be provided using the New Hire Annual Paid Time Off (PTO) Benefit guidelines described in the Executive Colleague PTO Policy.

- For subsequent fiscal years, the Executive's Annual Paid Time Off (PTO) Benefit will be granted based on the date the Colleague became benefit eligible (the "benefits service date").
- If a People Leader changes status to an Hourly Colleague, they will maintain their Executive Paid Time Off (PTO) benefits for the remainder of that fiscal year. In subsequent fiscal years, the Colleague will receive the Paid Time Off (PTO) benefit applicable to their Hourly Colleague status.

9.10 Leaves of Absence (LOA) - For personal Leaves of Absence (LOA), which would otherwise be unpaid, a Colleague is required to use earned Paid Time Off (PTO) concurrent with the personal Leave of Absence (LOA). For other approved unpaid Leave of Absence (LOA), Colleagues may use Paid Time Off (PTO) concurrent with the Leave of Absence (LOA).

Colleagues on Leave of Absence (LOA) during an entire fiscal year will receive their Annual Paid Time Off (PTO) Benefit during the subsequent fiscal year based on standard hours only after they have worked at least four (4) hours in that subsequent fiscal year.

9.11 Payment Upon Termination - Colleague who separates from the Employer will be paid for any earned but unused Paid Time Off (PTO) through the last day of employment. A Colleague must be actively employed for the entire calendar month to receive payment for the month.

9.12 Rehire - Upon rehire, Colleagues with interrupted service are considered to be new Colleagues and become eligible for new hire benefits as outlined in 9.03 and 9.04 above.

Upon rehire, Colleagues whose service is bridged will be eligible for the same Annual Paid Time Off (PTO) Benefit they had at the time their employment last terminated, and they will begin to earn Paid Time Off (PTO) immediately.

9.13 Illness During Paid Time Off (PTO) - Colleagues will not receive additional Paid Time Off (PTO) when illness or disability occurs during scheduled Paid Time Off (PTO). If appropriate, a Leave of Absence (LOA) may be approved to provide additional time off after the scheduled Paid Time Off (PTO) is exhausted.

9.14 Bereavement During Paid Time Off (PTO) - If a Colleague becomes eligible for Bereavement Leave while using Paid Time Off (PTO), their Paid Time Off (PTO) may be extended or postponed by the number of bereavement days provided under the SECTION 8 Bereavement Leave. The Colleague should notify their People Leader promptly after becoming aware of the death.

## SECTION 10 - Holidays

10.01 All non-probationary employees shall be paid for all holidays, provided they work the holiday as scheduled and his/her scheduled working day preceding and his/her scheduled working day following the holiday; however, in the case of a bona fide illness, injury or excused absence by an authorized executive an employee will be entitled to holiday pay, provided that the employee works within either the ten (10) calendar day period prior to the holiday or the ten (10) calendar day period following the holiday.

The following holidays are to be observed:

New Year's Day	Labor Day	Memorial Day
Independence Day	Martin Luther King Day	Thanksgiving Day
Christmas Day		

In recognition of President's Day, a personal floating holiday (or Paid Time Off (PTO) if a Colleague is employed prior to December 15, 2010) may be scheduled by Colleagues who are eligible for Holiday pay, under 10.01 and are employed on the observed President's Day Holiday.

During the week in which any of the above holidays fall, the holiday may be the day off of all employees, and all employees may work five (5) days that week for six (6) days' straight-time pay.

When a holiday falls during an employee's vacation, his/her vacation shall be extended by one (1) day, or he/she may be paid in lieu of an extra day off. Work on any and all scheduled holidays shall be paid for at one and one-half (1-1/2) times the employee's regular hourly pay, plus his/her regular holiday pay.

For hours worked on a holiday the employees' straight time hourly rate shall be charged against commission earnings, the half-time rate will be paid in addition thereto. For the purposes of Section 11, the term "newly hired Colleagues" means those Colleagues employed later than December 15, 2010; "current Colleagues" means those Colleagues employed on or prior to December 15, 2010.

10.02 All Colleagues shall be paid regular pay for holidays and personal days on the basis of the colleagues PTO average hours compensated during the previous fiscal year. Employees hired for the Holiday Season or extra employees on call shall not be entitled to holiday pay under the terms of this agreement.

10.03 Holiday pay to contractual commission employees shall be based upon hours and average hourly commissions received during the preceding calendar year or portion thereof.

10.04 An effort will be made to place people on a seniority basis for holiday employment with the following understanding: departmental-wise, if six (6) positions are open, two (2) full shifts, two (2) five (5)-hour shifts and two (2) four (4)-hour shifts, the employees in that department on a seniority basis will be offered the shifts available. If any person declines any part-time shift, regardless of hours, the Employer shall have the right to schedule by inverse seniority if not enough employees volunteer for holiday work.

10.05 Thanksgiving day holiday pay (1.5 times pay) will be applied to all hours worked on the shift beginning on Thanksgiving day and ending on Thanksgiving day or ending on the Friday following Thanksgiving.

#### SECTION 11 – Apprentice and Combination Employees

11.01 Apprentice Colleagues are colleagues who have not reached the “thereafter” wage. Any apprentice transferred from one department to another, shall transfer at their existing progression step based on their seniority date and continue to progress as outlined in section 13.04 until the Apprentice Colleague reaches the “thereafter” wages

#### SECTION 12 - Health and Welfare/Dental/Vision

Newly hired colleagues covered under this agreement will initially be offered benefits based on standard hours associated with the position in which they are hired. If the position has standard hours of 30 or more per week, all health and welfare benefit options (medical, dental, visions, HSA/FSA, life, AD&D, Short Term Disability, Long Term Disability, voluntary benefits) will be offered effective date of hire. If the position has standard hours of 20-29 hours per week, all other welfare benefits (HAS/FSA, dental, vision, life, AD&D, Short Term Disability, Long Term Disability, voluntary benefits) will be offered effective date of hire.

For those electing, a high deductible health plan, Colleagues may also elect to participate in a Company sponsored Health Savings Account.

12.01 For the term of this Agreement the Employer shall provide group medical insurance plans including dental and vision care. The Health/Dental/Vision benefits shall remain substantially equal for the term of this agreement. The Employer will review and consider, but not required to negotiate, any benefit plan alternative options presented to the Union, upon request. This agreement shall not preclude the Employer from making changes such as a new carrier or until utilization of a high performance network.

\*In no event will employee contributions be higher than those stated as follows:

Kaiser Gold HMO: seventy percent (70%) (employer) thirty percent (30%) (employee) cost share for D/SP, EE + child and family coverage for term of agreement.

Kaiser Platinum HMO: fifty percent (50%) (employer) fifty percent (50%) (employee) cost share for term of agreement.

Best, Better and Good Plans: fifty percent (50%) (employer) fifty percent (50%) (employee) cost share for term of agreement.

Dental Plans:

Regular Option Dental: fifty percent (50%) (employer) fifty percent (50%) (employee) cost share for term of agreement.

High Option Dental: The additional cost of the High Option Dental Plan will continue to be borne by the Colleagues.

Employees who select a Dental Plan and who do not enroll in a Medical Plan will pay one hundred percent (100%) of the cost of the Dental Plan.

12.01(a) For the term of this agreement, the Employer shall provide a new limited benefit employee paid medical plan for part-time employees with six (6) months of service who maintain at least twenty (20) hours paid per week and who otherwise are not eligible to participate in the full-time health care plan.

12.02 Disability Insurance: Associates shall contribute one hundred (100%) percent of the cost of the plan.

Long-Term Disability:

Waiting Period	Benefit Level	Duration of Benefit
Following Two Weeks' of Disability.	Sixty Percent of Basic Monthly Earnings. Some offsets may apply.	Generally Until Age 65 if Disabled.

Minimum benefit: \$50.00 per month

Maximum benefit: \$5,000 per month

12.02 Coverage under the plan will terminate as of the end of the pay period in which colleague terminates employment.

12.03 Eligibility requirements for ongoing benefits will be based on Affordable Care Act (ACA) lookback guidelines. Full-time Medical, Dental, Vision: Support employees who do not limit their availability shall be eligible for benefits regardless of how many hours they work. Benefits are effective on the first of the month following six (6) months of employment. Selling associates on the MySchedule Plus system are required to maintain no less than thirty (30) hours paid for two (2) consecutive quarters to retain eligibility for full-time benefit plans.

12.04 The Company agrees that should they disband their present Health and Welfare Plan, they will notify the Union ninety (90) days prior to disbanding. The Company further agrees to immediately start negotiations on Health and Welfare to cover the employees under the jurisdiction of the UFCW Union Local No. 367. Any negotiated plan may be subject to the approval of employees under the jurisdiction of UFCW Union Local No. 367.

SECTION 13 - Wages

13.01 Any employee being paid above the scale provided in this agreement, or enjoying working conditions in excess of the contract schedules at the time this agreement is made shall continue as to pay and working conditions already established during the life of this agreement unless otherwise indicated in this agreement.

13.02 Proposed wage increases are to the classification only and would not automatically apply to over scale employees (Maintenance of employees at over scale rates at management's discretion.) The commission rate for all employees will be 6% for all sales over quota (draw).

13.03 The following shall be the minimum wages paid, and written time and overtime hours worked, hourly rate of pay, gross earnings, deductions and net earnings. For the purposes of Section 14, the term "newly hired associates" means those associates employed later than the ratification date of this agreement; "current associates" means those associates employed on or prior to the date of ratification of this agreement.

13.04 Furniture Gallery Wage Rates. Employees will be placed on the new base rate as follows:

<u>Effective</u>	<u>Current</u>
1st 6 months (0-1040 hours)	\$13.70
2nd 6 months (1041-2080 hours)	\$13.70
Thereafter	\$13.70

The base rate will increase each year according to the adjusted Washington State minimum wage.

Lump sum payments apply as follows (this includes anyone that is above scale):

13.04(a) All associates will receive a bonus equal to the respective annual GWI amount X all hours paid the prior fiscal year. Bonus will be paid no later than thirty (30) days after date of ratification.

13.04(b) All associates at the thereafter rate on 3/1/20 will receive a fifty (\$0.50) cent bonus for all hours paid the prior fiscal year.

#### SECTION 14 - Commissions and Regulations

14.01 Commission shall be figured and paid weekly on net sales against quotas, as established in this Agreement. Deficits shall be wiped out quarterly (March 31, June 30, September 30 and December 31). Sales quotas shall be computed on the ratio of actual time worked. Associates hired December 15, 2010, and later shall have deficits wiped out on a quarterly basis up to one hundred (\$100) dollars. Sales quotas shall be computed on a ratio of actual time worked.

14.02 In order to avoid unnecessary deficits, newly hired associates at the thereafter rate, will have their draw rates evaluated on an annual basis to insure that their draw rate does not result in deficits. In the event that the prior fiscal year selling rate is below the associate's draw rate, their draw rate will be adjusted to reflect the selling rate. The adjusted draw rate will be effective the first fiscal week in May, beginning 2011.

14.03 Associates hired prior to December 15, 2010, are not subject to a reduction in their draw rate.

14.04 All commission salespeople shall receive the above wage scales, based on the commissions heretofore set forth on net sales, except under the following conditions:

14.04.1 Sales by department head to employees.

14.05 All commission salespeople shall be paid their commission earnings for the previous period on the second pay period following the end of the period and such commission earnings shall be paid separately from their weekly draw.

14.06 Drawing account or guarantees specified in this Agreement shall be considered and calculated as minimum rates of pay for services performed during straight time hours of work on a basic work week of forty (40) hours. The intent herein is to protect the Union against F.L.S.A. possibilities insofar as a basic work week of forty (40) hours is concerned.

14.07 All commission salespeople shall receive their vacation and holiday pay in addition to their monthly earnings. Vacation and holiday compensation for commission employees shall be based upon average earnings, exclusive of P.M.'s spiffs, etc. Average annual earnings shall be based upon the calendar year or a proportionate part thereof immediately preceding the year in which the vacation or holiday was taken, provided that at least one full month was worked in said preceding fiscal year, and shall be calculated on an hourly basis.

14.08 All commission salespeople working overtime on sales work shall be paid at the overtime rate of time and one-half (1-1/2) their average earnings with the straight-time pay charged against commission while the additional one-half time pay shall be paid in addition to commissions.

14.09 All salespeople whose salary is computed on a commission basis, working overtime on other than sales work shall be paid the overtime rate of time and one-half (1-1/2) their average earnings as required by Federal and State regulations in addition to their earnings and this overtime pay shall not be used to adjust salaries and commissions.

14.10 All factory or manufacturer's P.M.'s which are received by the stores will be paid to the salesman who sells the merchandise.

14.11 Upon request the Employer will furnish Associates in contractual commission departments information on charge backs including transaction number, store, date of return, article, amount, and ringing associate number. This information will be provided no later than two weeks from the date of request. This may be done by means of a monthly departmental list available to all Associates within that department, or, by other reasonable means which will supply the information to the Associates. The purchase date of the original transaction(s) and a photocopy of all credits in excess of one hundred dollars (\$100.00) shall be furnished upon written request. There shall be no charge backs of Macy's Dollars, Holiday Dollars, Opportunity Dollars and the like.

14.12 The Employer will provide associates on a Commission pay plan with weekly reporting on their commission eligible sales and commission calculation, including sales and returns by department and class, and a listing of transactions by day. When an associate enters a commission eligible position, the Employer shall provide him/her with the Understanding Commission document, which outlines how their pay plan works and how to access and read the available reporting.

14.13 Non-Productive time shall be defined as time during store open hours when the Employer restricts the Associates from selling opportunities and will not be charged against commission.

Time worked in excess of thirty (30) minutes prior to store opening or thirty (30) minutes after store closing will be considered non-productive time for commission and productivity purposes.

**14.14 Commission Conversion:** The Employer and the Union agree, when the decision is made to convert a department from Draw vs Commission (DVC) to Base (Hourly) rate or a Base Plus Commission rate the following process will apply. The commission pay plan change shall not erode the Colleague's earnings if their sales per hour selling level remains consistent with prior selling levels. The Union shall be notified at minimum thirty (30) days in advance of any decision to implement a commission conversion decision.

**14.14.1 Draw vs Commission to Base (Hourly) Rate**

- a. At the date of conversion, the Employer will determine the Average Regular and Commission Pay Rate using total regular and commission earnings from either of the previous two (2) fiscal years or the previous fifty-two (52) weeks, whichever is greater divided by productive hours for the same time period.
- b. The Average Regular and Commission Pay Rate will be compared to the Colleague's current wage scale. The new base rate will be the higher of either the Average Regular and Commission Pay Rate or the current wage scale.
- c. Colleagues with less than twelve (12) weeks of experience at the time of the conversion shall have a base rate equal to their draw rate.
- d. Due to the calculation called out above, the new Base (Hourly) rate will provide a pay opportunity greater than or equal to the combined regular and commission earnings they experienced on the prior pay plan.
- e. Big Ticket departments will only convert to a Base (Hourly) rate, if the Employer can demonstrate the Colleagues working in the department will receive an overall increase in earnings. In such a circumstance the above formula shall apply.

**14.14.2 Draw vs Commission to Base (Plus) Rate**

- a. At the date of conversion, the Employer will calculate the Average Regular and Commission Pay Rate using the method above.
- b. The Average Regular and Commission Pay Rate will be compared to the Colleague's current wage scale. The wage will be the higher of either the Average Regular and Commission Pay Rate or the current wage scale.
- c. If the area operates at a Base (Hourly) rate plus commission program, the commission rate shall be no less than two-point zero percent (2.0%) on all eligible merchandise department sales.

- d. If the area operates a Base (Hourly) rate plus tiered commission program, the lowest commission rate shall be no less than one-point five percent (1.5%) on eligible merchandise department sales.

#### 14.14.3 Base (Plus) Rate to Base (Hourly) Rate

- a. At the date of conversion, the Employer will determine the Average Regular and Commission Pay Rate using total regular and commission earnings from either of the previous two (2) fiscal years or the previous fifty-two (52) weeks, whichever is greater divided by productive hours for the same time period.
- b. The Average Regular and Commission Pay Rate will be compared to the Colleague's current wage scale. The new base rate will be the higher of either the Average Regular and Commission Pay Rate or the current wage scale.
- c. Colleagues with less than twelve (12) weeks of experience at the time of the conversion shall have a base (hourly) rate equal to their base (plus) rate.
- d. Due to the calculation called out above, the new Base (Hourly) rate will provide a pay opportunity greater than or equal to the combined regular and commission earnings they experienced on the prior pay plan.

#### 14.14.4 Base (Plus) Rate to Draw vs. Commission

- a. At the date of conversion, the Employer will determine the Average Regular and Commission Pay Rate using total regular and commission earnings from either of the previous two (2) fiscal years or the previous fifty-two (52) weeks, whichever is greater divided by productive hours for the same time period.
- b. The Average Regular and Commission Pay Rate will be compared to the Colleague's current wage scale. The new draw rate will be the higher of either the Average Regular and Commission Pay Rate or the current wage scale.
- c. Colleagues with less than twelve (12) weeks of experience at the time of the conversion shall have a draw rate equal to their base rate.
- d. The draw rate moving forward will be managed through the Draw Rate Management process.

#### 14.14.5 Base (Hourly) Rate to Draw vs. Commission

- a. At the date of conversion, the colleague's current base (hourly) rate will

become their draw rate.

- b. The draw rate moving forward will be managed through the Draw Rate Management process.

#### 14.14.6 Base (Hourly) Rate to Base (Plus) Rate

- a. At the date of conversion, the colleague's current base (hourly) rate will become their base (plus) rate.

### SECTION 15 - Settlement of Disputes

15.01 Any dispute or grievance arising between the parties to this Agreement as to the proper interpretation or application of the Agreement shall be adjusted by the accredited representative of the Employer and the accredited representative of the Union. If the parties fail to reach an agreement within forty-five (45) days from the date the grievance was responded to, as required by Section 16.05.2, the moving party must request arbitration or the grievance shall be waived. In the event either party requests arbitration, the parties shall select an arbitrator and request hearing dates within fifteen (15) days of the arbitration request.

15.02 All complaints made to the Union and filed with the Employer relative to availability of hours under Section 4 – Seniority and Availability of Hours, shall be the subject of a meeting between the Union and the Employer within seventy-two (72) hours (Monday through Friday) or a mutually agreeable time, from the time the Employer is advised of the complaint by the Union.

15.03 Where an employee is being laid off, terminated, or having his/her work week reduced, the reasons therefor shall be given to him/her immediately in clear and specific terms. If in the employee's opinion, the reasons furnished for being laid off, terminated, or having his/her workweek reduced, are not satisfactory, then he/she shall have recourse to the Grievance Procedure. Such appeal must be filed in writing by the Union within fifteen (15) calendar days from the date of notification of discharge, and unless the appeal is so filed, the right of appeal is lost.

15.04 If arbitration is requested, the arbitrator shall be chosen from the Federal Mediation and Conciliation Service (FMCS). The method of selecting an arbitrator shall be by alternately striking a name from the Federal Mediation and Conciliation Service (FMCS) panel until one (1) name remains as the arbitrator chosen the Employer and the Union.

15.04.1 The losing party shall pay the cost of the arbitrator. The parties agree that the arbitrator has the authority to determine appropriate prorating of this cost in the event of a split decision and award. The arbitrator will be made aware of these requirements at the conclusion of the arbitration hearing.

15.05 The parties shall notify the arbitrator at time of selection of the requirement that he or she must render a final and binding decision within thirty (30) days from the close of the arbitration hearing, or from the arbitrator's receipt of post-hearing briefs, whichever is later. In the event the selected arbitrator is unable to agree to such requirement, the Employer and the Union shall contact FMCS for a new Arbitrator Panel and begin the striking process again. The arbitrator shall

not have the power to add to, modify or change any of the provisions of this agreement. Upon proper receipt, the decision of the arbitrator shall be final and binding upon both parties to this agreement.

15.06 Either party may obtain a transcript of the arbitration at the party's expense for its sole use, unless the other party wishes a copy, in which case, the expense of the transcript shall be shared equally. The fees of the arbitrator shall be borne by the losing party. The arbitrator shall have the authority to appropriately apportion costs between the parties in the event of a split decision/award.

15.07 Except in the case of grievances arising from errors in pay calculations or where a grievance has been suppressed, the following time limits shall apply:

15.07.1 Grievances shall not be recognized unless received in writing by email and/or USPS by the accredited representative of either party, describing as fully as possible the matter at issue and the section(s) of the Agreement allegedly violated, within thirty (30) calendar days from the date the grieving party knew or should have known of the occurrence causing the complaint or grievance, except as otherwise provided herein.

15.07.2 The party upon whom the grievance was filed shall respond to the grievance in writing within thirty (30) days. Upon receiving the response from the party upon whom the grievance was filed, the filing party may submit the grievance to a Labor Relations Committee, consisting of the employer's Vice President of Labor Relations or their designee and a representative assigned by the Union. The Labor Relations committee shall meet (in person or telephonically) no later than thirty (30) days from the submission of the grievance to a Labor Relations Committee.

15.07.3 For the purposes of filing and responding to grievances, the postmark on the envelope and/or the date of the email shall be considered the date a grievance is filed or a response is sent.

15.07.4 Following the filing and the response to the grievance, neither party is permitted to add to, subtract from, modify, or change its contractual position, as required by this Section, at any time prior to the final decision by an arbitrator, except where newly acquired evidence is documented. In such case, either party shall have the right to modify its contractual position in writing based upon the newly acquired evidence: provided that in any event, it is prior to requesting arbitration, as provided for under Section 16.01.

15.08 Any grievance not originally filed in accordance with the time limits of Article 16 shall be deemed waived. Any time limitation established herein may be extended only by mutual agreement of the parties. Time constraints are reciprocal for both parties. If the Union does not respond within such time limits, the grievance shall be deemed satisfied and dropped. If the Employer does not respond within such time limits, the grievance shall be deemed sustained.

15.09 The parties to the Agreement have the right to request and receive information needed to investigate grievances. The rights and obligations of the parties shall be governed by Federal law.

## SECTION 16 - Savings Provision

16.01 It is the intent of the parties of this Agreement to comply with all applicable laws. In the event any provision of this Agreement is held to be invalid, such invalidity shall not affect the remainder of this Agreement. The parties shall promptly meet for the purpose of negotiating a substitute clause in the event any clause is found to be invalid.

## SECTION 17 - Management Rights

17.01 The Union retains all rights given it by the provisions of this Agreement or by law. Management of each store retains all rights except as those rights may be limited by this Agreement or by law.

17.02 The parties recognize that the commission/draw system is an important element to the Company's business and to providing Associates with sale performance incentives. In this spirit, the parties agree that nothing in this agreement shall prevent the Employer from raising departmental commission rates. The Employer will not decrease a commission rate following an increase for at least (6) months. Moreover, if either party believes that a commission/draw rate or a commission's application or lack thereof to a particular department fails to accomplish the intended purposes or is otherwise unacceptable, the parties agree to negotiate any change and the effects of any change to commission or a commission's application to a department. If the parties fail to reach agreement after a good faith effort to do so, the current method of compensation identified in the collective bargaining agreement shall remain in effect.

17.03 The Employer may adopt a policy which regulates and/or precludes the wearing of buttons, insignias, labels, pins or other adornments in customer contact areas. The Employer will allow employees to wear a single small metal (not stamped tin) button type pin or the "Many Faces-One Voice" rectangular enameled pin.

## SECTION 18 - Retirement Program

18.01 The Company shall continue to cover employees under the terms of Macy's Savings Program, as these plans from time to time provide. The Union will be given notification of any plan modification as soon as practicable after such modification is adopted.

18.02 Under the terms of Article 19.01, the Company is providing Local 367 with notification of the following plan modifications: A. Effective January 1, 2014, a single 401(k) plan will be provided to eligible employees for the purposes of accumulating post-employment retirement income; highlights as follows:

Eligibility: Age 21 and 1 year of service of 1,000 hours paid in the first year, or any calendar year thereafter.

Maximum Employee Contribution: IRS Contribution Limit. Vesting: Employees are 100% vested upon reaching two years of vesting service. Company Match: 100% match of the first 1% [one-percent] of pretax employee contribution; 50% match of the next 5% [five-percent] of pretax employee contribution [as required currently, Associates must have 1,000 hours paid in order to

receive the Company match]. B. After December 31, 2013, additional benefits in the Macy's Inc., Cash Account Pension Plan are discontinued [this includes the May Department Stores Company Retirement Plan].

1. After December 31, 2013, vesting service counts only for the purpose of becoming fully vested.
2. Participants retain all benefits earned through December 31, 2013.
3. Benefits from the Cash Account Pension Plan will be paid during retirement in accordance with the rules of the plan.

## SECTION 19 - EMERGENCY STORE CLOSURE

In the event, a location may need to close or delay opening in order to accommodate emergency conditions, such as inclement weather (e.g., snow, hurricanes, etc.) or other emergencies (e.g., earthquakes or damage to a facility). In these situations, the Company will provide Reasonable Notice of the closure to Colleagues who are scheduled to work during the day(s) when the location is closed, or delayed opening is required. Reasonable notice is considered 2 hours' notice or more from the time [employeeconnection.net](http://employeeconnection.net) is updated with the closure information.

### **Communication Process for All Emergency Situations**

In the event of an emergency closure, there is a communication process in place to provide important information and notice of closure to our Colleague population in a reasonable time frame.

The Macy's, Inc. Business Resiliency Group will post a closure communication on [employeeconnection.net](http://employeeconnection.net), push a text/email to impacted colleagues, and a message on **1-877-INFO-337** (1-877-463-6337). Once this communication is posted, a "Special Emergency" message will appear at the top/center of the [employeeconnection.net](http://employeeconnection.net) homepage.

***Initial Closure.*** Colleagues will be compensated for their scheduled hours minus any applicable unpaid meal period(s) for the first day of closure if: (1) they report for work and are unable to complete their full shift due to an emergency location closure; or, (2) due to the nature of the emergency, the Company is unable to provide Reasonable Notice. ■ If a location follows a scheduling requirement due to state or local law, the guidelines of the scheduling requirement should be reviewed for pay considerations.

***Two-Day Waiting Period.*** Upon the Initial Closure, a two-business-day "waiting period" will be instituted during which any Colleagues assigned shifts during the waiting period may take PTO or the time will be unpaid.

***Three-Consecutive-Days-of-Pay Period.*** If the company-initiated closure is extended past the two-day "waiting period," any colleagues assigned shifts on the three-consecutive days of pay period, Colleagues will be paid for their assigned shifts minus any applicable unpaid meal period(s) for up to three consecutive days of closure following the waiting period.

Colleagues will be paid at their base hourly rate or average hourly rate, (whichever is applicable) X their scheduled hours minus their applicable meal period.

For commission Colleagues who have an Average Hourly Rate (AHR) on record – Pay will be based on the Colleague's AHR.

For commission Colleagues who do not have an Average Hourly Rate (AHR) on record, the following rates will be used to calculate pay under this policy:

- the hourly base rate for base plus commission Colleagues; or
- the hourly draw rate for draw versus commission Colleagues

### **Location is open during inclement weather or other emergencies**

If a location is open during inclement weather or other emergency (including, but not limited to a federal, state, or local transportation emergency) in the area where the facility is located and/or in surrounding areas as defined by the appropriate HR Business Partner, such as where the Colleague resides:

- Hourly Colleagues unable to work **will NOT have an impact to their attendance** if they do not come to work or arrive late **or leave with management approval.**

- **Location Colleagues may choose to take a PTO day if they speak to their People Leader or Executive in Charge before their scheduled shifts, or they may choose to take unpaid time off.**

## SECTION 20 - Pandemic

20.01 During COVID-19, Macy's will implement a series of safety measures to ensure the safety of both colleagues and customers and will at all times comply with CDC guidelines which may continue to change. In the event there is a change of CDC guidance that alters anything below the Company will meet with the Union and discuss such changes. These measures will include, but not limited to:

1. Macy's will provide face masks for each colleague on duty who does not have their own mask. The expectation is that the colleagues are responsible to care for the company issued masks. In the event the mask gets damage during the colleagues working shift, the colleague will be able to exchange the damaged mask for a replacement.
2. Distribution of gloves and/or aprons for select colleagues based on the nature of work (i.e. colleagues who are processing multiple goods or interaction with customers at high-traffic registers.)
3. Increased and expanded cleaning protocols which will be the responsibility of all colleagues to some extent.
4. Installations of plexi-glass sneeze guards at cash wrap areas.

5. Social distancing indicators will be added as part of store signage.
6. Aligned to our current company practice, colleagues can excuse themselves to leave the floor and wash their hands at any time for a reasonable amount of time; the colleague should notify their People Leader in advance to ensure there is adequate coverage to support customer needs.
7. All colleagues will be allowed to wipe down and sanitize any equipment that the colleague is being required to use. The Company will provide hand sanitizer at every register, building entrance, lounge, breakroom, or display area for colleague and/or customer use.
8. Housekeeping and store leadership teams will ensure all cleaning products and sanitizer are replenished through-out the day. Housekeeping will maintain their typical daily cleaning operations which include disinfecting.
9. If a store is subject to closure, upon store reopening, the Company will provide the colleagues with the safety protocols via My Insite prior to returning to their respective store with 1:1 People Leader reinforcement, signage will be posted at all colleague and customer entrances outlining the established safety protocols and practices as per the CDC and local government.
10. Our in house Plumbers/Steamfitters will continue to perform necessary maintenance to HVAC systems inclusive of review and changing of filters as needed.
11. Macy's will comply with the Tacoma and Washington state government guidance regarding customers wearing masks when visiting the store. The Company will have visual signage and placard that encourages personal protection equipment (PPE). Macy's will comply with all additional government and CDC guidelines as required. This policy requiring masks will be jointly reviewed by the Company and the Union on an ongoing basis to determine the need for the length of such policy however the final decision is the company.
12. In the event a colleague is uncomfortable with servicing a customer who is not wearing a mask, as per our established practice, the colleague should politely step away and contact the appropriate people leader for customer assistance such colleague will not be disciplined for politely stepping away and contacting the appropriate People Leader to service the customer.
13. Before and after handling the phone for Macy's Credit Services, colleagues should wipe down the phone with the appropriate disinfectant wipes and upon return of the phone the colleague should wipe the phone down before placing on the receiver.

## Wellness Checks during COVID 19

During COVID 19, Macy's colleagues must complete wellness checks before each shift.

Colleagues must take their temperature at home. If the temperature is 100.4°F or higher or if the colleague is experiencing flu-like symptoms or otherwise feeling unwell, the Colleague may not work their shift. The Colleagues may use paid time off or in certain locations, available sick/safe time and may reach out to Colleague Support for assistance. The colleague's attendance will not be adversely affected.

- Colleagues will be required to complete temperature checks at home and self-report during their wellness check. In the event, a colleague forgets to take their temperature check at home they will have their temperature check completed at the store in an effort to allow the colleague to work that particular shift. Such colleague will be reminded of the expectations so they can work their assigned shift.
- When colleague arrives to work, a wellness check will be conducted and recorded.
- The questionnaire portion of the wellness check will be completed while the colleague is on the "on the clock".
- Colleagues will be required to respond to a series of questions – known as Wellness Check(s) – to ensure the safety of everyone in the store:
  1. Did you take your temperature before you left for work today?
  2. Was your temperature below 100.4°F/38°C?
  3. Are you free from all of the following symptoms: new or worsening cough, shortness of breath, sore throat, new loss of taste or smell, chills, muscle pain, headache, or runny nose?
  4. Can you confirm that you have NOT had close and prolonged contact with a person who was lab-confirmed to have COVID-19 to your best knowledge? (The CDC defines close contact as being within 6 feet of someone with a confirmed case of COVID-19 for a prolonged period of time, 10 minutes or more, within the last 14 days)
  5. Can you confirm that you have NOT tested positive for COVID-19 in the past 14 days?

If the colleague answers "yes" to all five questions, they should immediately wash or sanitize their hands, ensure they have a face mask on, and proceed to their work area. If the colleague answers no to any one of the four (#2- #5) questions, they are to be sent home and should be paid for the time it took to conduct the wellness check. If a colleague is sent home due to the outcome of the four questions (#2 - #5) wellness check, the colleague's attendance will not be adversely affected.

## Other Safety Measures

- Macy's will provide face masks for each colleague on duty who does not have their own mask. As noted above, in the event the colleague's mask gets damage during the colleague's working shift, the colleague will be able to exchange the damaged mask for a replacement. Distributed masks will meet the CDC guidelines and are to be worn at all times while at work. The colleague is expected to retain, clean and reuse the masks. This process will continue until further notice. The Company will advise the Union prior to implementing the change.

During the period of an emergency, catastrophe, or severe economic crisis which so affects the Company's operation as to result in extraordinary decrease of gross sales affecting the employment of such employee. No act or event within the Company's control shall be considered an emergency or catastrophe. A labor dispute to which the Company is not a party, and in which the Company has no control, or the adoption of any law or regulation, which is the cause of an extraordinary decrease in gross sales shall be considered an emergency. The Company will effects bargain the impact of the emergency, catastrophe, or severe economic crisis with the Union.

In order to address the current COVID-19 Pandemic, or in order to address any future Pandemic emergency where the City, State, or Federal Government deems it a pandemic, issues a stay at home order, or recommends a stay at home order the agreed to conditions will apply as follows:

- A. If an employee has contracted COVID 19 illness and is required to quarantine as per the state, local government or CDC or any future pandemic emergency that requires quarantine they shall be entitled to pay at their paid time off rate of pay x their weekly scheduled hours for the week(s) they are required to quarantine, up to two weeks of the Quarantine period. Quarantine periods will adhere to CDC, state, or local government requirements.
- B. In the event that the employee has not fully recovered, after the two week period, during COVID-19 pandemic or any future pandemic the employee may apply for a Leave of Absence, utilize any sick pay, or earned PTO time that they are entitled to under the collective bargaining agreement.
- C. In the event the employee has to care for a family member who is required to quarantine, during COVID-19 pandemic or any future pandemic, the employee can apply for a Leave of Absence.
- D. The employee is required to immediately notify the Company of the need for leave for either A , B or C above through their supervisor.
- E. Any employee who is required to quarantine as per the state, local government or CDC or on a Leave of Absence, during COVID-19 pandemic or any future

pandemic emergencies, the Company's Reliability and/or Attendance policies will be suspended for the duration of that time.

- F. For employees who are quarantined, during COVID-19 pandemic or future pandemic emergencies, medical benefits eligibility requirements and PTO eligibility requirements will be reviewed to support continued eligibility for impacted employees.
- G. During the current COVID-19 Pandemic or any future pandemic emergency the Company agrees to meet and confer with the Union on safety, cleaning, or any other discussion item to address the emergency on an as needed basis.

## SECTION 21 - Workplace Safety

21.01 The Company will provide and maintain sanitary, safe and healthful conditions in all places in which Regular Colleagues perform services, in accordance with applicable law. In the event the Union notifies the Company that it believes a hazardous condition exists, the Company will investigate without delay; and if such condition exists, the Company will promptly remedy it.

21.02 Safety concerns shall be addressed in the Joint Labor Management Committee (JLMC) meetings; per LOU #7.

21.03 Colleagues are to follow company policies and procedures regarding shop lifters and like matters in safety, shortage and related policies. The colleague and customer's safety is the Employer's priority. The Company shall clearly outline and People Leaders shall regularly orient Colleagues on how to respond if the colleague suspects someone of shoplifting, or being in an unauthorized area in the stores. Each colleague should continue to access such policies vis AskHR (or equivalent) self-service tool. Any colleague who feels a threat to their safety, should immediately remove themselves and contact their People Leader or Asset Protection for assistance and support.

## SECTION 22 - No Strike, No Lockout

22.01 There shall be no strike or lockout during the term of this agreement. The Union must notify the Employer six (6) working days excluding Sat., Sun., and Holidays prior to observing any lawful primary picket line. The refusal of any Associates covered by this agreement to pass through a picket line after the above-mentioned notice is given shall not constitute a violation of this understanding.

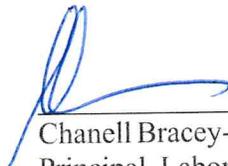
SECTION 23 - Effect and Duration of this Agreement

23.01 This Agreement shall be in full force and effect from and March 1, 2021, through February 28, 20 24, and each year thereafter unless either party shall serve written notice at least sixty (60) days prior to expiration or anniversary thereof, of desire to change or terminate this Agreement.

In Witness Whereof, the parties hereto have through their duly authorized representatives, set their hand and seals as of the day and year first above written.

Macy's Tacoma Furniture Gallery

UFCW Union Local No. 367

  
\_\_\_\_\_  
Chanell Bracey-Davis      8/9/2021  
Principal, Labor Strategy      Date

  
\_\_\_\_\_  
Michael Hines      8/05/2021  
Secretary/Treasurer      Date

The parties hereby agree to the following Letters of Understanding:

Letter of Understanding #1	Regarding Attendance
Letter of Understanding #2	Regarding Disciplinary Action
Letter of Understanding #3	Full-Time Healthcare
Letter of Understanding #4	Regarding Associate Discount and Dress Standards
Letter of Understanding #5	Joint Labor Management Committee
Letter of Understanding #6	Selling Department Managers
Letter of Understanding #7	Regarding Grandfathered Employees
Letter of Understanding #8	Holiday – Section 11
Letter of Understanding #	Regarding Mattress Bonus Incentive
Letter of Understanding #10	Mattress SPIFF Program
Letter of Understanding #11	Non-Public Personal Information and Security Agreement
Letter of Understanding #12	Contract Clean-Up
Letter of Understanding #13	Tiered Commission Program

Macy's Tacoma Furniture Gallery

UFCW Union Local No. 367

  
\_\_\_\_\_  
Chanell Bracey-Davis  
Principal, Labor Strategy

8/9/2021  
Date

  
\_\_\_\_\_  
Michael Hines  
Secretary/Treasurer

8/05/2021  
Date

## Letter of Understanding #1

By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

### Regarding: Attendance

Until the implementation of the Company Attendance Policy, it is understood that the provisions of the 2013-2016 collective bargaining agreement apply.

### MY DAY, MY WAY

As an hourly employee (full time, part time, flex time & seasonal), you receive a “bank” of Attendance Credits to use as desired and needed to help you take ownership of your day-to-day schedule, as well as to cover any unexpected last-minute absences and late arrivals. Attendance Credits, MySchedulePlus (“MSP” – our electronic scheduling system), and our Paid Time Off program, are all designed to give you flexibility while serving the customer best.

Lateness and absenteeism impact not only service to our customers, but your coworkers as well. Managing your time well is critical to everyone's success and your employment with Macy's. Macy's also recognizes that certain absences and late arrivals are protected by company policy or law. This means you don't have to use credits for pre-approved PTO, an approved leave of absence, or absences protected under federal, state or local laws (see Section II, below).

### I. Earning Credits

Attendance credits are continuously earned and used and provide you the flexibility to take control of your schedule. Building your bank of credits through perfect attendance lets you build a “savings account” for when life events happen.

- *Initial Bank of Credits.* New Hires and Seasonal Employees are awarded nine (9) Attendance Credits at time of hire.
- *Accumulating Credits.* You can start earning extra credits during the first thirty (30) days of employment. For every two weeks of perfect attendance (i.e., no attendance credits used), a half (½) credit will be added to your bank.
- *Carryover:* You can carry over unused Attendance Credits from one fiscal year to the next.
- Associates who do not lose an attendance credit or any portion thereof at any point during one fiscal year shall be rewarded with an additional PTO for the next fiscal year.

## II. Using Credits

You can use your credits when life's events happen. Here are some examples of how attendance occurrences (e.g., absences, late arrivals) impact your Attendance Credits:

USING ATTENDANCE CREDITS	
½ credit used	· Arriving 10 Minutes or More Late
1 Credit Used	· Absent (Monday – Friday) · Consecutive Absences during the Week (Monday – Friday)
2 Credits Used	· Absent (Saturday or Sunday) · Consecutive Absences (including a Saturday or Sunday)

## III. YOU MAY NOT HAVE TO USE CREDITS IF THE ABSENCE OR LATE ARRIVAL IS:

1. Note that if you use vacation to cover the absence, but the absence was not pre-approved, an Attendance Credit will be used UNLESS the absence is also covered by #2 or #3 below.
2. Related to a company-approved leave of absence
3. *Protected under the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA) or any other federal, state or local law that provides an employee the legal right to take time off without a negative impact on employment. (This may include situations when the employee is entitled to and receives FMLA and also chooses to use PTO to receive pay for the absence.)*

Make sure you're aware of your responsibilities under any leave policy. In general, you must be on an approved leave of absence to have your time off excused. This requires more than just bringing in a doctor's note. You must comply with the leave of absence application and approval process. And if you are on an intermittent leave of absence you must promptly report your related absences or late arrivals, or they will be subject to the attendance policy (i.e., appropriate deduction(s) will be made from your bank of credits for each late arrival or absence). Schedule accommodations granted under the FMLA, ADA or other applicable laws will have no impact on your attendance, but make sure you have the proper approval by working with your Human Resources Manager.

If you are on an approved intermittent leave you must report your missed work time—if it is related to your leave—within two (2) business days of your return to work. Failure to report this time to HR Services via IN-SITE can result in having to use attendance credits.

What are some situations where Attendance Credits are not used?

You don't need to use Attendance Credits for certain absences like these:

- Certified under the Family and Medical Leave Act.
- Resulting from health emergency where you are taken from work in an emergency vehicle.
- Certified as a work related illness or injury.
- Due to a death in the family as defined by the Bereavement Policy.
- Resulting from responding to a subpoena to testify at a trial, hearing or other court process.
- In the case of hazardous weather conditions, if an Associate can demonstrate that he or she cannot safely report to work due to the weather.

In all these cases, these absences will not impact your ability to continue to earn Attendance Credits.

### III. When You Can't Work a Shift

Reach out to one of your co-workers using the "Self Service Tools" of MSP. You'll have up to two (2) hours before your shift to "advertise" or "swap" the shift. You'll be responsible for your shift until you confirm someone has picked it up.

### IV. Termination Based on Zero Credits

Your manager may periodically remind you of your attendance credit balance. However, it is your responsibility to manage your credit bank, so you don't run out of credits. Reaching a credit balance of zero (0) will result in termination.

### V. Your Responsibility to Monitor Your Attendance Credit Balance

It's your responsibility to monitor your attendance credits both to make sure you don't run out, and to make sure the balance is correct. If you believe your balance is incorrect, it's your responsibility to use your self-service tools and/or immediately let your manager know so your record may be reviewed and, if necessary, corrected.

Creating an Everyday Magic Workplace.

Remember... Absences and late arrivals that are potentially covered by federal, state or local laws may not require use of attendance credits. When absent or late for a legally protected reason, you must fully comply with the leave of absence/time off procedures and call-out/reporting procedures so credits are not used for the missed work time.

Remember... you will use attendance credits when you are late for or absent from a shift and you call out via phone (instead of using the "Call Out" feature on My Page) since telephoning doesn't give another employee the option to pick up your shift via My Page.

## VI. Chronic Absenteeism or Lateness

You may use your bank of credits for unexpected occurrences. However, when the occasional lateness or absenteeism becomes more frequent, your supervisor will discuss the situation with you and remind you of your commitment to Macy's using the Responsibility Based Performance Process. Here are some examples of recurring situations your supervisor may discuss with you:

- Repeatedly calling out for scheduled weekend shifts;
- Coming in late on multiple occasions during a short time period;
- Repeatedly calling out for holiday shifts;
- Repeatedly leaving early without manager approval;
- Repeatedly taking a longer meal period than your schedule allows; or
- Not taking your meal periods as scheduled.

## VII. It's Your Responsibility to Let Us Know if You Will Be Late or Absent

If you are unable to come to work or are running late, use the "Call Out" self-service feature on your schedule on MyPage for the shift you won't be working, and the shift will automatically be advertised for other employees to view and pick-up. The Store management team gets a report of this activity, so you don't have to telephone the store to call out. If another employee picks up your shift, you won't have to use an attendance credit.

If you are running late or if you need to call out and do not have access to the online features on MyPage, you should call your location's "call out line" (if applicable) before the shift begins. If no call out line exists, personally call your manager before your shift begins to let your manager know you will not be reporting to work. If your manager is not working that day, call the Executive in Charge ("EIC").

If you cannot reach your manager or the EIC, leave a voicemail for the EIC and your manager. Text messages and emails to a manager are not acceptable call out methods.

If you are absent for three (3) consecutive scheduled work days without notifying the Company, this is considered job abandonment and will result in termination (unless state or local law prescribes a longer period) regardless of any remaining attendance credits in your bank.

## TRANSITION TO THE COMPANY ATTENDANCE POLICY.

At the point this bargaining unit transitions to the Company Attendance Policy, employees will start with 18 credits, with the following exceptions: Employees on a Reminder 2 for attendance at point of transition to the new policy will start with 9 credits; and employees who are on DML for attendance at point of transition to the new policy will start with 6 credits.

Letter of Understanding # 2  
By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery  
Regarding: Disciplinary Action

Coaching conversation

If your performance or conduct falls short, your People Leader will meet with you and talk with you about what is needed to meet expectations - that is the difference between the desired performance or conduct and the actual performance or conduct. For most associates, hopefully this will be all that's needed in meeting expectations of successful job performance. Associates are required to acknowledge receipt of the coaching conversation with their signature. This Coaching Conversation document will be placed in your file and remains active for six months.

Formal Warning

If after your Coaching Conversation your performance or conduct doesn't improve to the expected level, you and your People Leader may revisit your earlier conversation about performance expectations. Hopefully, this will help you better understand what your focus should be to improve your performance or conduct. During this step you will be reminded that it is your responsibility to bring your performance up to expectations and to maintain that level. Associates are required to acknowledge receipt of the Formal Warning with their signature. This Formal Warning will be placed in your file and remains active for six (6) months.

Final Warning

Finally, if after the Coaching Conversation and Formal Warning you don't meet expectations; your People Leader may meet with you again and talk with you about your responsibility to meet all of Macy's expectations as earlier discussed. If the warning is administered during the first half of the scheduled shift the Colleague may request to take the remainder of their shift off with pay as a "cool off" period not to exceed four (4) hours. If the Final Warning is administered during the second half of the scheduled shift, the Colleague may request to take the first half of their next scheduled shift off with pay as a "cool off" period, not to exceed four (4) hours. If the Colleague is scheduled off the following day after the administration of a Final Warning, this will serve as the "cool off" period.

If the Colleague demonstrates improvement, has met the Employer's expectations and meets objectives outlined in the Final Warning for a period of six (6) months, they will be considered in good standing.

If the Colleague's performance or conduct initially improves after the Final Warning but subsequently falls below expectations at a later point in the six (6) months period following the Final Warning, the People Leader will partner with a Colleague Support Advisor to determine if termination is warranted.

Your People Leader may not necessarily use all of these steps and under certain circumstances immediate termination may be appropriate if your behavior is considered a significant disregard of your commitment to the expectations of the Employer's values.

Letter of Understanding # 3

By and Between  
UFCW Local No. 367  
And  
Macy's Tacoma Furniture Gallery

Regarding: Full-Time Healthcare

In the event that, prior to the expiration of this agreement, Local 21 UFCW and Macy's agree to changes governing Full-Time Healthcare plan design and cost share, the parties agree that those changes will be incorporated into the Local 367 UFCW collective bargaining agreement prior to this agreements expiration, following review and discussion with Local 367.

## Letter of Understanding # 4

By and Between  
UFCW Local 367  
and  
Macy's Tacoma Furniture Gallery

### Regarding: Associate Discount & Dress Standards

Active associates and eligible dependents will receive an employee discount on merchandise. In most departments, the associate discount is twenty percent (20%). Certain departments may have a discount level below twenty percent (20%). In addition, periodic "Extra Discount Events" will be made available to associates and their eligible dependents, including additional discount events that coincide with any modifications to dress standards, which are determined by the company.

### Regarding: Dress Standards

It is agreed and understood that for the term of this agreement Macy's Style at Work Policy will be followed. Macy's will provide reasonable notice to the union regarding any updates or enhancements to this program.

Letter of Understanding # 5  
By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Joint Labor Management Committee

A Joint Labor Management Committee (JLMC) will be established for the purpose of discussing operational issues not covered by this Agreement, which impact the working conditions of the bargaining unit Colleague. Such meetings will take place on the last month of the Employer's fiscal quarter, at a date and time agreed upon by the Employer and the Union.

The Joint Labor Management Committee will consist of the Union and no more than two (2) Colleagues and two (2) members of management selected by the Employer and the Union, although individual members may change upon the needs of either party.

## Letter of Understanding # 6

By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

### Regarding: Selling Department Managers

It is agreed and understood that for the duration of this Agreement (2016 - 2019), the following terms and conditions will apply to Selling Department Managers:

1. Managers, unless they were previously members of the Union, will be excluded from Union membership.
2. Managers will be scheduled separately from Sales Associates, and their hours are not to exceed twenty (20) hours per week, excluding major sales.
3. Managers and trainees will not be scheduled to replace regular employees, except for absenteeism or emergencies and are not to be scheduled alone in a department except on an occasional or sporadic basis.
4. Managers' sales will not be used in production or performance reviews of Sales Associates for the purpose of discipline or termination.
5. Managers and trainees will not be scheduled in the same department on the same day, except on an occasional or sporadic basis.
6. All mail order (PSMO) and telephone order transactions which come into the department will be handled as outlined in this letter.
7. Department sales managers shall not intentionally take sales from any Sales Associate in order to increase their personal sales nor shall Department Managers be on any walk up list.
8. Department Sales Managers shall not direct Sales Associates to perform tasks; i.e., stock, merchandising, change runs, paperwork, etc., so that the Department Sales Manager would be the primary person on the selling floor ringing personal sales.

## Letter of Understanding #7

By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

(Regarding: Grandfathered Employees)

The employer agrees to continue to observe the following grandfather examples discussed by the parties during bargaining.

1. Employees currently paid at a commission rate(s) that is higher than the rate set forth in this Agreement;
2. Employees currently receiving B&I's as of the date this Agreement is ratified;
3. Employees opting to remain under the existing Tacoma Mall Macy's holiday Section 11 provisions.

Letter of Understanding #8

By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Holidays - Section 11

Effective January 1, 2004, (all Tacoma Furniture Gallery employees on the payroll effective 11/1/03) will be given a one-time choice to continue to receive holidays and compensation as provided in the 2013 - 2016 Macy's Tacoma Mall agreement or the holiday provisions in this agreement (Section 11, Page 11).

Letter of Understanding #9

By and Between  
UFCW Local 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Mattress Bonus Incentive

The Employer agrees to grandfather, effective September 1, 1993, the Mattress Bonus Incentive program for Associates receiving Mattress Bonus Incentive prior to that date. Associates placed in the Mattress Department after September 1, 1993, will not receive Mattress Bonus Incentive payments.

All other Bonus Incentive programs will be at the sole discretion of management to implement or terminate.

Additionally, incentives will only be paid to Associates with return rates below 15% of sales.

Twin Sets		Full & TXL Sets		Queen Sets		King Sets	
499 - 599	\$5.00	649-749	\$5.00	699-799	\$5.00	899-999	\$5.00
600 - 699	\$8.00	750-949	\$10.00	800-899	\$10.00	1,000-1,299	\$15.00
700 - 799	\$12.00	950-1,449	\$20.00	1,000-1,499	\$25.00	1,300-1,799	\$30.00
800 - up	\$20.00	1,450-up	\$30.00	1,500-1,999	\$40.00	1,800-2,229	\$50.00
				\$2,000-up	\$50.00	2,300-up	\$70.00

## Letter of Understanding #10

By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

### Regarding: Mattress SPIFF Program

**Mattress Spiff Program:** Associates will be eligible to participate in the SPIFF program under the same terms and conditions as the majority of Mattress Associates in Washington State. Current program provides for a 1.0% to 3.7% SPIFF paid on mattresses, varying by product and class (SPIFF pay averages \$.95 to \$2.10 per hour depending on product and class - these are provided for illustrative purposes only, actual SPIFF earnings will be based on individual performance). SPIFF program subject to change at the discretion of the company.

Current grandfathered associates shall have the one-time option to select, by May 31, 2013, to continue to participate in the Mattress Bonus Incentive, as outlined in the Letter of Understanding #5 or the new Mattress SPIFF Program that applies to all other associates.

**Worry No-More:** The current Worry No-More Program will remain unless changed for associates represented by Local 21, at which time it will be modified for Local 367 represented associates in the same manner.

Letter of Understanding #11  
By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Non-Public Personal Information and Security Agreement

The Union agrees to the following with regard to all Non-Public Personal Information the Employer provides to the Union pursuant to Section 1 and this Agreement generally:

- (a) Non-Public Personal Information, or "PII" means personal information or data the Employer provides to the Union which identifies, relates to, describes or could be reasonably used to identify, relate to or describe any natural person, including without limitation, a person's first and last name, home or other physical address, telephone number, fax number, email address, Colleague number, financial account information, signature, driver's license information, government issued identification card information, photographic image, dates of birth, and mother's maiden name provided by the Employer to the Union pursuant to the requirements of this Agreement.
- (b)(i) The Union will use any PII it receives from the Employer (i) solely to fulfill its obligations under this Agreement, or (ii) for other Union business, solely as authorized in writing by each of the Employer's Colleague whose PII has been transmitted to the Union.
- (c)(i) The Union will use commercially reasonable security measures and controls to ensure the PII is protected from unauthorized disclosure. Further, destruction of PII will be conducted in a secure manner which ensures PII will not be disclosed to third parties or others in an unauthorized manner. For purposes of this paragraph, "Commercially reasonable" shall mean by a comparable nonprofit organization (with handsets of an amount similar to the financial and other assets of the Union) in support of the organization's activities.
- (ii) Notwithstanding paragraph (c)(i), immediately above, the Union represents and warrants it has taken and will continue to take certain measures to ensure the security of the PII. The Union will provide the Employer with a description of threat protection strategies upon request.
- (iii) In addition, the Union represents that, should any of the forgoing measures set forth in paragraph (c)(ii) become insufficient to protect the PII, it will take additional reasonable measures to ensure the PII is protected from unauthorized use or disclosure.
- (d) The Union will ensure its collection, access, storage, use, disclosure, and destruction of PII complies with all applicable federal, state, and local laws, rules and regulations. Furthermore, the Union will not use or disclose the PII in violation of any law.
- (e) The Union will maintain a written information security program, with administrative,

technical, and physical safeguards designed to reasonably ensure the security, confidentiality, and integrity of PII and other data.

- (f) The Union shall provide the Employer written notice of any actual unauthorized access, disclosure, or material modification of the Employer provided PII within ninety-six (96) hours. Such notice shall include the number and type of data compromised and the steps taken to remediate the cause(s) of the unauthorized activity.

Letter of Understanding #12  
By and Between  
UFCW Local No. 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Contract Language Clean-up

During the course of negotiations, the Union demanded and the Employer agreed, in respect to the format and structure of the current Agreement, "...to explore changes which preserve the spirit of the rights bargained..." and improve readability of the Agreement. The Employer and the Union agree to a committee consisting of one (1) Employer management representative and one (1) Union official to evaluate and propose structural changes which will improve the utility and use of this Agreement. This committee does not have the authority to make any changes to the principle articles and Letters of Understanding, which were subject to and are exclusive rights to the negotiation process. Any agreed upon changes to improve the clarity of the collective bargaining Agreement must be agreed to by both the Employer and the Union. Any errors, mistakes or omissions are purely accidental and the Employer nor the Union cannot be held liable. This Letter of Understanding is without precedent or prejudice and may not be used in any dispute, grievance or future negotiations.

## Letter of Understanding #13

By and Between  
UFCW Local 367  
and  
Macy's Tacoma Furniture Gallery

Regarding: Tiered Commission Program

### OVERVIEW OF PROGRAM

To offer a competitive compensation program that supports growth and drives the Big Ticket businesses in large volume locations located in select locations in the Northwest Region. Associates hired 12/10/2015 or before receive a quarterly deficit wipe, while associates hired after 12/15/2010 receive deficit forgiveness up to \$100 quarterly. Newly hired associates will have a full deficit wipe off 60 days following hire.

### ASSOCIATE ELIGIBILITY

Associates in a Big Ticket sales job code that work in the following areas in select locations are eligible to participate:

- a. Area Area Suffix 1401, 1407, 1499 (Furniture)
- b. Area Area Suffix 1412 (Mattresses)
- c. Area Area Suffix 1201 (Floor Coverings)

### PERFORMANCE AND GOALING

- a. Associates are expected to cover their draw rate consistently with commissions
- b. Failure to consistently maintain this may result in corrective action
- c. The Tiered Draw Commission percentages are as follows:
  - 1) Elite 7.00%\*
  - 2) Premier 6.25%\*
  - 3) Standard 6.00%\*

\*Commission for Floor Coverings will be 1.0% greater than listed (i.e. Elite % will be 8.0%)

- d. The following criteria determines the commission tier for the upcoming fiscal year

Furniture - 80% or more of associate's total net sales are Div 86 Merchandise Departments  
(\*Area 14-01, 14-07, 14-99)

Level	Fiscal Net Sales	Fiscal WorryNoMore	New Commission %
Elite	1000k +	Achieve 45% total conversion rate	7.0%*
Premier	500k – 999.9k	Achieve 37% total conversion rate	6.25%*
Standard	Less than 500k	None	6.0%*

\*Commission for Floor Coverings will be 1.0% greater than listed (i.e. Elite % will be 8.0%)

Mattresses - 80% or more of associate's total net sales are Div 87 Merchandise Departments  
 (\*Area 14-12)

Level	Fiscal Net Sales	Fiscal WorryNoMore	New Commission %
Elite	1000k +	Achieve 35% total conversion rate	7.0%*
Premier	500k – 999.9k	Achieve 25% total conversion rate	6.25%*
Standard	Less than 500k	None	6.0%*

\*Commission for Floor Coverings will be 1.0% greater than listed (i.e. Elite % will be 8.0%)

Floor Coverings - 80% or more of associate's total net sales are Div 88 Merchandise  
 Departments (\*Area 12-01)

Level	Fiscal Net Sales	Fiscal WorryNoMore	New Commission %
Elite	1000k +	Achieve 35% total conversion rate	7.0%*
Premier	500k – 999.9k	Achieve 25% total conversion rate	6.25%*
Standard	Less than 500k	None	6.0%*

\*Commission for Floor Coverings will be 1.0% greater than listed (i.e. Elite % will be 8.0%)

Fiscal Net Sales = Previous 52 Weeks of FEM Net Sales starting from the end of the fiscal year. Sales criteria will not be prorated based on hire date and or break in service.

Fiscal WorryNoMore = Previous 52 weeks of WorryNoMore total conversion rate starting from the end of the fiscal year on delivered net sales. Information is provided by Big Ticket Operations.

\*Area Area Suffix = The area the associate is assigned to should be the same as what the associate sells, however area/area suffix assignment does not determine tier eligibility. All associates will default to their assigned area tier criteria, however if 80% or more of an associate's total net sales are from a different division then that tier eligibility will be applied.

This program will abide by all rules and guidelines of a Draw vs. Commission Pay Program laid out in the Understanding Commission Document for Local 367 locations.. Macy's will notify UFCW a minimum of 30 days in advance regarding implementation of any changes to this program. Commission rates under this program will not fall below 6% for the life of this agreement.

Where the decision is made to change compensation structures, the company will follow the process agreed upon in the agreed upon Commission Conversion LOU.