

## **Agreement**

### **By and Between**

**United States Bakery d/b/a Franz Family Bakeries  
and**

**United Food and Commercial Workers Union Local 367**

### **Chartered By**

**United Food and Commercial Workers International Union, CLC  
(Pierce, Grays Harbor and Mason/Thurston Counties)**

**Effective August 4, 2020 to November 4, 2023**

This Agreement is entered into by and between United States Bakery d/b/a Gai's Northwest Bakeries, referred to hereinafter as the "Employer" and the United Food and Commercial Workers Union Local 367 referred to hereinafter as the "Union".

It is the intent and purpose of the Employer and the Union to promote and improve labor-management relations between them and to set forth herein the basic terms of agreement covering wages, hours and conditions of employment to be observed by the parties of this Agreement.

In consideration of the mutual promises and agreements between the parties hereto, and in consideration of their mutual desire in promoting the efficient conduct of business and in providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

#### **ARTICLE 1**

#### **RECOGNITION AND BARGAINING UNIT**

1.1 The Employer(s) hereby recognize during the term of this Agreement, the Union, each within their respective jurisdiction as the sole and exclusive collective bargaining agency for a unit consisting of all retail sales employees in Retail Baking operations of the Employers' present and future retail establishments located within the respective jurisdictions of the Union with respect to rates of pay, hours and other conditions of employment except and excluding supervisory employees within the meaning of Section 2(II) of the National Labor Relations Act as amended subject to the preceding exclusions and the terms of Section 16.1 of Article 16, all work of handling and selling of merchandise in such bakery thrift stores covered by this Agreement shall be performed only by employees of the Employers within the unit referred to above, for which the Union is recognized as the sole collective bargaining agencies by the Employers.

1.2 This clause incorporates past and present practice with respect to jurisdiction as has been for many years recognized by both parties hereto.

## **ARTICLE 2** **UNION SECURITY**

2.1 Pursuant to and in conformance with Section 8(a)3 of the *Labor Management Relations Act of 1947*, as amended, it shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement, shall, on the thirtieth (30th) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirtieth (30th) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this Article, the execution date of this Agreement shall be considered as its effective date.

2.2 It is agreed between the parties that the Union indemnifies and holds the Employer harmless against any actions, claims or liabilities arising from action taken by the Employer in adherence with the Sections of this Article. The Employer shall discharge any employee as to whom the Union, through its authorized representative, delivers to the Employer a written notice that such employee is not in good standing in conformity with this Article. For the purpose of establishing uniform rules for the application of this paragraph of the Agreement, the parties agree as follows:

2.2.1 If a newly hired employee fails to apply for Union membership, or if an employee fails to comply with the requirements of continued membership, as set forth above, the Union will serve a letter upon the Employer requesting that such employee be terminated.

2.2.2 Upon receipt of a letter requesting termination of an employee who has not complied with Article 2 of the Agreement, the Employer shall (on the same date, if the employee is working on that date) immediately notify such employee that if he has not complied with the Union membership requirements of Article 2 of the Agreement, prior to the end of his next regular shift, his employment shall automatically be terminated.

2.2.3 The Union agrees to withdraw any letter of termination if an employee with respect to whom such letter has been served, shall complete his membership requirements within the time limit specified in 2.2.1 and 2.2.2.

2.3 The Employer agrees to furnish the Union with a monthly list of employees hired and/or terminated, or in lieu of such a list to deliver to each employee a notice outlining the provisions of the foregoing paragraph of this Article 2. If the Employer chooses to furnish a list of employees, each month, such list shall be prepared to show new hires and terminations separately and to

designate the employee's last and first name, middle initial, home address and telephone number, last four digits of Social Security number and date of employment or termination. If the Employer chooses to deliver to each employee a notice as referred to above, he shall be furnished a supply of such notices by the Union and postage prepaid envelopes. The original of any such notice shall be delivered to the Union and the first copy to the employee not later than fifteen (15) days following the date of employment.

2.4 No employee shall be disciplined or discharged except for just cause. The Employer shall be the judge of the competency and qualifications of their employees and shall make such judgement fairly.

2.4.1 There exists one (1) 60-calendar day probationary period for new employees. If an employee is terminated during this probationary period, such terminations are not subject to the grievance procedure of this Agreement. The Employer may extend the probationary period an additional thirty (30) days upon mutual agreement with the Union.

2.5 No employee shall be discharged or discriminated against for any lawful Union activity, including performing service on a Union Committee outside of business hours or for reporting to the Union the violation of any provisions of the Labor Agreement, providing such activities shall not interfere with the normal performance of the employee's work.

2.6 The Employer agrees that it will not require any employee or prospective employee to take a polygraph (lie detector) test as a condition of employment or continued employment.

### **ARTICLE 3** **NON-DISCRIMINATION**

3.1 Non-Discrimination: Neither the Employer nor the Union will discriminate in hiring, promotion, or continued employment because of race, religion, creed, color, age, disability, national origin, sex, Vietnam-era veteran status, or disabled veteran status or any other legally protected class or condition. This Agreement shall be interpreted to permit the reasonable accommodation of disabled persons as required by state and/or federal law, including the Americans with Disabilities Act (ADA). In the even a proposed accommodation will conflict with an express provision of this Agreement, the parties, at either's request, shall meet to discuss the proposed accommodations.

3.2 The use of pronouns "he" or "she" and suffixes "men" or "women" shall not be interpreted to refer to members of only one sex but shall apply to members of either sex.

**ARTICLE 4**  
**SENIORITY AND AVAILABLE HOURS**

4.1 Attainment of Seniority

4.1.1 All employees shall attain seniority after sixty (60) calendar days with the Employer.

4.1.2 Upon completion of this period, seniority shall date back to the last date of hire under this Agreement or as provided below.

4.2 Application of Seniority

4.2.1 Seniority shall be applicable on an individual store basis, except as otherwise provided for under Section 4.2.2, and shall apply to the extent provided for in this Article.

4.2.2 An employee's seniority shall not be broken in cases where the employee transfers to a different store with the same Employer within the geographic jurisdiction covered by the Collective Bargaining Agreements between the Employer and UFCW Union Local No. 1105, UFCW Union Local No. 367, UFCW Union Local No. 381, UFCW Union Local No. 44, and Teamster's Union Local No. 38.

4.3 Layoff

4.3.1 Where, on an individual store basis, there is a reduction of the number of employees holding seniority within such store, the last employee hired shall be the first employee laid off, provided qualifications and ability are equal. The affected employee(s) so reduced may displace the most junior employee in the geographical grouping they are in (See attached). In the event of a store closure, the affected employees shall be considered laid off at the time of closure.

4.4 Rehire

4.4.1 Where there is an increase in the number of employees performing comparable work, the last employee laid off from such comparable work shall be the first employee rehired. In cases where two or more employees are laid off within the geographical grouping on the same day, the senior employee shall be the first rehired, provided qualifications and ability are equal (see attached).

4.4.2 Employees shall be required to inform the Employer in writing of their current address and phone number, and with the exception of temporary rehires,

employees rehired in accordance with 4.4.1 shall be notified in writing to report to work.

4.5 Loss of Seniority

4.5.1 Except as otherwise provided for in Article 5, LEAVE OF ABSENCE, seniority shall be broken, and the employee's services shall be terminated for the following reasons:

4.5.2 Voluntary quit;

4.5.3 Discharge in accordance with Section 2.4;

4.5.4 Absence caused by a layoff in excess of sixty (60) consecutive calendar days. Notwithstanding the above, employee(s) laid off due to the closure of their store will retain their seniority for 120 consecutive calendar days, unless they fail to exercise their seniority with the Employer at their first opportunity; refuse to accept recall; and/or accept employment with the purchaser.

4.5.5 Absence caused by an illness or non-occupational accident of more than seven (7) months.

4.5.6 Absence caused by an occupational accident of more than twelve (12) consecutive months unless a longer period is agreed upon between Employer and the Union;

4.5.7 Failure to report to work within seventy-two (72) hours following the postmark of the written notice referred to in Section 4.4.2 mailed to employee's last known address; and,

4.5.8 Failure to report to work immediately following a leave of absence as provided for under Article 5.

4.6 Reduction of Hours

4.6.1 Regular employees shall not have their hours arbitrarily reduced for the purpose of increasing the working hours of regular part-time employees or assigning such hours to new hires or extra employees.

4.7 Available Hours

4.7.1 The Employer may arrange weekly work schedules to accommodate the need of the business and senior employees performing comparable work shall be offered the most weekly hours up to a maximum of forty (40) hours per week; provided qualifications and ability are equal; the senior employee is available to perform the work; and the employee has notified management in writing of his or her desire for additional hours of work. Nothing herein shall be construed as a guarantee of daily or weekly hours of work.

4.8 Definitions

4.8.1 "PROVIDED QUALIFICATIONS AND ABILITY ARE EQUAL" - It is understood and agreed that the terms "provided qualifications and ability are equal" shall mean that if two employees have the same qualifications and abilities, the senior employee has priority.

4.9 Liability

4.9.1 It is understood and agreed that the employee will not be entitled to request wages under the provisions of this Article except to the extent of time lost commencing with the weekly work schedule next following receipt of the Union's written notification to the Employer of the claim in accordance with Article 18, provided that if less than three (3) days remain prior to the posting of the weekly work schedule in accordance with Section 6.7 when the Employer receives notification, the Employer's liability, if any, for time lost shall commence with the second next work schedule and thereafter until resolved.

**ARTICLE 5**  
**LEAVE OF ABSENCE**

5.1 Employees with one (1) year or more of continuous service shall be entitled to a leave of absence without pay for the following bona fide reasons:

5.1.1 Illness or non-occupational injury which requires absence from work;

5.1.2 Pregnancy; and,

5.1.3 Serious illness or injury in the employee's immediate family, length of leave will be established by the Family and Medical Leave Act (FMLA).

5.2 Leaves for personal reasons may be granted at the sole discretion of the Employer to employees regardless of length of service.

5.2.1 Union stewards shall be granted up to two (2) days off per calendar year to attend Union functions. No more than one (1) union steward per store location will be released at any given time. Such absences shall require two (2) weeks' notice.

5.3 Any request for a leave of absence under the terms of Section 5.1 and 5.2 shall be in writing and state the following information:

5.3.1 Reason for such request;

5.3.2 Date leave is to begin; and,

5.3.3 Date of return to work.

5.4 Any personal leave of absence, with the exception of Section 5.1.3 and 5.5, may run to a maximum of nine (9) months.

5.5 Leaves due to occupational injuries shall be granted for a period up to twelve (12) months, unless a longer period is agreed upon between the Employer and the Union.

5.6 The employee must be qualified to resume his regular duties upon return to work from an approved leave of absence.

5.6.1 A doctor's certificate verifying that the employee is able to resume his normal duties must be furnished if requested by the Employer.

5.6.2 The employee shall then return to the job previously held or to a job comparable with regard to rates of pay on the first weekly schedule prepared after the Employer has received notice in writing of the employee's availability.

5.7 Any employee who fails to return to work at the end of a leave of absence shall be terminated as provided for under Section 4.5.7.

## **ARTICLE 6**

### **HOURS OF WORK AND OVERTIME**

6.1 Forty (40) hours per week consisting of five (5) days of eight (8) consecutive hours each (exclusive of not more than one (one) hour out for lunch each day) shall constitute the basic straight-time work week.

6.2 All hours worked in excess of eight (8) hours per day and forty (40) hours per week and before 6:00 a.m. or after 9:00 p.m. when the store is open for business shall be paid for at the rate of time and one-half (1½). Where six (6) days, Monday through Saturday are worked in any one week, time and one-half (1½) shall be paid for work on the day the least number of hours are worked.

6.3 Premium Work: Work performed by employees on any of the following days or between the hours specified below shall be considered as premium work and paid for according to the premium rates set forth herein.

6.3.1 Sunday Premium: All employees shall receive time and one-half (1½) the straight time hourly rate for all hours worked on Sunday. Employees hired on or after date of ratification (9/9/16) of this Agreement shall receive one dollar (\$1.00) per hour over the employee's regular straight-time wage rate for all hours worked on Sunday.

6.3.2 Holidays: Time worked on any holiday specified in the Agreement shall be paid for at time and one-half (1½) the employee's straight-time wage rate in addition to any holiday pay to which the employee is otherwise entitled to under Article 8. This clause does not apply to the employee's birthday.

6.3.2 (a) Employees required to work after 6:00 p.m. on New Year's Eve or Christmas Eve shall be entitled to time and one-half (1½) for all hours worked after 6:00 p.m. on such days.

6.3.3 6:00 p.m. to 9:00 p.m.: The Employee's regular rate of pay plus \$.20 per hour. Schedules may be set for those employees designated to complete their shift at fifteen (15) minutes after 9:00 p.m. to facilitate closing the store, without the application of the premium set forth in Section 6.3.4.

6.3.4 9:00 p.m. to 6:00 a.m.: The Employee's regular rate of pay plus \$.45 per hour, when the store is not open for business.

6.4 Rest periods: There shall be a rest period of at least ten (10) minutes in every continuous four (4) hour period of employment. In the event that the one shift shall be less than four (4) hours and the other shift shall be four (4) hours or more there shall be only one rest period, fifteen (15) minutes in the longer shift. No employee shall be required to work more than three (3) hours without a rest period. All rest periods shall be on the Employer's time and shall cover time from stopping work and returning thereto.

6.5 Store Meetings: All time spent in store meetings called by the Employer shall be considered as time worked.



6.6 Wage Statements: The Employer agrees to furnish each employee, on regular established pay days, a wage statement showing the name of the employee, period covered, hours worked, rate of pay, total amount of wages paid, and deductions made.

6.7 Work Schedules: The Employer recognizes the desirability of giving his employees as much notice as possible in the planning of their weekly schedules of work and accordingly agrees to post a work schedule for a two-week period not later than 6:00 p.m. on Thursday preceding the start of the work week. It is understood that the work schedule may not be used to guarantee any specified number of hours of work to any employee and that the schedule may be changed in case of emergency; or by forty-eight (48) hour notice to the employee; or by mutual agreement between the Employer and the employee, provided however, no employee shall be discriminated against for failure to enter into such mutual agreement.

6.7.1 The weekly work schedule shall include the period designated as the meal periods required by this Agreement. Lunch hours shall be as close to the middle of the shift as possible.

6.7.2 If scheduled employees are required to work more than one-half ( $\frac{1}{2}$ ) hour in excess of the posted schedule for that day, such employee shall be entitled to receive a thirty-five cent (\$.35) per hour premium for all hours worked in excess of the posted schedule.

6.7.2 (a) This provision shall not apply if the additional scheduled hours were changed in accordance with the terms of Section 6.7.

6.7.2 (b) In the event the employee works more than eight (8) hours, the highest applicable premium shall apply and there shall be no compounding of premium and/or overtime pay.

6.8 The Employer shall not schedule any employee for a split shift.

## **ARTICLE 7**

### **CLASSIFICATIONS AND MINIMUM RATES OF PAY**

7.1 The classifications and hourly rates of pay shall be set forth in Appendix "A" attached hereto and by this reference made a part hereof.

7.2 There shall be a Lead Salesperson working full time in each store or department of a store which employs two (2) or more salespersons a total of sixty (60) hours or more per week.

7.3 For the purpose of computing months of experience and determining length of service, wage adjustments under Appendix "A", one hundred seventy-three and one-third (173-1/3)

compensable hours of employment with the current Employer shall be counted as one (1) month's experience provided that no employee shall be credited for more than one hundred seventy-three and one-third ( $173 \frac{1}{3}$ ) hours of experience in any one calendar month. All wage adjustments required by the application of this Section shall be effective on the closest Sunday.

7.3.1 The pay bracket formula is based entirely on actual hours of comparable experience in the retail industry, experience which is absolutely essential for proper understanding of the responsibilities and satisfactory performance of the job or position. However, for those apprentices who go into the military service prior to becoming a Journeyperson, such an employee will be re-employed at the next higher wage rate above his rate at the time of entry into the military service, if the employee applies for re-employment within ninety (90) days following discharge.

7.4 No Journeyperson shall be discharged by an Employer for the purpose of replacing a Journeyperson with a less senior employee.

7.5 Where an employee is hired where comparable past experience is applicable, all past experience shall apply if the comparable past experience has been within two (2) years previous to employment.

7.5.1 Comparable past experience for employees who were formerly Journeypersons shall be applied as follows. Those employees who have not worked for the past:

- 0 - 24 months shall be considered Journeyperson
- 25 - 36 months shall be considered 5th Step Apprentice.
- 37 - 48 months shall be considered 4th Step Apprentice.
- 49 - 60 months shall be considered 3rd Step Apprentice.
- 61 - 71 months shall be considered 2nd Step Apprentice.
- 72 or more months shall be considered 1st Step Apprentice.

7.5.2 This shall not preclude an Employer hiring new employees at a scale in excess of the aforementioned brackets.

7.6 All employees, except in case of emergency beyond the Employer's control, due to an act of God or failure of Public Utilities, or where the employee is unable to work four (4) hours on a particular day, shall receive not less than four (4) continuous hours' work or equivalent compensation in any one day ordered to report for work, compensation to begin at the time of reporting for duty.

7.7 It is expressly understood that employees receiving more than the minimum compensation or enjoying more favorable working conditions than provided for in this Agreement shall not suffer

by reason of signing or adoption; provided that the terms and intent of this paragraph shall not apply to matters of Health and Welfare, Sick Leave and Pension Benefits. The Employer may place superior wages and other employee benefits in effect and reduce the same to the minimum herein prescribed without consent of the union.

7.8 Employees who are assigned to work at two or more locations on a given day shall be compensated at the current IRS rate per mile for prescribed travel between locations. All time spent in travel shall be considered time worked and compensated for in accordance with the requirements of Article 6.

## **ARTICLE 8** **HOLIDAYS**

8.1 The following days shall be considered Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Where the date of any holiday falls on Sunday, the Monday following shall be observed.

8.1.1 The holidays set forth in Section 8.1 shall be observed as holidays on the date established for each by Federal legislation.

8.1.2 Employees must be employed for ninety (90) calendar days to be eligible for holiday pay.

8.2 Employees with one (1) year of service with the Employer shall receive three (3) personal holidays per calendar year in addition to those set forth in paragraph 8.1. An employee may choose to take any or all personal days during a calendar year providing they are scheduled by March 1 each year. Employees not electing to schedule their personal holidays will receive pay equal to the number of holidays not taken in addition to their regular vacation pay.

8.3 Employees, provided they normally work the hours as specified below, who work during the week in which the holiday occurs, and report for work their last scheduled working day preceding and their next scheduled working day immediately following the holiday, shall be paid for holidays specified in Section 8.1 and 8.2 of this Article, not worked on the following basis, provided that in any event if the preceding qualifications for holiday pay are met by the employee and he works thirty-two (32) or more hours in the holiday week he shall receive eight (8) hours of holiday pay.

8.3.1 Hours normally worked per week shall mean the employee's average weekly hours for the last eight (8) weeks of work prior to the holiday (week) or date of hire, whichever is applicable.

8.3.2 The requirement to work sometime during the holiday week shall be waived when the involuntary absence is due to a bona fide illness or injury provided that the employee has worked within the seven (7) calendar days preceding the holiday and within the seven (7) calendar days following the holiday.

<u>Hours Normally Worked Per Week</u>	<u>Hours of Holiday Pay</u>
12 to 24	4
24 to 32	6
32 or more	8

8.4 Employees who qualify for holiday pay as specified in Section 8.3 of this Article shall be paid time and one-half (1½) in addition to such holiday pay for work performed on holidays named in Section 8.1 of this Article. Employees who do not qualify for holidays pursuant to Section 8.3 of this Article shall receive time and one-half (1½) for work performed on such holidays, provided this shall not apply to the employee's birthday.

8.5 Holidays either worked or not worked, shall not be considered as days worked for the purpose of computing weekly overtime except in the case of employees who normally work six (6) days per week, totaling at least forty-four (44) hours per week.

## **ARTICLE 9** **VACATIONS**

All employees who work 800 hours per year shall be given vacations in accordance with the following schedule:

After 1 year of continuous employment	1 week
After 2 years of continuous employment	2 weeks
After 5 years of continuous employment	3 weeks
After 12 years of continuous employment	4 weeks
After 25 years of continuous employment	5 weeks*
* Effective 1/1/2021	

9.2 Vacations will be scheduled by seniority. Vacations may be taken at any time during the year.

9.2.1 For mid-year vacation requests or changes will be approved or denied within two weeks of the date of submission.

9.3 Employees shall receive vacation pay at the rate of pay in effect at the time of taking a vacation based upon the average weekly hours in the preceding anniversary year.

9.4 Time not worked up to a maximum of one hundred sixty (160) hours per year due to illness or accident shall be counted as time worked for the purpose of computing vacation pay. (Vacations and holidays will be considered as time worked).

9.5 If, after one or more years' service, the employee's services are terminated, he/she shall be paid for vacation time earned on a prorated basis of one (1) day for each five (5) weeks worked for which vacation time has not been paid or awarded. Employees eligible for three (3) weeks' vacation at the time of termination shall receive one (1) days' vacation for each three and one-half (3½) weeks worked for which vacation time has not been paid or awarded. Employees eligible for four (4) weeks' vacation at the time of termination shall receive one (1) days' vacation for each two and one-half (2½) weeks worked for which vacation time has not been paid or awarded.

9.6 Employees who are terminated for proven dishonesty or for drinking in relation to employment shall not receive prorated vacation pay.

9.7 In case of transfer of ownership of a store, the employee's vacation credits shall not be interrupted.

9.8 Vacation may not be waived by employees nor may extra pay be received for work during that period, provided however, that by prior mutual agreement between the Employer, employee and Union this provision may be waived.

9.9 Employees whose vacations are scheduled during a holiday week shall receive holiday pay provided for under the terms of Article 7 of this Agreement in addition to vacation pay.

9.10 The Employer agrees to pay earned vacation pay prior to vacation if requested by the employee on a timely basis. (Notwithstanding the above stated language, the parties recognize the current past practice of paying vacation on the anniversary date of employment.) If the company changes back to "pay as you go" vacation policy, it will be applicable to this bargaining unit as well.

9.11 All vacations shall be scheduled by seniority and all weeks of vacation may be taken separately or consecutively as mutually agreed to between the employee and the Employer.

## **ARTICLE 10** **SICK LEAVE**

10.1 Employees, during each twelve (12) months following their last date of employment, (after the first and each succeeding year of continuous employment with their current Employer) shall

be entitled as set forth below to be paid sick leave at their current regular straight-time hourly rate for bona fide illness or injury off-the-job.

10.2 Sick leave pay shall be accrued by an employee depending upon the number of straight-time hours worked by the employee with his current Employer in each twelve (12) months as follows:

<u>Hours Worked</u>	<u>Hours of Sick Leave Pay</u>
800 to 1200	20
1200 to 1680	24
1680 to 2080	32
2080 or more	40

10.3 Sick leave shall comply with Washington's Paid Safe and Sick Leave law (PSSL). To the extent PSSL contradicts any provisions of Article 10, PSSL prevails. PSSL is not earned in addition to 10.2. The Employer will track PSSL at the rate of 1 hour for every 40 hours worked, commencing on the first day of employment. Use of PSSL is allowed after 90 days of employment and be permitted for uses allowed under PSSL only. There is no maximum accrual for PSSL, but only 40 hours will carry over from one calendar year to the next. Employees may not borrow against future PSSL accrual.

10.4 Sick leave pay, to the extent it has been earned, shall begin on the third (3rd) normally scheduled working day of illness or injury off-the-job or the first (1st) normally scheduled working day, if the employee is hospitalized on such first (1st) normally scheduled working day of illness thereafter and shall be in an amount per day equal to the average number of straight-time hours worked per day by the employee during the past twelve (12) months; provided (1) the daily total of sick leave pay under this Article and disability payment provided by the Health and Welfare Plan shall not exceed the current regular straight-time rate for the employee's average hours up to eight (8) hours per day; and (2) not more than five (5) days sick leave pay shall be required in any one (1) work week.

10.4.1 Employees with 200 hours of sick leave in their bank will be given second day sick leave.

10.5 Sick leave pay shall be cumulative from year to year, but not to exceed a maximum of two hundred (200) hours. Sick leave pay must be earned by employment with one Employer.

10.5.1 Employees with a full bank at retirement shall receive a ten percent (10%) pay out of their bank on retirement.

10.6 A doctor's certificate, or other authoritative verification of illness may be required by the Employer, and, if so, must be presented by the employee not more than forty-eight (48) hours after return to work.

10.7 Any employee found to have abused sick leave benefits by falsification or misrepresentation shall thereupon be subject to disciplinary action, reduction or elimination of sick leave benefits (including accumulated sick leave) and shall further restore to the company amounts paid to such employee for the period of such absence, or may be discharged by the company for such falsification or misrepresentation.

10.8 Sick leave benefits shall apply only to bona fide cases of illness and injury off-the-job and shall not apply to on-the-job accidents which are covered by Article 14 of this Agreement.

10.9 Employees shall be permitted family leave in accordance with RCW 42 on the same terms and conditions (including eligibility requirements) as provided in Section 10.1 through 10.7.

## **ARTICLE 11** **BEREAVEMENT LEAVE**

11.1 Employees of less than one year of employment will be allowed time off without pay for bereavement leave for the immediate family as defined below. After their first year of employment, employees who are regularly employed twenty (20) hours or more per week, shall be allowed up to three (3) days off with pay for loss of their normal scheduled hours of work. Bereavement leave will be paid only with respect to a work day on which the employee would otherwise have worked and shall not apply to an employee's scheduled days off, holidays, vacation, or any other day in which the employee would not, in any event, have worked. Scheduled days off will not be changed to avoid payment of bereavement leave. Bereavement leave shall be paid for at the employee's regular straight-time hourly rate. Immediate family shall be defined as spouse, son, daughter, mother, father, stepmother, stepfather, brother, sister, mother-in-law, father-in-law, grandchildren and grandparents.

11.1.1 If a domestic partner is mandated by federal law, it will be added to the list of immediate family provided above.

## **ARTICLE 12** **JURY DUTY**

12.1 After their first year of employment, employees who are regularly employed twenty (20) hours or more per week who are called for service on a District Court, Superior Court, Municipal Court or Federal District Court jury shall be excused from work for the days on which they serve and shall be paid the difference between the fee they receive for such service and the amount of straight-time earnings lost by reason of such service up to a limit of eight (8) hours per day and

forty (40) hours per week and one hundred and twenty (120) hours within any calendar year; provided, however, 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 to report to his place of work and work at least one-half (½) of his normal work day. Employees who have served a full day as juror, and who are scheduled to commence work after 9:00 p.m. shall not be required to report to work that day. In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served and the amount of jury pay received.

### **ARTICLE 13** **HEALTH AND WELFARE/DENTAL**

13.1 The Employer and the Union agree to be bound by the terms of the Trust Agreements which created the Retail Clerks Welfare Trust, as initially executed on June 18, 1957, or the Trust Agreement which established the Retail Clerks Retiree Welfare Trust, initially adopted December 3, 1998, as applicable, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, and Trustee actions. The employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust.

13.2 The Employer and the Union agree to be bound by the Health and Welfare Labor Agreement, effective May 6, 2007, by and between Allied Employers, Inc., and UFCW Union Locals No 21, 367, 1439, UFCW International (AFL-CIO), and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto.

13.3 The Employers party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Retail Clerks Welfare Trust for the purpose of providing the employees with hospital, medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc., and various Local Unions dated April 1, 1977, and as subsequently amended, including the revision dated May 6, 2007.

13.4 The details of the benefit programs including a description of exact benefits to be provided, and the rules under which employees and their dependents shall be eligible for such benefits, shall be determined by the Trustees of the Sound Health and Wellness Trust in accordance with the



terms and provisions of the Trust Agreement creating the Trust, and as may be subsequently amended.

13.5 The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.

13.6 The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

13.7 Notwithstanding the foregoing Section, the Board of Trustees of the Sound Health and Wellness Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

13.8 Effective May 2016, the Employer will continue to pay the employees' weekly contributions of \$9.00 for individual coverage, \$15.00 for employee and child(ren), \$21.00 for employee and spouse, and up to \$23.00 per week for family coverage. Any increases over these amounts will be paid by the employee.

13.9 The Employer will contribute to the Sound Health and Wellness Trust as follows:

13.9.1 Effective with August 1, 2019 through September 30, 2019 hours, the Employer's current contribution rate(s) shall \$4.86 per hour.

13.9.2 Effective with October 1, 2019 ("Effective Date") hours, the Employer current contribution rate(s) shall be reduced by twenty-one cents per hour except that, effective for hours upon notice by the Sound Health and Wellness Trust, the Employer's contribution rate shall further decrease on a temporary basis in order to allow for an increase in the Employer contribution rate to the Sound Retirement Trust under Article 15.3.

13.10 Additionally, beginning with the month following notice from the Trustees of the Health and Wellness Trust that a temporary reduction in the Employer's contribution rate is authorized, the amount of such reduction shall be added as a monthly employer contribution to the Sound Retirement Trust on behalf of all eligible employees as described in Section 15.3. These amounts are in addition to the employer contributions required under Section 15.3. The payment of such reduced contributions shall continue until the earlier of the thirteenth month following the effective

date of the reduction or when the Trustees determine, in their sole discretion, that the amount of surplus assets in the Health and Wellness is reduced to, or anticipated to be reduced to zero. The Health and Wellness Trust shall provide notice of such determination. However, in no event shall the Employer's contribution rate to the Health Trust be reduced below \$4.65 per hour if the Trust excess assets (above the required reserves) are anticipated to fall below 2½ months of excess reserves before such date.

13.11 Starting October 2020, every six months through March 2022, the consultants will project Plan expenses and income and report these amounts to the Trustees. Based on those projections, the Trustees will set the contribution rate (with a minimum rate of the initial hourly rate before the temporary decrease) and up to a maximum rate of \$4.86) that is anticipated to result in an excess reserve of \$52 million by April 30, 2022. Each recalculated rate shall become effective for the Employer as of the effective date determined by the Trustees and the Employer shall pay the recalculated as of such effective date.

13.12 In March 2022, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2022, (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2022 hours, provided that the hourly rate shall not exceed \$5.19 and not be less than \$4.86. However, for January through March 2022, the Employer's contribution rate will be temporarily reduced from this contribution rate by such amount as to redirect the total amount of \$15 million for all employers to a Variable Annuity Plan.

13.13 All other trust programs shall continue unless modified by the Trustees based on the terms of the Trust and Plan documents.

#### **ARTICLE 14** **STATE INDUSTRIAL INSURANCE**

14.1 All employees shall be covered under Washington State Workmen's Industrial Accident Compensation or guaranteed equal coverage.

**ARTICLE 15**  
**RETIREMENT PROGRAM**

15.1 a) Acceptance of Trust Agreement: The Employer and the Union agree to be bound by the terms of the Trust Agreement which created the Sound Retirement Trust as initially executed on January 13, 1966, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purpose of managing the Trust.

b) All contributions shall be paid on compensable hours with a maximum of one hundred seventy-three (173) hours per calendar month per employee.

c) The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.

d) The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

e) Notwithstanding the foregoing Section, the Board of Trustees of the Sound Retirement Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

f) The provisions of the Grievance Procedure language set forth in this Agreement shall, in no way, apply to or affect the Employer's obligation to pay contributions to this Trust Fund.

15.2 The Employer shall pay into the Sound Retirement Trust, inclusive of trust fund deficit reduction, the following sums under this Article 15.

15.3.1 Until the effective date of the new future service defined benefit variable plan under Section 15.4, the Employer will continue to make contributions to the Sound Retirement Trust as described in this Section and the Employer's active participants will continue to earn benefit accruals until such effective date. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section:

	Current	Upon Ratification 9/14/2020	1/1/2021	1/1/2022	1/1/2023
Accrual Rate	\$ 0.650	\$ 0.650	\$ 0.650	\$ 0.650	\$ 0.650
Pre-Rehab Rate	\$ 0.100	\$ 0.100	\$ 0.100	\$ 0.100	\$ 0.100
Current Rehab Rate	\$ 0.650	\$ 0.784	\$ 0.920	\$ 1.056	\$ 1.192
Non-benefit redirect from retiree welfare	\$ 0.010	\$ 0.010	\$ 0.010	\$ 0.010	\$ 0.010
TOTAL	\$ 1.410	\$ 1.544	\$ 1.680	\$ 1.816	\$ 1.952

The parties hereby adopt the Preferred schedule under the Rehabilitation Plan of the Sound Retirement Trust as revised December, 2019 with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and selected Schedule and the Employer shall contribute in accordance with such schedule. In accordance with that Schedule, the Employer also shall make such additional supplemental contributions in addition to the base contributions described under 15.3.4 below. It is recognized and agreed that said supplemental contributions will not result in any pension credit for the covered employees.

15.3.2 Upon the effective date of the new future service defined benefit variable plan under Section 15.4, future benefit accruals under the SRT will cease and the SRT plan will be frozen; as a result, the funding of 125% of the employer’s base contribution for the SRT for the Employer’s employees is discontinued once future benefit accruals commence under the VAP and all hourly contribution rates paid to the SRT will be reduced by this adjusted base contribution under this Section 15.3.

15.3.3 The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT.

15.3.4 The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.

15.3.5 The Employer shall continue to pay all of the scheduled contribution increases under the

updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date. In addition, the Parties ask the Trustees of the Plan to explore adopting specific language that all additional contributions will not be used in calculations of the employers' share of the unfunded vested benefits, to the extent permitted by law.

15.3.6 The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between Safeway/Albertson's and the Union and the full implementation of the agreement between Kroger and the Union, including the transfer of liabilities and assets from the SRT to the UFCW Consolidated Fund under the MOU between Kroger and the Union. If either the SRT or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives.

15.3.7 The parties agree to request that the Actuaries of the SRT review and update, as they determine is appropriate, the current withdrawal liability method used by the Fund.

15.3.8 In part to order to ensure the prudent funding of the Sound Retirement Trust, the Employers, in total, agree to redirect health & welfare trust contributions up to the total amount of \$100 million to the SRT commencing with January 2020 hours.

15.3.9 The parties will cooperate in seeking approval by the relevant parties for this global solution for accelerated funding of the unfunded liabilities of the SRT, including the SRT Board of Trustees, the PBGC and the UFCW Consolidated Fund Board of Trustees. (Subject to final agreement on the details of any Kroger transaction.)

15.3.10 To that end, the parties agree to ask that the SRT Trustees consider the following:

- a. Continue to extend cash-matched period under Beta portfolio as the situation warrants in order to continue to reduce investment risk in the SRT.
- b. Reduce the valuation assumption to 6.5% net of investment expenses: and
- c. Invest the \$175 million in assets to be transferred from the SRT to the UFCW Consolidated Pension Fund at a risk-free rate of return from the ratification date of the collective bargaining agreement until the date of transfer. (Subject to final agreement on the details of any Kroger transaction.)

15.3.11 This agreement is contingent on the bargaining parties reaching an overall collective bargaining agreement, including an agreement between the Employer and the Union for a new future service defined benefit variable plan for all current employees affected by this transfer.

15.4 Variable Annuity Plan. As of the effective date of the new future service defined benefit variable annuity plan (VAP), future service benefit accruals will be earned in the VAP, a multiemployer variable annuity defined benefit plan. Participants' service earned under the Sound Retirement Trust (SRT) and the VAP will be recognized for participation, vesting and benefit eligibility purposes in both plans. In the event of a short plan year running from the transfer date to December 31, the benefit guarantee will apply for the short plan year and the subsequent initial full plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

#### 15.4.1 CONTRIBUTIONS TO VAP

15.4.1 The Employer will contribute eighty one and one quarter cents (\$.8125) per hour for each eligible active participant to the VAP, commencing with the effective date and eighty one and one quarter cents (\$.8125) per hour effective January 1, 2022 and eighty one and one quarter cents (\$.8125) per hour effective January 1, 2023. Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made under the current collective bargaining agreement and on the same compensable hour basis as contributions are currently made to the SRT. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT.

Notwithstanding the above, for the term of this contract, in no event shall the contribution be less than 125% of the base contribution to the Sound Trust as of the effective date of the VAP. All actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

In addition, the Employer will contribute three cents (\$.03) per hour for each eligible active participant to the VAP, commencing with the effective date of the VAP through the end of the initial first full Plan Year.

The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the short plan year and the first full plan year, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.

The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.

15.4.2 The benefit accrual under the VAP will be periodically reviewed (but at least every three (3) years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, all actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

15.4.3 The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the short plan year and the first full plan year, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.

The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.

15.4.4 Annual benefit improvements will be capped at 3.0% above the 5.5% hurdle rate. Any surplus investment return between the 5.5% and the 8.5% cap will fund benefit improvements and any surplus investment return over 8.5% shall be allocated to the stabilization reserve.

15.4.5 The VAP board of trustees will formulate a stabilization reserve policy which will define the board's discretion to manage the stabilization reserve and determine how and when it is used to support benefit accruals in years in which the plan investments underperform the hurdle rate. The Employer will contribute to the stabilization reserve from January through March 2022 in accordance with Section 13.3.

It is the intent of the parties that the stabilization reserve policy will be used to stabilize benefits for active and retired participants in the event of returns of 2% or lower ("the Floor Return") and maintained in order to address the VAP investment and demographic experience and the level of assets/benefits accrued under VAP. It is not the intent that the stabilization reserve be used in the event of investment returns higher than the Floor Return.

15.4.6 The Governance of the VAP will be modeled after the SRT Trust Agreement document, as appropriate and agreed to by the plan sponsor.

15.5 Western Employees Benefit Trust 401(k). The provisions of Section 17.3 of Article 17 of this Agreement shall, in no way, apply to or affect the Employer's obligation to pay contributions to this Trust Fund.

15.6 Employer agrees to continue participation in the Western Employees Benefit Trust - 401(k) Plan. The employer obligations to the plan are limited to:

1. The timely execution of the Plan's Subscribe Agreement.
2. The timely eligible payment of that portion of their wages eligible employees elect to pay into the Plan.
3. Eligibility shall be limited to regular employees covered by the Collective Bargaining Agreement who have completed one (1) year of service with the Employer and who maintain eligibility status as defined in the Summary Plan Description.
4. Participation in this Plan is on a voluntary basis and eligible employees shall be responsible for the Trust Fund Administrative fee.

## **ARTICLE 16** **GENERAL CONDITIONS**

16.1 The Employer shall not permit demonstrators, salesmen or other employees of a supplier to perform work of store clerks. Demonstrators assigned to a store by a supplier shall confine themselves to the particular items being demonstrated and wear clothing or carry some badge identifying them with the product or firm for which the demonstration is made.

16.2 All gowns, aprons and uniforms required by the Employer shall be furnished and kept in repair by the Employer and, except where the garment is of drip-dry material, the Employer shall pay for laundering of same.

16.3 It is the desire of both the Employer and the Union to avoid, wherever possible, the loss of working time by employees covered by this Agreement. All contact will be handled so as to not interfere with the employee's duties or with service to the customers.

16.4 The Union may issue a Union Store Card and/or window decals to the Employer. Such Union Store Cards and decals are and shall remain the property of the United Food and Commercial Workers International Union, and the Employer agrees to surrender said Union Store Cards and/or decals to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement.



16.4.1 The Employer shall display such Union Store Cards and/or decals in conspicuous areas accessible to the public in each establishment covered by this Agreement.

16.5 The Employer shall furnish to the Union, on written request, a copy of the payroll records of all bargaining unit employees, but not more than one (1) payroll record need be furnished during a twelve (12) month period.

16.6 The Employer agrees to notify the Union of the sale or closure of a store at least 30 days in advance, whenever practical. Reasons where the 30 days' notice is not practical may include but are not limited to lease contingencies, financing arrangements, or finalization of the buy/sell arrangements.

## **ARTICLE 17**

### **GRIEVANCE PROCEDURE**

17.1 All matters pertaining to the proper application and interpretation of any and all of the provisions of this Agreement shall be adjusted by the accredited representative of the Employer and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within seven (7) days from the date a grievance is filed in writing by either party upon the other, the matter shall be referred for final adjustment to a labor relations committee selected as follows: two (2) members from the Employer and two (2) members from the Union. In the event the labor relations committee fails to reach an agreement within twenty-one (21) days from the date a grievance is filed in writing by either party upon the other, the four (4) shall select a fifth member or they shall request the Federal Mediation and Conciliation Service to submit a list of eleven (11) names of qualified arbitrators from which the labor relations committee shall select a fifth member, who shall be chairman, and the decision of this committee shall be binding on both parties. The labor relations committee as thus constituted shall have no power to add to, subtract from or change or modify any provisions of this Agreement, but shall be authorized only to interpret existing provisions of this Agreement as they apply to the specific facts of the issue in dispute.

17.2 During the process of making adjustments under the rule and procedures set forth in Section 17.1 above, no strike or lockout shall occur.

17.3 Except as otherwise provided for in Sections 17.3.2 and 17.3.3, no grievance or claim of violation of this Agreement shall be recognized unless presented in writing within thirty (30) days from the date of the occurrence causing the complaint or grievance except in cases where report of a grievance has been suppressed through coercion by the Employer.

17.3.1 In the event the claim is one for additional wages, any such claim shall be limited to additional wages, if any, accruing within the forty-five (45) day period immediately preceding the date upon which the grievance was filed in writing.

17.3.2 Where there is an automatic wage bracket adjustment due under the terms of Appendix "A", the period of adjustment shall be one (1) year from the date the grievance was filed in writing.

17.3.3 In cases involving discharge, the grievance must be filed within fifteen (15) days from the date of discharge.

17.4 The Employers and the Union shall make available to the other, pertinent data necessary for the examination of all circumstances surrounding a grievance. The arbitrator shall be empowered to effect compliance with this provision by requiring the production of documents and other evidence.

## **ARTICLE 18**

### **NO STRIKES OR LOCKOUTS**

18.1 During the life of this Agreement the Union agrees not to engage in any strike or stoppage of work and the Employer agrees not to engage in any lockout. It shall not be a cause for discharge or discipline and it shall not be a violation of this Agreement for an employee to refuse to cross a primary labor union picket line at the Employer's premises that has been established to support a legal strike, provided the picket line is approved by Local No. 367.

## **ARTICLE 19**

### **SEPARABILITY**

19.1 It is hereby declared to be the intention of the parties to this Agreement and the sections, paragraphs, sentences, clauses, and phrases of this Agreement are separable and if any phrase, clause, sentence, paragraph or section of this Agreement shall be declared invalid by the valid judgement or decree of a court of competent jurisdiction because of the conflict with any Federal or Washington State law, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Agreement and the balance of this Agreement shall continue in full force and effect.

19.2 The parties hereto agree that substitute provisions conforming to such judgement and decree shall be incorporated into this Agreement within thirty (30) days thereafter.

**ARTICLE 20**  
**DUES AND FEES CHECK-OFF**

20.1 The Employer agrees during the life of this Agreement, upon receipt of an executed check-off form to deduct from the employee's earnings each month an amount equal to the regular monthly union dues, initiation fees, (in equal installments during a 90-day period), reinstatement fees, due the UFCW Local Union which have accrued in the past and which accrue in the future, such amounts to be transmitted to the Union on or before the 10th day of each month. Notwithstanding the above language, the parties recognize the company's current payroll system does not have the capability to deduct initiation, reinstatement and arrears. If and when this capability becomes available, the Employer agrees to collect these items.

20.1.1 For employees who voluntarily authorize a contribution to the UFCW Active Ballot Club political action committee, the Employer agrees to deduct the authorized amount each payroll period on a payroll deduction basis and forward same to the Union. Participation must be at 20% or greater of the bargaining unit to implement the deduction. If the participation rate falls below the 20% the Union shall have 45 days to re-establish the 20% to continue the deduction.

20.2 The Union agrees to supply the Employer with the amounts of union dues, initiation fees, reinstatement fees or assessments applicable to each individual as the case may warrant. In no event will the amount deducted exceed the total of one month's dues plus fifty dollars (\$50.00).

20.3 The Employer agrees to request all employees to fill out and sign, check-off authorization forms, which are to be supplied by the Union.

**ARTICLE 21**  
**CREDIT UNION DEDUCTION**

21.01 The Employer agrees during the life of this Agreement to provide for a system of payroll deductions of Credit Union monies. Said monies shall be transmitted to the UFCW Northwest Community Credit Union within ten (10) working days of each payroll period provided the employee authorizes the Employer to make such deduction on a form supplied by the Credit Union.

**ARTICLE 22**  
**EMPLOYEE SEVERANCE**

22.1 Employees displaced and terminated due to the closing of a plant or depot and the discontinuance of its operations or due to the introduction of labor saving equipment shall be entitled to severance pay subject to the following requirements and qualifications.

22.2 Only employees with three (3) years continuous service with a particular Employer shall be eligible for severance pay. Eligibility for benefits shall commence at the end of the fourth (4) year of continuous employment with Gai's Sales Company, Inc.

22.3 Upon becoming eligible as aforesaid, an employee so displaced shall be entitled to one-half (½) weeks' pay for each full year of continuous service including the three (3) year qualification period.

22.4 The maximum benefit payable hereunder shall be 23 half weeks or 11 ½ full weeks' pay based upon 23 full years of continuous service with a particular employer covered by the Agreement.

22.5 SEVERANCE pay as herein above provided will not be paid to:

22.5.1 An employee who is offered employment in the baking industry in the area of distribution of the employer.

22.5.2 An employee who voluntarily resigns.

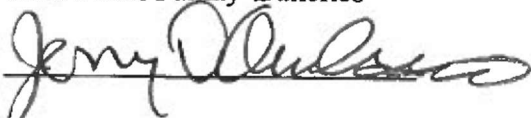
22.5.3 An employee who at the time of termination is eligible for pension benefits under the UFCW Trust.

**ARTICLE 23**  
**DURATION OF AGREEMENT**

23.1 This Agreement shall be in full force and effect from and after August 4, 2020, until November 4, 2023, at which time it shall be automatically renewed for a period of one (1) year from said date, and thereafter for each year upon each anniversary of said date without further notice; provided, however, that either party may open this Agreement for the purpose of discussing a revision within sixty (60) days prior to said expiration date of each anniversary thereof upon written notice being served upon either party by the other.

IN WITNESS WHEREOF, we attach our signatures this Oct 6<sup>th</sup> day of 2020.

For United States Bakery  
d/b/a Franz Family Bakeries



Jerry D'Ambrosio  
D'Ambrosio & Associates

UFCW Union Local No. 367



Angel F. Gonzalez Inzarry, President



Michael Hines, Negotiator

**APPENDIX A – Wages**

	Current	8/4/19	11/1/20	10/31/21	10/30/22
Lead Salesperson	16.80	17.45	18.00	18.55	19.05
Journey	15.65	16.30	16.85	17.40	17.90

Local 38 will get first increase 8/4/19 along with locals 21 & 367, then all three locals will move to the same wage schedule as outlined above.

Break In Rates for New Hires:

First year: 85% of Journey

Second year: 90% of Journey

Minimum rate - 10¢ per hour over Washington State Minimum Wage.