**MEMORANDUM OF AGREEMENT**

**UFCW Local 919**

The Stop & Shop Supermarket Company LLC (“the Company”) and the United Food and Commercial Workers Union Local 919 (“the Union”), reached a Memorandum of Agreement for a Successor Agreement on April 9, 2016. Upon ratification, the Successor Agreement will have a term of February 28, 2016 through February 23, 2019. The Successor Agreement will contain the provisions of the Collective Bargaining Agreement that expired on February 27, 2016, except as modified herein. This Memorandum of Agreement represents the entire Agreement between the Company and the Union.

1. Cover Page and article 44 – duration:

The term of the Agreement shall be from February 28, 2016 through February 23, 2019.

1. ARTICLE 15, SECTION 1 – VACATIONS:

Amend to provide that vacation entitlements for clerks hired or promoted to full-time after ratification shall be eligible for a fifth week of vacation after 25 years of continuous employment.

1. ARTICLE 15, SECTION 3- VACATION PAY – PART-TIME EMPLOYEES:
**Effective January 1, 2017:**

Amend to provide that all part-time employees with three (3) or more weeks’ of vacation may use one week of vacation in days at a time mutually convenient to the employer and the employee. At least two (2) weeks of advance notice must be provided for such requests.

The number of hours in an individual’s part-time vacation week shall be determined at the beginning of each year by using the average weekly straight-time hours paid in the prior 52 weeks. After their first year of employment, but before the start of the next calendar year, part-time employees’ vacation time will be determined by the average weekly straight-time hours paid in their first year of service. Any part-time employee eligible to use one (1) week of vacation in days will be paid one-fifth of this calculated weekly vacation amount for each day used.

1. ARTICLE 40 – SICK LEAVE:

All associates employed in Connecticut:

Part-Time Employees hired after February 23, 2013, shall receive a minimum of fifteen (15) hours of sick time which will be available to use at the beginning of the year, provided they have one (1) year of service.

Full-Time Employees hired after February 23, 2013 shall receive a minimum of five (5) days sick time which will be available to use at the beginning of the year, provided they have one (1) year of service.

Connecticut and Massachusetts Paid Sick Leave Laws provide that all forms of Paid Time Off may be used to meet the sick leave accrual mandates. An employee who is not yet eligible for sick leave under this article or whose accrual under the state mandate would exceed the contractual allotment under this article shall be able to use their vacation and personal holiday pay in increment of hours for sick leave up to a maximum of 40 hours in a calendar year consistent with the provisions of the state law.

1. ARTICLE 11, SECTION 2 – LEAVE OF ABSENCE:

Amend so that “Labor Relations Department” is changed to “Human Resources Division” and requests for a leave shall be submitted to the Vice President of Human Resources or the Director of Labor Relations.

1. ARTICLE 26 – SENIORITY, SECTION 10 – PROMOTIONS:

Add: The Employer agrees that current part-time employees will be considered first for open full-time positions. In the matter of promotions, the Employer shall have the right to exercise its judgment on qualifications and ability and shall make the determination after giving due regard to seniority and after considering suggestions and recommendations of the Union. The Employer has the right to subject candidates for promotion to a drug screen, subject to applicable state and federal law.

1. ARTICLE 31 –TRANSPORTATION:
2. Where promotions or demotions are involved, transportation expense shall be handled individually to the mutual satisfaction of the employer, employee and union.

The designation of home store shall be the store in which the employee was hired, and thereafter their most recent promotion or demotion.

1. When an employee is promoted or demoted the Employer shall notify the employee of their new classification, home store, transfer store, rate of pay and the amount of travel pay the employee will receive, if any.
2. ARTICLE 31 – TRANSPORTATION:
Delete only the following language from Article 31, Section 6 (for clarity purposes): - “If the Employee is subsequently transferred, the distance from the original promotion if greater than ten (10) miles each way to the new store, will be used in determining travel pay entitlements.
3. ARTICLE 12, SECTION 3B – HOURS:

The parties agree to the provision below if fifty percent (50%) or more of the employees receiving double time on Sundays and holidays as of the date of ratification remain employed as of February 23, 2019. If the stated condition is not true, the provision below will not take effect.

Effective February 23, 2019, those employees who were receiving double time for work performed on Sundays and holidays shall receive a frozen premium rate which is equal to the hourly rate of pay they were earning as of February 23, 2019. In addition to the frozen premium hourly rate of pay, they shall receive their regular hourly rate of pay for all hours of work performed on Sundays and holidays. As their regular hourly rate increases, the frozen premium shall remain the same, except that, the rate shall not reduce below time and one-half. The frozen premium rate will be adjusted in the case of demotions.

1. ARTICLE 12, SECTION 2 – HOURS, HOURS OF WORK FOR PART-TIME EMPLOYEES:
If a part-time employee is not eligible for holiday pay, they shall be scheduled a minimum of fifteen (15) hours in the holiday week (including holiday hours worked, if any) provided that they are available to work on the holiday.

1. ARTICLE 28 – WORK SCHEDULES:
The Company will implement a two-week advanced scheduling program by the end of 2016.  The Company will meet with the Union prior to the advance scheduling program and after the program to discuss and negotiate the broader implementation.

The Company and the Union will discuss any testing issues of the advanced scheduling program and make modifications as needed.  The parties will agree to a date for a full roll out of the two (2) week advanced scheduling program, beginning no later than June 1, 2017.

Beginning June 1, 2016, the Employer will post schedules in ink on Thursday at 5pm for the following workweek beginning on Sunday.  The Employer will continue to post schedules for Sunday on the prior Wednesday by 5pm. Each employee’s schedule will be available electronically.

1. ARTICLE 14 – WAGES:

|  |  |  |  |
| --- | --- | --- | --- |
|   | **2/28/2016** | **2/26/2017** | **2/25/2018** |
| **Full-Time**  | $0.50 | $0.625 | $0.50 |
| **Part-Time (7 or more years of service)** | $0.45 | $0.45 | $0.45 |
| **Part-Time (more than 3 years but less than 7 years of service)** | $0.35 | $0.35 | $0.35 |
| **Part-Time (more than 1 year but less than 3 years of service)** | $0.25 | $0.25 | $0.25 |

The first full-time GWI applies to all active full-time associates and then they will move to the appropriate scale.

1. ARTICLE 14, SECTION 3 – WAGES
Applies to current full-time clerks and all newly appointed full-time clerks whose rate of pay is or will be $18 or more by February 23, 2019.Employees promoted will be placed on the full-time wage scale. If the employee’s rate is less than the midpoint between two steps, the employee will remain in the current step and move to the next step after the required amount of time. If the employee’s rate is at or beyond the midpoint between two steps, the employee’s rate will be adjusted to the next step.

Effective on ratification, Full-Time Employees will follow the weekly wage scale below:

|  |  |
| --- | --- |
|  | **Connecticut** |
| **Start:** | $480.00  |
| **6 Months:** | $490.00  |
| **6 Months:** | $520.00  |
| **6 Months:** | $530.00  |
| **6 Months:** | $540.00  |
| **6 Months:** | $560.00  |
| **6 Months:** | $600.00  |

Once an employee reaches $600 per week, a $0.30 wage increase will be applied every six (6) months until the employee reaches $720 per week.

Once an employee reaches $720 per week, general wage increases will be followed.

1. ARTICLE 14 – WAGES:

Part-Time Minimum Rates:

Any employee earning less than the minimum rates listed below with the requisite continuous service will receive the applicable minimum rate.

Effective March 5, 2017, Part-Time Employees will receive the minimum rate of pay as follows:

|  |  |
| --- | --- |
|   | **Connecticut** |
| **2 or more years:** | $10.90  |
| **5 or more years:** | $11.40  |
| **8 or more years:** | $11.75  |
| **10 or more years:** | $12.10  |

The above minimum rates represent a one-time adjustment to decompress the wages. General Wage Increases will follow.

1. ARTICLE 14 – WAGES:
Starting Rates: The Employer agrees to increase starting rates as follows:

|  |  |
| --- | --- |
| **Position** | **Weekly Starting Rate** |
| 1. Night Crew Chief (effective on ratification)
 | $750 |
| 1. Grocery Department Head (effective on ratification)
 | $845 |
| 1. Produce Department Head (effective on ratification)
 | $845 |
| 1. Assistant Grocery Head (effective 2/25/18)
 | $640 |
| 1. Assistant Produce Head (effective 2/25/18)
 | $640 |
| 1. Floral Lead (effective 2/25/18)
 | $640 |

1. ARTICLE 14, SECTION 15 – WAGES, SERVICE DEPARTMENTS:

Add:

Effective on ratification, the full-time service clerk classification will be eliminated. Those full-time employees will be placed on the full-time wage scale. If they currently earn a rate higher than the top rate, they will receive a twenty dollar ($20) per week increase.

Effective on ratification, the part-time service clerk classification will be eliminated. Those part-time employees with less than ten (10) years of service will receive a five cent ($0.05) wage increase; those part-time employees with ten (10) years or more of service will receive a thirty-five cent ($0.35) cent increase.

1. ARTICLE 14 – WAGES:

**Pharmacy Tech Wages**The hiring range for the part-time pharmacy technician classification will be $11.75 to $13.75 and the hiring range for the full-time pharmacy technician classification will be $14.25 to $16.75. Part-time and full-time pharmacy technicians are eligible for appropriate general wage increases.

The parties agree to meet within ninety (90) days of ratification to incorporate these rates into the wage matrix.
2. ARTICLE 14 – WAGES:

Add:

**Clerks Hired or Promoted to Full-Time after Ratification:**

The following terms shall apply to Clerks hired or promoted to full-time clerk positions after ratification.

These clerks will have complete interchangeability within the contract and will be subject to the following terms:

Clerks promoted to FT will be given an increase in pay equal to $1/hr.

**Full-Time Wage Scale:**

Effective on ratification, Full-Time Employees will follow the weekly wage scale below:

|  |  |
| --- | --- |
|  | **Connecticut** |
| **Start:** | $480.00  |
| **6 Months:** | $490.00  |
| **6 Months:** | $520.00  |
| **6 Months:** | $530.00  |
| **6 Months:** | $540.00  |
| **6 Months:** | $560.00  |
| **6 Months:** | $600.00  |
| **6 Months:** | $612.00 |
| **6 Months:** | $622.00 |
| **6 Months:** | $634.00 |
| **6 Months:** | $644.00 |
| **6 Months:** | $656.00 |
| **6 Months:** | $666.00 |
| **6 Months:** | $678.00 |
| **6 Months:** | $688.00 |
| **6 Months:** | $700.00 |
| **6 Months:** | $720.00 |
| **6 Months:** | $730.00 |
| **6 Months & Thereafter:** | $740.00 |

Employees promoted will be placed on the full-time wage scale. If the employee’s rate is less than the midpoint between two steps, the employee will remain in the current step and move to the next step after the required amount of time. If the employee’s rate is at or beyond the midpoint between two steps, the employee’s rate will be adjusted to the next step.

1. HEALTH & WELFARE:
Amend as follows:

*Current Full-Time Associates*

Eligible full-time associates who elect coverage will contribute on a weekly pre-tax payroll deduction as specified below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Associate** | **Associate + Spouse** | **Associate + Child(ren)** | **Family** |
| Current | $11 | $20 | $17 | $26 |
| January 1, 2017 | $13 | $20 | $20 | $26 |

Effective January 1, 2017, the plan in-network deductibles will increase to $300/$700 and the in-network out-of-pocket coinsurance maximums will increase to $2500/$5000.

Effective January 1, 2017, there will be a $100 hospital copayment and a $100 emergency room copayment.

*Full-Time Associates Hired or Promoted after Ratification:*

Employees hired or promoted to full-time after ratification will be eligible to elect coverage with the following weekly pre-tax payroll deductions:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Associate** | **Associate + Spouse** | **Associate + Child(ren)** | **Family** |
| Ratification | $13 | $20 | $20 | $26 |

Associate only plan design will be 70% co-insurance for medical and prescription coverage. The in-network deductible will be $300 with a $2,500 out of pocket coinsurance maximum.

Dependent coverage plan design will be 70% co-insurance for medical and prescription coverage. The in-network deductible will be $600 with a $5,000 out of pocket coinsurance maximum.

*Part-Time Associates*

Current part-time employees enrolled in the HSA program as of May 1, 2016 will be eligible to continue participation in the program, provided that they do not opt-out. Employees that opt-out of the HSA program will be eligible for the benefit payment. New entrants will not be eligible to participate.

|  |  |
| --- | --- |
|  | **HSA Annual Contribution** |
| Hired before 3/1/2010 | $1500 |
| Hired on or after 3/1/2010 and before 2/24/2013 | $750 |
| Hired on or after 2/24/2013 (current enrolled employees only) | $500 |

Part-time employees hired after May 1, 2015 will not be eligible for the benefit payment. Employees that qualify for and elect the ACA plan and then lose eligibility, but would have otherwise been eligible for the benefit payment shall receive the payment.

|  |  |
| --- | --- |
|  | **Annual Benefit Payment Amount** |
| Hired before 3/1/2010 | $750 |
| Hired on or after 3/1/2010 and before 2/23/2013 | $375 |
| Hired on or after 2/24/2013 and before 5/1/2015 | $250 |

Part-Time associates meeting the Affordable Care Act definition of full-time who elect coverage will contribute on a weekly pre-tax payroll deduction as specified below:

|  |  |
| --- | --- |
|  | **PT Associate** |
| Current | $11 |
| January 1, 2017 | $13 |

Effective January 1, 2017, the plan in-network deductibles will increase to $300/$700 and the in-network out-of-pocket coinsurance maximums will be $2500/$5000.

Effective January 1, 2017, there will be a $100 hospital copayment and a $100 emergency room copayment.

***Prescription Drug Plan***

Effective January 1, 2017, reference-based pricing will be implemented in the prescription drug plan.
Effective July 1, 2016, injectable drugs will be included in the pharmacy drug plan.

***Funding – Company Contributions***

Continue current funding model.

***Other Plan Enhancements***

Implement a national managed dental network.

Implement a hearing wellness benefit through the UConn Speech and Hearing Clinic.

***ACA Baseline Group***
The Company agrees to renew Exhibit H dated February 24, 2013 regarding the ACA baseline group, and the terms will remain in full force and effect throughout the term of this Agreement.

***Modify Article 21 – Health Care Reform***

Change “…cost sharing reductions, delay in the implementation of the exchanges…” to “..cost sharing reductions, changes to the exchanges…”

1. PENSION:
Hourly contribution rate:

For the duration of the agreement, the hourly contribution rates are as follows:

Full-Time: $1.00
Part-Time: $0.50

For eligible associates hired or promoted to full-time after ratification, the future service accrual will be $51 (subject to the Fund’s accrual phase-in rules) per month per year of service.

EXHIBITS AND LETTERS OF UNDERSTANDING:

1. NEW SIDE LETTER:

The Company may, at its option, offer VSIP programs to associates during the term of the agreement.

1. SIDE LETTER:

**Labor-Management Committee**

The Employer and the Union agree that there shall be a joint Labor-Management Committee consisting of no more than six (6) individual from each party. Committee members shall be designated in writing by each party to the other. Meetings will be held at mutually agreeable times and places so as to apprise the other of problems, concerns and suggestions related to the operations and work force, all with the aim of promoting better understanding between the parties. Meetings will be held at least twice per year. A written agenda shall be established for each meeting. Such meetings shall not be construed as opening the Agreement for negotiations, nor shall any subject matter at the meetings constitute a step in the grievance procedure. Employees shall be paid at their regular hourly rate for the time at such meetings.

1. SIDE LETTER:
Add the following PeaPod language:

A. The Company shall have the ability, at its option, to assign a Lead person in the wareroom, as needed by shift, on a weekly basis. These duties may include, but are not limited to, overseeing and supervising the following: dispatching, shopping, staging, and loading. When assigned to these duties, the associate will receive a $0.25 premium.

B. In any wareroom that has an overnight shift, there shall be a Night Crew Chief assigned.
2. SIDE LETTER:

This letter confirms our mutual intent to create new full-time jobs for current part-time employees.

The Company hereby commits to creating 480 new full-time jobs in the New England and New York Metro areas within the jurisdictions of Locals 328, 371, 919, 1445 and 1459. The formula to create the new jobs will be based on a formula of two (2) per store as outlined below. It is also agreed that the local unions will share the new full-time jobs proportionally in accordance with the formula.

These new full-time jobs will be new additional full-time jobs, not replacement jobs for full-time jobs that already exist. Excluding meat cutters, the Company agrees that there will be 480 new full-time clerk positions, excluding replacement jobs. The Company and Union will meet and discuss any circumstances that could have an impact on the replacement jobs, including major competitive intrusion and major operational changes that would affect the business.

The Union recognizes that the Company will decide upon and assign these new full-time positions based on the needs of the business in accordance with the chart below.

However, if there is a reduction of stores for any reason, then the Union recognizes that those stores will not be counted toward the total of 480 and that the total count of 480 will be reduced by two (2) per closed store.

The new full-time jobs will be created within the term of this Agreement. The chart below details the minimum implementation guidelines, however, the jobs could be created and filled faster than expected.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Local Union** | **Number of FT\*** | **Total Employees** | **% of Total FT** | **Year 1\*\*** | **Year 2\*\*** | **Year 3\*\*** |
| 328 | 1,243 | 11,086 | 31% | 51 | 51 | 45 |
| 371 | 522 | 4,834 | 13% | 22 | 22 | 18 |
| 919 | 1,064 | 7,817 | 26% | 44 | 44 | 37 |
| 1445 | 1,039 | 8,708 | 26% | 43 | 43 | 36 |
| 1459 | 196 | 1,555 | 5% | 8 | 8 | 8 |
| **Total** | **4,064** | **34,000** | **100%** | **168** | **168** | **144** |

\*The 4,064 jobs include Meat Clerks, but excludes Meat Cutters, Apprentices, Department Managers, Head Clerks and Night Crew Chiefs. These are pulled from active members in the most recent seniority reports provided by the Company as of March 26, 2016, and do not include any employees promoted to full-time positions after the release of that data.

\*\*Year 1 new full-time jobs will be implemented by April 15, 2017. Year 2 new full-time jobs will be implemented by April 15, 2018. Year 3 new full-time jobs will be implemented by February 23, 2019.

Using the percent of full-time positions as a basis for distribution of new positions across the locals, with an estimate of two (2) new jobs per store as a basis, the counts reflected in “Year 1”, “Year 2” and “Year 3 are proportional to the current full-time percentage of each local, and add up to the proposed total new full-time positions.

The Company will utilize the “Rising Stars” or “AMT” program to fill the new full-time jobs. The Company agrees to advertise said program in each store through use of postings by the time clock.

The Company will provide a report on a quarterly basis to each local union, which will provide the total number of new full-time jobs created in the prior quarter. The report will contain the following information: Employee Name, Seniority Date, Store Number and Department or Classification.

Should the Company fail to meet the agreed upon new full-time job proportion and assignment, the Union will notify the Company to correct it within forty-five (45) days. The creation of the new full-time jobs will be subject to the grievance and arbitration procedure in accordance with each locals’ contract.

In addition to the creation of the 480 new full-time jobs, the Company will also endeavor to continue to promote part-time employees to fill full-time vacancies of already existing full-time jobs.

The parties agree upon contract drafting to remove or modify language that is redundant or is no longer deemed relevant.

The parties have hereunto set their hands and seals by their duly authorized officers as of the day and year first above written.

UFCW LOCAL UNION 919: THE STOP & SHOP SUPERMARKET COMPANY LLC:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_date: By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ date:

President New England Division

 By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ date:
 New York Metro Division