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Title: **Safeway Inc. and United Food and Commercial Workers International Union (UFCW), AFL-CIO, Local 1496 (2002)**

K#: **6359**

Employer Name: **Safeway Inc.**

Location: **AK, Anchorage**

Union: **United Food and Commercial Workers International Union (UFCW), AFL-CIO**

Local: **1496**

SIC: **5411**

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Sector: **P**

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K#6359

1600 ees

AGREEMENT

By and Between

SAFEWAY INC.

and

UNITED FOOD AND COMMERCIAL WORKERS LOCAL 1496

Chartered by

**UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
AFL-CIO**

Anchorage/Eagle River

Effective: June 1, 2002

To: May 31, 2006

9/16/03

3500

Table of Contents

Basic Day and Week – Overtime	9
Change of Ownership	27
Classification Definitions and Limitations	18
Classifications and Minimum Rate of Pay	26
Discharge and Discrimination	8
Duration of Agreement	28
Funeral Leave	12
General Conditions	14
Grievance and Arbitration Procedure	25
Health and Welfare	21
Holidays	10
Jury Duty	13
Leave of Absence	17
Management Rights	27
Military Service	13
No Strikes or Lockouts	14
Notice of New Hires and Terminations	5
Recognition and Bargaining Unit	3
Rest Periods	12
Retirement Program	23
Seniority and Available Hours	6
Separability	27
Sick Leave	24
Store Card	14
Union Security and Dues Check-Off	4
Vacations	11
Wage Classifications and Rates	30
Wages and Premium Pay	29
Workers Compensation Insurance	14
Appendix “A”- Wages and Premium Pay	29
Appendix “B”- Wage Classifications and Rates	30
Appendix “C”- Combination Employees	35

**ANCHORAGE/EAGLE RIVER
AGREEMENT
By and Between
SAFEWAY INC.
and
UNITED FOOD AND COMMERCIAL WORKERS UNION
UFCW LOCAL 1496**

PREAMBLE

This Agreement is entered into and is effective on this 1st day of June, 2002 between Safeway Inc., referred to hereinafter as the "Employer", and the United Food and Commercial Workers Union Local 1496, affiliated with United Food and Commercial Workers International, AFL-CIO, 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 to 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 providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

**ARTICLE I
RECOGNITION AND BARGAINING UNIT**

1.01 Safeway Inc. hereby recognizes United Food and Commercial Workers Union Local 1496 as the sole and exclusive collective bargaining agency for a unit consisting of all employees employed in the Employer's present and future grocery stores, including concessions under the direct control of the Employer party to this Agreement, located in the City of Anchorage and vicinity, in the State of Alaska, with respect to rates of pay, hours and other conditions of employment except and excluding supervisory employees within the meaning of the LMRA of 1947, as amended. Subject to the exclusions and the terms of Section 1.02 and 1.03 of this Article, all work of handling and selling of merchandise in such retail stores covered by this Agreement shall be performed only by employees of the Employer within the unit referred to above for which United Food and Commercial Workers Local 1496 is recognized as the sole collective bargaining agency by the Employer.

1.02 "MANUFACTURERS' REPRESENTATIVES", "BOOK OR ADVANCE OF SALESMEN": "Manufacturers' Representatives" and "Book or Advance Salesmen" will be allowed to perform only the following functions in retail food stores covered by this Agreement:

- (1) Take orders

- (2) Check code dates and thereafter return said merchandise to the shelf in a neat and orderly manner. Remove outdated merchandise from the shelf.
- (3) Remove returnable merchandise from a central location in the storage area (back room) of the store.
- (4) Remove from shelves merchandise which has been determined by a manufacturer, processor, supplier or distributor to be contaminated and which thereby presents a health hazard or which has been ordered removed by a Federal, State or Municipal authority.
- (5) Construct, assemble or place mechanical, electric or electronic displays.
- (6) Build initial promotional displays at specifically designated locations, not to include normal shelf display, which may include merchandise for selection or pick-up by customers. If such displays require replenishment of merchandise because of customer pick-up, such merchandise replenishment shall be performed by employees covered by this Agreement.
- (7) This will not preclude the Employers from utilizing the services of individuals not covered by this Agreement, including, but not limited to, perform any necessary work in the store in conjunction with the opening of a new store, remodeling or extensive re-merchandising of an existing store (or part thereof).

1.03 DRIVER SALESMEN: Driver Salesmen shall be allowed only to deliver their product. All other work in respect to delivered products shall be performed by members of the bargaining unit.

ARTICLE II

UNION SECURITY AND DUES CHECK-OFF

2.01 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 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.

2.02 For the purpose of this Section, the execution date of this Agreement shall be considered as its effective date.

2.03 DUES CHECK-OFF: The Employer agreed during the life of this Agreement to deduct from the employee's earnings each month an amount equal to the regular monthly union dues, such amount to be transmitted to the Union on or before the tenth (10th) day of each month.

The Union agrees to supply each Employer with a list of the amount due for each classification.

2.04 The Employer agrees to deduct the initiation fee of each newly hired employee. This deduction shall be taken out in equal amounts during the first ninety (90) days of employment and will accompany the dedicated dues amounts.

ARTICLE III
NOTICE OF NEW HIRES AND TERMINATIONS

3.01 The Employer agrees to request all new hires to fill out and sign dues check-off forms, in triplicate, to be supplied by the Union.

3.02 The Employer shall pay the person so employed during the period said person is not a member of the Union at the regular Union wages provided for in this Agreement, and shall in all other respects require said person to work under and live up to all rules and regulations covering his or her employment as set forth in this agreement.

3.03 The Employer shall discharge any employee as to whom the Union, through its representative delivers to the Employer a written notice that such employee is not in good standing in conformity with this Section. For the purpose of establishing uniform rules for the application of the Agreement, the parties agree as follows:

(A) 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 in Section 2.01 above, the Union will serve a letter upon the Employer requesting that such employee be terminated.

(B) Upon receipt of a letter requesting termination of an employee who has not complied with Article II 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 II of the Agreement prior to the end of his next weekly shift, his employment shall automatically be terminated.

(C) The Union agrees to withdraw any letter of termination as described in Section 3.03 (A) and 3.03 (B) on any employee who has made timely completion of membership requirements. The Union will notify the Employer in writing of the withdrawal of any letter of termination.

(D) Whenever the Union requires a discharge of any employee in connection with the Union Security Clause of this contract, the Union shall hold the Employer harmless and shall indemnify the Employer against loss, as a result of relying on the discretion of the Union in terminating any employee. Employer agrees that when the Union notifies the Employer within three (3) days of the original notice that the reason for the termination was a bona fide clerical error, the Employer will reinstate the employee to his former position on the next weekly schedule.

ARTICLE IV
SENIORITY AND AVAILABLE HOURS

4.01 ATTAINMENT OF SENIORITY

- (A) Regular part-time and regular full-time employee shall attain seniority after ninety (90) calendar days with one Employer.
- (B) Upon completion of this period, seniority shall date back to the last date of hire.

4.02 APPLICATION OF SENIORITY

- (A) Seniority shall be applicable on an individual store basis, except as otherwise provided for under Section 4.03, 4.04(A), and Section 18.01(G) and shall apply to the extent provided for in this Article.
- (B) An employee's seniority shall not be broken in cases where the employee transfers to a different store location covered by this Agreement.

4.03 LAYOFF

Where, on an individual store basis, there is a reduction of the number of employees holding seniority within a classification, in such a store, the last employee hired shall be the first employee laid off, provided qualifications and ability are equal. The affected employee so reduced who has twelve (12) months continuous service may displace the most junior employee of the Employer in the same classification, i.e., Clerks, Combination, General Purpose, Junior Apprentice, and Courtesy Clerks, within the geographic jurisdiction covered by this Agreement, provided qualifications and ability are equal. A layoff is defined as two (2) consecutive weeks that an employee is not shown on the weekly work schedule. In the event of a store closure, the affected employees shall be considered laid off at the time of the closure.

4.04 RECALL

- (A) Where there is an increase in the number of employees within a job classification, at a store, the last employee laid off (as defined in 4.03) by the Employer, at that store, will be the first employee recalled, provided qualifications and ability are equal. In the cases where two (2) or more employees are laid off on the same day, the senior employee shall be the first employee recalled, provided qualifications and ability are equal.
- (B) Employees shall be required to inform the Employer in writing of their current address and phone number, and with the exception of temporary recalls, employees recalled in accordance with Section 4.04 (A) shall be notified in writing to report to work.

4.05 LOSS OF SENIORITY

Except as otherwise provided for in Article XVII-LEAVE OF ABSENCE, seniority shall be broken

and the employee's service shall be terminated for the following reasons:

- (A) Voluntary quit;
- (B) Discharge for just cause;
- (C) Absence caused by a layoff in excess of ninety (90) consecutive calendar days;
- (D) Absence caused by an illness or non-occupational accident of more than six (6) months;
- (E) Absence caused by an occupational accident of more than twelve (12) consecutive months;
- (F) Failure to report to work within seventy-two (72) hours following the postmark of the written notice referred to in Section 4.04 (B) mailed to the employee's last known address; and
- (G) Failure to report to work immediately following a leave of absence as provided for under Article XVII.
- (H) Retirement

4.06 REDUCTION OF HOURS

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.

4.07 AVAILABLE HOURS

(A) The Employer may arrange weekly work schedules to accommodate the need of the business, and senior employees within a classification 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 and the Union 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 or pay for time not worked.

(B) If senior employees are not assigned full time work within their primary job assignment, they may be scheduled for additional hours up to full-time in a secondary classification provided the employee can perform the job up to Company standards with a reasonable time not to exceed fifteen (15) days. Such time worked in the secondary classification shall be paid for at the rate for that classification based on experience that the individual employee has performing that work.

(C) The Employer will also give consideration to senior employee's request for a weekly shift as it is written on the regular work schedule and requests will not be denied except for sound business reasons. Once shifts and days off are established for the week, they shall not be changed except for sound business reasons.

(D) The provisions of Article 4.07 shall not apply to Senior Journeymen and Department Head assignments.

4.08 DEFINITIONS

"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 (2) employees have the same qualifications and abilities. The senior employee has priority.

4.09 LIABILITY

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 XXII, provided that if less than three (3) days remain prior to the posting of the weekly work schedule in accordance with Section 16.03 when the Employer received notification, the Employer's liability, if any, for time lost shall commence with the second next work schedule and thereafter until resolved.

ARTICLE V **DISCHARGE AND DISCRIMINATION**

5.01 No employee shall be disciplined or discharged except for just cause.

5.02 If any employee is improperly performing his duties or has violated store rules, the employer will give such employee written notification of such deficiencies in the employee's conduct and a written notice shall be maintained in the employee's personnel file with a copy to the employee and the Union. In the event such employee does not correct said deficiencies and it becomes necessary to discharge such employee, the written notice shall be equivalent of termination notice. Notices and warnings shall become null and void after six (6) months from date of issue. All other written communications are exempt from any nullification and voiding. Discharges for insobriety, dishonesty, insubordination, sale, possession or use of illegal drugs or any other actions so serious in nature as to warrant discharge or within the first ninety (90) days of employment are exempt from this procedure. Within this first ninety (90) days of employment the Employer may terminate the employee without recourse from the Union (Article XXII).

5.03 The Employer shall and hereby agrees not to discharge or discriminate against any employee for upholding Union principles, serving on a committee of the Union or any organization affiliated therewith, and failing or refusing to purchase stocks, bonds, securities, and/or interest in/or to any partnership Corporation and/or Company.

5.04 The parties to this Agreement acknowledge their responsibilities under Title VII of the Civil Rights Acts of 1964, and do hereby agree not to discriminate on the basis of race, color, religion, sex, age, national origin, or disability as defined by the ADA.

ARTICLE VI

BASIC DAY AND WEEK - OVERTIME

6.01 **BASIC WORK DAY** Eight (8) hours, worked within nine (9) consecutive hours shall constitute a basic day's work. There shall be one (1) uninterrupted meal period of not less than thirty (30) minutes and not more than sixty (60) minutes at approximately the middle of the employee's shift. It shall be permissible for employees, by mutual agreement between the employer and the employee, to convert their two (2) rest periods into one (1) thirty (30) minute lunch hour. The meal period shall at no time exceed one (1) hour and must be given not later than five (5) hours from the starting time of the employee.

6.02 (A) Forty (40) hours shall constitute the basic workweek in any seven (7) day period from Sunday to Saturday.

(B) This section provides, by mutual agreement of Employee and Employer, for an optional work week of four (4) days of ten (10) straight-time hours in compliance with Alaska Law. With respect to a schedule consisting of four (4) ten (10) hour shifts:

(i) holiday benefits will be paid according to the contract to a maximum of eight (8) hours per holiday;

and

(ii) to the extent it has been earned, vacation pay, sick leave pay, jury duty pay, and funeral leave pay, will be paid on the basis of the employees normal work schedule.

6.03 **Overtime Pay:** All work performed in excess of eight (8) hours per day or forty (40) per week, shall be paid for at the overtime rate of time and one-half (1 ½).

6.04 Where seven (7) days, Sunday through Saturday, are worked in any workweek, time and one-half on the day that the least number of hours are worked shall be paid.

6.05 It is agreed that all overtime pay shall be computed on the basis of the employee's base rate of pay exclusive of any premium pay. There shall be no compounding or pyramiding of any premium pay with any other premium pay or overtime pay only the highest applicable rate shall be paid for the hours worked in any week. Employees who qualify for Night Stocker pay and who work over forty (40) hours in a workweek will be paid for such hours over forty (40) at one and one-half (1½) times their combined base and night premium time rates.

6.06 An employee reporting to work who has not received twenty-four (24) hours prior notice from the Employer that he or she is not to report for work, shall be guaranteed not less than four (4) hours of employment or four (4) hours of pay in lieu thereof. Any part time employee required to

report for duty shall be guaranteed four (4) hours work or four (4) hours pay in lieu thereof. Courtesy Clerks shall be guaranteed two (2) hours of work or pay in lieu thereof. The above listed guarantees shall not apply in cases of emergency beyond the Employer's control or acts of God.

6.07 All employees shall be guaranteed at least nine (9) hours between scheduled shifts. If an employee is required to return to work with less than a nine (9) hour break, he or she shall be paid time and one-half (1 ½) for those hours worked within the required nine (9) hour break period.

6.08 Base rate will be the rate listed in Appendix (B) for the classification in which the employee is working.

ARTICLE VII HOLIDAYS

7.01 Employees who have six (6) consecutive months service shall be entitled to the following paid holidays on the dates as recognized by Federal Legislation:

New Year's Day	Washington's Birthday	Thanksgiving Day
Memorial Day	Independence Day	Christmas Day
Labor Day	Veteran's Day	Personal Days (2)

7.02 Employees with six (6) months continuous service with the Employer (12 months for employees hired on or after December 19, 2002) shall receive two (2) Personal Day holidays each anniversary year. By mutual agreement between the Employer and the employee, the employee may receive payment in lieu of these holidays in accordance with Section 7.03. Employees shall give the Employer thirty (30) days notice prior to the day they wish to request as their Personal Day holiday(s).

7.03 Employees, provided they have worked an average of not less than twelve (12) hours per week in the preceding four (4) weeks, and report for work their last scheduled working day preceding the holiday, on the holiday as scheduled, and their next scheduled working day immediately following the holiday, shall be paid for holiday not worked on the basis of the number of hours worked in the previous four (4) weeks immediately prior to the week in which the holiday occurs divided by twenty (20) up to maximum of eight (8) hours.

If an employee is off on the scheduled working day prior to or following the holiday due to a bona fide illness or injury or express permission of the Employer the employee shall receive the earned holiday pay. Verification of illness or injury will be furnished if required by the Employer.

7.04 Under no condition shall an employee be asked or required to work on Christmas Day. All stores covered by this Agreement will close not later than 6:00 p.m. on Christmas Eve, December 24, and 10:00 p.m., New Year's Eve, December 31. However, the company shall have the right to operate during any of the days or times listed if any of its competitors are open and operating. Employees needed shall be scheduled first by volunteers and then, if necessary, by inverse seniority.

1900
1901
1902

7.05 The Employer may arrange holiday work schedules to accommodate the needs of the business. Senior employees in classifications and departments as need will be offered first opportunity for holiday work, provided qualifications and ability are equal. Employees shall inform management in writing of their desire to work the holiday by Wednesday of the preceding week.

7.06 If a holiday occurs during an employee's vacation time, the employee shall be paid an additional day's pay or receive an additional day to the regular vacation.

7.07 Work performed on the holidays listed in this Article shall be paid for at straight time in addition to holiday pay.

7.08 All holidays listed in paragraph 7.01 and 7.02 not worked shall not be considered as time worked for the purpose of computing weekly overtime except in the case of employees who normally work six (6) days per week totaling forty-four (44) hours per week.

ARTICLE VIII **VACATIONS**

8.01 Employees under the jurisdiction of this Agreement, shall accrue vacation time credits from their date of hire as follows:

After 1 year	1 week	½ hour per 26 hours worked
After 3 years	2 weeks	1 hour per 26 hours worked
After 6 years	3 weeks	1 ½ hours per 26 hours worked
After 10 years	4 weeks	2 hours per 26 hours worked
After 20 years	5 weeks	2 ½ hours per 26 hours worked

8.02 Vacation pay shall be computed on the basis of the employee's current base rate.

8.03 Employees will be required to work one (1) year before vacation payments are required. Employees who are terminated for any reason whatsoever, except dishonesty, after one (1) year employment shall receive payment at their current base rate for all vacation credits accrued and unpaid from date of hire to date of termination, except as provided for in this Agreement.

8.04 In the case of three (3) or more weeks earned vacation, the employee may schedule such vacation consecutively. It is further agreed that employees shall not be allowed to schedule vacations during the Christmas period from November 15 through December 31 except by mutual agreement between the Employer and employee.

8.05 The Employer agrees to scheduling vacations twice annually and the employee may select vacation time beginning thirty (30) days following posting of such schedule. The employee shall select the time desired and in the event two (2) or more desire the same times, seniority will prevail if it is not possible to grant the same time to more than one employee. Notwithstanding this paragraph the Company past practice for posting and scheduling earned vacations shall prevail.

8.06 A vacation is defined as seven (7) consecutive days. Intervening holidays shall be paid for in

cash or the employee given an additional day off during his vacation period.

8.07 The employee's vacation paycheck shall be accompanied by a statement showing the number of hours paid for, the hourly rate of pay and deductions. Vacation paychecks shall be issued separately and prior to employee's vacation.

8.08 In the event of a sale or closure of any unit covered by this Agreement, affected employees with six (6) months continuous service at the time of sale or closure shall have the right to be placed in another location of the Employer and retain their company seniority in accordance with Article IV of this Agreement. Such employees will retain vacation seniority from their previous vacation seniority date.

ARTICLE IX **REST PERIODS**

9.01 Employees working four (4) hours or less in a workday shall receive one uninterrupted fifteen (15) minute rest period during such working period.

9.02 Rest periods shall be allowed as follows:

(A) An employee working between four (4) to five (5) hours on a shift will be allowed one (1) fifteen (15) minute rest period.

(B) An employee working five (5) hours and up to seven (7) hours on a shift will be allowed one (1) twenty (20) minute rest period.

(C) An employee working seven (7) hours and over on a shift will be allowed two (2) fifteen (15) minute rest periods.

9.03 No rest period shall be scheduled until the employee has worked at least one (1) hour unless necessary to do so for emergency reasons.

9.04 Rest period times as stated shall cover the period from leaving work to returning thereto.

9.05 If an employee is called back to work before completion of his/her full rest period, an additional full uninterrupted rest period will be provided.

ARTICLE X **FUNERAL LEAVE**

10.01 After twelve (12) months of employment, all regularly scheduled employees shall be allowed time off with pay for loss of their normally scheduled hours of work commencing with or immediately following the date of death or notification of death of a member of, but not necessarily limited to, their immediate family (providing the employee attends the funeral) as follows:

- (1) 3 calendar days within the State of Alaska
- (2) 5 calendar days outside the State of Alaska

Funeral leave will be paid only with respect to a workday 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 funeral leave. Funeral 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, brother, sister, grandparents, mother-in-law, father-in-law, brother-in-law, and sister-in-law.

ARTICLE XI

JURY DUTY

11.01 After their first year of employment, all regularly scheduled employees who are called for required jury duty 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 up to a limit of eight (8) hours per day, forty (40) hours per week, and a maximum of eight (8) weeks per 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 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. An employee who works an overtime shift or overtime workweek on a regular basis shall be paid jury pay in an amount that satisfied the regular overtime pay.

ARTICLE XII

MILITARY SERVICE

12.01 (A) In the event any employee covered by this Agreement shall be called or conscripted for the Army, Navy, Marine Corps, or other branch of the United States Military Service, he shall retain consistent with his physical and mental abilities, all seniority rights hereunder for the period of this Agreement or any renewal or extension thereof provided application for reemployment is made within ninety (90) days after being honorably discharged from such military service, current law to govern at time of application, provided career enlistments excepted.

(B) In the application of seniority rights it is understood that former military service personnel reinstated under this Article shall retain their apprentice seniority status at the time of military conscription, but not add to such apprentice seniority until date of reinstatement.

ARTICLE XIII
STORE CARD

13.01 The Union agrees to 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 Union and the Employer agrees to surrender such 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.

13.02 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.

ARTICLE XIV
NO STRIKES OR LOCKOUTS

14.01 It is expressly agreed that during the term of this contract there shall be no work slowdowns, stoppages, strikes, or sympathy strikes nor picketing of any kind or form whatsoever, nor lockouts; these no-strike provisions shall be broadly construed to prohibit all strikes by employees, no matter the reason for the strike.

ARTICLE XV
WORKERS COMPENSATION INSURANCE

15.01 All employees shall be covered under Alaska State Workmen's Compensation Insurance or guaranteed equal coverage.

ARTICLE XVI
GENERAL CONDITIONS

16.01 **DEMONSTRATORS AND SALESMEN:** 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.

16.02 **CASH (MEDIA) HANDLING POLICIES:** Written instructions concerning the cashing or acceptance of checks shall be posted on or near the cash register, or distributed to employees in writing at time of hire and when policy changes are made. Failure on the part of an employee to comply with such instructions shall be treated as an act of insubordination. Cash handling policy shall be reduced to writing and a copy sent to the Union.

New employees shall be given formal notice of store policy and instructions referred to above.

16.03 WORK SCHEDULE: Work schedules shall contain employee's first initial and last names and period designated for lunch, daily starting and quitting time. The Employer recognizes the desirability of giving his employees as much notice as possible in the planning of their weekly schedules or work and accordingly agrees to post a work schedule not later than 12:00 noon Friday preceding the start of the workweek. 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 in the event a scheduled employee fails to work as scheduled, 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. A change in the schedule for any other reason shall require a twenty-four hour notice unless mutually agreed on by the Employer and employee.

16.04 WAGE STATEMENT:

(A) The Employer agrees to furnish each employee with a weekly, bi-weekly, or semi-monthly wage statement showing the name of the employee, period covered, total amount of wages paid, hourly rate of pay, and all deductions made.

(B) No deduction shall be made from the check of any bargaining unit member except those who are now or may become mandatory by law during the term of this Agreement, or mutually agreed upon by the Employer and the employee.

(C) Upon request, but not more often than semi-annually, the Employer will provide a list of all employees in the bargaining unit, showing their name, date of hire, hourly rate of pay of a current payroll list or the most recent past payroll list.

16.05 STORE MEETING: Time spent in store meetings called by the Employer shall be paid in accordance with base rates. If time spent in meetings and time worked exceed eight (8) hours per day or forty (40) hours per week, the overtime rate of time and one-half (1 ½) shall apply. The Employer shall not be obligated to pay show up time as provided for in Article 6.06 and the provisions of 6.04, 6.07 and 16.06 of the Agreement are waived in connection with 16.05, Store Meetings.

16.06 SPLIT SHIFTS: There shall be no split shift worked by any employee.

16.07 POLYGRAPH TESTS: No employee or applicant for employment covered by this Agreement shall be requested or required to be the subject of a Polygraph (lie detector) test for any reason whatsoever. The Employer agrees to refrain from any action that violates this understanding.

16.08 DRUG TESTING: If an employee comes forward prior to a disciplinary incident and requests assistance with drug or alcohol dependency, the parties shall continue to assist the employee in getting help for his/her condition, in accordance with State and Federal law. The Employer may require the employee to submit to a legally recognized drug or alcohol test at the Employer's

expense, if the Employer has reasonable grounds to believe the employee is under the influence of alcohol or drugs or when involved in an industrial accident which involves injury or damage. An employee who refuses to take a drug or alcohol test upon request shall be subject to termination. Time spent in such testing shall be on company time, however, an employee refusing to submit to a drug or alcohol test shall be taken off the clock effective with the time of the Employer's request. Upon request, the Employer will notify the Union of the reasons for the test.

16.09 U-SCAN: If the addition of a second U-Scan unit in any store has a material impact on any of the bargaining unit employees, the parties will agree to bargain over the effects of the installation of the second U-Scan unit in that store. A "unit" is defined as a bank with one to four self-scanners.

16.10 UNIFORMS: Aprons, uniforms, or any special equipment required by the Employer shall be furnished, laundered and serviced by the Employer. Drip-dry uniforms may be laundered by employees.

Slacks or pantsuits shall be recognized as appropriate attire during working hours.

16.11 STORE VISITS:

(A) The Business Representatives of the Union shall at all times be free to contact members of Local 1496 on Union business, provided such contact shall not interrupt the employee's work.

(B) The Union will advise the Employer in writing of the name of any agent of the Union who is authorized to administer this Agreement.

(C) Only such authorized agents may have access to job site premises for purposes of administration of this Agreement.

16.12 LESS FAVORABLE CONDITIONS: It is understood and agreed that the rates of pay provided for herein are minimum rates and apply to the job classification and not to the individual. No employees receiving a higher hourly rate not provided for herein shall have such wage rate taken away by reason of any provision of this Agreement; however, the terms of this Agreement are intended to cover minimums of wages and other employee benefits. The Employer may place superior wages and other employee benefits in effect and may reduce the same to the minimums herein prescribed without the consent of the Union.

16.13 TIME CLOCKS: The Employer agrees to place and maintain time clocks or other time recording devices in all stores covered by this Agreement.

16.14 FREE TIME: The Employer shall be responsible for payment for all hours worked, and an employee shall only work those hours specifically authorized by the Employer. Accordingly, it is intended that there shall be no "free or time-off-the-clock" work practices under this Agreement. Any employee found by the Employer or the Union to be engaging in such practice shall be subject to discipline, which may include termination.

ARTICLE XVII
LEAVE OF ABSENCE

17.01 All regular scheduled employees with one (1) year or more of continuous service except for 17.01(A), 17.01 (B) and 17.05 of this Article, which shall be ninety (90) days, shall be entitled to a leave of absence without pay for the following bona fide reasons:

- (A) Illness, non-occupational injury or pregnancy which requires absence from work;
- (B) Serious illness or injury in the employee's immediate family. Length of such leave not to exceed thirty (30) days unless eligible for a longer leave under the FMLA.

17.02 Leaves for personal reasons may be granted at the sole discretion of the Employer to regular employees regardless of length of service. Leave of absence in excess of thirty (30) days shall be in writing with a copy to the Union.

17.03 Any request for a leave of absence under the terms of Section A and B shall be in writing and state the following information:

- (A) Reason for such request;
- (B) Date leave is to begin; and
- (C) Date of return to work.

17.04 Any leave of absence, with the exception of Section 17.01 (B) and 17.05, may run to a maximum of six (6) months.

17.05 Leave due to occupational injuries shall be granted for a period up to twelve (12) consecutive months.

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

- (A) A doctor's certificate verifying that the employee is able to resume his normal duties must be furnished if requested by the Employer.
- (B) The employee shall then return to the job previously held or to a job comparable with regard to rate of pay on the second weekly schedule prepared after the Employer has received notice in writing of the employee's availability.

17.07 Any employee who fails to return to work at the end of a leave of absence shall be subject to termination.

17.08 Women will be granted a leave of absence for pregnancy in accordance with Section 17.01 (A) of this Article. She shall not be required to leave work at the expiration of any arbitrary time period during pregnancy and shall be allowed to work as long as she is capable of performing the

duties of her job.

17.09 Leave of absence clause shall become effective if funeral leave taken outside Alaska requires more days than provided by this Agreement and person to person notification is given to the Store Manager.

ARTICLE XVIII
CLASSIFICATION DEFINITIONS AND CLASSIFICATION LIMITATIONS

18.01 **MEAT DEPARTMENT**

- (A) None other than Meat Department personnel shall be allowed to prepare fresh or frozen meats in the markets.
This clause is not intended to change the present practices currently existing in the Industry.
- (B) There shall be at least one (1) Meat Department employee in attendance at all times when any of the meats, fresh or frozen, coming under the jurisdiction of the Agreement of the Union are prepared. One (1) Apprentice shall be allowed for the first one (1) or two (2) Journeymen and two (2) Apprentices to three (3) or more Journeymen.
- (C) **MEAT DEPARTMENT WORKDAY**: It shall be permissible for Meat Department employees by mutual agreement between the Employer and employee to convert their two (2) rest periods into one (1) thirty (30) minute lunch hour.
- (D) **MEAT CUTTERS' WORK WEEK**: Except in cases of emergency, regular full-time Meat Cutters who have attained seniority will be scheduled for eight (8) hours per day, forty (40) hours per week, provided they report as scheduled. Extra or part-time employees are exempt from this provision.
- (E) Meat Wrappers desiring to become Meat Cutters shall give written notice to the Employer and the Union. Meat Wrappers so appointed shall work the first ninety (90) days on a probationary basis during which they may voluntarily elect to return to their prior job without any loss of seniority as provided in Article IV during which the Employer may return such employee to their previous job as Meat Wrapper. Meat Wrappers required to perform Meat Cutter assignments more than three (3) hours accumulative time per shift shall be paid the applicable Meat Cutter rate of pay for the entire shift.
- (F) The Employer will furnish one (1) protective apron and one (1) mesh glove and keep the oil stones in good shape.
- (G) **MEAT DEPARTMENT SENIORITY**: All Meat Department personnel shall maintain seniority from date of hire on a Company-wide basis by classification within the jurisdiction of the Union. There shall be established four (4) separate seniority classifications: 1) Senior Journeyman; 2) Journeyman; 3) Apprentice; 4) Wrapper; provided when an Apprentice is

promoted to Journeyman status the length of service as an Apprentice will be counted in seniority. If it should become necessary to increase or decrease the number of employees or their hours of work then seniority shall prevail, provided qualifications and ability are equal, and provisions of Article IV Seniority, shall be applied.

Journeymen Meat Cutters promoted to Market Manager shall not lose their seniority status. Seniority shall not apply in the choice of Market Manager or Senior Journeyman.

If the Employer elects to do so, a Meat Cutter may be designated as a Senior Journeyman in each Meat Department covered by this Agreement, provided it will not be required for any Meat Department to have a designated Senior Journeyman and provided further that only one (1) Senior Journeyman will be allowed in any Meat Department.

18.02 GROCERY

JUNIOR APPRENTICE: No employee shall be employed in the Junior Apprentice classification except employees serving as Courtesy Clerks at the time they are reclassified as Junior Apprentice.

Duties of Junior Apprentices may include training in all phases of the operation except Meat Cutting and Checking. At no time shall the ratio of employees in the Junior Apprentice classification exceed one (1) for each eight (8) Union members employed in the store except the summer vacation period from the second Sunday in May until the second Sunday in September during which time the ratio will be one (1) for each six (6) Union members employees employed in the store.

Junior Apprentices will be selected from among Courtesy Clerks by seniority if qualifications and ability are equal and he or she is available for the shift.

Apprentices will be selected from among Junior Apprentices by seniority if qualifications and ability are equal and he or she is available for the shift.

If the above conditions have been met and there is no employee available for promotion the Company may select from outside the Company.

COURTESY CLERK: A Courtesy Clerk is an employee whose work is restricted by this Agreement to the performance of limited duties within specified work areas of the Employer's retail establishment as follows:

- (A) Bag or box the merchandise after it has been checked out and take to the customer's vehicle;
- (B) Clean up in and around the store, parking lots, check stands and customer entrances providing such clean up does not result in the handling of any new merchandise not already on display, verify prices, pull cardboard, water plants and flowers and cover produce and frozen cases.

Handling shall not be construed to change existing Industry practices for these employees or restrict these employees from moving products in the course of performing their cleaning duties;

- (C) Collect and line up shopping carts and return them to their proper place in the store;
- (D) Perform general clean-up work in all departments;
- (E) Stock supplies in the checkstands, which shall not include merchandise for sale;
- (F) Collect bottles, cans, etc.; take them to the designated area and sort them;
- (G) Change reader board as directed;
- (H) Return merchandise to shelves from check stand area and assist customers as necessary with their requests on the sales floor.

If a Courtesy Clerk is assigned by the supervisor in charge to perform any work other than contract designated work, the following happens:

1st offense - The Courtesy Clerk is paid at the Junior Apprentice rate for all hours worked that week.

2nd offense - The Courtesy Clerk involved shall be paid at the Junior Apprentice rate for all hours worked in the current and previous week.

In cases of emergency, the Employer shall be allowed to use not more than one (1) Courtesy Clerk to perform Junior Apprentice work per shift. The entire shift shall be paid for at the Junior Apprentice rate of pay.

SENIOR JOURNEYMAN: This classification of employees shall not be required in a store where less than a total of one hundred (100) man-hours (excluding Courtesy Clerk hours) are worked in a payroll week by the unit of employees covered by this Agreement. When a total of one hundred (100) man-hours (excluding Courtesy Clerk hours) are worked in a payroll week, then one (1) of such employees shall be classified and compensated by the Employer as a Senior Journeyman. For each additional three hundred (300) man-hours (excluding Courtesy Clerk hours) worked in such week by the unit of employees covered by this Agreement, one (1) additional employee shall be classified and compensated as a Senior Journeyman. Senior Journeymen shall be full-time employees and if any night work is performed in the store with a crew of three (3) or more a Senior Journeyman must be on each such night work shift.

SENIOR JOURNEYMAN COMBINATION: The same formula will be used to determine the number of Combination Senior Journeymen in the store as is used to determine the number of Grocery Senior Journeymen, however, such formula will be based on Combination hours worked in the store each week.

The Employer will have the option of determining how many, if any, of the Senior Journeymen will be considered and paid as Department Heads.

DONUT FRYER: The primary duties of the Donut Fryer classification shall be the preparation, frying, and finishing of doughnuts and all duties related thereto. The Employer may also utilize employees in the Donut Fryer classification for duties outside of the primary duties on a temporary or an as needed basis in order to accommodate its customer, production and other needs of its business.

SEASONAL EMPLOYEE: Up to fifteen (15) employees per store in the classifications covered by this contract can be in the Seasonal classification from April 15 through September 15. These employees will not receive Health and Welfare or Pension contributions or benefits and will be paid \$8.50 per hour for the term of this agreement. The hours of regular employees will not be adversely impacted solely as a result of employing seasonal employees. Prior to April 15th of each year, the Company and the Union will meet to discuss any reallocation of Seasonal employees among the Company's Anchorage area stores, based upon expected summer sales and/or store employee hiring needs

ARTICLE XIX **HEALTH AND WELFARE**

19.01 The Health and Welfare Program established by the parties to this Agreement is set forth in a separate agreement by and between the Employer and the United Food and Commercial Workers Union and the provisions of that separate agreement constitute conditions of eligibility.

19.02 The Employer agrees to contribute:

- A) Effective January 1, 2003, based on December 2002 hours, increase the current Employer contribution of \$2.62 per hour to \$3.20;
- B) Effective July 1, 2003, based on June 2003 hours, increase the Employer contribution by up to 8% of current contribution rate, if needed to maintain current benefits;
- C) Effective July 1, 2004, based on June 2004 hours, increase the Employer contribution by up to 8% of current contribution rate, if needed to maintain current benefits;
- D) Effective July 1, 2005, based on June 2005 hours, increase the Employer contribution by up to 8% of current contribution rate, if needed to maintain current benefits;
- E) Any unused portion of any annual Employer increase referred to in b, c, and d above, shall be carried forward for application toward any contribution increase the following years.
- F) In the event that the annual contribution increase needed to maintain benefits exceeds the amount of the maximum Employer increase listed in b, c, and d above, the liability for the additional amount shall be split on a 50% - 50% basis between the Employer and the employees. The employee share of any such increase can be paid through a wage adjustment

or through a benefit plan modification.

G) In conjunction with the above increases in the Employer contribution rates, effective January 1, 2003, the parties have agreed to a combination of benefit modifications and employee wage adjustments, including a 1% wage contribution which are intended to equal, in total, the January 1, 2003 Employer contribution increase.

For employees hired or promoted on or after December 19, 2002, change to provide the following:

- A) No contribution required on Courtesy Clerks.
- B) No contribution required on new classification of Seasonal Employees.
- C) For all other employees, no contribution shall be required on hours worked during the employee's probationary period. Thereafter, contributions on eligible new employees shall commence with hours compensated beginning the first day of the month following the month in which the new employee completes his/her probationary period.
- D) After the probationary period, contributions for the first twelve (12) calendar month period shall be that amount required to provide employee only medical and prescription drug coverage. For the next twelve (12) months thereafter, the contribution shall be the amount required to provide family medical and prescription drug coverage only. Thereafter, coverage and the corresponding monthly contribution will be for full family medical, prescription drug, dental and vision coverage.
- E) The July 1, 2003, 2004, and 2005 MOB increases referred to in items B, C, and D above shall also apply to the Employer contribution rates for new employees.

19.03 Each Employer and the Union agree to be bound by the terms and provisions of that certain Trust Agreement which created the Alaska UFCW Health and Welfare Trust Fund, dated February 25, 1965, and all amendments heretofore or hereafter made to such Agreement and any successor Trust Agreement. Each Employer and the Union also accept as their lawful representatives the Employer Trustees and the Union Trustees presently serving on the Board of Trustees of said Trust Fund and their duly appointed successors.

19.04 For the purpose of this Article, a compensable hour shall be defined as any time for which an employee has received compensation including vacations, holidays, sick leave, jury duty, etc.

19.05 The maximum contribution per month, per member of the bargaining unit is 173 hours. Employers electing to pay on a 4-4-5 weekly accounting system per quarter may do so with a monthly maximum contribution per member of 160-160-200 hours.

4 weeks-160 cap

4 weeks-160 cap

5 weeks-200 cap

19.08 The Company's obligation to pay contributions to help fund retiree health benefits for eligible retirees is limited to the commitment to pay the hourly rate set forth in this agreement, based upon hours worked by current employees for the duration of the Agreement. While the Company has agreed to an hourly payment which may purchase retiree benefits, the Company has not agreed to fund or guarantee benefits which are either vested or unvested for employees now retired or present employees who subsequently retire.

ARTICLE XX **RETIREMENT PROGRAM**

20.01 The Employer shall continue to pay into the Alaska UFCW Pension Trust eighty-five cents (\$.85) per each compensable hour for each member of the bargaining unit except the contribution for Junior Apprentices with a date of hire before December 19, 2002 shall be ten cents (\$.10) per compensable hour. No contribution will be made on Courtesy Clerks, Seasonal Employees, or Junior Apprentices hired on or after December 19, 2002.

A) Effective October 3, 1996 for newly hired or promoted employees other than Courtesy Clerks and Junior Apprentices the Employer will pay a \$.45 contribution until such employee reaches Journeyman status when the contribution will increase to \$.85 per hour.

B) Contributions for employees designated by the Employer as Sr. Junior Apprentices shall be \$.20 cents per hour beginning with hours compensated in the employee's 13th month of employment.

C) Employees hired on or after December 19, 2002, in the Combination, General Purpose, and Food Clerk classifications, no contribution for the first twelve (12) months of employment. For those employees still on the payroll on the first day of the 13th month, the Employer shall pay \$.20 cents per hour for hours compensated in the prior six (6) months and then for the next twelve (12) months. After twenty-four (24) months employment, the contribution shall increase to \$.45 cents per compensable hour until the employee reaches the hours required for Journeyman status, at which time the contribution shall increase to \$.85 cents per hour.

20.02 The total amount due for each month shall be computed monthly and remitted in a lump sum not later than ten (10) days after the last business day of such month.

20.03 Each Employer and the Union agree to be bound by the terms and provisions of the Alaska UFCW Pension Trust Agreement as amended between the Retail Grocery Stores and United Food and Commercial Workers Union, Local 1496. Further, each Employer accepts as his representative for the purpose of said Trust Fund, the Employer Trustees of said Trust Fund and their duly appointed successors.

20.04 The provisions of the grievance section of this Agreement shall in no way apply to or affect the Employer's obligation to pay contributions to this Trust Fund.

20.05 The maximum contribution per month, per member of the bargaining unit is 173 hours. Employers electing to pay on a 4-4-5 weekly accounting system per quarter may do so with a monthly maximum contribution per member of 160-160-200 hours.

4 weeks - 160 hour cap

4 weeks - 160 hour cap

5 weeks - 200 hour cap

20.06 The parties agree that pending ERISA legislation with respect to Employer liability may substantially impact the overall soundness of the plan, and in the best interest of the plan, participants, and participating Employers, agree to evaluate potential plan modification including benefit formula or eligibility criteria at the completion of the new pending legislation.

ARTICLE XXI **SICK LEAVE**

21.01 Employees, during each twelve (12) months following their last date of employment and (after the first and each succeeding year of continuous employment with their current Employer) shall be entitled as set forth below to paid sick leave at their current regular straight-time hourly rate for bona fide illness or injury-off-the-job.

21.02 Sick leave pay shall be accrued by an employee depending upon the number of straight-time hours (including vacation and holiday hours accrual) 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>
1200 to 1600	24
1601 to 2000	32
2001 or more	40

21.03 Sick leave, to the extent it has been earned, shall begin on the third normally scheduled working day of illness or injury-off-the-job or the first normally scheduled working day if the employee is hospitalized on such first normally scheduled working day, shall continue for each 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 payments 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 two (2) not more than five (5) days of sick leave pay shall be required in any one (1) workweek.

21.04 Sick leave pay shall be cumulative from year to year, but not to exceed a maximum of two hundred and twenty (220) hours as earned. Sick leave pay must be earned by employment with one Employer.

21.05 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 where the Employer has reason to believe there may have been abuse.

21.06 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.

21.07 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 XV of this Agreement.

ARTICLE XXII

GRIEVANCE AND ARBITRATION PROCEDURE

22.01 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 representatives of the Employer(s) signatory hereto and accredited representatives of United Food and Commercial Workers Union Local 1496.

22.02 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 to a panel of three (3) disinterested third parties mutually agreed upon by the Union and the Employer(s).

22.03 The panel shall render its decision on any grievance before it within twenty-four (24) hours after hearing all evidence and testimony.

22.04 The panel shall make its decision without any further investigation into the complaint other than the evidence and testimony presented at the hearing.

22.05 The panel may agree to a "no decision" by two (2) panel members abstaining from a decision.

22.06 The panel system (step 2 of the grievance and arbitration procedure) may be dissolved by formal written notice by either party to the other.

22.07 In the event of a "no decision" by the panel or a dissolving of the panel, the parties shall immediately submit the issue to binding arbitration and immediately select a mutually agreeable third party to act as the arbitrator.

22.08 If the parties are unable to agree on an arbitrator, they shall request FMCS or AAA to submit a list of eleven (11) names from which an arbitrator must be selected within five (5) days of receipt of the list of names.

- 22.09 The decision by the panel, or the arbitrator, shall be binding upon both parties.
- 22.10 Neither the panel nor the arbitrator shall have power to add to, subtract from, or change or modify any provisions of the 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.
- 22.11 There will be no stoppage of work or lockout unless the other party is refusing to implement the final award of the arbitrator.
- 22.12 All fees and costs of the panel and/or arbitrator shall be equally divided between the parties to the grievance and arbitration, one-half by the Union and one-half by the Employer. The decision of the arbitrator shall be final and binding on all parties and shall be rendered within 30 days from the close of the hearing or the receipt of briefs whichever is later. Should the arbitrator fail to comply with these provisions he will not be paid for his services. The moving party shall notify the arbitrator of this provision during the selection process. If the assignment is refused, the parties agree to select an alternate.
- 22.13 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 and except in cases of discharge and layoff which must be presented within fifteen (15) days.

(A) In the event the claim is one for additional wages, any such claim shall be limited to wages, if any, accruing within the sixty (60) day period immediately preceding the date upon which the grievance was filed in writing.

(B) Where there is an automatic wage bracket adjustment (failure to progress the employee in classification in accordance with the hours worked formula of Appendix "A") 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. This provision shall not apply to Junior Apprentice and Courtesy Clerk claims.

ARTICLE XXIII

CLASSIFICATION AND MINIMUM RATES OF PAY

- 23.01 Wage rates shall not be less than those set forth in the Appendixes attached hereto as a part of this Agreement and shall be maintained for the life of this Agreement.
- 23.02 When an employee is transferred from one classification to another it is agreed that the employee shall suffer no reduction in base rate, unless otherwise mutually agreed by the employees Employer and the Union.
- 23.03 (A) When a job classification is established by the Employer within the bargaining unit for which no rate of pay is provided in the Appendixes as attached to this contract, the Employer

agrees to meet with the Union upon its request for the purpose of negotiations for a wage rate for such classification.

(B) If agreement between the parties is not reached within sixty (60) days from the date of the Union's request for such negotiations, the matter may be referred by either party to the arbitration procedures as set forth in this Agreement and the decision resulting therefrom shall be binding upon the parties for the remaining term of this Agreement. The effective rate, when established by arbitration, shall not be earlier or later than the date of the arbitration award.

(C) Any such negotiations or arbitration will in no way restrict, jeopardize or delay the efficiencies and increased productivity to be gained by the installation of such new classification, new system or method of operation. The only issue to be decided by any such negotiation or arbitration will be the adequacy of the wage rates assigned.

ARTICLE XXIV SEPARABILITY

24.01 It is hereby declared to be the intention of the parties to this Agreement that 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 judgment of decree of a court of competent jurisdiction because of conflict with any Federal or Alaska State Law, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Agreement.

24.02 The parties agree that substitute provisions to replace any part of this Agreement invalidated pursuant to the foregoing shall be incorporated into this Agreement within ninety (90) days thereafter.

24.03

ARTICLE XXV CHANGE OF OWNERSHIP

25.01 If the Employer sells or otherwise transfers its business to a third person, such sale or transfer shall be expressly conditioned on the buyer or transferee assuming all of the obligations of this Agreement. This Article also applies to a partial sale or transfer.

ARTICLE XXVI MANAGEMENT RIGHTS

26.01 Except as herein clearly and explicitly limited in the express terms of this Agreement, the rights of the Employer in all respects to manage its operation and affairs shall be unimpaired.

ARTICLE XXVII
DURATION OF AGREEMENT

27.01 This Agreement shall be in full force and effect from December 12, 2002 until May 31, 2006 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 terminate this agreement or open this agreement for the purpose of discussing a revision thereto by giving written notice of such intent not earlier than ninety (90) days or later than sixty (60) days prior to said expiration date or subsequent anniversary thereof.

27.02 Following service of notice as provided above, the parties agree to meet and negotiate in accordance with such notice and provisions of this Agreement shall continue in effect until an agreement is reached. However, either party reserves the right to terminate the Agreement upon twenty four (24) hour notice to the other party.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

FOR SAFEWAY INC.

FOR UNITED FOOD AND COMMERCIAL
WORKERS LOCAL 1496

Frank W. Jorgensen (Date)
Director Safeway
Industrial Relations

Walter E. Stuart (Date)
President
UFCW Local 1496

APPENDIX "A"
WAGES AND PREMIUM PAY

A. PREVIOUS EXPERIENCE

The Employer shall consider the employee's comparable prior Union experience in the Industry in establishing the employee's appropriate wage rate.

In the event the application of this section becomes an issue and is contested by the Employer or employee, the Employer, Union and affected employee shall meet in an effort to resolve the issue.

Matters relating to the proper application of this section must be presented in writing within sixty (60) days of the hire date of the employee or the matter will be considered untimely including the Grievance and Arbitration Section of this Agreement. Retroactive pay will be limited to fifteen (15) days.

All previous experience of any re-employed members of the Employer must be credited unless four (4) years or more have elapsed since last employed in the Industry; provided that any employee returning to work after two (2) years out of the Industry but within four (4) years since last employed in the Industry may be credited at the next lowest bracket for a period not to exceed three (3) months unless otherwise mutually credited as agreed between the Union, the Employer and employee.

B. NIGHT PREMIUM PAY

Any work performed between 12:00 midnight and 6:00 a.m. shall be paid for at a premium of seventy-five cents (\$.75) per hour increase over the regular rate of pay. Night Stockers shall be paid the seventy-five cents (\$.75) premium for the entire shift. For employees hired on or after December 19, 2002 the night premium will be twenty-five cents (\$.25) per hour.

APPENDIX "B"
WAGE CLASSIFICATIONS AND RATES

Wage increase shall occur on the first day of the nearest beginning pay period. In the event the pay period is longer than weekly, the pay increase shall be effective on the date specified below.

WAGE CLASSIFICATIONS AND RATES:

A) **Ratification Bonus:** For Journeyperson and Apprentice Employees on the payroll on December 12, 2002, effective as soon as possible the following ratification, there shall be a lump sum bonus paid, based on twenty-five cents (\$.25) per hour for all hours compensated in the one (1) year period prior to the ratification date;

B) For all Journeyperson Employees on the payroll on December 1, 2003, there shall be a lump sum bonus paid, based on twenty-five cents (\$.25) per hour for all Journeyperson hours compensated in the one (1) year period December 1, 2002 through November 29, 2003;

C) Effective December 5, 2004, all Journeyperson and above hourly wage rates shall be increased by twenty-five cents (\$.25) per hour (rates attached);

D) For all Journeyperson Employees on the payroll on December 1, 2005, there shall be a lump sum bonus paid, based on twenty-five cents (\$.25) per hour for all Journeyperson hours compensated in the one year period November 28, 2004 through November 26, 2005.

E) **Voluntary Buyout/Severance:** The parties agree that the Employer may offer voluntary buyout opportunities to employees at any time(s) during the term of this agreement. In the event such voluntary buyouts are offered during the term of this agreement, the Company agrees to provide advance notice to the Union concerning the buyout components, the terms of the offer(s), and the timing of any offering(s). Twenty-five percent (25%) of any hours bought by the Company will continue to be scheduled among employees on the payroll as of the date of ratification so long as such employees are willing, able, and qualified to work such hours. The remaining seventy-five percent (75%) of any hours bought by the Company shall be scheduled, at the Employer's discretion, among employees hired after ratification.

Wage Rates

Food Clerks, Bakers, Meat Cutters, and Red-Circle Meat Wrappers

<u>Current Employees</u>	<u>Current</u>	<u>1/5/2003</u>	<u>12/5/2004</u>
First 520 hours worked	\$ 6.89	\$ 7.25	\$ 7.25
Next 693 hours worked	\$ 7.39	\$ 7.50	\$ 7.50
Next 1040 hours worked	\$ 7.89	\$ 7.89	\$ 7.89
Next 1040 hours worked	\$ 8.39	\$ 8.39	\$ 8.39
Next 1040 hours worked	\$ 8.89	\$ 8.89	\$ 8.89
Next 1386 hours worked	\$ 9.89	\$ 9.89	\$ 9.89
Next 1560 hours worked	\$ 10.64	\$ 10.64	\$ 10.64
Next 1560 hours worked	\$ 11.64	\$ 11.64	\$ 11.64
Next 1560 hours worked	\$ 12.64	\$ 12.64	\$ 12.64
Thereafter	\$ 18.03	\$ 18.03	\$ 18.28
Senior Journeyman	\$ 18.53	\$ 18.53	\$ 18.78
Department Head	\$ 19.03	\$ 19.03	\$ 19.28
Grocery Department Managers	\$ 19.31	\$ 19.31	\$ 19.56

Employees hired or promoted after ratification

First 520 hours worked	\$	7.25	\$	7.25
Next 693 hours worked	\$	7.50	\$	7.50
Next 1040 hours worked	\$	7.89	\$	7.89
Next 1040 hours worked	\$	8.39	\$	8.39
Next 1040 hours worked	\$	8.89	\$	8.89
Next 1386 hours worked	\$	9.89	\$	9.89
Next 1560 hours worked	\$	10.64	\$	10.64
Next 1560 hours worked	\$	11.64	\$	11.64
Next 1560 hours worked	\$	12.64	\$	12.64
Next 2080 hours worked	\$	14.00	\$	14.00
Thereafter	\$	18.03	\$	18.28
Senior Journeyman	\$	18.53	\$	18.78
Department Head	\$	19.03	\$	19.28
Grocery Department Managers	\$	19.31	\$	19.56

Previously Red-Circled Journeyman Meat Wrappers

First 1040 hours worked*	\$	14.59	\$	14.59	\$	14.59
Next 1040 hours worked*	\$	14.99	\$	14.99	\$	14.99
Next 1040 hours worked*	\$	15.39	\$	15.39	\$	15.39
Next 1040 hours worked*	\$	15.79	\$	15.79	\$	15.79

Next 1040 hours worked*	\$	16.55	\$	16.55	\$	16.55
Thereafter	\$	18.03	\$	18.03	\$	18.28

*after ratification of the 1999 agreement

Meat Cutters

<u>Current Employees</u>	<u>Current</u>	<u>1/5/2003</u>	<u>12/5/2004</u>
Thereafter	\$ 18.91	\$ 18.91	\$ 19.16
Senior Journeyman	\$ 19.41	\$ 19.41	\$ 19.66
Department Head	\$ 20.91	\$ 20.91	\$ 21.16
Red-Circled Meat Cutters	\$ 19.80	\$ 19.80	\$ 20.05
Assistant Meat Managers	\$ 19.54	\$ 19.54	\$ 19.79

General Purpose Clerks

<u>Current Employees</u>	<u>Current</u>	<u>1/5/2003</u>	<u>12/5/2004</u>
First 520 hours worked	\$ 6.89	\$ 7.25	\$ 7.25
Next 693 hours worked	\$ 7.39	\$ 7.50	\$ 7.50
Next 1040 hours worked	\$ 7.89	\$ 7.89	\$ 7.89
Next 1040 hours worked	\$ 8.39	\$ 8.39	\$ 8.39
Next 1040 hours worked	\$ 8.89	\$ 8.89	\$ 8.89
Next 1906 hours worked	\$ 9.64	\$ 9.64	\$ 9.64
Next 2080 hours worked	\$ 9.89	\$ 9.89	\$ 9.89
Next 2080 hours worked	\$ 10.14	\$ 10.14	\$ 10.14
Thereafter-General Purpose	\$ 14.16	\$ 14.16	\$ 14.41
Red-Circled employees	\$ 14.59	\$ 14.59	\$ 14.84

Employees hired or promoted after ratification

First 520 hours worked	\$	7.25	\$	7.25
Next 693 hours worked	\$	7.50	\$	7.50
Next 1040 hours worked	\$	7.89	\$	7.89
Next 1040 hours worked	\$	8.39	\$	8.39
Next 1040 hours worked	\$	8.89	\$	8.89
Next 1906 hours worked	\$	9.64	\$	9.64
Next 2080 hours worked	\$	9.89	\$	9.89
Next 2080 hours worked	\$	10.14	\$	10.14
Next 2080 hours worked	\$	11.50	\$	11.50
Thereafter-General Purpose	\$	14.16	\$	14.41

Combination Clerks

<u>Current Employees</u>	<u>Current</u>	<u>1/5/2003</u>	<u>12/5/2004</u>
First 520 hours worked	\$ 6.89	\$ 7.25	\$ 7.25
Next 693 hours worked	\$ 7.39	\$ 7.50	\$ 7.50

Next 1040 hours worked	\$	7.89	\$	7.89	\$	7.89
Next 1040 hours worked	\$	8.39	\$	8.39	\$	8.39
Next 1040 hours worked	\$	8.89	\$	8.89	\$	8.89
Next 1906 hours worked	\$	9.64	\$	9.64	\$	9.64
Next 2080 hours worked	\$	9.89	\$	9.89	\$	9.89
Next 2080 hours worked	\$	10.14	\$	10.14	\$	10.14
Thereafter-Combination	\$	12.41	\$	12.41	\$	12.66
Red-Circled employees	\$	14.30	\$	14.30	\$	14.55

Employees hired or promoted after ratification

First 520 hours worked	\$	7.25	\$	7.25
Next 693 hours worked	\$	7.50	\$	7.50
Next 1040 hours worked	\$	7.89	\$	7.89
Next 1040 hours worked	\$	8.39	\$	8.39
Next 1040 hours worked	\$	8.89	\$	8.89
Next 1906 hours worked	\$	9.64	\$	9.64
Next 2080 hours worked	\$	9.89	\$	9.89
Next 2080 hours worked	\$	10.14	\$	10.14
Next 2080 hours worked	\$	11.25	\$	11.25
Thereafter-Combination	\$	12.41	\$	12.66

Junior Apprentice

<u>Current Employees</u>	<u>Current</u>	<u>1/5/2003</u>	<u>12/5/2004</u>
First 520 hours worked	\$ 6.50	\$ 7.15	\$ 7.25
Next 520 hours worked	\$ 6.75	\$ 7.25	\$ 7.40
Next 1040 hours worked	\$ 7.00	\$ 7.35	\$ 7.55
Next 1040 hours worked	\$ 7.25	\$ 7.50	\$ 7.70
Thereafter	\$ 7.87	\$ 8.00	\$ 8.20

Courtesy Clerk

<u>Current Employees</u>	<u>Current</u>		
First 520 hours worked*	\$ 6.25	\$ 7.15	\$ 7.15
Next 520 hours worked*	\$ 6.50	\$ 7.25	\$ 7.25
Next 1040 hours worked*	\$ 6.75	\$ 7.35	\$ 7.35
Thereafter	\$ 7.00	\$ 7.50	\$ 7.50

*after ratification

<u>Seasonal Employee</u>	\$	8.50	\$	8.50
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Food Clerks, Bakers, Meat Cutters, Red-Circle Meat Wrappers

Baker (Scratch)	Produce Manager
Bakery Manager*	Produce Assistant Manager/2nd Person
Bakery Assistant Manager/2nd Person (Scratch)	Produce
Checker	Receiving Clerk/ICC*
Customer Service Manager	Red Circle Meat Wrappers
Grocery Assistant Manager/2nd Person	Meat Cutters
Grocery Manager*	Red Circle Meat Cutters
Grocery Stocker	Meat Assistant Manager
POS/File Maintenance	Meat Manager
	*if in the Union

General Purpose Clerks

Baker (Bake off)	OE Manager/China Express Manager*
Bakers Helper (Scratch)	Pastry Chef
Cake Decorator	Pharmacy Technician - Head
Deli Manager*	Photo Lab Manager
Floral Manager	Salad Bar Manager
GM Manager/GMHBC Manager*	Seafood Manager
GM Night Manager	Snack Bar Manager
GM Night Stocker	Specialty Meat Chef
Head Bagel Production	Specialty Meat Manager
OE Cook/China Express Cook	Meat Wrapper (hired on or after 10/22/99)
	*if in the Union

Combination Clerks

Bagel	Loss Cash/Booth/Office Clerical
Bakery Clerk/Bakery Sales	Natural Foods/Health Foods
Bulk Food	OE Clerk/China Express
Bun and Bread Wrapper	Pasta
Checker	Photo/Video Clerk
Deli	Prairie Bush
Deli Assistant Manager/Deli 2nd Person	Pharmacy Technician
Donut Fryer	Photo Lab Tech
Floor Maintenance	Salad Bar & Juice Bar
Floral	Seafood
Floral Designer	Snack Bar
GM Clerk	Specialty Meat
Oaken Keg	Sushi
Liquor Clerk	

Combination Employees

Combination Senior Journeymen will receive fifty cents (.50) per hour above Journeyman rate.

Combination Journeymen who are promoted to Department Head will receive one dollar (\$1.00) per hour above Journeyman rate.

Combination Non-journeymen who are promoted to Department Head will receive one dollar (\$1.00) per hour over their base rate.

APPENDIX "C"
COMBINATION EMPLOYEES

COMBINATION EMPLOYEES:

1. The Combination or General Purpose rate may be paid for work performed in all Combination or General Purpose categories, and any other departments that the parties agree upon;
2. All employees on the Combination rate (except Office Clerical) or General Purpose will be interchangeable and may be assigned to any other work under the Combination or General Purpose classification. Office Clerical employees shall be limited to Office Clerical assignments;
3. All employees who are classified and paid as Combination or General Purpose employees shall devote their time exclusively to the Combination or General Purpose assignments. Customer service requests and Courtesy Clerk assignments will not be considered violations of this Agreement. If assigned by management to other than Combination or General Purpose work, the employee will receive the same Food Clerk progression (or thereafter) rate for that day;
4. Not more than fifty (50%) percent of the Combination and General Purpose hours worked in a store in any week may be spent stocking food items or checking. If this percentage is exceeded the excess hours will be paid for as follows:

The most senior Combination or General Purpose employee in the store, who performed checking that week, will receive one dollar (\$1.00) per hour premium for all compensable hours that week. If this adjustment is not enough to cover the excess hours then the same process will apply to the next senior Combination or General Purpose employee and so on down the seniority list until the excess is corrected. In all circumstances the one dollar (\$1.00) per hour premium will be paid to the eligible employee for all compensable hours that week even if such payment reduces the excess below the proper level.

Replacement hours for Food Clerks who do not report as scheduled, who are on leave of absence, vacation, holiday or sick leave will not be counted toward hours in excess of the proper percentage allowed.

It is further agreed that if the percentage is exceeded because Combination or General Purpose employees do not report to work as scheduled, the percentage calculation will be based on the scheduled hours not the actual hours worked that week.

5. It is agreed that the Office/Clerical employees shall be a continuing workforce and will not recognize any picket lines or participate in any economic action of any kind provided the Office Clerical employees shall not exceed three (3) per store.

UNITED FOOD & COMMERCIAL WORKERS

UNION LOCAL #1496

501 W. NORTHERN LIGHTS BLVD.

SUITE 200

ANCHORAGE, AK 99503-2577