



Company and Union Agree: Benefit Changes Are Necessary

August 11, 2020

Today, UFCW Local 455 provided a counter proposal on health care benefits to the company. The union's proposal includes higher associate contribution rates, deductibles and out-of-pocket maximums and increases hours eligibility requirements – all while keeping your benefits tied to the unstable South-Central Fund. Don't take our word for it. Your store manager has a copy of the union's proposal and it is posted to www.krogerhoustoncba.com.

Both parties agree that health care changes are needed. One significant difference between our two proposals is who administers your benefits.

- **Even with the union's proposed benefit changes, can the UFCW guarantee that the South-Central Fund will not cut your benefits during the life of the contract?**
- **Why is the UFCW so determined to keep your benefits in the unstable South-Central Fund?**

The Company proposal attempts to use one of Kroger's most significant competitive advantages – our overall size – and leverage that to the advantage of our associates. The Union's proposal ignores that advantage by insisting that we provide health care through the smaller South-Central Fund.

Union Proposal on Health Care Benefit Changes		
	Current South-Central Fund Plans	Union Proposed South-Central Fund Plans
Increases to Eligibility	80 hours for employee only 120 hours/month for employee + child(ren) 120 hours for employee + spouse & family	88 hours/month for employee only 120 hours/month for employee + child(ren) 140 hours/month for employee + spouse & family
\$5 Increases Per Week to Associate Weekly Contributions		
Employee Only	\$5-\$6	\$10-\$11
Employee + Spouse (Plan A only):	\$28.08-\$48.62	\$33.08-\$53.62
Employee + Child(ren):	\$10-\$12	\$15-\$17
Employee + Family (Plan A only):	\$33.08-\$54.62	\$38.08-\$58.62
Increases to Monthly Spouse Fee	\$100 per month for spouse fee	\$150 per month for spouse fee
\$50 single/\$100 family Increases to Deductibles each year		Plan A & B Plan C
Plan A & B	\$350/\$700	Year 1: \$400/\$800 Year 1: \$500/\$1,000
Plan C	\$450/\$900	Year 2: \$450/\$900 Year 2: \$550/\$1,100
		Year 3: \$500/\$1,000 Year 3: \$600/\$1,200
\$500 single/\$1,000 family Increases to Out of Pocket Maximums in 2021 and 2023		Plan A & B Plan C
Plan A & B Network Medical Only	\$4,000/\$8000	2021: \$4,500/\$9,000 2021: \$5,000/\$10,000
Plan C Network Medical Only	\$4,500/\$9,000	2023: \$5,000/\$10,000 2023: \$5,500/\$11,000
\$10 Increase Office Visit Co-Pays	\$25	\$35
Plan A: \$50 Increase to ER Co-Pays	\$100 + 20%	\$150 + 20%
Plan B: \$50 Increase to ER Co-Pays	\$100 + 25%	\$150 + 25%
Plan C: \$100 Increase to ER Co-Pays	\$200 + 30%	\$300 + 30%