



## We Hear You!

September 25, 2020

Over the last few weeks, we have heard your frustrations and concerns on not being able to vote and have a voice on our Last, Best and Final Offer, including missing out on the earlier Ratification Bonus.

We want you to have the opportunity to have that extra money in your pocket – in addition to the wage increases we are implementing effective October 4.

**Today, we communicated with Local 455 that our Last, Best and Final Offer, including a new Ratification Bonus, is back on the table and asked again that you be allowed to vote on the offer.**

One-time Ratification Bonuses would be paid if the offer is ratified on or before October 17, 2020:

- \$600 – Department Heads
- \$500 – Full-Time Top Rate Associates
- \$300 – Part-Time Top Rate Associates

All the other terms in our offer still stand. You can download and review our Last, Best and Final Offer at [www.krogerhoustoncba.com](http://www.krogerhoustoncba.com) or ask your store leader for a copy.

**We hope the union gives you the opportunity to vote on this offer and have a voice that they claim you should have.** If you want to vote, speak with your union representative.

Thank you for all that you are doing to take care of your customers and each other.

Kroger – Houston, Texas L.P.  
Last, Best, and Final Offer  
UFCW Local 455  
Houston Meat Clerks Agreement  
August 19, 2020

The Company makes the following Last, Best, and Final Offer (“Offer”) to UFCW Local No. 455 (“Union”) for a new collective bargaining agreement for Houston Meat Clerks.<sup>1</sup>

#### ARTICLE 4 MEAT DEPARTMENT EMPLOYEES

*Delete stricken language and add changes in bold.*

C1. ~~B.~~ Assistant Department Head - The Employer, at its discretion, may appoint an Assistant Department Head. This is not a required position and Management may elect not to assign the position. In the event an employee is assigned as an Assistant Department Head, then such employee shall be paid the top rate of their classification plus a premium of ~~fifty cents (.50)~~ **one dollar (\$1.00)** per hour, **effective October 4, 2020.** ~~for Volume 1 and sixty five cents (.65) for Volume 2 and ninety cents (.90) for Volume 3 stores.~~

C2. ~~K.~~ ~~A Service Clerk at the six dollar and twenty five cent (\$6.25) rate or above who gets promoted to the Seafood Captain classification will automatically be put at the next progression increase.~~

#### ARTICLE 5 WAGES

*Delete stricken language and add changes in bold, re-letter B-D to C-E.*

C3. ~~B.~~ **Part-time employees will start on the first six (6) months rate for the proper classification, and will advance up the pay scale on the basis of one (1) bracket for each six (6) months worked. Meat Clerks will start on the first (1<sup>st</sup>) step and advance up the pay scale on the basis of one (1) bracket for each six (6) months worked. Effective February 7, 2021, all Meat clerks are held to the level they transitioned to effective with the February 7, 2021 contractual wage increase.**

**Any employee who is permanently assigned to a higher classification shall be placed in the next wage bracket level in the new classification that will afford him an hourly increase, except in the cases where both rates are the same. In such cases, the employee will be assigned the same rate and will progress to the higher brackets level in the new classification by normal progression.**

C4. ~~B.C.~~ **Previous proven comparable experience within ten (10) years, not to exceed five (5) maximum credit, from date of present employment, as shown on application for employment shall be the basis for determination of the new employee's rate of pay. Effective February 7, 2021, previous proven comparable experience within ten (10) years from date of present employment, not to exceed the maximum of four (4) years of credit, as shown on the application for employment shall be**

---

<sup>1</sup> Houston Meat Clerks Agreement Last, Best, and Final Offer 8-198-2020. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

the basis for determination of the new employee's rate of pay, with years of employment corresponding to each level of rate of pay:

- 0-1 years: Level 1
- 1-2 years: Level 2
- 2-3 years: Level 3
- 3+ years: Level 4

## ARTICLE 6 HOURS OF WORK

*Delete stricken language and add changes in bold.*

C5. C. Any time worked in excess of ~~eight and a half (8.5)~~ **(8.5)** hours in any one (1) day shall be considered overtime and the minimum rate of pay shall be time and one-half (1½) the regular basic rate of pay.

C6. K. A work schedule for part-time employees for the succeeding ~~week~~ **weeks** shall be posted in each market by ~~4:00 pm~~ **12:00 pm** on Friday of the current workweek. Part-time employees will be scheduled for a minimum of ~~fifteen (15)~~ **eighteen (18)** hours per week if available. **The eighteen (18) hour weekly minimum may be waived by mutual agreement on an individual basis between the employer, employee, and Union representative.**

C7 S. **Effective October 4, 2020,** A night premium of ~~thirty-five (\$0.35)~~ **one -dollar (\$1.00) cents** per hour will be paid for work performed between ~~9:00 pm~~ **(10:00 pm)** to ~~4:00 am~~ **(6:00 am)**. **Effective August 8, 2021, a night premium of one-dollar and fifty cents (\$1.50) will be paid for work performed between 10:00 pm and 6:00 am.**

## ARTICLE 7 VACATIONS

*Delete stricken language and add changes in bold*

C8. B. A qualifying part-time employee, who has completed twelve (12) months continuous service, will be eligible to receive a vacation with pay (provided that the part-time employee has worked six hundred twenty-four [624] or more straight-time hours during such twelve [12] month anniversary period).

Each part-time employee who meets the eligibility requirements of this Section of this Article shall, on his anniversary date, be entitled to receive: One (1) week's pro-rata vacation with pay to be calculated on the basis of the total hours worked during the applicable anniversary year divided by the weeks in a calendar year.

Part-time employees shall be entitled to a second (2nd) week of pro-rated vacation after completion of three (3) years service. **Effective January 3, 2021, Part-time employees shall be entitled to a third (3rd) week of pro-rated vacation after completion of ten (10) years service.** ~~Two (2)~~ **Three (3)** weeks shall constitute the maximum allowed pro-rated vacation for part-timers.

**ARTICLE 8 HOLIDAYS**

*Delete stricken language and add changes in bold*

C9. Effective January 3, 2021, in addition to the National Holidays, employees shall earn personal Holidays as follows:

<del>Three</del> <b>Two (2)</b> years of continuous service	One (1) Personal holiday
<del>Eight</del> <b>Five (5)</b> years of continuous service	Two (2) Personal holidays
<del>Fifteen</del> <b>Eight (8)</b> years of continuous service	Three (3) Personal holidays
<del>Twenty</del> <b>Fifteen (15)</b> years of continuous service	Four (4) Personal holidays

[This proposal was T/A'd on 8/18/2020](#)

**ARTICLE 9 LEAVES OF ABSENCE**

*Delete stricken language and add changes in bold*

C10. B. The Employer agrees to grant the necessary time off without discrimination or loss of seniority rights and without pay to not more than two (2) employees out of any one (1) store, and no more than five (5) employees from the Employer, designated by the Union to attend to Union business, provided the Employer is given at least ~~one (1)~~ **two (2)** week's notice, in writing, from the Union, specifying the length of time off, but in no case shall the length of time exceed one (1) year. **The Employer agrees that management shall not coerce, and/or discourage employees from making their decision to serve in any capacity on Official Union Business. The Employer shall not interrogate the employee and/or question the employee's decision.**

**Article 11 WORKING CONDITIONS**

*Delete stricken language and add changes in bold*

C11. The Employer shall provide and shall not charge for the ~~shirts~~ **uniforms** required by the company.

C12. N. Where the Employer deems it necessary, Clerks shall be assigned to assist in the Meat department. This will include stocking, cleaning, and sanitation. Clerks will not operate cutting equipment or machinery within the Meat department.

Where the Employer deems it necessary, Meat employees shall be assigned to assist in other departments. This will include stocking, customer service, hanging tags, and cleaning and sanitation outside the Meat department. Meat department employees shall not be assigned to Front End duties.

The Intent of this language is not to negatively impact Meat employees.<sup>2</sup>

**Article 12 GRIEVANCE AND ARBITRATION**

*Delete stricken language and add changes in bold*

C13. Step 2. By conference between the Union business representative and/or store steward and the District Manager **or Division designee**. A meeting will be held within twenty (20) days of the first step

---

<sup>2</sup> Nothing in Kroger's proposed changes to work assignment language seeks to alter, or may be construed to impact, the bargaining unit description or the parties' rights to contest that associates performing the work are included or excluded from a bargaining unit.

decision, and a decision and/or position will be given within fifteen (15) days of the second step conference, unless mutually extended by the parties. It is understood that any agreement reached at Step 2 shall be on a non-precedent setting basis.

### Article 13 HEALTH AND WELFARE

*Delete stricken language and add changes in bold*

~~C14. Section 13.01 The Employer shall contribute to the established South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment. Effective April 1, 2016 (March hours) the employer will begin making contributions on part time fuel clerks. Such contributions shall be used to provide Health and Welfare benefits, for all enrolled Bargaining Unit Employees, and effective January 1, 2017 for Part-time Fuel Clerks, subject to and in strict accordance with the terms of Section 13.02 ("Funding Policy").~~

The terms of the prior collective bargaining agreement regarding health and welfare benefits in effect as of April 1, 2020 will remain in effect through December 31, 2020, except as modified herein.

Effective on and after January 1, 2021, all health and welfare benefits provided for under this Agreement shall be provided through a single-employer group health plan or plans sponsored by the Employer, referred to hereafter as the "Plan" and as described in further detail below. As a result, the Employer shall not have any obligation to make contributions to any multiemployer health and welfare fund, including but not limited to the South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund, for any hours worked on or after January 1, 2021.

#### A. Contributions to Fund Benefits:

Effective on and after January 1, 2021, the Employer will provide the health and welfare benefits described below through the Plan, subject to the employee premium cost-sharing and other terms and conditions described below.

~~The Employer shall contribute to the Fund in the following amount provided that the Trustees of the Plan provide benefits and manage the Plan in accordance with their fiduciary responsibility and in accordance with the provisions of this Article:~~

<u>Date</u>	<u>Amount</u>
April 1, 2016 (March Hours)	\$3.00 per hour

~~Provided the Trustees have enacted modifications to the Plan consistent with the provisions contained at the end of this section (A. contributions to Fund Benefits), the Employer further agrees to the following increases to its contribution rates to the Fund:~~

1. ~~Effective the first of the month following adoption by the Trustees of a package of plan amendments conforming with the provisions detailed herein, the Employer will make a lump sum payment equal to \$3,500,000, in the aggregate for all bargaining units of the employer covered under the South Central Funding Group effective for the employees of this Agreement. Effective March 1, 2017, provided hours are worked by employees covered by this agreement, the employer will make a second \$3,500,000 lump sum payment in the aggregate for all bargaining units of the employer covered under the South Central Funding Group. In addition, should the fund reserves fall below \$2,000,000 prior to February 28, 2017, the Employer agrees to accelerate one half of the next month's contribution payment to bring the cash flow above \$2,000,000.~~
2. ~~Effective April 1, 2016 (March hours), the Employer's contribution rate will be increased to \$3.00 per hour.~~
3. ~~Effective April 1, 2017 (March hours), the Employer's contribution rate will be increased to \$3.05 per hour.~~
4. ~~Effective April 1, 2019 (March hours), the Employer's contribution rate will be increased to \$3.10 per hour.~~
  - a. ~~In addition to the above rate increases, the Trustees (based on the advice of the Plan Consultants), no later than March 31, 2019, shall determine the Plan's current reserve status and if such reserves are projected to be at 4 months or above as of March 13, 2020, the Employer and the employees will receive contribution holidays in an amount necessary to achieve a reserve level on March 31, 2020 no greater than 4 months of reserves.~~

~~Effective January 1, 2017, the premium for Plan A spouse and family coverage in the Funding Group is increased as follows:~~

Employees hired after September 30, 2010:

	<u>Without Working Spouse</u>	<u>With Working Spouse</u>
Employee Only	\$6.00	
Employee & Spouse	\$6.00 + \$23.08	\$14.00 + \$34.62
Employee & Children	\$12.00	
Employee & Family	\$12.00 + \$23.08	\$20.00 + \$34.62

Employees hired on or before September 30, 2010:

	<u>Without Working Spouse</u>	<u>With Working Spouse</u>
Employee Only	\$5.00	
Employee & Spouse	\$5.00 + 23.08	\$10.00 + \$34.62
Employee & Children	\$10.00	
Employee & Family	\$10.00 + \$23.08	\$15.00 + \$34.62

~~Spouse Contribution = \$100 per month or \$23.08 per week.~~

~~Working Spouse = \$150 per month or \$34.62 per week~~

Effective January 1, 2021, employees shall be required to make weekly premium contributions for coverage under Plan One (Hired Before January 1, 2021) or Plan Two (Hired On or After January 1, 2021), as follows:

	Plan One
<b>Weekly Contributions - initial amount effective January 1, 2021, incremental increases each January 1 thereafter</b>	<b>Includes medical, Rx, dental and vision</b>
Employee	\$8.00 (2021) / \$9.00 (2022) / \$10.00 (2023)
Employee + Spouse	\$36.00 (2021) / \$39.00 (2022) / \$42.00 (2023)
Employee + Child(ren)	\$14.00 (2021) / \$15.00 (2022) / \$16.00 (2023)
Employee + Spouse + Child(ren)	\$43.00 (2021) / \$46.00 (2022) / \$49.00 (2023)

	Plan Two
<b>Weekly Contributions - initial amount effective January 1, 2021, incremental increases each January 1 thereafter</b>	<b>Includes medical, Rx, dental and vision</b>
Employee	\$8.00 (2021) / \$9.00 (2022) / \$10.00 (2023)
Employee + Spouse	\$36.00 (2021) / \$39.00 (2022) / \$42.00 (2023)
Employee + Child(ren)	\$14.00 (2021) / \$15.00 (2022) / \$16.00 (2023)
Employee + Spouse + Child(ren)	\$43.00 (2021) / \$46.00 (2022) / \$49.00 (2023)

On or after January 1, 2021, the Kroger Co will collect the employee contributions.

The Employer will offer coverage under the Plan to eligible employees based on date of hire and other eligibility rules as outlined below and pursuant to the terms and conditions of the plan document for the Plan. Plan One plan of benefits is for employees hired before January 1, 2021. Plan Two plan of benefits is for employees hired on or after January 1, 2021. The attached benefit grid provides additional details on the plan of benefits under the Plan. Any terms and conditions of coverage under the Plan that are not provided for herein will be provided under the plan document for the Plan, and the plan document for the Plan, as amended by the Employer from time to time in its discretion, shall control with respect to terms and conditions of coverage that are not described herein. The Employer has the right to implement and apply changes to the Plan to the employees covered by this Agreement, so long as such changes are applied to all other participants in the Plan and do not conflict with the express terms and conditions of coverage and eligibility that are described in this Agreement and plan document.

~~As a condition of receiving the contributions provided above, the Trustees of the Plan will establish a Plan(s) of benefits consistent with the provisions herein, which can be supported by the contributions provided herein. The Bargaining Parties recommend that Trustees of the South Central Fund adopt said plan of benefits. Consistent with this provision, not later than the first of the month following April 16, 2016, to be effective July 1, 2016 or January 1, 2017, the Trustees are directed to make the modifications to the Plan (which can include adjustments to the Plan(s) of benefits, eligibility rules and/or employee co-premium rates) of sufficient amount that when taking into account the contingent contribution increases detailed above will ensure that on April 1, 2020 that the Plan will have a reserve equal to three (3) months reserves and to further ensure that on or after January 1, 2019, the Plan will not drop below two months reserves.~~

~~With respect to the July 1, 2016 or January 1, 2017 modifications contemplated in this provision, the Union Trustees will be allowed to take the laboring oar to make recommendations to the Trustees of the Fund with respect to benefit eligibility, benefit modifications, plan design and/or employee co-premium rates consistent with the objectives of this provision provided that such recommendations may not reduce the rate of employee co-premiums or delay the effective date of their implementation. The Employer Trustees, consistent with their fiduciary duties, shall support the recommendations of the Union Trustees.~~

~~If the Union Trustees fail to tender a timely motion no later than 60 days, or Consent Resolution, to enact changes consistent with this provision or the Union Trustees motion to enact changes is inadequate according to the plan's actuarial consultant to achieve the target discussed herein and as a result the Trustees deadlock motions on adjustments necessary to bring the Plan back in to compliance with this provision, then the deadlocked motions shall be submitted for resolution to arbitration in accordance with the trust's deadlock procedures. The arbitrator shall be considered a fiduciary and such arbitrator's authority shall be limited to casting a vote for or against any pending deadlocked motion.~~

### Eligibility

~~The Administrator will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding plan year. Employees must make a positive election to enroll in the Plan. Enrollment is for the entire plan of benefits (except that Life Insurance and AD & D shall be provided to all eligible employees) for the Plan and an employee's failure to make a positive enrollment into the Plan shall result in such employee being ineligible for all benefits of the Plan for the remainder of the calendar year or until there has been a qualifying life event, as defined by the Trustees, whichever occurs first.~~

~~The Employer may, upon reasonable notice and at its own expense, audit the Fund's enrollment data and claims records once each plan year. The Employer may arrange to have the audit conducted by a recognized auditing firm that it shall select.~~

~~Independent of the foregoing audits, the Fund will audit its enrollment and claims records at least once each plan year to ensure that no employees of the Employer, or the dependents of such employees, are participating in plan coverage for which they are not eligible.~~

~~Employees shall become eligible for benefits upon meeting the requirements of the Plan.~~

~~All employees must continue to meet all eligibility requirements of the Plan as a condition of continued eligibility.~~

~~The Trustees shall establish a separate accounting of income and expenses for The "Funding Group" of the Fund who agrees in their Collective Bargaining Agreements to the same provisions as provided herein, unless otherwise approved by the Trustees. Only those Employers who adopt these provisions may share in the pool of income and expenses established~~



herein. The Trustees are expressly prohibited from using the contributions of these employers for the payment of benefits to the employees of other employers.

Effective January 1, 2021, the Employer will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for Plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding Plan Year, which is the calendar year as of January 1, 2021. Employees must make an affirmative election to enroll in the Plan during each annual open enrollment period. Enrollment is for the entire plan of benefits (except that Life Insurance, AD&D, and short-term disability will be provided to all eligible employees) under the Plan and an employee's failure to affirmatively elect to enroll in the Plan will result in such employee being ineligible for all benefits under the Plan until the next Plan Year or until there has been a qualifying life event, whichever occurs first. The definition of a "qualifying life event" is provided under the Employer's Code Section 125 plan document or the plan document for the Plan.

#### Plan One Coverage Eligibility – Employees Hired Before January 1, 2021

Plan One Coverage Initial Eligibility – On or after January 1, 2021 Using a 52-week measurement period (as outlined in the measurement/stability period description below) or as otherwise required under the Affordable Care Act, employees hired before January 1, 2021, must work an average of twenty two (22) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty four (34) hours a week to become eligible for employee and spouse coverage or spouse and dependent child(ren) coverage.

Plan One Coverage Continuing Eligibility – On or after January 1, 2022 Using a 52-week measurement period (as outlined in the measurement/stability period description below) or as otherwise required under the Affordable Care Act, employees hired before January 1, 2021, must work an average of twenty five (25) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse coverage or spouse and dependent child(ren) coverage.

Plan One Coverage Continuing Eligibility – On or after January 1, 2023 Using a 52-week measurement period (as outlined in the measurement/stability period description below or as otherwise required under the Affordable Care Act), employees hired before January 1, 2021 must work an average of twenty seven (27) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse or spouse and dependent child(ren) coverage.

Plan One eligibility occurs the first (1st) day of the calendar year. In no event can an employee not become initially eligible if hired with the expectation of working 30 hours or more in a week, and such employees will be eligible on the (1st) day of the month following sixty (60) days of employment.

The hour bank will be terminated on December 31, 2020. Any unused hours will be forfeited.

### C. Plan Two Eligibility for Plan – Employees Hired On or After January 1, 2021

Plan Two Coverage Initial and Continuing Eligibility – On or after January 1, 2021: Using a 52-week measurement period (as outlined in the measurement/stability period description below) or as otherwise required under the Affordable Care Act, employees hired on or after January 1, 2021 must work an average of twenty seven (27) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse coverage or spouse and dependent child(ren) coverage.

Plan Two eligibility occurs the first (1st) day of the calendar year. In no event can an employee not become initially eligible for Plan Two coverage if hired with the expectation of working 30 hours or more in a week, and such employees will be eligible on the (1st) day of the month following sixty (60) days of employment.

### D. Eligibility shall be continued under the following conditions:

In case of illness or non-compensable injury, while on an approved leave of absence, up to six (6) months of eligibility following the month in which the illness or injury occurred will be recognized.

The Employer agrees to extend eligibility for qualifying employees on an approved Family and Medical Leave of absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

- a) The Employer agrees to extend coverage for eligible employees until the end of the month following cessation of active employment, including but not limited to termination of employment. This obligation shall not be required when employees are discharged for dishonesty, drinking, or drunkenness on the job or resigns to go into business for themselves.
- b) Employees on approved medical, sick or disability-related leave of absence are required to make weekly contributions to maintain eligibility.

Employee contributions that have been discontinued as provided above will be resumed on the first day of the month following a return to work on the Employer's active payroll after illness or injury

### E. Measurement/Stability Period effective January 1, 2021

Average hours for Plan One and Plan Two coverage eligibility effective on and after January 1, 2021 shall be determined over a twelve (12) month measurement period (measured over 52 or 53 weekly payroll periods, as necessary for compliance with the Affordable Care Act's employer shared responsibility rules) that will result in a twelve (12) month stability period during which time the employee shall be considered an "eligible employee." There shall be a twelve (12) month initial measurement period for new hires who are not reasonably anticipated to work on average at least thirty (30) hours per week, followed by a twelve (12) month initial stability period for such new hires that will end at the beginning of the next standard twelve (12) month stability period. There shall also be a twelve (12) month standard measurement period for all ongoing employees, which shall be the calendar year, followed by a twelve (12) month standard stability period based on employee hours during the standard measurement period. An administrative

period may be applied between the end of a measurement period and the start of a stability period as long as the administrative period is in compliance with the Affordable Care Act's employer shared responsibility rules.

If a newly-hired employee is reasonably anticipated to work on average at least thirty (30) hours per week, such employee shall be considered a known full-time employee for purposes of health care and shall become eligible for Plan Two coverage on the first day of the month following sixty (60) days of employment and such date shall hereinafter be referred to as the employee's initial eligibility date. Subject to the above requirements, such coverage will remain in effect until such employee reaches the first standard twelve (12) month stability period, at which time coverage will be determined in accordance with the average hour requirements calculated over the previous twelve (12) month standard measurement period. If the Company promotes an employee to a known full-time position, for purposes of health care, prior to the end of an initial or standard measurement period, such employee shall become eligible for Plan Two coverage no later than the earlier of the (1) the 1st day of the month following sixty (60) days from the date of promotion or (2) the first day of the initial or standard stability period and such date shall hereinafter be referred to as the employee's initial eligibility date. Such coverage shall remain in effect until such employee reaches the first standard twelve (12) month stability period, at which time coverage will be determined in accordance with the average hour requirements calculated over the previous twelve (12) month standard measurement period.

In applying the eligibility rules of this provision, if there is a gap between the end of the initial stability period and the start of the standard stability period, the employee shall continue to be eligible for coverage during the gap period based on the employee's eligibility during the initial stability period. In the case of an overlap of the initial stability period and the first standard stability period the employee shall be eligible for the highest level of coverage the employee would qualify for during the overlap period.

#### Section 13.02      Treatment of Reserves in South Central H&W Fund

~~This Funding Policy shall become activated and of full force and effect on April 1, 2016. The contributions provided for herein are with the parties' understanding and agreement that the Trustees to the South Central Health and Welfare Fund will maintain the Plan in a fully funded and reserved status and will provide benefits in accordance with the provisions of this Article.~~

~~There are two purposes of this Funding Policy:~~

- ~~(A) Fully reserved status of the South Central Health and Welfare Fund~~
- ~~(B) Claims Payment Standards of the South Central Fund.~~

#### ~~A. — Fully Reserved Status~~

~~It is agreed that the target for fully reserved status shall be defined as reserves equal to a minimum of three (3.0) months of Health and Welfare expenses. In October of each year, the Fund Consultant will give a projection for the coming plan year as well as a projection of the remaining term of the Agreement.~~

~~The Consultant will provide the current status of the reserves at each quarterly meeting as well as a projection through the end of the current plan year.~~

~~It is understood and agreed that any projection showing reserves below two (2.0) months will cause the financial condition to be monitored closely by the Trustees and the Professionals of the plan. A projection showing reserves below two (2.0) months for two consecutive quarters, on or after January 1, 2019, will cause action to be taken by the Trustees to bring the level on reserves back to the desired level of three (3.0) months. Such actions may include a combination of benefit adjustments, eligibility changes and/or employee contribution rate increases.~~

If the reserves in the South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund (the "Fund") as of September 30, 2020 are greater than \$17.0 (seventeen) million dollars, the Employer will not make contributions for paid hours in October 2020 (for which contributions would otherwise be due to the Fund in November 2020).

~~All remaining Fund reserves as of December 31, 2020 will be applied to pay the runout of claims and expenses incurred prior to January 1, 2021.~~

#### ~~B. Claims Payment Standard~~

~~The Plan Administrator is responsible for payment of claims on a timely basis.~~

~~Payment schedules should comply with any vendor contractual obligations in order to maintain the appropriate discounts provided by the vendor.~~

~~The Plan Administrator will make reports to the Trustees on compliance with these standards. Trustees are responsible for monitoring compliance of these standards and taking corrective action, as appropriate.~~

#### Section 13.03      Cost Control Measures

~~The Trustees are directed to search for and adopt cost control measures that will aid the Fund in managing costs within the contributions provided by the employer and employees herein. The parties agree **Plan may** to develop and extend to **bargaining unit participants** medical and prescription management programs that targets high-risk participants with chronic diseases such as diabetes, asthma, and cardiovascular disease. Incentives to drive participation in the program are understood to be a key element to enhance quality health care.~~

There is recognition that incentives may take various forms and will likely evolve and change over time base on program experience with a goal of maximizing program effectiveness. The initial focus will be a thorough educational campaign in connection with program roll out. Such education will be reinforced by the Plan, the Union, and the Employer.

### Section 13.04. Quarterly Meetings on Health and Welfare

The Company and the Union agree to establish quarterly meetings to discuss issues or concerns about the company administered health and welfare program. These meetings will include designated representatives from the Union and the Kroger Co including representatives from the Total Rewards team that administers the Company's health and welfare programs. Either party can include other representatives as is deemed necessary.

### Section 13.0405 National Health Care Reform

The Employer and the Union agree to meet and discuss, at the request of either party, the effects of the Patient Protection and Affordable Care Act (PPACA) and Federal regulations or any other legislation **that may impact the Employer's provision of health and welfare benefits during the term of this Agreement, and to make modifications to this Agreement on this Health and Welfare article and to make modifications as necessary and appropriate.**

### Section 13.056 Kroger Texas Occupational Injury and Disease Benefit Plan

The parties agree to meet once per quarter to continue discussions brought forth in bargaining regarding the Kroger Texas Occupational Injury and Disease Benefit Plan. Prior to any updating of the Plan, the Employer will give the Union the opportunity to submit recommendations for consideration.

The meetings will be Co-Chaired by the Manager of Operations for the Southwest Division and the President of UFCW Local 455 and/or his designate. It is understood that the parties may include other representatives as deemed necessary.

### Section 13.06

~~Contribution to the trust fund shall be continued under the following conditions effective 1-1-08 for participants of Plan A: In the case of a compensable injury while on an approved leave of absence, six (6) months contributions for full time (three (3) months contributions for part time) following the month in which the compensable injury occurs.~~

### Article 14 PENSIONS

*Delete stricken language and add changes in bold*

~~C15. The Employer agrees to continue participation in and contribute to the United Food and Commercial Workers International Union Industry Pension Trust Fund, which Fund has and shall maintain Treasury Department approval. Employer will not be obligated to make any contributions to the Fund which are not deductible for income tax purposes.~~

A. — Effective the month following ratification (10/1/10) for employees hired prior to June 13, 2004, the Employer shall pay two hundred forty two dollars and twenty cents (\$242.20) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

B. — Effective the month following ratification (10/1/10) for employees hired on or after June 13, 2004, the Employer shall pay one hundred eighty six dollars and one cent (\$186.01) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

C. — Effective the month following ratification (10/1/10) for employees at the 2007 contractual rate of seventy nine dollars and fifty cents (\$79.50) and for employees hired after ratification, the Employer shall pay one hundred eight dollars and fifty seven cents (\$108.57) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

D. — Effective the month following ratification (10/1/10) for part-time employees, the Employer shall pay forty eight dollars and six cents (\$48.06) per month, for part-time employees who have completed twelve (12) full months of employment, attained the age of twenty one (21) and who have worked at least eight hundred and seventy (870) hours or more in a calendar year. Upon qualification, a monthly contribution will be made if the employee averages seventy two and one half (72.5) hours per month. Each plan year, (July 1st through June 30th), the employee's hours will be reviewed to determine if eight hundred and seventy (870) hours were worked during this time frame. If eight hundred and seventy (870) hours or more were worked, a retroactive contribution will be made for any months in which the employee did not initially receive a contribution in that plan year.

The first contributions under this section shall be due and payable by the tenth (10th) day of the month following initial liability.

E. — Effective May 1, 2016, for employees hired prior to June 13, 2004 and participating prior to September 1, 2005, the Employer shall pay two hundred fourteen dollars and ninety cents (\$214.90) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

F. — Effective May 1, 2016, for employees hired prior to June 13, 2004 and participating after September 1, 2005, the Employer shall pay two hundred eleven dollars and eighty three cents (\$211.83) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

G. — Effective May 1, 2016, for employees hired on or after June 13, 2004 and before October 1, 2010, the Employer shall pay one hundred sixty two dollars and seventy one cents (\$162.71) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

~~H. — Effective May 1, 2016, for employees at the 2007 contractual rate of seventy nine dollars and fifty cents (\$79.50) and for employees hired after June 13, 2004, or hired on or after October 1, 2010, the Employer shall pay ninety three dollars and sixty four cents (\$93.64) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~

~~I. — Effective May 1, 2016, for part time employees, the Employer shall pay forty two dollars and ninety eight cents (\$42.98) per month, for part time employees who have completed twelve (12) full months of employment, attained the age of twenty one (21) and who have worked at least eight hundred and seventy (870) hours or more in a calendar year. Upon qualification, a monthly contribution will be made if the employee averages seventy two and one half (72.5) hours per month. Each plan year, (July 1st through June 30th), the employee's hours will be reviewed to determine if eight hundred and seventy (870) hours were worked during this time frame. If eight hundred and seventy (870) hours or more were worked, a retroactive contribution will be made for any months in which the employee did not initially receive a contribution in that plan year.~~

~~J. — If prior to April 1, 2017, the National Pension Fund Trustees make the decision to reset the AUCR, and such reset requires a contribution increase to maintain the benefit level in effect on April 2, 2016, and the trustees further determine that such contribution increase must be made prior to the expiration of this agreement, then the employer agrees that the contribution rates in effect may be restored in an amount up to the rates in effect April 2, 2016.~~

The first contributions under this section shall be due and payable by the tenth (10th) day of the month following initial liability.

Kroger Houston, Texas LP. ("Kroger") and Local 455 of the United Food and Commercial Workers International Union entered into a Memorandum of Understanding dated June 30, 2020 (the "Pension MOU"), the terms of which are incorporated herein by reference. The Pension MOU establishes all of the terms and conditions of employment as they relate to the provision of retirement benefits provided to eligible employees under this CBA. Among other things, the Pension MOU provides that Kroger ceased to have any obligation to contribute to the UFCW International Union - Industry Pension Fund ("National Fund") as of June 30, 2020 and completely withdrew from the National Fund as of that date. Beginning July 1, 2020 retirement benefits for bargaining unit employees covered by this CBA will be provided through the UFCW International Union - Industry Variable Annuity Pension Plan ("VAPP") and Kroger shall be obligated to make contributions to the VAPP in accordance with the terms and conditions of the Pension MOU.

Employees in the bargaining unit covered by this CBA shall participate in the VAPP in accordance with the terms of the Pension MOU and subject to the eligibility, vesting and other requirements and in accordance with the plan of benefits of the VAPP.

Kroger agrees to provide to the Board of Trustees of the VAPP or its designee all information with respect to all bargaining unit employees that is needed in connection with the administration of the VAPP, including but not limited to all hours or months worked, paid, or for which employees are entitled to payment. In order to ensure that all bargaining unit employees entitled to participate in the VAPP are appropriately reflected in the records of the VAPP, Kroger further agrees to the examination of its payroll records by the Board of Trustees of the VAPP or its designee.

K. ~~If prior to April 1, 2017, the National Pension Fund Trustees make the decision to reset the AUCR, and such reset requires a contribution increase to maintain the benefit level in effect on April 2, 2016, and the trustees further determine that such contribution increase must be made prior to the expiration of this agreement, then the employer agrees that the contribution rates in effect may be restored in an amount up to the rates in effect April 2, 2016.~~

~~L. Contributions to the Pension Fund shall be discontinued as of the first of the month immediately following:~~

- ~~1. A layoff or leave of absence of thirty (30) calendar days or more, except as otherwise provided below;~~
- ~~2. The employee's ceasing to be an eligible employee due to his failure to work an average of twenty-four hours or more per week for four (4) consecutive calendar weeks (96 hours).~~

~~M. Contributions to the Pension Fund discontinued as set forth in Section L above, shall be resumed as of the first of the month following return from layoff or leave of absence.~~

~~N. Contributions to the Pension Fund shall be continued under the following conditions:~~

- ~~1. In case of a non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.~~
- ~~2. In case of illness, (2) months contribution following the month in which the illness occurs.~~
- ~~3. In case of compensable injury, three (3) months contribution following the month in which the injury occurs.~~

RETIREE LIFE INSURANCE: Effective April 4, 2004, any employee who retires and is eligible for pension benefits will be given a \$4,000 death benefit, provided by the Kroger Southwest Division.

## Article 20 DURATION

*Delete stricken language and add changes in bold*

**C16.** This contract shall become effective as of ~~April 10, 2016~~, **April 12, 2020**, and shall continue in full force and effect through ~~April 11, 2020~~ **April 8, 2023**, and shall be automatically renewed and extended from year to year thereafter, unless either party serves notice in writing on the other party at least sixty (60) days prior to the expiration date, or anniversary date thereafter, of a desire to terminate or change this contract.



**LETTERS OF AGREEMENT**

- Renew LOA #1
- Renew LOA #2
- Renew LOA #3
- Delete LOA #4
- Add LOA Educational Leave of Absence:
- Add LOA Assistant Department Head Training

**Side Letter  
Regarding Educational Leave of Absence Policy**

An employee enrolled as a full-time student at an accredited college/university, technical/vocational training or a specialized training program as a full-time student during each academic cycle may request an educational leave of absence under the following conditions:

- Institution is beyond a reasonable commuting distance to a Kroger store.
- Leave must be requested on an Educational Leave of Absence Form in advance and must be accompanied by a written confirmation of attendance from the institution.
- Leave shall be granted for a period not to exceed the length of the institution’s designated sessions, i.e. semester, trimester or quarter.
- Student must report to management no later than fourteen (14) days from the end of the session.
- When school is not in session and the student lives beyond a reasonable commuting distance, the student may request a leave under the same terms and conditions as other educational leaves.

FOR THE COMPANY:

FOR THE UNION:

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

[This letter was T/A'd on 8/18/2020](#)

Add Assistant Department Head Training:

**Side Letter  
Regarding Assistant Department Head Training**

During the course of negotiations, the parties discussed Assistant Department Head training. As a result of these discussions, the Company agrees to conduct three training classes per calendar year. The training classes will be held between February 1st through October 31<sup>st</sup> of each calendar year.

**Houston Meat**

Apprentice							
Full-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
AA	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
AA12	\$ 10.20	\$ 10.20	L2	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
AA18	\$ 10.60	\$ 10.60	L3	\$ 13.00	\$ 13.00	\$ 13.50	\$ 13.50
AA24	\$ 11.00	\$ 11.00	L4	\$ 14.00	\$ 14.00	\$ 14.50	\$ 14.50
AA30	\$ 11.40	\$ 11.40	L5	\$ 15.65	\$ 16.05	\$ 16.05	\$ 16.45
AA36	\$ 12.00	\$ 12.00	CC	\$ 16.90	\$ 17.30	\$ 17.30	\$ 17.70
AA42	\$ 13.00	\$ 13.00					
AA48	\$ 14.00	\$ 14.00					
AA54	\$ 15.25	\$ 15.25					
Certified Cutter	\$ 16.50	\$ 16.90					

Full-time (Hire after 4/3/2007)

Weighers & Wrappers							
Full-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
WA	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
WA12	\$ 10.20	\$ 10.20	L2	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
WA18	\$ 10.60	\$ 10.60	L3	\$ 13.00	\$ 13.00	\$ 13.50	\$ 13.50
WA24	\$ 11.00	\$ 11.00	L4	\$ 14.00	\$ 14.00	\$ 14.50	\$ 14.50
WA30	\$ 11.40	\$ 11.40	L5	\$ 15.65	\$ 16.05	\$ 16.05	\$ 16.45
WA36	\$ 12.00	\$ 12.00					
WA42	\$ 13.00	\$ 13.00					
WA48	\$ 14.00	\$ 14.00					
WA54	\$ 15.25	\$ 15.25					

Service Clerks							
Full-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
SC	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
SC12	\$ 10.20	\$ 10.20	L2	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
SC18	\$ 10.60	\$ 10.60	L3	\$ 13.00	\$ 13.00	\$ 13.50	\$ 13.50
SC24	\$ 11.00	\$ 11.00	L4	\$ 14.00	\$ 14.00	\$ 14.50	\$ 14.50
SC30	\$ 11.40	\$ 11.40	L5	\$ 15.65	\$ 16.05	\$ 16.05	\$ 16.45
SC36	\$ 12.00	\$ 12.00					
SC42	\$ 13.00	\$ 13.00					
SC48	\$ 14.00	\$ 14.00					
SC54	\$ 15.25	\$ 15.25					

Part-time (Hired after 4/3/2004)							
Part-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
AA	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
AA12	\$ 10.20	\$ 10.20	L2	\$ 11.45	\$ 11.45	\$ 11.95	\$ 11.95
AA18	\$ 10.60	\$ 10.60	L3	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
AA24	\$ 11.00	\$ 11.00	L4	\$ 12.55	\$ 12.95	\$ 12.95	\$ 13.35
AA30	\$ 11.40	\$ 11.40					
AA36	\$ 11.80	\$ 11.80					
AA42	\$ 12.20	\$ 12.20					

Part-time (Hired after 4/3/2007)

Weighers & Wrappers							
Part-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
WA	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
WA12	\$ 10.20	\$ 10.20	L2	\$ 11.45	\$ 11.45	\$ 11.95	\$ 11.95
WA18	\$ 10.60	\$ 10.60	L3	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
WA24	\$ 11.00	\$ 11.00	L4	\$ 12.55	\$ 12.95	\$ 12.95	\$ 13.35
WA30	\$ 11.40	\$ 11.40					
WA36	\$ 11.80	\$ 11.80					
WA42	\$ 12.20	\$ 12.20					

Part-time							
Part-time	Current	10/4/2020	Level	2/7/2021	8/8/2021	2/6/2022	4/3/2022
SC	\$ 10.00	\$ 10.00	L1	\$ 11.00	\$ 11.00	\$ 11.50	\$ 11.50
SC12	\$ 10.20	\$ 10.20	L2	\$ 11.45	\$ 11.45	\$ 11.95	\$ 11.95
SC18	\$ 10.60	\$ 10.60	L3	\$ 12.00	\$ 12.00	\$ 12.50	\$ 12.50
SC24	\$ 11.00	\$ 11.00	L4	\$ 12.55	\$ 12.95	\$ 12.95	\$ 13.35
SC30	\$ 11.40	\$ 11.40					
SC36	\$ 11.80	\$ 11.80					
SC42	\$ 12.20	\$ 12.20					

Head Meat Cutter	Current	New Tiers	10/4/2020	8/8/2021	4/3/2022
	\$ 21.43	<\$750K	\$ 21.93	\$ 22.43	\$ 22.93
		>\$750K	\$ 22.43	\$ 22.93	\$ 23.43

RI Journeyman Meat Cutter	Current	10/4/2020	8/8/2021	4/3/2022
	\$ 19.49	\$ 19.89	\$ 20.29	\$ 20.69

RC Weighers & Wrappers (Hired PRIOR to 2/18/1990, Assigned prior to 4/4/2004)	Current	10/4/2020	8/8/2021	4/3/2022
	\$ 17.11	\$ 17.51	\$ 17.91	\$ 18.31

RC Weighers & Wrappers (Hired AFTER 2/18/1990, Assigned prior to 4/3/2007)	Current	10/4/2020	8/8/2021	4/3/2022
	\$ 15.70	\$ 16.10	\$ 16.50	\$ 16.90

Information on these Clerks must be ratified by September 4, 2020 for ratification bonus

Top-Rate	
Part-time	
Lump	\$300
Sum	
Top-Rate	
Full-time	
Lump	\$500
Sum	
Departure	
at Heads	\$600