



## **Kroger Presents Comprehensive Best Offer to Settle for Lake Charles, Sulphur and Alexandria Retail Clerks and Meat Contracts**

Kroger and UFCW Local 455 met on July 12 to discuss our Comprehensive Best Offer (CBO) for your Lake Charles, Sulphur and Alexandria contracts that was presented to the union on June 25.

After our bargaining session Monday, many items from our proposal remain open. We tentatively agreed to a few language items, including a premium increase for regularly scheduled night crew associates. We are still in active negotiations with Local 455 and will continue to bargain.

The CBO presented to UFCW Local 455 is a good offer and does the following:

- ✓ **Secures and stabilizes health care for you and your family**
- ✓ **Increases minimum hours guarantee to 18 hours per week**
- ✓ **Allows you to accumulate personal holidays quicker**
- ✓ **Improves your ability to maximize hours**

Our CBO also does much more:

### **Improved Wages**

- Department Heads would receive up to \$1.50 more an hour, depending on sales volume
- Red-Circled Full-Time Clerks would receive up to \$1.30 more per hour
- Our CBO proposes a new three-step wage progression that rewards and recognizes all associates with more pay:
  - Most associates would receive up to \$1.50 per hour in pay increases depending on role and classification while some associates would receive up to \$2.60 per hour, depending on role and classification
  - Part-time and full-time clerks would also move into the same wage progression

### **Premium Increase:**

- Regularly Scheduled Night Crew (from 9 p.m.- 6 a.m.) would increase to \$1.50 per hour

### **Ability to Maximize Hours**

Our CBO would allow associates to move within departments and could potentially mean additional hours for associates and an opportunity to learn more aspects of the business. It also provides the company with flexibility to back fill hours due to call-offs or when a department is understaffed. This work could include stocking, cleaning, sanitation, hanging tags and customer service. Retail clerks would not be permitted to operate cutting equipment or machinery in the Meat department. Meat associates would not be assigned to do front-end work.

### **Provides Affordable Health Care Coverage**

Health care benefits are important to you and they are important to the company, too. That's why we provide these benefits to you as a valued associate. At the beginning of negotiations, we made it clear to Local 455 that future health care coverage must meet these four pillars:

- Provide secure, stable, affordable health care benefits for associates
- Improve benefit options for our associates through modern plan designs, leading to better health outcomes
- Leverage the size and scale of the Kroger family of companies
- Provide transparency and standardization in the administration of benefits

**Our CBO includes health care benefits through a company-administered plan effective January 1, 2022 and meets each of the four pillars.** Your current health care benefits will remain in effect as they currently are through December 31, 2021. Our CBO provides benefits through a top-quality, company-administered plan rather than the South-Central Health and Welfare Fund.

We do not want to relive the funding shortfalls of the past and our CBO would eliminate the risk of potential benefit cuts during the life of the contract. We believe the South-Central Fund is no longer viable and the company plan is the best solution for the administration of your health care benefits.

More than 70,000 associates companywide are currently enrolled in and receiving benefits through a company-administered plan, including many that are covered under a collectively bargained agreement. We have heard associates are happy with their company benefits, which are secure, affordable, and provide improved options for better health care outcomes.

### **Secures Pension**

Late last year, some 33,000 associates in 20 UFCW local unions, including members of Local 455, ratified a new agreement to move pension benefits to a new UFCW International Union-Industry Variable Annuity Pension Plan, improving the security and stability of your past and future pension benefits. Our CBO includes language recognizing this new agreement.

If you have any further questions, please contact your store leader, who will keep you updated. Please visit [www.krogerhoustoncba.com](http://www.krogerhoustoncba.com) for more information and updates. We appreciate all that you do to serve our customers, our communities, and each other.