

Agreement

Between

OSCO DRUG

(Clinton, IA)

And

**The United Food and
Commercial Workers
District Local 431**

Effective: June 22, 2016

Expires: June 22, 2019

INDEX

AGREEMENT BETWEEN

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 431
CLINTON, IA
and
OSCO DRUG

TERM: 6/22/2016 - 6/22/2019

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THESE ARTICLES OF AGREEMENT entered into by and between AMERICAN DRUG STORES, LLC (dba OSCO DRUG, CLINTON, IA), hereinafter referred to as the "Employer" and the UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 431, chartered by the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, hereinafter referred to as the "Union".

ARTICLE I
RECOGNITION OF THE UNION

Section 1.1 Recognition

The Employer recognizes the Union as the sole collective bargaining agent in all matters concerning wages, hours, and conditions of employment for all full-time and regular part-time clerks including "supervisors," specialists, pharmacy technicians, pharmacy certified technicians, pharmacy and technicians specialists; BUT EXCLUDING all registered pharmacists and pharmacy students, store directors, assistant store directors, assistant managers, liquor managers, and all guards, supervisors and others exempt under the National Labor Relations Act. Pharmacy students prior to the third (3rd) year of pharmacy school shall be classified as pharmacy technicians and included in the bargaining unit. Pharmacy students after their second (2nd) year of pharmacy school are excluded from the bargaining unit.

ARTICLE II
NON-DISCRIMINATION

Section 2.1 Non-Discrimination

The Employer and the Union reaffirm their mutual intent and current practice of opposing and refraining from discrimination against any employee for reasons of sex, race, religion, color, national origin, age, physical/mental handicap, or union activity in accordance with the requirements of Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the Labor Management Relations Act of 1947, as amended, the Age Discrimination in Employment Act of 1967, as amended, and applicable state laws.

ARTICLE III
UNION SECURITY

Section 3.1 Union Security

If and when there should be a change in the Iowa law permitting a Union shop or agency shop, the Union shop, agency, or fair share condition adopted by the State of Iowa shall be effective the week following such change, and the following security clause shall become effective the first of the week following such change as follows:

- (A) It shall be a condition of employment that all employees of the Employer 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 thirty-first (31st) day following the execution date of this Agreement become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date, shall on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union.
- (B) If and when there should be a change in the Iowa law permitting an agency shop or fair share provision, the Employer agrees to reopen this section of the Contract solely for the purpose to negotiate an agency shop or fair share provision clause.
- (C) For the purpose of this Article, the execution date of the Agreement shall be considered the effective date.
- (D) It is agreed that no employee shall be required to take a lie detector test.

Section 3.2 Union Dues Checkoff

The Employer agrees to deduct the uniform dues, initiations fees, reinstatement fees and assessments from pay checks of those covered employees whose individual written authorizations are on file with the Employer, and transmit the amounts so deducted to the Union. Said deduction authorization shall be in such form as to conform with Section 302(e) of the Labor Management Relations Act of 1947. The Employer agrees to make deductions as certified by the Secretary-Treasurer of the Union on a weekly basis and shall remit the moneys to the Union monthly.

Section 3.3 Indemnification

The Union agrees to defend, protect, indemnify and save the Employer harmless against any claim, demand, suit or liability that shall arise out of or by reason of any action taken by the Employer in reliance upon a request made by the Union to discharge an employee for failure to maintain his or her membership in good standing pursuant to Section 3.1 or upon employee payroll deduction authorization cards submitted by the Union to the Employer under Section 4.1

Section 3.4 A.B.C. Checkoff

The Employer agrees to honor and to transmit to the Union, contribution deductions to the United Food and Commercial Workers International Union Active Ballot Club from employees who are union members and who sign Deduction Authorization Cards. The deductions shall be in the amounts and with the frequency specified on the political contribution deduction authorization cards; however, such deduction shall be made in conjunction with regular monthly dues deductions.

Section 3.5 Orientation

During the orientation of a new employee hired by the Company into a job classification covered by this collective bargaining agreement, the Company shall inform the new employee that UFCW Local 431 bargains their terms and conditions of employment and they may choose whether or not to join the union. A copy of the UFCW Local 431 enrollment card will also be provided to the employee.

ARTICLE IV **UNION-MANAGEMENT RELATIONS**

4.1 Management Rights

Except as limited by this Contract, the management of the business, including the right to plan, direct and control store operations and hours, the right to study and introduce new methods, facilities and products, the right to direct and control the work force, including the determination of its size and composition, the scheduling and assignment of work, and also including the right to hire, assign, demote, promote and transfer (within a seniority area), to layoff or reduce the hours of work because of lack of work, to discipline, suspend or discharge for proper cause, and to establish and maintain reasonable rules and regulations covering the operation of the stores, is vested in the Employer; provided, however, that these rights shall not be used for the purpose of discrimination against any employees.

ARTICLE V **HOURS OF WORK**

Section 5.1 Basic Workweek

The basic workweek for regular full-time employees shall consist of forty (40) hours per week to be worked in five (5) eight (8) hour days, Sunday through Saturday. Work performed in excess of eight (8) hours per day or forty (40) hours per week will be paid for at the rate of time and one-half (1-1/2) the regular hourly rate of pay.

Section 5.2 Holiday Weeks

During holiday weeks, the basic work week for full-time employees shall be thirty-two (32) hours to be worked in four (4) days of eight (8) hours each, Sunday through Saturday inclusive.

Section 5.3 Pyramiding of Overtime Prohibited

There will be no pyramiding of premium pay, and any hours paid for at premium pay will not be counted in computing overtime. Overtime will be paid on the day or on the week, whichever is greater, but in no case on both. Whenever overtime hours also involve premium pay, the overtime rate shall be time and one-half (1-1/2) at the regular hourly rate and the premium pay shall be added thereto.

Section 5.4 No Split Shifts - Call-In Pay

No employee shall be required to work any split shifts. No full-time employee shall be scheduled for less than four (4) hours work on any day of the week. No part-time employee shall be scheduled for less than four (4) hours work on any day of the week. All employees reporting to work as scheduled shall be guaranteed the number of hours worked as indicated on the work schedule for that day or shall receive pay in lieu of such hours work except in cases of emergency due to acts of God, civil disorders, strikes, boycotts. All full-time employees called in to work on an unscheduled day shall receive a minimum of four (4) hours work or four (4) hours pay in lieu thereof. All part-time employees called in to work on an unscheduled day shall receive a minimum of four (4) hours work or four (4) hours pay in lieu thereof. No employee shall have his workweek reduced or be required to take time off as a result of this paragraph of the Contract.

Section 5.5 Call-In Hours/Additional Hours

- (A) Call-in hours are defined as replacement hours occasioned by absence of an employee. The Employer will make a reasonable effort to call in employees in accordance with seniority and the type of work they do within the store. Employees will have the right to refuse a call-in. The Employer shall not be obligated to call an employee in accordance with seniority if the replacement hours would result in overtime for the called-in employees.
- (B) Additional hours are defined as hours added to the posted schedule due to business needs through the call-in of additional employees or through the assignment of additional hours to employees at work.
- (C) In the event additional hours are occasioned by the need to add additional employees, the Employer will call in employees in accordance with paragraph (a) above.
- (D) In the event additional hours are occasioned by the need to assign additional hours to employees at work, such hours shall be offered to employees at work in order of seniority, providing such work does not result in overtime. If overtime is necessary, such work shall be offered by seniority and the type of work they do within the store. Failure to obtain sufficient volunteers, the hours shall be assigned in inverse order of seniority and the type of work they do within the store.

Section 5.6 Meal Periods

All employees shall receive an unpaid hour for lunch, or one-half hour where mutually agreed to, during each eight (8) hour shift. All employees working six (6) hours or more, but less than eight (8) hours per day, who request a lunch period shall be granted no less than a half (1/2) hour lunch period. The lunch period shall be scheduled approximately in the middle of the employee's shift.

Section 5.7 Rest Periods

Employees shall receive two (2) fifteen (15) minute uninterrupted rest periods without loss of pay, in any one workday. The rest periods shall be scheduled approximately within fifteen (15) minutes of the employees' half shifts. Employees working three and one-half (3-1/2) hours but less than seven (7) hours shall be entitled to one (1) rest period. An employee shall be compensated at his/her straight-time rate of pay for rest periods not taken in violation of the rest period provision herein.

Employees may request to waive their right to an unpaid lunch period, and combine their two (2) fifteen (15) minutes rest period to have one (1) thirty (30) minute lunch period. It is understood and agreed that such granting a waiver is at the discretion of the store. Such a written waiver may be revoked by either the employee or the Store Director within seven (7) days.

Section 5.8 Store Meetings

If an employee is required to attend a store meeting, such attendance time shall be considered time worked.

Section 5.9 Scheduling of Part-Time Employees

Part-time employees shall be scheduled a minimum of twelve (12) hours per week and shall not be scheduled for less than four (4) hours work per day. However, this section shall not apply to an employee whose available hours are beyond the Employer's control or to an employee who requests time off during the week or in cases of sickness, absenteeism, emergency, or at the end of the week when twelve (12) hours are not available. This section shall not apply to Osco Clerks whose primary job function is pharmacy delivery or sorting bottles and cans.

Qualified part-time employees shall be scheduled for available hours in accordance with seniority and type of work within the store they work. It is agreed that the Employer may employ such part-time employees as may be required for the efficient operation of the store.

Section 5.10 Part-Time to Full-Time

Part-time employees must work thirty-two (32) hours per week for twenty-two (22) consecutive weeks. Hours worked to cover vacation and illness will be excluded from the calculation. Any part-time employee who meets the criteria, must desire a full-time position. In the event the employee does not desire a full-time position, he/she will forfeit his/her right to make such a claim.

Section 5.11 Posted Work Schedules

A work schedule showing the days and hours to be worked by full-time and part-time employees shall be posted by Thursday, (if completed), but no later than 12:00 noon on Friday, preceding each workweek, the Employer shall arrange and post on a suitable bulletin board within the store a schedule of the employee's working hours for the following workweek. Such schedule shall list all employees by name with their starting and finishing time and days off. Work schedules

shall be maintained in the store for a three (3) month period of time and shall be made available to an authorized representative of the Union for examination upon request. No employee who is called in to work out of the posted work schedule shall be required to take compensatory time off from the posted work schedule. The Employer will not change the employee's day off in an arbitrary or capricious manner.

Section 5.12 Out of Classification Work

In the event an employee is required to work temporarily in a lesser paying job, he/she shall not suffer a reduction in pay while on such temporary assignment.

Section 5.13 Full-time Status

No full-time employee will lose his/her full-time status if the employee averages thirty-two (32) hours per week.

Section 5.14 Minimum Scheduling, Call-In and Reporting Pay

No employee who is scheduled to work on any day may be scheduled for less than four (4) hours.

The provisions of this entire section shall not apply to employee meetings, security/loss prevention investigation meetings, or when discipline is administered.

ARTICLE VI **WAGES**

Section 6.1 Wage Rates

See Appendix A attached hereto.

Section 6.2 Night Premium

All employees shall be paid seventy five cents (\$0.75) per hour in addition to their applicable hourly straight time rate for all work performed between 10:00 p.m. and 6:00 a.m.

Section 6.3 Wage Premiums:

Sunday Premium:

Straight time rate plus \$.75/hr for all hours worked up to 8 hours.

Holiday Premium:

HT - Paid at 1.5 times the employee's regular rate for all hours worked up to 8 hours.

PT - Paid at straight time rate plus \$.75/hr for all hours worked up to 8 hours

Section 6.4 Pharmacy Delivery

Employees covered by this contract who perform deliveries of pharmaceuticals for the pharmacy shall be reimbursed for their mileage at the Company's mileage reimbursement rate.

ARTICLE VII **SENIORITY**

Section 7.1 Seniority Defined

The principle of seniority shall apply in layoffs and recalls from layoffs. The employee with the lowest seniority in the applicable job classification in the store shall be the first laid off and the most senior employee on layoff shall be the first recalled. Seniority shall be defined as length of continuous employment with the Employer.

Seniority may be broken only by a quit, justifiable discharge failure to return from a leave of absence within fifty-two (52) weeks except when a leave is granted pursuant to Article 18, or failure to return to work in accordance with the terms of a leave of absence. The Employer will furnish to the Union a seniority list upon request.

Section 7.2 Seniority Groups

For the purpose of this Agreement, there shall be six (6) seniority groups:

- (1) Specialist Pharmacy Technician
- (2) Certified Pharmacy Technician
- (3) Pharmacy Technician
- (4) Supervisor
- (5) Scan Coordinator
- (6) Clerks

Seniority for full-time employees regularly scheduled to work thirty-two (32) hours or more per week shall be on a store-wide basis. Seniority for part-time employees regularly scheduled to work less than thirty-two (32) hours per week shall be on a store basis.

Section 7.3 Job Posting

When the Employer determines there is a full-time opening available in its stores, such position can be temporarily filled with any employee of the Employer's choice. However, such vacancy shall be posted for a four (4) day period, commencing on Thursday of the week that the determination is made.

The posting will occur in first in the Clinton store covered by this contract. Employees for whom the opening would be a promotion (either because of job classification or status) or would be an equal paying lateral move will be eligible to bid on the posted job. If qualifications and availability are equal, the employee will be selected based on seniority.

If no one in the store covered by this contract bids, or is qualified for the position, the Employer reserves the right to fill such opening by selecting a candidate outside the bargaining unit.

Section 7.4 Probationary Period for Acquiring Seniority Rights

All employees shall acquire seniority rights after thirty (30) calendar days of employment.

Section 7.5 Employment of Part-Time Employees in Lieu of Full-Time Prohibited

The Employer will not employ two (2) or more part-time employees where one (1) full-time employee can be utilized.

Section 7.6 Effect of Promotion and Reduction in Hours on Seniority

When an employee's employment is reduced from full-time to part-time, his/her part-time seniority is to date from the original date of hire. When a part-time employee is promoted to full-time, his/her full-time seniority dates from his or her latest assignment to full-time work.

ARTICLE VIII
OUTSIDE VENDORS

Section 8.1 Prism/Outside Vendors

Osco employs companies named Prism, Acosta, Advantage, Crossmark, SAS, and Retail Solutions to perform new store or major remodel sets, new product introductions and resets. Since it is Osco's intent to continue its relationship with the above reset companies, the parties agree to the following:

1. Osco agrees that the above reset companies shall only perform new store or major remodel sets, new product introductions, resets and related work associated with such work.
2. The parties agree that work historically performed by the vendors as named above may continue, through vendors, reset companies or whomever. The Company may substitute vendors performing new store or major remodel sets, new product introductions and resets. The labor relations department shall advise the Union of a change in reset vendor companies for informational purposes only when the labor relations department learns of any such change.
3. Osco Drug and UFCW Local 431 reserve all rights pursuant to the collective bargaining agreement and further agree that this issue is subject to the Grievance and Arbitration procedure of the Collective Bargaining Agreement.

ARTICLE IX
WORKING CONDITIONS AND REGULATIONS

Section 9.1 Uniforms

Frocks, aprons and uniforms required by the Employer shall be furnished free of charge to the employees. Employees shall be permitted to wear slacks, no hip-buggers or blue jeans. The Employer agrees to provide rain gear for clerks who are required to work outside during inclement weather conditions.

Section 9.2 Rehiring of Former Employees

No employee who is laid off shall be rehired at a later date for a lower contract rate of pay than he was receiving at the time of his/her layoff.

Section 9.3 Union Shop Cards – Union Buttons

The Union Shop Card shall be displayed in all establishments wherein Union retail clerks are employed. These shop cards shall remain the property of the Union, and the Employer shall have their usage only until such time as the Union shall request their return. Members of the Union may wear their Union buttons when on duty.

Section 9.4 Posting of Union Notices

The Union shall have the right to post notices of Union business on the Employer's bulletin board, provided such notices are approved by the Store Director before posting.

Section 9.5 No Conflict With Contract Provisions Allowed

The Employer agrees not to enter into any agreements or contracts with his employees, individually or collectively, which in any way conflict with the terms and provisions of this Agreement.

Section 9.6 Dress and Appearance Code

It is agreed that the Employer may adopt and implement a dress and appearance code for store personnel. The Union shall be furnished copies of the Code adopted and shall be consulted prior to any major changes in said Code.

Section 9.7 Recording of Time Worked

Each employee shall accurately record the daily time worked by him/her using the Time Reporting System (TRS) provided by the employer.

Section 9.8 Previous Comparable Experience

Proven comparable experience not terminating more than five (5) years prior to date of application and shown on the application for employment, shall be the basis for determination of new employee's rate of pay. Such experience prior to five (5) years before date of application and ending within that five (5) year period must be continuous to be counted, including, but not limited to, UFCW union card showing experience in the industry within five (5) years prior to date of application will be recognized as initial proof of experience.

Claims for rate adjustment based on previous service "in the industry" must be filed in writing within ninety (90) days from date of employment, otherwise the employee forfeits any claim under this provision.

Section 9.9 Required Licenses

If any employee is required to be licenses, certified, or registered, these fees along with renewal fees and/or class fees shall be borne by the Employer, except that the Employer will pay one-half the fee of the Iowa Pharmacy Tech State registration.

ARTICLE X
VACATION

Section 10.1 Length of Vacation

All full-time employees who meet the qualifications shall be entitled to a vacation with pay in accordance with the following schedule:

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 year	1 week
2-4 year	2 weeks
5-11 years	3 weeks
12-19 years	4 weeks
20+ years	5 weeks

All part-time employees who meet the qualifications shall be entitled to a vacation with pay in accordance with the following schedule:

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 year	1 week
2-4 years	2 weeks
5-14 years	3 weeks
15-19 years	4 weeks
20+ years	5 weeks

Section 10.2 Vacation Qualifications

(A) Full-Time Employees

- (1) First Vacation - Full-time employees hired in the preceding year may take their first vacation in the current year ahead of their service anniversary date subject to their refunding all vacation payments in the event they do not complete a full anniversary year of employment.
- (2) Second and Succeeding Vacations - Once a full-time employee has qualified for his/her first vacation, he/she shall thereafter qualify for all succeeding vacations as of January 1st of the current year for a vacation based on his/her length of service to be completed during the current year subject to adjustment in the event the employee does not complete his/her anniversary year of service.

(B) Part-Time Employees

- (1) Part-time employees shall qualify for their vacation after completion of an anniversary year. A part-time employee vacation must be taken prior to the employee's next anniversary date.

Section 10.3 Vacation Scheduling

Employees shall be given their vacation period as mutually agreed upon by the Employer and the employee. Vacations shall be scheduled on a store wide seniority basis and may be taken at any time during the year. All vacation shall be subject to the necessary scheduling of replacements by the Employer which may limit the number of employees who may be on vacation at any one time. Employee requests to use vacation will not be unreasonably denied.

Employees hired before the date of ratification may use their entitled vacation as single vacation days. For employee hired on or after the date of ratification, employees with two (2) weeks or more of vacation may use up to one (1) week as single vacation days. The day(s) schedule will be by mutual agreement by the Employer and employee. All other terms and conditions pertaining to vacation will apply.

Section 10.4 Holidays Within Vacations

If a vacation is taken during a week in which there is a holiday, as defined in Article 11, an additional day shall be added to the vacation period.

Section 10.5 Pro Rata Vacations - Part-Time Employees

Part-time employees and employees with mixed continuous service shall receive a pro-rata vacation based on their average hours worked during their anniversary year of employment, divided by fifty-two (52) in accordance with the above vacation schedule.

Section 10.6 Vacation Pay

Employees shall receive vacation pay at the beginning of their vacation period. Full-time employees working regularly scheduled overtime hours shall receive vacation pay computed on the basis of such overtime hours.

Section 10.7 Payment of Earned Vacation Pay on Leaving Service of Employer

Any employee who has earned his/her vacation before he/she has been given an opportunity to take said vacation, and leaves the employ of the Employer for any reason, other than discharge for dishonesty, shall be paid his vacation pay, together with any other wages due upon leaving.

Section 10.8 Earned Vacation - Pro-Rata Vacation Entitlement Upon Termination

Employees who leave the services of the Employer shall receive whatever earned vacation pay they are entitled to in accordance with the vacation schedule above. Any employee who had qualified for his or her first vacation and is terminated for some reason other than discharge for drunkenness or proven dishonesty, shall receive a pro-rata vacation for each full month of service completed since his last vacation anniversary date.

Section 10.9 Vacation Pay in Lieu of Absence

Employees shall not be given pay in lieu of a vacation absence, unless mutually agreed between the Employer, the employee and the Union.

Section 10.10 Vacation Pay - Military Leave of Absence

Any person who enters military service shall be paid his/her pro-rata vacation pay, for that which he/she has earned, up to the time of his/her entering military service. Any veteran returning to work after military service shall receive his/her pro-rata vacation pay for time worked during the time from his/her return, to the anniversary date of his/her original hire date.

ARTICLE XI **HOLIDAYS**

Section 11.1 Paid Holidays

Full-time

Upon hire, six calendar holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Part-time

After completion of three months of service, six calendar holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

All full-time employees shall receive eight (8) hours straight-time pay for each of the observed holidays, provided the employee works both his scheduled workday before and after the holiday, unless such absence is excused by the Employer, in which case, the employee must work at least one (1) day in the holiday week.

Section 11.2 Holiday Pay - Part-Time Employees

Part-time employees qualify for holiday pay after three (3) months of continuous service and shall receive holiday pay equal to the product of 5% of the number of straight time hours worked during the four week accounting period preceding the period in which the week in which the holiday falls.

The average number of hour per workweek for the purpose of this Article shall be computed on the basis of the four week accounting period preceding the period in which the holiday falls times his/her straight-time hourly rate in effect in the week in which the holiday falls. Vacation is considered time worked in the calculation for holiday pay.

Section 11.3 Effect on Leave of Absence on Holiday Pay

Employees while on a leave of absence will not be eligible for holiday pay.

Section 11.4 Personal Holidays

Upon completion of one (1) year of employment, full-time employees receive two (2) personal holidays each year.

Upon completion of two (2) years of employment, part-time employees receive one (1) personal holiday.

Section 11.5 Holiday Work

Work performed on the recognized holidays shall be on a volunteer basis, except that if an insufficient number of employees volunteer the Employer may require employees to work in accordance with job classification in inverse seniority.

Work on Christmas Day may be done on a volunteer basis.

Within the third week of the month, the Employer shall post a notice next to the weekly schedule seeking volunteers for holidays, if any, during the following month.

ARTICLE XII **LEAVE OF ABSENCE**

Section 12.1 Leaves of Absence - General

Employees may be entitled to written leaves of absence for the following reasons:

- (1) Illness or injury;
- (2) Pregnancy;
- (3) Election or appointment to office or as a delegate requiring time off;
- (4) Any other reason acceptable to the Employer;
- (5) Military.

All employees shall be eligible for leaves of absence after three (3) months of continuous service.

Employees may be eligible for an FMLA leave in accordance with Federal Law.

Section 12.2 Application for Leave - Employees Returning From Leave

Application for leaves of absence must be in writing and directed to the attention of the Personnel Department. An employee returning from a leave of absence will be restored to a comparable job unless there is a legitimate reason why this should not be done.

Section 12.3 Leaves of Absence for Medical Reasons

Sickness or non-occupational injury leaves of absence, not to exceed ninety (90) days may be granted to employees who have been employed for three (3) months, supported by medical evidence. Extensions may be granted where necessary and requested by the employee, provided such length of leaves do not exceed one (1) year.

Section 12.4 Pregnancy Leave

Eligibility for pregnancy leaves shall be on the same basis as that set forth in Section 11.1. The request for her leave of absence must be supported by a physician's statement certifying that she is pregnant and the anticipated birth date. Such leave shall begin on such date as may be designated by the doctor for ceasing work or at the point in the individual's pregnancy where her condition can reasonably be said to impair her work performance, taking into consideration the requirements of her specific job, whichever is first.

Section 12.5 Leaves of Absence to Accept Union Office

It is agreed that any employee of the Employer upon being elected to office in the Union, or being hired by the union, where his entire time is required shall be considered on leave of absence not to exceed one (1) year and upon termination of his term of service to the Union shall be reinstated in a similar position as that held when granted a leave of absence. When required, such leave of absence shall be extended for an additional two (2) years, but in no case shall the total period exceed three (3) years.

Section 12.6 Effect of Extended Leave of Absence on Vacation Rights

- (1) A leave of absence or layoff of less than ninety-one (91) days shall have no effect upon vacation pay.
- (2) A leave of absence or layoff from ninety-one (91) through one hundred eighty (180) days shall reduce the employee's vacation pay by one-fourth (1/4).
- (3) A leave of absence or layoff from one hundred eighty-one (181) through two hundred seventy (270) days shall reduce the employee's vacation pay by one-half (1/2).
- (4) An employee who is on leave of absence or layoff which exceeds two hundred seventy (270) days shall forfeit all vacation pay.

Section 12.7 Employee's Accepting Other Work While on Leave

An employee who is granted a leave of absence and while on such leave accepts employment with another Employer, or who goes into business for himself, he or she shall become an automatic quit and shall lose all rights.

Section 12.8 On-the-Job Injury

When an employee is injured on the job, there shall be no deduction from the employee's pay for the day on which the employee was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but required medical treatment as a result of the same injury, the Employer shall endeavor as much as possible to adjust the work schedules to provide absence for the time the medical care is required and the number of hours of work for which the employee is regularly scheduled.

Section 12.9 Military Leave of Absence

Any employee, full-time or part-time, who serves in the National Guard or Military Reserve Units which require annual training, shall be granted the necessary leave without pay to fulfill the annual training requirements of the unit in which they serve. An employee shall not be required to take Military training duties as his earned vacation. The Employer will comply with the applicable laws of the United States concerning the re-employment of persons leaving the Military Service of the United States.

Section 12.10 Personal Leave of Absence

A personal leave of absence may be granted, at the Company's discretion, for a period not to exceed thirty (30) days to all full-time employees with three (3) months or more service. Part-time employees with six (6) months or more of service may be granted a thirty (30) day personal leave of absence upon request.

Section 12.11 Union Business

It is agreed that members of the Union shall be given time off, without pay, in order to take care of business transactions of the Union, such as conventions, negotiations and in the settlement of grievances without loss of job seniority. The Company will pay one (1) day a year for two (2) stewards to attend annual steward training.

Section 12.12 Jury Duty

When any employee who is covered by this Agreement is summoned for jury service, he/she shall be excused from work for the days in which he/she reports for jury service and/or serves. He/she shall receive for each such day on which he/she so reports and/or serves on which he/she otherwise would have worked, for a maximum of thirty (30) days, his/her regular hour rate of pay, provided, however, that no payment shall be made under the provisions of this Section to any employee summoned for jury service unless he/she shall have advised the Employer of the receipt by him/her of such jury summons not later than the next regularly scheduled workday after receipt of said summons. Before any payment shall be made to any employee hereunder, he/she shall present to the Employer proof of his/her summons for service, and of the time served and the amount of pay received therefore, if he/she shall have served as juror. The provisions of this Section shall apply only when an employee is summoned for jury duty and shall not apply if an employee volunteers to serve as a juror.

When an employee is released for a day or part of a day during any period of jury service, he/she shall report to his/her store for work, but combined jury service and working shall not exceed eight (8) hours for that day. Any time spent away from the store on the legal business of the Employer whether at the request of the Employer, or pursuant to a legal subpoena, shall be compensated by the Employer at the employee's regular rate of pay. Such hours shall not be considered as time worked in the computation of daily or weekly overtime unless it is part of his regularly scheduled workweek.

Section 12.13 Funeral/Memorial Service Leave:

The Employer agrees to pay full-time employees, provided the employee attends the funeral/memorial service, a maximum of five (5) scheduled workdays at straight-time, for necessary absence due to the death of a spouse, domestic partner, parent, step-parent, child, or step-child, and up to three (3) scheduled work days due to the death of a grandparent, grandchild, brother, sister, brother/sister-in-law, father/mother-in-law, son/daughter-in-law, spouse's grandparent, spouse's grandchild, legal guardian or any relative residing with the associate or with whom the associate resides.

The Employer agrees to pay part-time employees, provided the employee attends the funeral/memorial service, a maximum of three (3) scheduled workdays at straight-time, for necessary absence due to the death of a spouse, domestic partner, parent, step-parent, child, or step-child, and up to one (1) scheduled work days due to the death of a grandparent, grandchild, brother, sister, brother/sister-in-law, father/mother-in-law, son/daughter-in-law, spouse's

grandparent, spouse's grandchild, legal guardian or any relative residing with the associate or with whom the associate resides.

ARTICLE XIII **GRIEVANCE & ARBITRATION PROCEDURE**

Section 13.1 Union Steward

The Union shall have the right to designate Union Stewards in stores covered by this Contract, and the Employer shall be notified in writing by the Union as to the persons so designated.

Upon the request of the employee or steward, the steward may be present at an investigatory interview which may reasonably be expected to lead to discipline, provided that the steward is readily available at the time the interview is to take place.

Section 13.2 Grievance Procedure

Should any differences, disputes or complaints arise over the interpretation or applicable of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

Step (1) By conference between the aggrieved employee, the steward, and/or both the Business Representative, and the Manager of the store.

Step (2) By conference between an official or officials of the Union and the Employer's designated representative.

Step (3) In the event the last step fails to settle the complaint, it may be referred to a Board of Arbitration within forty-five (45) days.

No grievance may be presented later than fifteen (15) calendar days after the occurrence from which such grievance arose. Wage claims involving the proper application of wage rates shall not be valid and collectible for a period earlier than one hundred eighty (180) calendar days prior to the date of filing the claim.

Section 13.3 Board of Arbitration

The Board of Arbitration shall consist of one (1) arbitrator to be chosen by the Employer and the Union within three (3) days after the dispute is referred to arbitration.

Section 13.4 Final Selection and Empowerment of the Arbitrator

In the event the Employer and the Union cannot agree upon an arbitrator within three (3) days, either the Employer or the Union may request the Director of the Federal Mediation and Conciliation Service to submit a list of arbitrators from which the arbitrator will be mutually chosen. If the parties cannot agree the moving party shall strike from the list of arbitrators and

thereafter alternately strike a name and the remaining individual shall become the arbitrator, who shall, after his/her selection, be authorized to hear the dispute and render a decision. The decision of the arbitrator shall be final and binding on the Employer, the Union and the employees.

Section 13.5 Limitations of Arbitrator – Payment of Fees

The arbitrator shall not be empowered to add to, detract from or alter the terms of this Agreement in any way. The fee and expenses of the arbitrator, if any, shall be paid for jointly by the parties.

Section 13.6 No Strike; No Lockout

During the term hereof, the Union agrees that there shall be no strike or any other interference with or interruption of the normal conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout.

ARTICLE XIV **STORE VISITATIONS**

Section 14.1 Store Visitations

The Union Business Representatives shall be admitted to the Employer's store premises during the hours employees are working for the purpose of ascertaining whether or not this Agreement is being observed. Such activity shall be conducted in such a manner as not to interfere with the orderly operation of the Employer's business, it being further agreed that lengthy discussions between employees and representatives of the Union, including the shop steward, or among themselves, concerning disputes shall not take place during working hours.

In cases of disputes as to wages, the Employer agrees to show an authorized representative of the Union bona fide copies of the employee's wage records.

ARTICLE XV **PICKET LINE**

Section 15.1 Picket Line

It shall not be considered a violation of this Agreement for employees to refuse to cross a legal primary picket line involving the Employer which has been sanctioned by the U.F.C.W. President, established because of Union labor difficulties originating within the store or stores covered by this Agreement. However, if the business of the Employer becomes involved in a controversy with any labor organization, the Union agrees to use its best efforts to bring about a settlement of such controversy.

ARTICLE XVI
HEALTH AND WELFARE

Section 16.1 Employer's Health and Welfare Plan

The Employer shall provide, maintain and administer the Company's Health Plan for employees eligible under the plan, subject to the terms and conditions stated therein as the same may be amended from time to time.

ARTICLE XVII
RETIREMENT BENEFITS

Section 17.1 Retirement Benefits

During the term of this Contract, but without commitment thereafter, the Employer agrees to provide, maintain and administer in full force and effect the Employer's normal profit sharing/retirement 401k plan covering full and part-time employees substantially in the form existing on the effective date of this Agreement, as the same may be changed, altered or amended in accordance with the Trust provisions.

ARTICLE XVIII
NEW METHODS & NEW JOB CLASSIFICATIONS

Section 18.1 New Methods and New Job Classifications

In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work, advance notice of such changes will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

In the event the Employer creates a new job classification which involves new job duties, responsibilities or skills, the Employer agrees to negotiate with the Union the rate of pay for the new job or classification.

ARTICLE XIX
CONFORMITY TO LAW

Section 19.1 Conformity to Law

Nothing contained in this Agreement is intended to violate any Federal Law, Rule or Regulation made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be made null and void and the parties agree that they will within thirty (30) days begin negotiations to replace said void part with a valid provision

ARTICLE XX
SUCCESSORSHIP

Section 20.1 Successorship

In the event of any sale, purchase, merger, or other transaction affecting ownership of the Employer's business or ownership of the assets of the Employer's business, the Employer agrees to make known the existence of this agreement and its terms and conditions to the other party to any such transactions.

ARTICLE XXI
STORE CLOSING

Section 21.1 Store Closings

In the event the Employer closes or sells a store, employees shall have the right to transfer to another store of the Employer; or at their option (except stores being closed due to replacement store), the right to receive severance pay computed as follows: one (1) week's pay for each year of continuous service commencing with the third (3rd) year for employees classified as regular, full-time employees and the fifth (5th) year for employees classified as regular part-time employees up to but not to exceed six (6) weeks' pay at their regular rate. However, for those employees who have an incomplete year of continuous service as an employee, will receive pro-rata severance pay for that year as follows:

- 0 - 3 months equals twenty-five percent (25%) of a week's pay.
- 3 - 6 months equals fifty percent (50%) of a week's pay.
- 6 - 9 months equals seventy five percent (75%) of a week's pay.
- Over 9 months equals one (1) week's pay.

Severance pay shall be computed based on the average hours worked per week for the fifty-two (52) weeks preceding a voluntary layoff or termination.

Holidays that fall within thirty (30) days after termination and employees who are eligible for severance pay shall be entitled to holiday pay. All monies due employees shall be paid in a lump sum upon termination. An employee who is terminated and who is eligible for severance pay and accepts severance pay forfeits his/her seniority and has no recall rights. However, an employee may elect to accept a voluntary layoff not to exceed ninety (90) days. At the end of the ninety (90) day period, if he/she has not been recalled he/she will be paid severance pay and forfeit his/her seniority. Any extensions of this ninety (90) day period must be agreed in writing and signed by the employee, a representative of the Union, and the Employer. In no case will such extension exceed at total of six (6) months from the date the employee accepted the layoff. In consideration of the benefits provided by this Agreement, the Union agrees to cooperate fully in the Employer's discontinuance of operations and agrees not to engage in any strike, slowdown, or other concerted activity, or to in any other way disrupt or otherwise interfere with the Employer's discontinuance of operations.

If an employee is offered a transfer within sixty (60) miles of the store in which he was last working and refuses to accept the transfer, he/she forfeits his/her right to severance pay and holiday pay.

If a store is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Article and the new job is comparable, then no provisions of this Article shall apply.

The Employer agrees to give the employees and the Union four (4) weeks notice in advance of a store closing or sale. When such notice is given an employee shall remain with the Employer or forfeit his/her rights under this Article unless mutually agreed to by the employee, Employer, and the Union.

No benefits shall accrue under the terms of the Article unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm, land condemnation, then this Article shall not apply.

Employees who are eligible for severance pay and accept a transfer to a lower rated job will maintain their present rate, or the rate for the contract covering the area to which they are transferred, whichever is greater. An employee who is otherwise eligible for severance pay and refuses a transfer to a non-union store, shall not disqualify his right to severance pay.

ARTICLE XXII **AMENDMENTS**

Section 22.1 Amendments

This Agreement is subject to amendment, alteration, or addition only by a subsequent written agreement between, and executed by, the Employer and the Union. The waiver of any breach, term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and conditions.

ARTICLE XXIII **MARGINAL HEADINGS AND GENDER REFERENCES**

Section 23.1 Marginal Headings and Gender References

The captions of the several Articles and Sections of this Agreement are for convenience only and in no way limit, enlarge, define, or otherwise affect the scope or intent of the Agreement or any provision thereof. Gender references are also for convenience only.

ARTICLE XXIV
EXPIRATION, CONTINUANCE AND RETROACTIVITY

Section 24.1 Expiration, Continuance and Retroactivity

This Contract shall be effective from June 22, 2016 through June 22, 2019 at 11:59 pm, at which time it shall automatically renew itself from year to year, provided, however, that either party may give to the other party not less than sixty (60) days notice in writing prior to the expiration date or to annual renewal date of its intention to change or terminate said Contract.

The Union agrees that this Agreement is intended to cover all matters affecting wages, hours and other terms and all other conditions of employment and similar or related subjects, and that during the term of this Agreement (except as otherwise provided herein), neither the Employer nor the Union will be required to negotiate on any further matters affecting these or any other subjects not specifically set forth in this Agreement, except by mutual agreement of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto executed the foregoing Agreement and affixed their hands this 1st day of July, 2016.

UNITED FOOD AND COMMERCIAL WORKERS OSCO DRUG
INTERNATIONAL UNION, LOCAL 431

BY Lori Taylor
BY Karen Kikuts

BY [Signature]
BY _____

APPENDIX A
WAGES

<u>Clerk Rates</u>	<u>Current</u>	<u>6/26/2016</u>	<u>6/25/2017</u>	<u>6/24/2018</u>
0-6 months	7.60	7.65	7.75	7.90
7-12 months	7.65	7.75	7.85	8.00
13-18 months	7.70	7.85	7.95	8.10
19-24 months	7.75	7.95	8.05	8.25
25-30 months	7.80	8.05	8.15	8.35
31-36 months	8.00	8.15	8.25	8.45
37-42 months	8.20	8.35	8.45	8.60
43-45 months	8.40	8.50	8.60	8.75
49+ months	8.85	9.00	9.10	9.25

109/08 0.30 0.25 0.25

<u>Supervisor / Scan Coordinator</u>	<u>Current</u>	<u>6/26/2016</u>	<u>6/25/2017</u>	<u>6/24/2018</u>
0-6 months	8.80	8.90	9.00	9.15
7-12 months	9.00	9.10	9.20	9.35
13-18 months	9.25	9.35	9.45	9.60
19-24 months	9.60	9.70	9.80	9.95
25-30 months	9.90	10.00	10.10	10.25
31-36 months	10.10	10.20	10.30	10.45
37-42 months	10.30	10.40	10.50	10.65
43-48 months	10.55	10.65	10.75	10.90
49-54 months	10.80	10.90	11.00	11.15
55-60 months	11.10	11.20	11.30	11.45
61+ months	11.65	11.75	11.85	12.00

109/08 0.30 0.25 0.25

<u>Pharmacy Tech</u>	<u>Current</u>	<u>6/26/2016</u>	<u>6/25/2017</u>	<u>6/24/2018</u>
0-6 months	8.30	8.50	8.60	8.75
7-12 months	8.50	8.65	8.75	8.90
13-18 months	8.70	8.80	8.90	9.00
19-24 months	9.05	9.15	9.25	9.40
25-36 months	9.65	9.75	9.85	10.00
37-48 months	10.10	10.20	10.30	10.45
49+ months	10.80	10.90	11.00	11.15

109/08 0.30 0.25 0.25

<u>Certified Pharmacy Tech</u>	<u>Current</u>	<u>6/26/2016</u>	<u>6/25/2017</u>	<u>6/24/2018</u>
0-6 months	9.65	9.85	9.95	10.10
7-12 months	9.85	10.00	10.10	10.25
13-18 months	10.05	10.20	10.30	10.45
19-24 months	10.25	10.40	10.50	10.65
25-30 months	10.45	10.60	10.70	10.85
31-36 months	10.65	10.80	10.90	11.05
37-42 months	10.90	11.05	11.15	11.35
43-48 months	11.15	11.30	11.40	11.60
49-54 months	11.45	11.60	11.70	11.90
55-60 months	11.95	12.10	12.20	12.35
61+ months	12.60	12.75	12.85	13.00

UCS/CS

0.30 0.25 0.25

Pharmacy Tech Specialist

Current

6/26/2016 6/25/2017 6/24/2018

0-6 months	10.70	10.70	10.70	10.70
7-12 months	10.90	10.90	10.90	10.90
13-18 months	11.15	11.15	11.15	11.15
19-24 months	11.45	11.45	11.45	11.45
25-30 months	11.70	11.70	11.70	11.70
31-36 months	11.95	11.95	11.95	11.95
37-42 months	12.45	12.45	12.45	12.45
43-48 months	12.70	12.80	12.90	13.05
49-54 months	13.25	13.35	13.45	13.60
55-60 months	13.80	13.90	14.00	14.15
61- months	14.45	14.65	14.45	14.45

UCS/CS

0.30 0.25 0.25

Gift Cards

No later than three weeks following the first Sunday after contract ratification, employees actively employed at the time of ratification and actively employed at the time the gift cards are issued shall receive Jewel-Osco gifts cards in accordance with months/years of service as follows:

0-6 months	\$25
7-12 months	\$50
1-10 years	\$100
10+ years	\$150

Effective date of increase in the first year

New rates shall be effective on the first Sunday following ratification in the first year, the Sunday a year following the first year increase in the second year, and the Sunday a year following the second year increase in the third year.

Overscale employees

An employee who is at or above the top rate for his or her job classification on the date of ratification shall receive the applicable "Overscale" pay rate increase in the first year. An employee who is at or above the top rate for his or her job classification on the Saturday immediately preceding the second year increase shall receive the applicable "Overscale" pay rate increase in the second year. An employee who is at or above the top rate for his or her job classification on the Saturday immediately preceding the third year increase shall receive the applicable "Overscale" pay rate increase in the third year.

Should the Federal, State, County or Municipality Minimum Wage Law increase during the term of this Agreement, the Employer and Union will meet and negotiate the impact on wage rates

below any new such Minimum Wage Law in the affected area. The Employer may implement wage rates in response to Minimum Wage Law changes and such rates shall not be subject to arbitration or any other legal action.

Upon promotion to a higher paying job classification, the employee will go to the next highest rate in the new job classification from their pre-promotion rate and progress thereafter upon completion of each applicable next step bracket period.

June 24, 2016

Ms. Lois Taylor
UFCW Local 431
2411 W. Central Park Avenue
Davenport, IA 52804

Re: Letter of Understanding – Full-time & Part-time Status of Osco 431 Employees

Dear Lois:

We agreed that as part of the settlement of the three year contract (2016-2019) between United Food and Commercial Workers Local 431 and Osco Drug ("Osco") the following bargaining unit employees will be re-classified as forty (40) hour full-time employees:

Caroline Koons – Osco Clerk

Kenna Stewards -- Osco Certified Pharmacy Technician

The parties agree that by signing this letter Osco has not agreed to maintain a set number or ratio of full-time employees. Osco specifically reserves the right to determine the size and composition, including the number of full-time and part-time employees, of the workforce. Should the employees listed in this agreement no longer be employed by Osco, Osco is not obligated to replace them with full-time employees.

Additionally, it was agreed that the following employee will remain classified as part-time and will be guaranteed a minimum of twenty-four (24) hours per week and will be entitled to two (2) personal holidays:

Lavonne Bouvia – Osco Clerk

Please sign and date below to acknowledge this agreement.

Sincerely



Daniel M. Sims
Manager, Labor Relations and Employment Law

By: 
Lois Taylor Secretary Treasurer
UFCW Local 431

Date: 7/13/2016

UFCW DISTRICT LOCAL UNION 431

**JERRY MESSER
PRESIDENT**

Davenport Office
2411 W. Central Park Avenue
Davenport, Iowa 52804

(563) 323-3655
1-800-292-7293

You can contact your local union
On the Internet

Our Website address is:

www.ufcw431.com

Please attend your union meeting