

# Hormel Chain Company Response to Union Proposals

**August 16, 2023**

The Company reserves the right to raise additional issues and make specific proposals. The Company also reserves the right to add to, modify, amend or withdraw any of its proposals during the course of these negotiations.

In response to the language on page 1 of the Union's proposals, the Company wishes to make clear that the Knoxville, Iowa plant is not part of the Chain. The Company has a contract with Local 431 that does not expire until January 8, 2024. The Company is not interested in adding Knoxville to the Chain and is not negotiating any contract provisions that will apply to the Knoxville plant.

## Vacation:

V1: Not interested.

V2: Not interested.

V3: Not interested.

## Earned Time Off:

E1: Not interested.

## Holidays:

H1: Not interested.

H2: Not interested.

## Pension:

P1: Keep at \$33 base credit.

P2: We are not aware of any prior agreement to calculate the 30-year bonus at 1/3 of the base multiplier, and we are not agreeing to do that.

P3: Currently the company match and per hour contribution are different based on years of service. To be inclusive across all team members, once an employee is eligible for the 401(k) plan, they would receive a company match of 50% of 2% up to \$500. This includes employees

hired prior to 1/1/90 and those with under 5 years of service. (pre 1990 get \$0 and under 5 years of service get up to \$300). We will increase the per hour contribution from \$.20 to \$.25 for all participants as well. This contribution will be made for each hour worked. (pre 1990 and under 5 years of service get \$0). We will also add Roth as a contribution option.

P4: Not interested. The HRA contribution amount annually increases automatically based on the consumer price index year-over-year change.

P5: Not interested.

**Wages:**

W1: First Monday after Ratification - \$0.50  
Year 2 - \$0.30  
Year 3 - \$0.20  
Year 4 - \$0.20

W2: Increase night premium for both second and third shift to \$0.50/hour.

Added language regarding shift differential: Not interested.

W3: Not interested.

W4: Not interested.

Discussion item: Being pulled off bid job or being moved to bid job.

Discussion item: Maintenance wage increase.

Discussion item: Longevity pay.

**Bereavement Leave:**

F1: Not interested.

F2: Not interested.

**General:**

G1: Open to further discussions to address this concern.

G2: Not interested.

G3: Not interested.

# Hormel Chain Company Proposals

## August 16, 2023

The Company reserves the right to raise additional issues and make specific proposals. The Company also reserves the right to add to, modify, amend or withdraw any of its proposals during the course of these negotiations.

C1. Health and Welfare Plan – Modest increases to deductibles, out-of-pocket maximums, and employee contributions as illustrated in the tables below:

		2023	2024	2025	2026	2027
<b>Traditional Plan Deductible</b>	Employee	\$ 850	\$ 900	\$ 900	\$ 900	\$ 900
	Employee + Children	\$ 1,700	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
	Family	\$ 2,550	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700

<b>Traditional Plan Out of Pocket</b>	Employee	\$ 4,250	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
	Employee + Children*	\$ 5,100	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400
	Family	\$ 9,350	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900

Prescription drug OOP - No change

### Employee Contributions - Medical and Rx

	Current (2023)	2024	2025	2026	2027
Employee	\$32.00	\$33.00	\$34.00	\$35.00	\$36.00
Employee + Children	\$44.00	\$46.00	\$48.00	\$50.00	\$52.00
Family	\$59.00	\$63.00	\$67.00	\$71.00	\$75.00

### Employee Contributions - Dental and Vision

	Current (2023)	2024	2025	2026	2027
Employee	\$7.00	\$8.00	\$8.00	\$9.00	\$9.00
Employee + Children	\$11.00	\$12.00	\$12.00	\$13.00	\$13.00
Family	\$16.00	\$17.00	\$17.00	\$18.00	\$18.00

The Health and Welfare Plan proposal includes the following enhancements for plan participants:

- Fertility assistance through Progyny which provides inclusive, comprehensive treatment options for healthier pregnancies and babies and providing support for all paths to parenthood.
- A new tool, Hinge Health, to help employees conquer joint and muscle pain, recover from injuries, prepare for surgery, and stay healthy and pain free.
- Similar to the current dependent care flexible spending account, expand to include a Flexible Spending Account (FSA, also called a "flexible spending arrangement"). This is a special account you have the option to put money into tax-free that you use to pay for certain out-of-pocket health care costs, subject to the terms and conditions of the FSA plan.

The Health and Welfare Plan proposal includes the following enhancements for all employees regardless of whether they are plan participants:

- Enhanced Employee Assistance Program (EAP) plus mental health support and access. Currently 3 free sessions and moving to 8 free sessions. Precision mental health care through traditional care and digital solutions.
- Expanded basic and optional life insurance:
  - Basic (Company paid):
    - Currently \$12,500 for employee life and \$5,000 for AD&D.
    - Increase to 1 times annual salary up to \$50,000 for both.
  - Optional life and AD&D (Employee paid and subject to terms and conditions of the plan):
    - Currently available for employees in increments of \$12,500, \$25,000, \$50,000 or \$75,000.
      - Increase and expand options to 1/2 to 6 times annual salary with a max of \$600,000.
      - Also, add Optional employee AD&D 1 to 10 times salary with a max of \$500,000.
    - Optional Spouse life insurance currently at \$10,000-\$25,000 in \$5,000 increments.
      - Increase to \$10,000-\$50,000 in \$5,000 increments.
    - Current optional dependent child life insurance \$5,000.
      - Expand to include \$5,000 or \$10,000 options.

C2. Remove Fremont plant from inter-plant transfer clause.