

**UFCW Local 663 Proposals to Metro Retail Grocery Employers  
Haug's, Jerry's, Knowlan's, Kowalski's, L&B, Radermacher's, UNFI  
February 25, 2025 @ 9am**

These responses are offered by Knowlan's in a good faith effort to reach a negotiated successor contract to our respective collective bargaining agreement with UFCW Local 663 that expires on March 2, 2025. Any agreement as to a specific proposal is considered to be a tentative agreement subject to the final agreement between us and the Union concerning all matters related to these negotiations. Knowlan's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

**1) Wages**

A) See wage scales - [Union 1 Wage Scales - 2.25.25](#)

**Knowlan's Response:**

See the wage proposal we already provided you.

**2) Retirement - Legacy Pension, Variable Annuity Pension (VAP), 401(k)**

[See Union Exhibits](#)

A) Legacy Pension

1. The Rehabilitation Plan Update will adopt Reasonable Measures to enable the Fund to emerge from Critical Status in March 2040.
2. Based on an emergence date of 2040, the annual contribution rate increases effective beginning March 2025 will be 7.5% as calculated by the Fund actuary, Segal, in their February 6, 2025 report to the Board of Trustees, based on a 7.0% annual investment return.
3. Further, the Rehabilitation Plan Update will contain an annual floor dollar contribution requirement that must be contributed by each employer for each March 1 through February 28 period, effective March 1, 2025, that reflects the applicable contribution rate increase and the projected hours assumed by Segal for the Plan year ending February 2024. These annual floor dollar amounts were calculated by Segal under Scenario D5 in their February 6, 2025 report to the Board of Trustees based on 67,600 full-time weeks and 63,900 part-time weeks.

This annual floor dollar amount provision will be administered as follows: As soon as practicable after the end of each fiscal year, the Fund will determine whether each Employer contributed at least the floor amount for that 12-month period. Each Employer's share of the annual floor dollar amount will be based on the annual Estimated Withdrawal Liability for Individual Employers report prepared by Segal (the most recent report was issued January 8, 2025). If the Employer did not contribute at least the floor dollar amount, The Fund will send the

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Employer a "true up" invoice for the difference between the floor amount and the actual contributions paid. The Employer will pay the true-up amount in a lump sum within 30 days of its receipt of the invoice. If the Employer's actual contributions exceed the floor amount, there will be no credit or refund to the Employer.

4. If, due to market events, Segal projects the Fund will become insolvent in the future as opposed to emerging from Critical Status, the bargaining parties shall reopen the contract for the sole purpose of negotiating an appropriate adjustment to the contribution rates to allow for emergence from Critical Status in the future rather than projected insolvency.

**Knowlan's Response:**

See the pension proposal we already provided you.

B) Variable Annuity Pension Plan

1. The 3.0% Cap on annual benefit improvement adjustments is removed effective January 1, 2025.
2. The accrual rate will increase from \$35.00 to \$39.50 for UNFI participants effective January 1, 2025.
3. The accrual rate will increase from \$25.00 to \$28.00 for all other participants effective January 1, 2025.
4. These benefit improvements require no increases in the current Employer contribution rates because of the current funding status of the VAPP and the magnitude of the Fund's Stabilization Reserve.
5. All Employers that previously withdrew from the MRMC Pension Fund prior to January 1, 2019 but continue to participate in the MRMC Health Plan will begin participation in the VAPP effective January 1, 2025. The Employer's contribution obligation to the VAPP will be the difference between the previously required contribution to the MRMC Pension Fund and the current employer contribution to the individual Employer's 401 (k) plan. For example, if the MRMC Pension Fund contribution before withdrawal was \$2.00 per hour and the employer now contributes \$1.00 per hour to a 401 (k) plan, the Employer shall contribute no less than \$1.00 per hour to the VAPP on behalf of applicable employees. Such employees shall continue to be covered by their Employer's 401 (k) plan at the current negotiated rates.

**Knowlan's Response:**

*The Union reserves the right to add, delete, amend, alter or otherwise change its proposals during the course of negotiations.  
The Union also reserves the right to make counter proposals to the employer's proposals.*

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See the pension proposal we already provided you; we have no interest in changing the current VAP benefits.

C) Establish Multi-Employer Defined Contribution Plan

1. All FT and PT can participate - includes Modified PT, Regular PT, Custodial / Courtesy (no longer an issue after conversion to Regular PT)

**Knowlan's Response:**

We are not interested in creating yet another retirement vehicle to manage. We already make our Company 401(k) available.

**3) Health & Welfare**

[See Union Exhibits](#)

A) [Replacement language](#) as provided by the Union for FT and PT eligibility

B) Health Fund Reserves, Benefit Improvements and Shorter Waiting Period for Part-time

1. The net asset reserves shall be reduced from the current 11.4 months of continuation value to 7.8 months of continuation value by February 2028. The Fund consultant, Segal, has informed us that 7.8 months of continuation reserve is a prudent and appropriate reserve for this Fund.
2. Initially, Fund assets will be reduced in the first two months of the new agreement beginning March 1, 2025 by an employer contribution holiday estimated to be equal to \$5.8 million. Employers shall begin paying breakeven contribution rates determined by Segal in their report dated February 21, 2025 as soon as the contribution holiday concludes. During the holiday period, the employers shall continue to submit reports to the Fund Office reflecting those employees eligible to receive coverage and such employees shall be eligible to receive coverage notwithstanding the holiday.
3. The break even contribution rates account for the following benefit improvements:
  - a. Vision exams covered at 100% effective January 1, 2026.
  - b. Dental annual maximum increased from \$1,250 to \$2,000 effective January 1, 2026.
  - c. The Medical deductible shall be reduced from \$750/\$2,250 to \$500/\$1,500 effective January 1, 2026.
  - d. The Medical Out-of-Pocket Maximum will be reduced from \$3,000/\$6,000 to \$2,500/\$5,000 effective January 1, 2026.

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- e. The Employer will fund a Health Reimbursement Arrangement (HRA) effective March 1, 2025 by contributing \$10.00 per week or \$43.33 per month per eligible employee. Employees can use their HRA account assets to pay for out-of-pocket expenses that they incur relating to claims otherwise covered by the Fund.
4. The Employer shall make monthly contributions to the Fund on a composite basis. Such contributions shall reflect a waiting period of 6 months for part-time employees and the load factor for composite monthly contributions shall be adjusted by Segal to reflect the shorter waiting period.
5. The Employer shall cooperate with the Fund Office in providing the Fund Office with eligible employee information to allow for enrollment to be conducted by the Fund Office during periods of open enrollment and as employees become eligible for coverage during the year.

**Knowlan's Response:**

See our H&W proposal already provided to you.

**4) Employee Discount**

- A) Employee Discount 30% for all items

**Knowlan's Response:**

We do not accept this proposal. We understand that our employees have raised requests for a discount in the past. However, if we chose to provide a discount, we would want it to be discretionary and therefore outside the CBA.

**5) Employer provided meal from store during meal period**

**Knowlan's Response:**

We do not accept this proposal. Employees should be responsible for feeding themselves. This sounds like a small request but it is not. If we gave a \$10 lunch during an 8-hour shift that equates to a \$1.25/hour raise.

**6) Scheduling and Hours**

- A) Decrease minimum available hours required for all full-time and part-time employees

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So far, we cannot tell what the Union is asking for with this proposal. But it seems to conflict with the Union's proposal to have a minimum of 24 guaranteed hours. If this is about employees providing their availability, we believe the current ways of handling that are reasonable. We cannot have employees giving us an availability that essentially writes their schedule by giving us availability that too closely matches the numbers of hours we are either required to provide or that they desire.

- B) Employees on any form of leave or time off, paid or unpaid, shall not count towards a department's allotted labor hours & discuss adequate staffing levels [*HOLD for future proposals*]

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

- C) Flexibility for department heads to schedule according to the needs of each department and store, with equitable assignment of night shifts based on seniority and employee's availability

**Knowlan's Response:**

We are not interested in going to a seniority based guide for night shifts. We already schedule based on employee availability.

- D) Discuss PT scheduling to improve work-life balance, retention and hiring [*HOLD for future proposals*]

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

- E) 1 guaranteed consistent day off every week

**Knowlan's Response:**

We do not know if the Union is proposing this be by agreement, and if so, who would have to agree. Regardless, this should be achievable through the availability practices currently in place.

- F) Limit number of consecutive scheduled shifts to 7

**Knowlan's Response:**

We are unclear what the Union is asking here. But as a practical matter, if this limits what can be done in one week compared to another, we are unsure if a scheduling system can accommodate this by looking at more than one week.

- G) Consistent weekly hours

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1. All part-time employees guaranteed 24 hours per week, unless waived by employee

**Knowlan's Response:**

It is already a contractual benefit for the Top 24% of part-time to receive a minimum of 26 hours per week. These existing minimums are working. Many employees do not want that many hours. If an employee was interested in working greater hours, they can pursue opportunities to move to modified part-time.

H) Breaks

1. Starts after food acquired and paid at store

**Knowlan's Response:**

We are unaware of any industry where employees are allowed to stay on the clock while they go buy lunch and then start their break once they have lunch in hand. Employees may bring or purchase food prior to their shift and store for consumption on break. It is up to them.

2. Employer scheduling practices to avoid providing breaks - **Employees will not be scheduled within 30 minutes of any 3-hour increment, for example an employee cannot be scheduled for 5 hrs and 45 min (15 minutes short of a 6-hour shift)**

**Knowlan's Response:**

We do not believe that is an issue at Knowlan's. If you know that it is, please provide examples and we will investigate.

- I) Scheduling stability [*HOLD for future proposals*]

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

- J) Attendance policy & grace period [*HOLD for future proposals*]

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

- K) Employer shall supply to the Union an electronic copy of work schedules weekly. Entire weekly schedules for all associates and departments shall be provided in Excel spreadsheets and emailed as attachments to the Union. - **standardize across all contracts****

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**Knowlan's Response:**

We already have language in our contract regarding electronic copies of schedules and have no interest in changing it.

**7) Ratios - The Employer shall reach at least:**

- A) 40% FT ratio by the end of this CBA (Employer shall make all necessary Fund contributions)
- B) 40% PT Modified ratio by the end of this CBA (Employer shall make all necessary Fund contributions)
- C) Increase PT top 24% to 30%

**Knowlan's Response:**

We do not accept changes to ratio language.

**8) Wage Differentials**

**Knowlan's Response:**

We do not accept the below wage differentials.

- A) PT Supervisor - \$2.00 shift differential for all hours scheduled for the shift
- B) MOD - \$2.00 shift differential for all hours scheduled for the shift
- C) Assistant Department Head classified as Traditional Full-time
- D) Deli - \$2.00 shift differential for all hours scheduled for the shift
- E) All hours worked between 6pm and 6am - \$2.00 shift differential for all hours scheduled for the shift
- F) Training new hires - Employees who train or shadow new hires will receive a \$2.00 differential for all hours scheduled for the shift
- G) Interpretation - \$2.00 shift differential for all hours scheduled for the shift**

**9) Cross training and working in more than one department**

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**Knowlan's Response:**

We already responded to this proposal on January 16.

- A) Cross training and/or requiring employees to work outside their department will be by mutual agreement only
- B) If cross training is mutually agreed to, the employee will be scheduled to shadow department leadership for at least 3 consecutive shifts before expected to work independently
- C) \$2.00 shift differential for all hours scheduled for the shift when employees are assigned to work in more than one department per shift

**10) Transfer protections**

**Knowlan's Response:**

We already responded to this proposal on January 16.

- A) Employees may only be transferred to another department or store by mutual agreement between the employee and the employer.
- B) Any involuntary transfers to another department or store, whether for work performance or other disciplinary actions, may only be permissible when accompanied by discipline or a Performance Improvement Plan (PIP) for cause.
- C) Whenever there is a vacancy for a benefit-eligible position that the employer intends to fill, the employer shall post the position both electronically and in a visible location at each store for at least seven (7) calendar days. Vacancies shall be filled by the most senior internal applicant(s), whenever possible.

**11) PTO / ESST / Leave**

- A) Increase Bereavement - **ensure consistency for all CBAs**
  - i. All full-time and part-time employees ~~(excluding Group 3)~~ on the seniority list shall be entitled to bereavement pay according to the following:
    - A maximum of four (4) days of leave with pay in the event of the death of a spouse, parent, **stepparent**, child or stepchild.
    - A maximum of **three (3) two (2)** days of leave with pay in the event of the death of a brother, sister, mother-in-law or father-in-law, **grandparent or grandchild**.
    - ~~One (1) day of leave with pay to attend the funeral in the event of the death of a grandparent or grandchild.~~



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**Knowlan's Response:**

We already have nearly all this language in our CBA. We agree to add contractual bereavement leave for stepparents.

B) Holiday pay

**Knowlan's Response:**

Our current PTO/vacation, holiday, ESST, Paid Medical Leave, and personal days provide ample opportunities for paid time off. These categories of leave have recently expanded through negotiations and legislation. We do not think we should have to add even more now.

- i. Revisit designated paid holidays, add 1 more
- ii. Holiday pay increased from 4 to 6 hours paid for all part-time
- iii. **Ensure consistency for all CBAs - Part-time employees are eligible for holiday pay after 90 days**
  - Custodial / Courtesy / Clean Team will not have to wait 1 year to receive, should be same as PT which is after 90 days (no longer an issue if all convert to regular part-time)

C) Vacation / PTO / ESST

*[HOLD for future proposal]*

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

**12) Classifications**

**Knowlan's Response:**

Classifications were bargained to make compromises on both sides. Reimagining classifications is akin to rewriting the entire agreement.

A) Clear and equitable paths to promotion

1. **Discussion to include part-timers who perform duties of full-timers (example: Deli Supervisors at Kowalski's)**

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We do not believe this applies to us.

B) Custodial / Courtesy / Clean Team - eliminated and all reclassified as Regular Part-time

**Knowlan's Response:**

As we think the Union would acknowledge, there are different jobs at a grocery store that have different responsibilities and different pay. We do not want to change this classification.

C) Group 3 - eliminated and all reclassified as Regular Part-time (maintain FT lay-off language)

**Knowlan's Response:**

We don't have any interest in removing the Group 3 classification.

D) Retail Specialist - eliminated and all reclassified as Classified Assistant - **ensure consistency for all CBAs**

**Knowlan's Response:**

We already eliminated this in our last CBA.

E) Department Heads:

- i) All Department Heads shall be classified as Traditional Full-Time Food Handlers for purposes of Appendix A-1 "Food Handlers Sunday Clause."

**Knowlan's Response:**

We reject this proposal.

- ii) Any Department Head who is demoted or chooses to step down will revert to the classification they held prior to becoming a Department Head. - **ensure consistency for all CBAs**

**Knowlan's Response:**

We already have this language in our CBA.

- iii) Ensure that all FT heads of departments are classified and paid as Department Heads (e.g. Pricing, **Front End**, E-Commerce, Floral, **Gift**, General Merchandising, Coffee, Cheese)

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**Knowlan's Response:**

We believe our current model works well and do not agree to this proposal.

- iv) Amend Section 5.5 to read: Any time a department head is off and a replacement is assigned to fill in for the duties of a department head or assistant department head, the employee assigned to fill in will receive department head or assistant department head pay for each shift in which those duties are performed.

**Knowlan's Response:**

We think our language in Section 5.5 is already effective.

- F) Training hours: When an employee is training as a higher paid classification, they shall be compensated at the higher classification for said hours.

**Knowlan's Response:**

We are not sure what the Union is asking for here. But in general, the training itself is an investment in the employee and an opportunity for the employee to grow.

- G) Full-time Waiver - Amend full-time waiver rate in Section 23.1 to \$23.00 for the duration of the waiver period up to a maximum of one thousand two hundred (1,200) hours of said period. If an employee exceeds a maximum of 1,200 hours, the employee will become a Classified Assistant. - **ensure consistency for all CBAs**

**Knowlan's Response:**

We do not accept this change to the waiver language.

- H) Maintaining seniority for students - [hold for future discussion]**

**Knowlan's Response:**

We already have seniority for students language in our current CBA.

**13) Safety and Wellbeing [HOLD for future proposals]**

**Knowlan's Response:**

We do not know if these are your proposals or if we are waiting on future proposals from you.

- A) Employer shall update schedules and nametags of an employee once informed of a name change and with employee's consent**

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**Knowlan's Response:**

We already do this.

- B) Employer will require that any federal immigration agent, Immigration and Customs Enforcement (ICE) agent, Department of Homeland Security (DHS) agent, or State and Local law enforcement officials present a valid warrant signed by a judge before admission to the worksite or access to employee records. Employer shall immediately notify UFCW 663 in the event of such an incident**

**Knowlan's Response:**

The Union is asking us to do something that would conflict with the law.

- C) Employees will not be expected to participate in rodent or insect remediation**

**Knowlan's Response:**

We do not believe this is an issue for us. We have a third-party pest control contractor.

**14) Tools and Training**

- A) Front end and Pharmacy employees will be provided stools, fatigue mats, and be permitted to have water - discuss ergonomic needs

**Knowlan's Response:**

We do not have pharmacies. We do provide these tools as a matter of course or as a reasonable accommodation. Water at the front end is a difficult topic that we are willing to discuss.

- B) Bakery, Deli and Meat department employees will be provided non-slip fatigue mats

**Knowlan's Response:**

We already provide fatigue mats.

- C) Apprenticeships & Job Training *[HOLD for further discussion]*

**Knowlan's Response:**

We will listen to these proposals once you are ready to present them.

- D) Limit on using AI technology including, but not limited to, scheduling, inventory management, and in-store customer service *[HOLD for future proposal]***

**Knowlan's Response:**

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**15) Check-off**

- A) All check-off remittances (dues, initiation fees, ABC) collected by the Company shall be promptly remitted to the Union no later than the 5th of the month following the month of such deductions.**

**Knowlan's Response:**

We are open to this proposal, but would like to have further discussions to make sure our current process/CBA language is necessary to change.