

2023 Kowalski's Companies UFCW 663 Last, Best and Final Contract Proposal 6/05/2023

These proposals are offered by Kowalski's Companies 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 4, 2023. 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. Kowalski's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

- 2-year agreement March 5, 2023 – 11:59pm on March 1, 2025
- New PTO (paid time off) accrual schedule that allows employees pto accruals to be started in the first year and used in the first year if desired based on what has been accrued. – [TA 2/24/23](#)
- New Health and Safety language – [TA 3/3/23](#)
- Move FT ratio from 25% to 30% by the end of 2023. This change is contingent upon our company health care plan being approved and ratified.
- Increase PT top 24% who receive guaranteed hours to the top 30%
- MOD/FES Premium: Part-time managers on duty (MOD) will receive a minimum premium of \$1.50/hour for all hours they are performing these duties. Any part-time front-end/supervisor will receive a premium of \$1/hour for all hours they are performing those duties.
- Full time waiver: In the event that a part-time employee is advanced to full-time status during the period of January 1st – December 31st, such employee will sign a waiver guaranteeing him/her the full-time rate of \$23.50 for the duration of the waiver...
- Increased Bereavement: Change the maximum of 2 days to 3 days for days of leave with pay in the event of a death of a brother, sister, mother-in-law, or father-in-law and add grandparent or grandchild. – [TA 3/3/23](#)
- Carryout's will be eligible for holiday pay from after 90 days. (Currently after 1 year) – [TA 3/3/23](#)
- Carryout's will be guaranteed 15 hours per week. – [TA 2/20/23](#)
- All employees who have worked a complete shift shall be given a minimum of nine (9) hours before the next scheduled shift, unless by mutual agreement. – [TA 2/24/23](#)
- Add to Appendix A-1 Sunday clause a note to see Section 2.5(A) re Mod PT – [TA 2/20/23](#).
- The employer will make every effort to provide more predictable schedules. – [TA 2/24/23](#)
- Visitation language change business agent to Union representative. – [TA 2/20/23](#)
- The 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. – [TA 2/20/23](#)
- The employer will allow Union representation to provide a Union orientation for employees during the new hire orientation meetings. – [TA 2/24/23](#)
- Employees can use PTO/vacation time in 1 hour or half day increments. – [TA 2/24/23](#)
- Increase 401(k) contributions for FT to \$1.93 per hour up to 40 hours each week. (Retroactive back to 3/5/23)
- Increase 401(k) contributions for PT to \$1.43 per hour up to 39.9 hours per week. (Retroactive back to 3/5/23)
- 401(k) contributions on all hours of vacation time up to 39.9 (pt) 40 hours (ft).
- Eliminate Group 3 classification with the adoption of the following language. These changes are contingent upon our company healthcare plan being approved and ratified.
 - o Former group 3 employees who become regular part-time employees effective at ratification shall not count towards the ratio. However, all part-time hired after ratification shall count towards the ratio. (Except courtesy/carryout & custodial)
 - o These group 3 employees who become regular part-time employees will become eligible for single coverage in Kowalski's Health, Dental and Vision plan after ratification if they do not have health coverage through a different source. Their benefits will receive the benefits as soon as possible but no later than 8 weeks from ratification.
 - o These group 3 employees who become regular part-time employees will become eligible for PT 401(k) contributions. Employer contributions will start on the ratification date.
- Union No Match Letter language from 3/3/23 at 6:00PM

- Change from BMS to FMCS for grievances, mediations, etc.

Health, Dental & Vision Care

To ensure a smooth transition for our employees, no deductible overlap for our employees and to temporally discontinue employee's weekly contributions through 3/2/2024 we propose:

- Kowalski's will continue to make weekly contributions at the Unions proposed 2023 rates on behalf of FT & PT employees who currently have coverage into the MRMC plan through 12/31/2023. Kowalski's will retroactively pay the new proposed rates back to 3/5/23.
- FT & PT employees who currently have coverage through the MRMC plan will not make any weekly contributions from June 25, 2023 through 3/2/2024, employee contributions would resume on 3/3/2024 towards Kowalski's Health Care plan. and Kowalski's will not make their MRMC contributions from June 25, 2023 through July 15, 2023, employer contribution would resume into the MRMC plan at the new rates on July 16, 2023 through 12/31/23.
- Any PT employees who are currently in the tunnel at ratification will be enrolled into Kowalski's Health, Dental and Vision plan immediately and will receive the benefits as soon as possible but no later than 8 weeks from ratification.
- Any newly hired or promoted FT employees after ratification will be enrolled into Kowalski's Health, Dental and Vision plan and will receive the benefits the first of the month after their first 30 days of employment requirement.
- Any new PT employees hired after ratification into a benefit eligible category that need Health, Dental and Vision coverage will be enrolled in Kowalski's plan and will receive the benefits the first of the month after their first 30 days of employment requirement.
- Kowalski's Health, Vision and Dental plan Company Benefits Administrator, Jake Heurung, and fund professionals from USI Insurance Services will hold meetings with employees to help them with a smooth enrollment process. (Meetings with employees already happen on an annual basis to help employees with questions and/or changes they might like to make)

Effective 12/31/2023

- Move all FT & PT employees that have Health, Dental and Vision coverage in the MRMC plan into Kowalski's Companies Health Care, Dental & Vision plan.
- These terms will be part of the new CBA and will not change during the term of the CBA. Future changes, if any, to employees' weekly contributions, deductibles, and out of pocket maximums would be part of the bargaining process and voted on by employees.
- Employee premiums will not change from their current levels and the plan will stay in place unchanged during the entire term of the CBA.
- **Employees choose** between a:
 - AWARE \$500 Connect Plan or
 - AWARE PPO Health Savings Account (HSA) Plan.

- FT** - Keep FT employee contributions at \$25.00 per week.
- Eligible for coverage the first of the month after their first 30 days of employment. Current plan is 8 weeks.
 - FT employees would have the option to choose the following based on their needs.
 - Single coverage for themselves at \$10.00 per week
 - Employee & Spouse at \$25.00 per week
 - Employee & Children at \$25.00 per week
 - Family at \$25.00 per week
 - No coverage if they do not need it at \$0.00 per week.
 - Ancillary benefits at \$1.00 per week. (Dental, vision and AD&D)
 - Kowalski's AWARE CONNECT plan:
 - Annual deductible's
 - Kowalski's plan \$500 single/\$1,000 family.
 - Current MRMC plan \$750 single/\$2,250 family.
 - Annual out of pocket maximums
 - Kowalski's plan \$1,800 single & \$2,600 family. (Med AND Pharm comb)
 - Current MRMC plan \$3,000 single medical AND \$3,600 pharmacy = \$6,600
\$6,000 family medical AND \$7,200 pharmacy = \$13,200
 - Kowalski's AWARE PPO Health Savings Account (HSA) plan:
 - Annual deductibles
 - Kowalski's plan \$2,000 single/\$4,000 family.
 - Current MRMC plan \$750 single/\$2,250 family.
 - Annual out of pocket maximums
 - Kowalski's plan \$2,000 single/\$4,000 family. (Med AND Pharm comb)
 - Current MRMC \$3,000 single medical AND \$3,600 pharmacy = \$6,600
\$6,000 family medical AND \$7,200 pharmacy = \$13,200
 - Kowalski's contributes into eligible employees HSA account per IRS guidelines:
 - \$212.50 each quarter for single coverage (\$850/yr).
 - \$425 each quarter for family coverage (\$1,700/yr.)
 - Any employee contributions into their HSA account are made on a pre-tax basis. (optional)
 - Both the company contributions and the employee contributions into the HSA are funds that belong to the employee to pay for eligible medical expenses even if their employment with the company ends.
 - Employees who are in the health care plan are also part of the following extra benefits: NICE Healthcare program and Proximal at no cost to the employee. See attached information on these great benefits.
 - FT employees would also have an option to choose a:
 - Flex Spending Account
 - Accident Coverage
 - Kowalski's will provide a \$20,000 Life/AD&D benefit for eligible employees. Employees will also have the option to buy additional life insurance coverage up to \$300,000 for the employee and up to 50% of the employee coverage up to \$150,000 on spouses.

PT

- Keep PT employee contributions at \$10.00 per week.
- Eligible for coverage the first of the month after their first 30 days of employment. Current MRMC plan is after 1 year.
- Eligible PT employees can choose:
 - Single coverage for themselves at \$10.00 per week if they need Health Care coverage.
 - No coverage if they do not need it at \$0.00 per week.
 - Ancillary benefits at \$1.00 per week. (Dental, vision and AD&D)
- Kowalski's AWARE CONNECT plan:
 - Annual deductible's
 - Kowalski's plan \$500 single
 - Current MRMC plan \$750 single.
 - Annual out of pocket maximums
 - Kowalski's plan \$1,800 single (Med AND Pharm comb)
 - Current MRMC plan \$3,000 single medical AND \$3,600 pharmacy = \$6,600
- Kowalski's AWARE PPO Health Savings Account (HSA) plan:
 - Annual deductibles
 - Kowalski's plan \$2,000 single
 - Current MRMC plan \$750 single.
 - Annual out of pocket maximums
 - Kowalski's plan \$2,000 single (Med AND Pharm comb)
 - Current MRMC \$3,000 single medical AND \$3,600 pharmacy = \$6,600
 - Kowalski's contributes into eligible employees HSA account per IRS guidelines:
 - \$212.50 each quarter for single coverage (\$850.yr).
 - Any employee contributions into their HSA account are made on a pre-tax basis. (optional)
 - Both the company contributions and the employee contributions into the HSA are funds that belong to the employee to pay for eligible medical expenses even if their employment with the company ends.
- Employees who are in the health care plan are also part of the following extra benefits: NICE Healthcare program and Proximal at no cost to the employee. See attached information on these great benefits.
- ~~PTFT~~ employees would also have an option to choose a:
 - Flex Spending Account
 - Accident Coverage
- Kowalski's will provide a \$20,000 Life/AD&D benefit for eligible employees. Employees will also have the option to buy additional life insurance coverage up to \$300,000 for the employee and up to 50% of the employee coverage up to \$150,000 on spouses.

- Wages:

- FT \$1.50/hr. for those at or above the top scales effective 3/5/23 (retroactive back to 3/5/23)
- FT \$1.00/hr. for those at or above the top scales effective 3/5/24
- PT \$1.00/hr. for those at or above the top scales effective 3/5/23 (retroactive back to 3/5/23)
- PT \$.85/hr. for those at or above the top scales effective 3/3/24
- Increased starting rates on all scales.
- At ratification employees at a rate in the scale will place into the next rate on the scale and continue to progress through the scale
- At ratification employees not at a rate in the scales will move to the next rate and progress through the scales

Kowalski's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

2023 Kowalski's Companies UFCW 663 Last, Best & Final Contract Proposals
5-Jun-23

Kowalski's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

Appendix B

March 5, 2023 to March 1, 2025

Minimum Meat Rates

		Effective 3/6/2022	3/5/2023	3/3/2024
Head Meat Cutter		\$29.94	\$31.44	\$32.44
Journeyman		\$27.94	\$29.44	\$30.44

Employees who are at the **top or above scale** will receive the following increases:

	1.50	1.00
	3/5/2023	3/3/2024

Appendix C

Minimum Grocery Rates

		Effective 3/6/2022	3/5/2023	3/3/2024
Assistant Manager		\$28.83	\$30.33	\$31.33
Produce Head Leadership Position		\$28.83	\$30.33	\$31.33
Dairy/Frozen Head Leadership Position		\$28.83	\$30.33	\$31.33
Delicatessen Head Leadership Position		\$28.83	\$30.33	\$31.33
Bookkeeper or Head Cashier		\$28.83	\$30.33	\$31.33
Company Designated		\$28.83	\$30.33	\$31.33

FT Food Handler		26.83	\$28.33	\$29.33
-----------------	--	-------	---------	---------

2023 Kowalski's Companies UFCW 663 Contract Proposals
5-Jun-23

Kowalski's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

Classified Assistant / annual steps			3/5/2023	3/3/2024
Step 1			\$20.50	\$20.50
Step 2			\$22.50	\$22.50
Step 3			\$23.50	\$23.50
Step 4			\$24.83	\$24.83
Step 5			\$26.33	\$27.33

Retail Specialist / annual steps			3/5/2023	3/3/2024
Step 1			\$16.75	\$16.75
Step 2			\$18.00	\$18.00
Step 3			\$19.00	\$19.00
Step 4			\$20.30	\$20.30
Step 5			\$21.80	\$22.80

Employees who are at the **top or above scale** will receive the following increases

1.50	1.00
3/5/2023	3/3/2024

At Ratification employees at a rate in the scale will place into the next rate on the scale and continue to progress through the scale

At Ratification employees not at a rate in the new scale will map to the next rate above and continue to progress through the scale

2023 Kowalski's Companies UFCW 663 Contract Proposals
5-Jun-23

Kowalski's reserves the right to add, modify, subtract, or delete any of its proposals at any time during these negotiations.

March 5, 2023 to March 1, 2025

PT Deli Specialist Scale			3/5/2023	3/3/2024
	inc after			
Step 1	0-.5yr		\$16.00	\$16.00
Step 2	.5-1yr		\$16.50	\$16.50
Step 3	1-1.5yr		\$17.50	\$17.50
Step 4	1.5-2		\$18.50	\$18.50
Step 5	2-2.5yr		\$19.50	\$19.50
Step 6	2.5-3yr		\$20.50	\$20.50
Step 7	3-3.5yr		\$21.50	\$21.50
Step 8	3.5+yr		\$22.50	\$22.50

employees at the top or above will receive 1.00 at ratification and .85 March 2024

All PT, Group 3, Courtesy & Custodial			3/5/2023	3/3/2024
	Years			
took out 12.75				
Step 1	0-1 yr		\$13.25	\$13.25
Step 2	1 yr		\$13.75	\$13.75
Step 3	1.5 yr		\$14.25	\$14.25
Step 4	2 yr		\$14.75	\$14.75
Step 5	2.5 yr		\$15.25	\$15.25
Step 6	3 yr		\$15.75	\$15.75
Step 7	3.5 yr		\$16.25	\$16.25
Step 8	4 yr		\$16.75	\$16.75
Step 9	4.5 yr		\$17.75	\$17.75
Step 10	5 yr			\$18.60
Step 11	5.5 yr			

Employees who are at the **top or above scale** will receive the following increases

1.00	0.85
3/5/2023	3/3/2024

At Ratification employees at a rate in the scale will place into the next rate on the scale and continue to progress through the scale

At Ratification employees not at a rate in the new scale will map to the next rate above and continue to progress through the scale

Provided further that Food Handlers, Custodial, Courtesy and Pharmacy Employees in stores outside of Minneapolis shall receive not less ten cents (\$0.20) above federal, state, city or county minimum wage, whichever is higher, during the term of this agreement.

Revised verbage to combine both statements around minimum wage. All other minimum wage language come out of the CBA.