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Title: **Acme Markets, Inc. (Delaware Valley) and United Food & Commercial Workers Union (UFCW) Local 27 (2003) - MOA**

K#: **6361**

Employer Name: **Acme Markets, Inc. (Delaware Valley)**

Location: **DE**

Union: **United Food & Commercial Workers Union (UFCW)**

Local: **27**

SIC: **5411**

NAICS: **445110**

Sector: **P**

Number of Workers: **1900**

Effective Date: **07/14/03**

Expiration Date: **07/18/08**

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6361

Memorandum of Agreement Between Acme Markets Inc. (Delaware Valley) and United Food and Commercial Workers Union Local 27

Effective: 7/19/03 – ~~7/19~~

Expires 7/18/08

August 14, 2003

This Memorandum of Agreement agreed to August 14, 2003 accurately sets forth the complete terms of agreement for a Successor Collective Bargaining Agreement reached by Acme Markets, Inc ("Employer") and United Food and Commercial Workers Union Local 27 ("Union") during their collective bargaining negotiations. The Successor Agreement agreed to herein upon ratification by the affected membership of the Union succeeds the parties' most recent collective bargaining agreement, effective April 25, 1999 through July 19, 2003, as extended by the parties. The parties agree the language and terms of the Agreement shall be carried forward as the language and terms of the Successor Agreement, except as such language and terms are modified, added to, or deleted from as indicated below:

MOA 11 pp
K 57 pp
68 pp

4/15/04

1. **Article I Quality of Work Life**

Delete and replace with:

Article 1 Agreement

This Agreement by and between Acme Markets, Inc. (hereinafter referred to as "Employer"), and United Food and Commercial Workers Union Local 27 (hereinafter referred to as "Union").

Renumber entire contract using Arabic numerals.

2. **Article III Section 3.2 Recognition and Jurisdiction:**

Delete and Replace:

All work and services connected with or incidental to the handling or selling of merchandise offered for sale in the Employer's establishments covered by this Agreement shall be performed only by employees of the Employer within the unit referred to above, for which the Union is recognized as the Collective Bargaining Agency by the Employer, with the exception of bread and commercial bakery products, soda, specialty foods, books, greeting cards, seasonal displays, cookies, snacks, resets, non-food rack jobbers (except housewares), direct store delivery ice cream, direct store delivery ice cream novelties and direct store delivery frozen pizza. The provisions of this Article shall be waived during the initial six (6) months following a new store opening

and for the first four (4) weeks following the opening of a remodeled store. Meetings will be held on a regular basis to discuss competitive differences in language and administrative practices affecting this Article in other Collective Bargaining Agreements. Relief shall not be arbitrarily withheld.

3. **Article XIV Wages Section 14.2 Department Managers.**

Delete and replace with:

The following will receive an additional per hour premium:

Front End Manager (Formerly Customer Representative) and **Frozen Food Manager** in stores with average weekly volume of $275,000 or more

Sixty (60) cents

Scan Coordinator

Sixty (60) cents

Pharmacy Technician

Thirty (30) cents

All specific store volumes to be determined on the basis of six (6) consecutive months.

When any department manager or an employee in a higher rated job is absent from work for vacations, illness and/or temporary absences of three (3) days or more, all of the hours of such department manager or employee in a higher rated job shall be replaced by another employee who shall be paid in accordance with the rates noted in this Article from the first day of replacement.

4. **Article XIV Wages Section 14.2 Department Managers.**

Delete and replace with:

The Employer agrees to the establishment of the following uniform classifications.

1) Grocery Manager (Formerly Assistant Manager)
2) Produce Manager
3) Dairy Manager
4) Office Coordinator (Formerly Head Cashier)
5) Bakery Manager
6) General Merchandise Manager in stores with weekly volume of at least $35,000 in general merchandise sales.

In stores with a volume of at least $100,000 there shall be no less than two (2) rated classifications.

In stores with a volume of $150,000 to $199,999 there shall be no less than three (3) rated classifications.

In stores with a volume of $200,000 and over, there shall be no less than six (6) rated classifications.

Store volume to be determined on basis of six (6) consecutive months.

Any store that drops below the stated volume for a period of six (6) consecutive months shall result in the elimination of excessive classifications. The employee holding the classified position to be eliminated will be offered a transfer to any open classified position for which they have the necessary qualifications. If no classified position is open and available at the time of the position elimination, the affected employee will utilize their seniority to remain in their present store location or request a transfer under current transfer procedures in this Agreement. The affected employee will retain their classification rate of pay for thirty (30) calendar days from the date of the position elimination.

5. **Article XIV Wages Section 14.1**

Delete and replace with:

The following across-the-board (ATB) increases shall apply to employees at or above the top of their progression on the date of the increase:

	7-20-03	10-24-04	1-29-06	4-29-07
ATB Increase per hour	.40	.40	.40	.40

The following minimum wage scales will be effective during the term of this Agreement.

CLASSIFIED POSITIONS

	7-20-03	10-24-04	1-29-06	4-29-07
Grocery Manager	18.928	19.328	19.728	20.128
Produce Manager	18.928	19.328	19.728	20.128
Office Coordinator	18.00	18.40	18.80	19.20
Dairy Manager	18.00	18.40	18.80	19.20
General Merchandise Manager	18.00	18.40	18.80	19.20
Bakery Manager	18.00	18.40	18.80	19.20

CLERKS HIRED ON OR AFTER APRIL 29, 1997:

Start	6.15
After 6 months	6.40
After 12 months	6.65
After 18 months	6.90
After 24 months	7.15
Clerks Who Are Checker Qualified Continue on Scale	
After 30 months	7.70
After 36 months	8.25
After 42 months	8.75
After 48 months	9.25
After 54 months	9.75
After 60 months	10.25

Any clerk hired after April 30, 1997 would not have to become checker qualified until they have been employed for twenty-four (24) months. This restriction can be waived at management's discretion.

SERVICE CLERKS* (formerly general maintenance clerk)

Start	6.15
After 6 months	6.45
After 12 months	6.80
After 18 months	7.15
After 24 months	7.50

*Duties of the service clerk will include general cleaning, floor care, housekeeping and maintenance throughout the store and its premises, bagging, filling bag bins, carrying out customer orders, returning shop backs, picking up carts, parcel pickup, bottle returns and general store cleaning and waxing and buffing of store floors.

BAGGER*

Start	6.15
After 6 months	6.30
After 12 months	6.60
After 18 months	6.85
After 24 months	7.10

*Duties of the bagger shall include cleaning, bagging, filling bags bins, carrying out customer orders, returning shop backs, picking up carts, parcel pickup, bottle returns, and general store cleaning, excluding waxing and buffing of store floors.

6. **Article XIV Wages Section 14.4**

Delete and replace with:

Any employee who is in a progression scale or who is hired at a rate higher than the starting rate listed in the Agreement, shall receive a rate of pay that is specifically listed in the appropriate progression scale. Any employee in a progression scale as of July 19, 2003 who is not at a rate listed in a progression scale, shall be moved to the closest higher rate at the time at which they are scheduled to receive their next raise in the progression scale. Employees shall thereafter receive a raise every six (6) months as they advance through the progression scale, until they reach the top rate of the progression scale.

7. **Article XV Hours and Overtime Section 15.2**

Amend as Follows:

The basic straight time work week for full time employees shall consist of forty (40) hours to be worked in five (5) eight (8) hour days, Monday through Saturday, except as otherwise permitted in Section 15.7 below. By mutual agreement and/or for purposes of creating a full time job employees may be scheduled three (3) eight (8) hour days, one (1) six (6) and one (1) ten (10) hour day.

8. **Article XV Hours and Overtime Section 15.6**

Delete and replace with:

Employees regularly and continuously assigned to the night crew shall receive a one dollar ($1.00) per hour premium for all actual hours worked. No employee regularly and continuously assigned to the night crew on or before July 19, 2003 who is currently receiving a night crew premium in excess of the above listed one ($1.00) dollar per hour will not suffer any reduction in premium per hour rate.

The employee in charge of and responsible for the work of the night crew shall receive an additional premium of twenty dollars ($20.00) per week.

Employees filling in for this position for more than one scheduled night in a week shall receive one fifth (1/5) of the rate per night.

9. **Article XV Hours and Overtime Section 15.7**

Retain present contract language and add the following paragraph:

Full time employees assigned or hired to the night crew after July 19, 2003 will work a seven (7) day work week. Full time employees assigned or hired to the night crew from April 1, 1987 to July 19, 2003 may by mutual agreement of the employee and the

Employer work a seven (7) day workweek. Such night crew employees shall receive two (2) consecutive days off in their scheduled workweek. If they are assigned to work a shift that qualifies for Sunday premium, they will be entitled to any applicable Sunday premium in addition to their night crew premium.

10. Article 19 Section 8

Delete and Replace with:

Should the Employer intend to substitute a self-checkout system(s) for existing equipment in any store or add a self-checkout system(s), the Employer agrees to notify the Union in advance and to provide the Union with a list of all employees regularly assigned to the store on the effective date of the utilization of said checkouts. Said employees shall not be removed from the Employer's payroll as a result of the installation of such a system. Employees may continue to be transferred, assigned to other work, or laid off in accordance with the seniority provisions of this Agreement provided the layoff is for reason(s) other than the installation of such a system.

11. Article XXII Health and Welfare

Delete and Replace with:

During the term of the Agreement, the Company agrees to the following Health & Welfare provisions:

Section 22.1 Effective July 20, 2003, the Company shall continue to contribute to the Local 56 Health & Welfare Fund for each eligible employee as follows:

Full Time Employees	$760 per month
Part Time Employees	$400 per month

Part-time employees with twelve (12) to twenty four (24) months of service will be covered for Vision, Prescription and Dental in Plan N. The Company shall contribute to the Local 56 Health and Welfare Fund for each eligible employee in Plan N at a rate of $220 per month.

Baggers and Service Clerks shall not be eligible for participation in the Local 56 Health and Welfare Fund. Baggers and Service Clerks promoted to the Clerk Classification will receive credit for the Clerk contribution based on their original hire date.

Section 22.2 The above rates will remain in effect until July 31, 2005. Effective August 1, 2005, the Employer will increase contributions by no more than 8%. The company will continue to increase contributions by no more than 8% on August 1 of each year until the expiration of the contract.

Section 22.3

a) Monthly contributions shall be made for each full time employee the month following the completion of twelve (12) months of continuous full time service with the Employer. Employees must have worked and/or received pay for at least one hundred twenty (120) hours during the preceding fiscal month to remain eligible for benefits, and there shall be no more than twelve such monthly contributions during any twelve consecutive calendar months.

b) The provisions of the preceding paragraph will permit any employee who is otherwise eligible, and who has had within ninety (90) days of hire creditable service as an employee of a Company with comparable coverage and who is under the jurisdiction of Local 27 to be credited with his/her prior service in determining his/her eligibility for participation in the Local 56 Health and Welfare Fund. Contributions in behalf of the employee will become effective on the first of the month following the completion of combined service from the previous and present Employer which satisfies the conditions of the preceding paragraph.

c) Monthly contributions shall be made for each part time employee the month following completion of twelve (12) months of continuous part time service with the Employer. Employees must have worked and/or received pay for at least fifty six (56) hours during the preceding fiscal month to remain eligible for benefits, and there shall be no more than twelve such monthly contributions during any twelve (12) consecutive calendar months.

d) Part time employees with twelve (12) or more months of continuous part time service, permanently promoted to full time status shall be eligible for hospital, surgical benefits as of the first day of the following month.

e) A regular part time employee shall be eligible to receive full time Health and Welfare benefits when he or she has worked one hundred and forty (140) hours per month for six (6) consecutive months. The employee must continue to work continuously at that monthly rate to continue the full time benefits.

Section 22.4 The employer's contribution shall be used to make available life insurance, accident and sickness benefits, hospitalization and surgical benefits, major medical insurance, prescription, vision care and dental benefits for the employee, his or her spouse and defined eligible dependent children in accordance with the provisions of the applicable plans as more fully set forth in the Summary Plan Description available for such eligible employee.

Section 22.5 All Health and Welfare payments will be made to the UFCW Local 56 Health and Welfare Fund no later than the 15th day of the month for the preceding month.

Section 22.6 Benefits shall be set forth in the Summary Plan Description provided by the Fund.

Section 22.7 The Plan shall conform to the legal requirements of the law, both State and Federal.

Section 22.8 The Trustees of the Fund shall work out the benefit program within the money provided on an actuarially sound basis.

Section 22.9 The Employer hereby adopts and agrees to be bound by the terms of a Trust Agreement entered into between the UFCW Local 56 Health and Welfare Fund and certain subscribing Employers, and any modification or amendments thereto.

Section 22.10 The Company will continue to administer and provide the Child Care program for eligible employees.

12. Article XXIV Severance Fund

Move administration of Benefit to Local 56 Benefit Funds

13. Article XXV No Layoffs Section 25.1

Delete and replace with:

All full time employees hired or promoted to full time prior to April 29, 1997 with four (4) or more years of service, at any time during this Agreement, shall not be laid off or reduced from full time to part time for the duration of the Agreement provided that the employee is qualified and continuously available to perform work consistent with provisions of Article 7-Seniority.

14. Article XXIX Duration:

Delete and replace with:

This Agreement shall be effective from July 19, 2003 and shall continue in full force and effect through July 19, 2008 and shall continue from year to year thereafter unless or until either party serves notice, in writing, at least sixty (60) days prior to the expiration of the original or any subsequent period of a desire to change, modify, or terminate this Agreement. In the event either party serves notice with respect to changes in or modification or termination of the Agreement, it is agreed that the parties shall begin negotiations promptly. Pending the outcome of such negotiations, this Agreement shall continue in full force and effect beyond the expiration date, subject, however, to the right of either party to terminate the entire Agreement upon at least seven (7) days' prior written notice to the other party.

15. Side Letters:

The Employer and the Union will place in a side letter the Benefits for Grand fathered Baggers and Service Clerks, Grand fathered Part Time Health and Welfare, Grand fathered Department Heads and The UFCW Local 56 Health and Welfare Fund six month payment rule.

For Acme Markets Inc.

For UFCW Local 27

HOSPITAL, SURGICAL AND MAJOR MEDICL BENEFITS FOR RETIREES

A. Full-time employees who retire under the terms of the UFCW Tri-State Pension Fund and who on their retirement date have 20 or more years of service with the Employer, but have not attained age 62, shall be given the opportunity on a contributory basis, to enroll in an appropriate plan of benefits as provided for by the Local 56 Health & Welfare Fund. Contributions to continue until the first of the month following the retiree's 62nd birthday. At the time of enrollment for this coverage, the application may include the retiree and eligible dependents. For the purpose of this coverage, an eligible dependent is defined as the spouse of the employee and all unmarried dependent children under 19 years of age except that an unmarried child who if enrolled as a full-time student in school, dependent to age 23. Coverage shall be terminated if contributions are not received on or before the 10th of the month of coverage, or if the retiree obtains any employment in the industry except as permitted, or upon death of the retiree, or if the retiree ceases to receive retirement benefits from the Pension Fund.

B. For the duration of this Agreement retirees referred to above who have attained age 62 and full time employees who retire under the terms of the UFCW Tri-State Pension Plan and who on their own retirement date have 20 years of service with the Employer and have attained age 62 shall have their Blue Cross, Blue Shield and Major Medical ($250,000.00 maximum), coverage continued by the Local 56 Health & Welfare Fund. The Employer agrees to continue its present contribution for dependent and single coverage for these individuals. This coverage will include the retiree and eligible dependents as defined above. Coverage provided under this Section will terminate when the retiree becomes eligible for Hospital Insurance Benefits as defined in Title XVIII of the Social Security Act (Medicare), as amended, or the retiree or spouse obtains any employment which provides similar coverage or upon the death of the retiree ceases to receive retirement benefits from the Pension Plan.

C. Full-time employees who retire under the terms outlined in the above paragraph will be provided with a prescription plan and vision care benefit for themselves and their eligible dependents. Part-time employees will receive said benefits for themselves only.

D. In the event that any otherwise eligible dependent receives comparable hospital-medical-surgical coverage as described above on a non-contributory basis from any source, no coverage will be provided under this program as to that dependent.

E. During the term of this agreement employees between the age of 55 and 65 will be offered the opportunity to elect early retirement and have their Health & Welfare contributions to the Local 56 Fund paid for by the Company at the specified retiree rate.

John Calleri
Acme Markets, Inc.

Carvel M. Mays, Jr.
UFW Local 27

SIDE LETTER
HEALTH & WELFARE – PART-TIME EMPLOYEES

Part-time employees hired on or before July 19, 1998, shall continue to receive Health & Welfare coverage, including major medical coverage, for their dependents, at no cost to the employee so long as they remain regularly and continuously employed and meet all eligibility requirements set forth in this Agreement. (This paragraph shall cover approximately 425 employees identified by the Local 56 H & W Fund for the purpose of these negotiations.)

Part-time employees hired between July 20, 1998 & July 19, 2001, who elected Health & Welfare coverage, including major medical coverage, for their dependents on or before July 19, 2003, shall retain such coverage so long as they remain regularly and continuously employed and meet all eligibility requirements set forth in this Agreement. The employee's share of the cost of the above benefits shall be determined within 60 days of ratification of the Agreement. (This paragraph shall cover approximately 11 employees identified by the Local 56 H & W Fund for the purpose of these negotiations.)

Part-time employees hired between July 20, 1998 & July 19, 2001, who did not elect Health & Welfare coverage, including major medical coverage, for their dependents on or before July 19, 2003, shall have a 45 calendar day period from the date of ratification of this Agreement to elect such coverage. If the employee elects such coverage, then for a 36-month period from the date of election, the employee's share of the cost of such coverage shall be $32.82 per week. This shall be a one time election and any break in payment by the employee shall constitute a waiver of the employee's right to dependent coverage as described in this paragraph. (This paragraph shall cover approximately 173 employees identified by the Local 56 H & W Fund for the purpose of these negotiations.)

Bagger and Service Clerks receiving limited Health & Welfare benefits on July 19, 2003, shall be placed into Plan N and the Employer shall make contributions as prescribed for Plan N benefits. (This paragraph shall cover approximately 10 employees identified by Local 56 H & W Fund for the purpose of these negotiations.)

Part-time employees hired between July 20, 2001 & July 19, 2002, receiving limited Health & Welfare benefits as of July 19, 2003, shall continue to receive such limited benefits so long as they remain regularly and continuously employed and meet all eligibility requirements set forth in this Agreement. The Employer shall continue to make the same limited contributions as the Employer made as of July 19, 2003. (This paragraph shall cover approximately 212 employees identified by Local 56 H & W Fund for the purpose of these negotiations.)

John Calleri
Acme Markets, Inc.

Carvel M. Mays, Jr.
UFW Local 27