

Union Last Best and Final Offer on Outstanding Proposals

June 8, 2016

* Items that are highlighted have non-redline contract changes that have already been tentatively agreed upon by the Parties.

The Union proposes full retroactivity of all wages and benefits to May 7, 2016.

Non-Economics

1) Article 2

New Section

Section 2.11: Pharmacy Technicians/Pharmacist Overlap

The Company agrees to continue to monitor and to meet to discuss the Union's concerns about Technician hours and Pharmacists schedule overlap. All materials or data discussed during these meetings will be strictly confidential.

2) Article 3

Modified Section 3.5 to read as follows:

Section 3.5: Scheduling of Regular Part-Time Employees

An effort will be made to schedule part-time employees a minimum of seventeen (17) hours per week in the store in which they work. However, this shall not apply to an employee called in to replace another employee or to an employee whose available hours are beyond the Employer's control or to an employee called in to work when fewer than seventeen (17) available hours remain in the week. The Employer agrees that where appropriate it will attempt to schedule part-time pharmacists around the full-time pharmacists.

It is also understood and agreed that if less than one (1) week of additional part-time hours become available at the pharmacist's home store, and the part-time pharmacist is available to work the additional hours, the ~~most senior~~ part-time pharmacist in that store may request will be offered by seniority those hours prior to assigning those hours to someone not based in that location, ~~unless those hours are assigned to a full time pharmacist.~~ This provision shall not be considered a guarantee of hours or assignments.

3) Article 5

Modified Section 5.4 and 5.16 to read as follows:

Section 5.4(1): Vacation Administration

D. Unbid Vacation. The Company will continue its practice on unbid vacations.

Section 5.16 Coverage for Vacation, Personal Days and other Absences

1. Pharmacists may only be required to assist the Employer in securing his or her own replacement for Personal Days and unbid vacation as outlined in Section 5.4, 5.10, 5.11, and 5.12. The Employer will provide coverage for all other time-off including, but not limited to, single-shift emergency call-offs (for example, calling-off due to illness).
2. Pharmacists who secure coverage pursuant to the above paragraph shall not be unreasonably denied such coverage, even if such coverage results in bonus units or overtime.

4) Article 7

New Section 7.8

Modified Article 7 Section 7.1, 7.3, 7.7 to read as follows:

Section 7.1: Seniority and Other Definitions

Seniority means the rights secured by an regular full-time employee by length of continuous employment service as provided herein. Seniority starts from the last day when the employee is hired by the Employer, except that new regular full-time employees shall not acquire any seniority rights until they have completed a probationary period of ninety (90) days.

Section 7.3: Selection of Employees for Full-Time Employment

The Employer will welcome applications for full-time employment from part-time employees with six (6) months or more continuous service. When a full-time pharmacist is needed, the Employer will endeavor to fill said position by selecting from all applicants, the applicant whose qualifications, ability, and availability for work are the greatest; provided, however, that when qualifications are equal, preference shall be given to part-time applicants within the collective bargaining unit on the basis of their length of service. The determination of the relative qualifications of all applicants is expressly reserved to the Employer. All full-time positions shall be emailed to every part-time employee at least six (6) weeks prior to filling the position.

Section 7.7: Transfer of Pharmacists

All available staff pharmacists positions shall be emailed to every full-time pharmacist at least six (6) weeks prior to filling the position.

All new full-time staff positions and all full-time staff vacancies in existing positions in the Chicago Division B (Teamster members in Lake, Cook, DuPage and McHenry counties) will be filled after consideration of a pharmacist's written request for work at the applicable location. To be considered, the written request must be received by the Pharmacy District Manager at least four (4) weeks in advance of filling the full-time staff opening. Selection will be based solely on seniority with full-time "floaters" having priority over other full-time employees, except when justified by the special needs of the employer (i.e., bilingual). Provided however:
~~Provided however:~~

~~Candidate pharmacist meets expectations on performance ratings in last 12 months;
no discipline in the last nine (9) months;
has not rejected a requested transfer during the last nine (9) months.~~

Bids will not be considered from pharmacists who have been assigned to their current location for less than the twelve (12) months preceding filling the opening, except when justified by the business necessity. Pharmacists may be transferred only for operational necessity. Pharmacists will not be transferred for disciplinary reasons, except for sexual harassment or inappropriate fraternization cases.

A pharmacist who is denied a transfer may request, in writing, a meeting with the Pharmacy District Manager to discuss the reasons(s) for any such denial.

In the event a pharmacist may be transferred for sexual harassment or inappropriate fraternization, the Pharmacy District Manager will notify the Union. In the event a pharmacist who is notified of a non-disciplinary transfer is unwilling to be transferred, the Pharmacy District Manager will notify the Union office immediately. A meeting shall be held between the Pharmacy District Manager or Associate Relations Manager and the Chief Union Steward or alternate steward to resolve the matter within two (2) working days after the notification of transfer.

If, after the meeting, but no more than two (2) working days after the Union has been notified, the Company's decision is to transfer the pharmacist and the pharmacist is not willing to transfer, the pharmacist involved may resort to the grievance procedure. In the interim, the pharmacist involved may be temporarily assigned to the new location until the grievance is resolved.

Family medical leave or any leave less than eighteen (18) weeks shall not result in loss of store position.

Semi-annually, the Company will distribute a list of upcoming new store locations and will provide a return form for requests to transfer. Such completed forms returned to the Pharmacy District Managers will be logged and updated semi-annually.

Section 7.8 Floaters

The Company will use its best efforts to assign floaters to stores closest to their homestore. Open Floater homestores shall be bid by seniority.

5) **Article 11**

Modified Article 11 to read as follows:

HEAD PHARMACISTS

The Employer may designate staff pharmacists as head pharmacists. Head pharmacists shall be bargaining unit members and shall perform bargaining unit work, primarily filling prescriptions.

Application to the head pharmacist program shall be voluntary. Selection of volunteers shall be in the sole discretion of the Employer. If a Head Pharmacist gives the Company notice of his intent to resign from the responsibilities of Head Pharmacist, the Company will attempt to secure a replacement Head Pharmacist within thirty (30) days of receipt of the notice.

Head Pharmacists shall perform those duties as may be assigned by the Employer. Such duties may include: budget responsibilities; work flow supervision; directing the pharmacy staff; monitoring product sources, generic utilization, marketing promotions, competitor pricing, inventory control, pharmacy reports; administration of company programs/policies; training; recommending personnel related action; communication to the pharmacy staff; and other duties. Head Pharmacists shall not be responsible for the decision to hire, discharge or otherwise discipline other pharmacists. Work schedules of full-time staff pharmacists, including Head Pharmacists, shall be rotated in an equitable manner in regard to starting and ending times and weekend work, provided the needs of the business are met.

The Employer shall have the right to develop, modify or terminate an incentive pay plan for head pharmacists during the term of the Agreement.

A head pharmacist with an evaluation of satisfactory or above, employed more than twelve (12) months as a head pharmacist, and who chooses to be a staff pharmacist shall have preference over pharmacists who are not regularly assigned to a pharmacy as a staff pharmacist (i.e. undistributed pharmacists) with the Company for an available staff pharmacist vacancy. Nothing herein shall limit the Employer's right to demote or transfer pharmacist as provided in Section 7.7 of this labor agreement. The Employer within its sole discretion may modify (except as specifically limited herein this section) or terminate the head pharmacist program during the term of this Agreement. However, the Employer shall notify the Union or Communication Committee of any major change or termination of the head pharmacist program. Head Pharmacists shall not be disciplined for the performance of other employees.

6) **Walgreens Letter**

Modified Walgreens Letter to read as follows:

Direct line: 630/948-6275

Facsimile: 630/948-6950

~~May 17, 2013~~

Mr. John Coli
IBT Local No. 727
1300 W. Higgins Rd
Suite 111
Park Ridge, IL 60068

RE: Memorandum of Understanding Regarding Walgreens Top Rates

Dear John:

In conjunction with the most recent collective bargaining negotiations, the parties agree to this Letter of Understanding for the term of the collective bargaining negotiations, May 8, 201~~3~~6 to May 4, 201~~6~~9.

In the event the Walgreens collective bargaining agreement provides a top wage rate which is more than the top wage rates provided in the ~~2013-2016~~ 2016-2019 Osco Drug (Chicagoland) collective bargaining agreement, the employer shall adjust the top rate up to the Walgreens top rate, not to exceed a 2.75% increase from Osco's prior year's rate, on the Sunday following the effective date of Walgreens increase in its collective bargaining agreement. ~~Nothing herein shall apply to calendar year 2016.~~

If this memorandum is correct, please sign and date all four (4) copies of this letter and return two (2) for my file.

Very truly yours,

Stacey J. Brown

Enclosure

Economics

1) Modify Article 5 (Sections 5.7,

Section 5.10: Personal Day Off -- Employee's Birthday

All ~~regular full-time~~ employees with one (1) continuous year of service shall be given an additional day off with pay each year in celebration of their birthday. The day off shall be as mutually agreed upon by the Employer and the employee. Such employees shall receive ~~one-fifth (1/5th) of his~~ one (1) day's pay based on the pharmacist's basic weekly salary for such day off.

Section 5.11: Personal Day Off -- Employee's Employment Anniversary

All ~~regular full-time~~ employees with one (1) continuous year of service shall receive an additional day off in celebration of their employment anniversary. This day off shall be taken on the employee's actual anniversary date or during the week in which the anniversary occurs or as mutually agreed between the Employer and the employee. Each employee shall ~~one-fifth (1/5th) of his~~ receive one (1) day's pay based on the pharmacist's basic weekly salary for such day off.

Section 5.12: Personal Day Off - Full-Time With 3 Years

All regular full-time employees with three (3) continuous years of service and part-time employees with one (1) or more continuous years of service shall receive an additional day off each calendar year effective January 1, 2000. This day off shall be taken as mutually agreed between the Employer and the employee. Each eligible full-time employee shall receive ~~one-fifth (1/5th) of his~~ one (1) day's pay based on the pharmacist's basic weekly salary for such day off.

2) Modify Article 6 to read as follows:

Section 6.1 Health Insurance and Employee Benefits

(a) The Employer agrees to freeze employee contributions to the Health and Welfare Plan at the current rates for employees. The Employer agrees that employees covered under this Agreement shall have the most favored nations regarding employee contribution rates and are guaranteed to have the lowest employee contributions of any union group in Jewel-Osco. Should any unionized group of Jewel-Osco employees pay lower employee contributions for a particular plan of benefits, the contributory obligations of the member of this bargaining unit, participating in that plan shall be reduced to the lower levels. Members of the bargaining unit shall be offered the same plans at the same benefit levels (with the exception of the Local 881 PPO Plan) as all other Jewel-Osco employees. The Union shall have the right to review Employer records of other unions' contribution rates to ensure compliance with this Article. The Employer agrees to sponsor annual health fairs for member of the bargaining unit, the purpose of which shall include explaining the criteria for and assisting members to meet requirements for Healthy Pursuits.

(b) The following Health and Welfare rates shall apply for the HRA Plan for the duration of the Agreement:

Healthy Pursuits

Weekly Employee Contribution Rates

<u>Normal Health Plan</u>	<u>5/8/2016-5/3/2019</u>
<u>Single Coverage</u>	<u>\$17.50</u>
<u>Dual Coverage</u>	<u>\$30.00</u>
<u>Family Coverage</u>	<u>\$42.50</u>

Non Healthy Pursuits

Weekly Employee Contribution Rates

<u>Normal Health Plan</u>	<u>5/8/2016-5/3/2019</u>
<u>Single Coverage</u>	<u>\$31.93</u>
<u>Dual Coverage</u>	<u>\$58.86</u>
<u>Family Coverage</u>	<u>\$71.36</u>

Dental Plan

Weekly Employee Contribution Rates

	<u>5/8/2016-5/3/2019</u>
<u>Single Coverage</u>	<u>\$1.50</u>
<u>Dual Coverage</u>	<u>\$3.00</u>
<u>Family Coverage</u>	<u>\$4.50</u>

Vision

Weekly Employee Contribution Rates

	<u>5/8/2016-5/3/2019</u>
<u>Single Coverage</u>	<u>\$.30</u>
<u>Dual Coverage</u>	<u>\$.60</u>
<u>Family Coverage</u>	<u>\$.90</u>

6.2 Retirement

(a) For the duration of this Agreement, except as modified below, the Employer agrees to provide and administer its normal retirement program subject to the terms and conditions stated therein as the same may be amended from time to time for each regular full-time employee in the collective bargaining unit.

(b) Effective May 8, 2016 and continuing until May 3, 2019 the following provision shall apply to all employees:

- 1) The employer shall match fifty percent (50%) of all employee contributions to each employee's 401(k) account up to 7% of the employee's yearly earnings. The employer shall deposit the match once per year.

2) Effective September 6, 2018, the Employer shall contribute \$0.50 per hour worked up to forty (40) hours per week to each employee's 401(k) account. The Employer shall deposit such contributions on a monthly basis.

3) Modify Appendix A and B as follows:

APPENDIX A

COMPENSATION

Section A.1.: Guaranteed Minimum Weekly Salary -- Full-Time Employees

Effective: 5/7/2016 5/7/2017 5/7/2018

Full-Time Registered Pharmacist (weekly salary)	<u>\$2,666.00</u>	<u>\$2,732.00</u>	<u>\$2,800.00</u>
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Section A.2: Hourly Rates

Part-Time Registered Pharmacist	<u>\$66.65</u>	<u>\$68.30</u>	<u>\$70.00</u>
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Effective: 5/7/2016 5/7/2017 5/7/2018

Graduate Non-Registered Pharmacist	<u>\$28.90</u>	<u>\$29.60</u>	<u>\$30.35</u>
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* These wage rates do not include the applicable premiums for pharmacists regularly working the 10:00 p.m. to 8:00 a.m. work shift, as set forth in Appendix C, Section 1, or for midnight pharmacy operations, as set forth in Appendix D, Section 1. These rates also do not reflect the optional work week, which may be chosen by certain full-time pharmacists, as defined in Appendix C, Section 2(c).

APPENDIX B

WAGE STRUCTURE FOR PHARMACY STUDENT APPRENTICES

<u>Effective:</u>	<u>5/7/2016</u>	<u>5/7/2017</u>	<u>5/7/2018</u>
Pharmacy Students			
Pharmacy School Year			
<u>3rd year</u>	<u>\$13.30</u>	<u>\$13.65</u>	<u>\$14.00</u>
<u>4th year</u>	<u>\$14.85</u>	<u>\$15.20</u>	<u>\$15.60</u>
<u>5th year</u>	<u>\$16.90</u>	<u>\$17.30</u>	<u>\$17.75</u>
<u>6th year</u>	<u>\$18.45</u>	<u>\$18.90</u>	<u>\$19.35</u>

NOTE:

The above structure is designed to provide a minimum wage rate for pharmacy student apprentices and to allow individual store management to recognize experience, effort, and ability demonstrated by individual pharmacy student apprentices.

Pharmacy students who are initially and solely employed in order to gain pharmacy school credits need not be paid any compensation during their school intern program period provided Employer activities are related to pharmacy school extern program. Such students who are retained after completion of a pharmacy school extern program in connection with school credits shall be paid in accordance with the above stated minimum rates of pay.