

Memphis 1529 Comprehensive Offer – Health Care Overview



On Friday, September 10, the company submitted its Comprehensive Offer to UFCW Local 1529 as part of the negotiations process. The offer includes proposed language changes to certain existing provisions as well as economic proposals, including proposals for wages, pension, and health care.

Kroger Delta wants to provide secure and affordable health care benefits through a company-administered plan. Under the proposed company-administered, the plan design and costs are guaranteed throughout the life of the contract beginning in 2023. Any future changes to the company-administered plan will be the subject of negotiation by the company and UFCW Local 1529.

Below are the details of the proposed company-administered plan contained in our Comprehensive Offer:

| Weekly Contributions 2021 and 2022 | Plan A | | Plan B | | Plan C | |
|---------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
| | Wellness Incentive | Without Wellness Incentive | Wellness Incentive | Without Wellness Incentive | Wellness Incentive | Without Wellness Incentive |
| Part Time - Employee | \$15 | \$25 | \$13 | \$23 | \$11 | \$21 |
| Full Time - Employee | \$15 | \$25 | \$13 | \$23 | \$11 | \$21 |
| Employee + Child(ren) | \$24 | \$34 | \$19 | \$29 | \$16 | \$26 |
| Employee + Spouse | \$31 | \$41 | \$25 | \$35 | \$22 | \$32 |
| Family | \$38 | \$48 | \$28 | \$38 | \$25 | \$35 |
| Monthly Working Spouse Fee | \$34.62 (\$150 per month) | | \$34.62 (\$150 per month) | | \$34.62 (\$150 per month) | |

Wellness Incentives: The wellness incentive discount requires participation in a wellness program that consists of an employee meeting with a pharmacist, their primary care physician, or other plan provider to receive a health screening. Participating employees will receive a \$10.00 discount on their employee contributions as shown in the chart above. This incentive will be discontinued on December 31, 2022.

Our proposal includes Primary or Secondary Working Spouse coverage, which is an improvement over your current plan.

| Weekly Contributions 2023 and 2024 | Plan A | | Plan B | | Plan C | |
|---------------------------------------|---------------------------|------|---------------------------|------|---------------------------|------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Employee Only (Part- or Full-Time) | \$18 | \$22 | \$15 | \$18 | \$12 | \$13 |
| Employee + Child(ren) | \$33 | \$40 | \$27 | \$33 | \$22 | \$24 |
| Employee + Spouse | \$40 | \$49 | \$33 | \$40 | \$27 | \$29 |
| Family | \$46 | \$54 | \$45 | \$54 | \$36 | \$39 |
| Monthly Working Spouse Fee | \$46.15 (\$200 per month) | | \$46.15 (\$200 per month) | | \$46.15 (\$200 per month) | |

Health Care Benefits Eligibility

Under our proposal, effective January 1, 2022, associates would maintain the benefits eligibility status based on the rules currently in place on December 31, 2021. This means that associates who are eligible for benefits on December 31st 2021 and will continue to have benefits throughout 2022 if they continue to work the hours currently required.

A new 12-month eligibility measurement period, which would run October 2021 through September 2022, will be used to determine the eligibility status for your 2023 health care benefits. For each following year associates will become eligible based on hours worked from October through September.

| Eligibility by Coverage Tier | 2022 | 2023 | 2024 |
|------------------------------------|-----------|-----------|-----------|
| Employee Only (Part- or Full-Time) | 20 hrs/wk | 24 hrs/wk | 27 hrs/wk |
| Employee + Child(ren) | 30 hrs/wk | 30 hrs/wk | 30 hrs/wk |
| Employee + Spouse | 36 hrs/wk | 36 hrs/wk | 36 hrs/wk |
| Family | 36 hrs/wk | 36 hrs/wk | 36 hrs/wk |

Negotiations Update

In the coming weeks, we will provide you with more information on our proposals including health care. Our Comprehensive Offer is part of the negotiations process. We look forward meeting next week with Local 1529 leaders to continuing negotiations.

As always, you can find the most up-to-date negotiation information at www.krogermemphiscba.com. You can also refer any questions to your Store Leader or submit a question to askdelta@kroger.com.