

COLUMBUS NEGOTIATIONS UFCW LOCAL 1059 COMPREHENSIVE HEALTHCARE PROPOSAL (7.15.2022)

This document represents a proposal regarding the negotiation for a successor agreement between the Columbus Division (Kroger) and Local 1059, United Food and Commercial Workers. The Company reserves the right to modify, substitute, add or delete any and all proposal(s) made in this response or during the course of these negotiations.

K12 - ARTICLE XXI HEALTH AND WELFARE

~~Participation Agreement: The Employer shall contribute to the Central Ohio Health and Welfare Fund using the existing monthly contribution rates through the end of February 2019. Starting March 1, 2019, the Employer shall contribute to the fund in which Kroger employees represented by UFCW Local 1059 are enrolled, using the pass-through method, as described in Section A: Employer and Employee Contributions. The Employer will adopt and agree to be bound by the terms and conditions of the fund in which Kroger employees represented by UFCW Local 1059 are enrolled participants, as agreed to, and the actions taken pursuant to such provisions as long as the Employer and the Union have appropriate representation on the board of trustees. The Employer shall execute the normal form of Participation Agreement concerning participation under the Health Fund.~~

~~—Kroger and the Union expect, anticipate, and understand that the Columbus Fund and the Heartland Fund will be merged, with the Heartland Fund as the surviving fund. Kroger and Local 1059 agree to take necessary and reasonable steps to support that merger to be accomplished by December 31, 2019. In that regard, if any of the Non-Kroger employers participating in the Central Ohio Fund do not participate in the Heartland Fund, due to recommendations of the Heartland Fund Actuary under the rules, policies and procedures of the Heartland Fund, Kroger agrees to remain in the Central Ohio Fund until no later than December 31, 2019 and the Merger Date will take place no later than December 31, 2019.~~

~~—Health Care Provisions for the year of 2019 are contained in a separate Letter of Understanding. Unless otherwise noted, the provisions listed within this article are effective January 1, 2020.~~

The Employer shall participate in and contribute to the Heartland Health and Wellness Fund and adopts and agrees to be bound by the terms and conditions of the Health Fund's Trust Agreement, as amended, and the actions taken pursuant to such provisions as long as the Employer and the Union have appropriate representation on the Board of Trustees. The Employer shall execute the normal form of Participation Agreement concerning participation under the Health Fund.

A. Employer and Employee Contributions

The required employee contributions for active working full-time and part-time employees who qualify for Health Care Benefits in effect as of the date of this agreement shall continue as previously adopted by the trustees. Effective with the start of the weekly payroll period correlating with January 1st of each year, the following rates will be deducted by payroll for enrolled employees. Employees who do not participate in a yearly Health Screening will pay the without health screening rate. Plan eligibility is not affected by participation in a yearly Health Screening.

<u>Weekly Employee Contributions</u>	<u>Plan A</u>		<u>Plan B</u>	
<u>CALENDAR YEAR 2022</u>	<u>With Health Screening</u>	<u>No Health Screening</u>	<u>With Health Screening</u>	<u>No Health Screening</u>
<u>Employee</u>	<u>\$22.50</u>	<u>\$29.25</u>	<u>\$17.50</u>	<u>\$22.75</u>
<u>Employee + Spouse</u>	<u>\$30.00</u>	<u>\$39.00</u>	<u>\$25.00</u>	<u>\$32.50</u>
<u>Employee + Child(ren)</u>	<u>\$27.50</u>	<u>\$35.75</u>	<u>\$22.50</u>	<u>\$29.25</u>
<u>Employee + Family</u>	<u>\$32.50</u>	<u>\$42.25</u>	<u>\$27.50</u>	<u>\$35.75</u>
<u>Ancillary Only</u>	<u>\$3.00</u>		<u>\$3.00</u>	
<u>Monthly Spousal Fee</u>	<u>\$250.00</u>		<u>\$250.00</u>	

<u>Weekly Employee Contributions</u>	<u>Plan A</u>		<u>Plan B</u>	
<u>CALENDAR YEAR 2023</u>	<u>With Health Screening</u>	<u>No Health Screening</u>	<u>With Health Screening</u>	<u>No Health Screening</u>
<u>Employee</u>	<u>\$23.50</u>	<u>\$30.55</u>	<u>\$18.50</u>	<u>\$24.05</u>
<u>Employee + Spouse</u>	<u>\$32.00</u>	<u>\$41.60</u>	<u>\$27.00</u>	<u>\$35.10</u>
<u>Employee + Child(ren)</u>	<u>\$29.50</u>	<u>\$38.35</u>	<u>\$24.50</u>	<u>\$31.85</u>
<u>Employee + Family</u>	<u>\$35.50</u>	<u>\$46.15</u>	<u>\$30.50</u>	<u>\$39.65</u>
<u>Ancillary Only</u>	<u>\$3.00</u>		<u>\$3.00</u>	
<u>Monthly Spousal Fee</u>	<u>\$250.00</u>		<u>\$250.00</u>	

<u>Weekly Employee Contributions</u>	<u>Plan A</u>		<u>Plan B</u>	
<u>CALENDAR YEAR 2024</u>	<u>With Health Screening</u>	<u>No Health Screening</u>	<u>With Health Screening</u>	<u>No Health Screening</u>
<u>Employee</u>	<u>\$24.50</u>	<u>\$34.30</u>	<u>\$19.50</u>	<u>\$27.30</u>
<u>Employee + Spouse</u>	<u>\$34.00</u>	<u>\$47.60</u>	<u>\$29.00</u>	<u>\$40.60</u>
<u>Employee + Child(ren)</u>	<u>\$31.50</u>	<u>\$44.10</u>	<u>\$26.50</u>	<u>\$37.10</u>
<u>Employee + Family</u>	<u>\$38.50</u>	<u>\$53.90</u>	<u>\$33.50</u>	<u>\$46.90</u>
<u>Ancillary Only</u>	<u>\$3.00</u>		<u>\$3.00</u>	
<u>Monthly Spousal Fee</u>	<u>\$250.00</u>		<u>\$250.00</u>	

<u>Weekly Employee Contributions</u>	<u>Plan A</u>		<u>Plan B</u>	
<u>CALENDAR YEAR 2025</u>	<u>With Health Screening</u>	<u>No Health Screening</u>	<u>With Health Screening</u>	<u>No Health Screening</u>
<u>Employee</u>	<u>\$25.50</u>	<u>\$35.70</u>	<u>\$20.50</u>	<u>\$28.70</u>
<u>Employee + Spouse</u>	<u>\$36.00</u>	<u>\$50.40</u>	<u>\$31.00</u>	<u>\$43.40</u>
<u>Employee + Child(ren)</u>	<u>\$33.50</u>	<u>\$46.90</u>	<u>\$28.50</u>	<u>\$39.90</u>
<u>Employee + Family</u>	<u>\$41.50</u>	<u>\$58.10</u>	<u>\$36.50</u>	<u>\$51.10</u>
<u>Ancillary Only</u>	<u>\$4.00</u>		<u>\$4.00</u>	
<u>Monthly Spousal Fee</u>	<u>\$250.00</u>		<u>\$250.00</u>	

WEEKLY EMPLOYEE CONTRIBUTIONS	Plan A		Plan B	
	With Health Screening	Without Health Screening	With Health Screening	Without Health Screening
2020				
Employee	\$22.50	\$29.25	\$17.50	\$22.75
Employee + Spouse	\$30.00	\$39.00	\$25.00	\$32.50
Employee + Child(ren)	\$27.50	\$35.75	\$22.50	\$29.25
Employee + Family	\$32.50	\$42.25	\$27.50	\$35.75
Ancillary Dental and Vision	\$3.00		\$3.00	
Spousal Fee - Enrolled Prior to 1/1/2020 (Monthly)	\$150.00		\$150.00	
Spousal Fee, Enrolled on or After 1/1/2020 (Monthly)	\$250.00		\$250.00	

WEEKLY EMPLOYEE CONTRIBUTIONS	Plan A		Plan B	
	With Health Screening	Without Health Screening	With Health Screening	Without Health Screening
2021-2022				
Employee	\$22.50	\$29.25	\$17.50	\$22.75
Employee + Spouse	\$30.00	\$39.00	\$25.00	\$32.50
Employee + Child(ren)	\$27.50	\$35.75	\$22.50	\$29.25
Employee + Family	\$32.50	\$42.25	\$27.50	\$35.75
Ancillary Dental and Vision	\$3.00		\$3.00	
Spousal Fee (Monthly)*	\$250.00		\$250.00	

~~*Spousal Coverage and Spousal Fee - Employees averaging at least thirty six (36) hours or more per week will be eligible to cover spouses.~~

~~— Employees enrolled in the Plan prior to 1/1/2020 who elect coverage for their spouse will be subject to a weekly spousal fee of \$34.61* (\$150 per month) if their spouse has access to ACA compliant employer sponsored health insurance and chooses not to take it. Spouses electing to use Kroger healthcare as secondary coverage will be eligible to waive the fee through 12/31/2020. Starting 1/1/2021, employees enrolled prior to 1/1/20 will have the weekly spousal fee increase to \$57.69* (\$250 per month) and can only be waived if the associate can provide proof that their spouse has no other access to ACA compliant employer sponsored health insurance. The waiver, when applicable, is subject to appropriate proof of marriage.~~

~~— Employees averaging at least 36+ hours per week in the standard measurement periods that are not enrolled in the plan prior to 1/1/2020 who elect coverage for their spouse are required to pay the weekly spousal fee of \$57.69* (\$250 per month).~~

~~— Employees hired before 11/6/18 may cover a spouse who works for Kroger without being subject to spousal fee.~~

~~— Employees averaging at least 36+ hours per week in the standard measurement period that have spouses enrolled in other health plans will be able to enroll their spouse in the ancillary dental and vision plan for \$3.00 per week.~~

~~*Weekly amounts could vary depending on the number of weeks per year. Rates shown assume 52 weeks per year.~~

Employees averaging at least thirty-six (36) hours or more per week will be eligible to cover spouses. Qualifying full-time employees who enrolled in the plan prior to 1/1/2020 who elect spousal coverage may reduce their weekly contribution by \$57.69 (\$250 per month) if they can provide proof that their spouse has no other access to ACA compliant employer sponsored health insurance. The waiver, when applicable, is subject to appropriate proof of marriage.

Qualifying full-time employees enrolled in the plan on or after 1/1/2020 who elect spousal coverage are not able to waive the spouse fee.

Spouses working for Kroger and represented by UFCW Local 1059 may enroll in medical coverage and waive the spousal surcharge, regardless of the member's hire date or enrollment date. Eligible spouses who elect ancillary coverage will only be subject to the weekly ancillary premium.

When an employee is eligible to be covered as both an employee and a spouse, both represented by UFCW Local 1059, the plan will coordinate benefits up to the limits provided by the higher of the two plans elected for coverage. There is no duplication of benefits.

~~Employer Contributions/Funding - Effective as of March 1, 2019 and through the duration of participation in the UFCW Unions and Employers Health and Welfare fund of Central Ohio, Kroger will begin making contributions to the Columbus Fund under a Pass-Through methodology.~~

~~—Kroger will begin making contributions using the same pass-through method to fund benefits for 1059 members merged with the Heartland Health and Wellness Fund (the Heartland Fund) as soon as possible in 2019, but no later than December 31, 2019.~~

The Employer shall continue a "Pass-Through funding" arrangement upon ratification. This means the Fund will pay claims and cover related expenses, sending a regularly scheduled invoice to Kroger Accounting Services. Kroger will remit payment within seven (7) days of receipt, unless there is a documented dispute

Each year, the Fund Consultant will calculate the average claim cost per enrolled per month (PEPM) based on the experience pool that includes all participating Kroger groups in the Heartland Fund. These costs will include dental, vision, medical, life insurance, sick pay, and wellness expenses.

The Fund Consultant will compare the PEPM cost for the period between August 1, ~~2019-2020~~ and July 31, ~~2020-2021~~ ("~~2020-2021~~ PEPM cost") with the PEPM cost for the period between August 1, ~~2020-2021~~ and July 31, ~~2021-2022~~ ("~~2021-2022~~ PEPM cost"). If the PEPM cost increase is more than 8%, then the Heartland Fund trustees must take immediate actions, such as altering plan design, employee eligibility requirements, benefits or coverages to cover any cost increases above 8%, and such benefit changes must take effect by January 1, ~~2022-2023~~. This same process and approach will be utilized if the parties continue or extend this contract.

For instance, if those costs were as follows:

2020-2021 PEPM cost	= \$800
2021-2022 PEPM cost	= \$875
2021-2022 Max PEPM cost with 8%	= \$864

the Trustees must reduce Employer cost PEPM by \$11 PEPM. One of the options would be that Trustees could increase employee contributions by \$2.54 per week in ~~2022-2023~~

Employer "contributions" shall be made for all qualifying employees on the Employer's active payroll as of the first pay period of each month and such contributions and related contribution reports are due by the fifteenth (15th) of each month. In no event shall such reports and contributions be received at the Fund Office, or other location which the Trustees may designate, later than the twenty-fifth (25th) of such month. Employer "contributions" for variable hour employees will be made in accordance with a twelve-

month measurement and stability period, outlined in Section E of this Article, and in compliance with the Affordable Care Act (ACA) and Patient Protection and Affordable Care Act (PPACA).

All Kroger employer and applicable employee contributions are to be used exclusively for the sole purpose of providing benefits to Kroger employees who participate in the current plans of benefits.

If at the expiration of this contract, the Employer and the Union mutually agree to change from a Pass-Through methodology back to a traditional funding model, the Employer will begin funding at a per eligible per month (PEPM) rate to pay projected claims and expenses in order to maintain Fund solvency for benefits provided to employees and their dependents. The rate will be determined by the actuary and if necessary, adjusted annually and agreed to by the trustees of the Heartland Fund. An additional amount of PEPM will be added to the described adjusted rate in order to reach IBNR (Incurred But Not Reported) claims plus two (2) months over the course of seven (7) total years.

B. Unworked Paid Leaves, Leaves of Absence, and Loss of Coverage

Contributions will be continued for those active employees who are on an unpaid, protected leave of absence as defined by ERISA, FMLA laws (qualified military, family, medical), and any contractually protected leaves in accordance with applicable law. In the event a covered employee is not working due to a medical leave of absence, the Employer will continue employee eligibility for a period not less than six (6) months or the end of the stability period, whichever occurs last. In the event a covered employee is injured on the job and is covered by Workers' Compensation, the Employer will continue employee eligibility for a period following the date of injury or the end of the stability period, whichever occurs last.

Contributions will be continued for those active employees who are on compensated leaves of absences, regardless of the reason. All compensable hours will count towards continued eligibility in the same manner they count towards status.

Once an employee is qualified and covered by the Health Plan, the employee shall remain eligible until disqualified in accordance with the provisions related to their years of service and average hours worked, herein. The Employer shall continue to pay such contributions as required so long as the employee remains employed and qualified in a covered classification. Employer contributions shall immediately be discontinued following a termination, voluntary quit, layoff, or change in eligible status. It is understood that any cessation of contributions as provided above shall be done in compliance with the ACA.

If an employee is absent and unpaid long enough to lose benefit eligibility, Employer contributions shall be resumed as of the first (1st) of the month immediately following return to work on the Employer's active payroll after illness, injury, leave of absence, or layoff.

During the twelve (12) month measurement period, employees off without pay for up to one (1) week due to layoff shall not be reclassified. The number of weeks worked shall be frozen and upon return to work shall continue as if there was no break for the purpose of qualifying. The same treatment will be applied for up to twelve (12) weeks for employees that miss work for any type of unpaid, protected leave (FMLA). The same treatment will be applied for an unlimited period for employees that miss work to fulfill military responsibilities and for unpaid jury duty.

Holidays and Vacations - Paid holidays and vacations shall be considered as time worked for benefit purposes.

Section C. Fund Reserves

The Fund will maintain \$500,000 in cash to meet regular expenses as needed.

DC. Reporting Obligations

The Employer is responsible for reporting the appropriate qualifying status for each employee to the Health Fund Office on a contribution report each month. The Employer accepts that failure to submit timely and correct contribution reports and contribution payments may result in interest, liquidated damages, and cost assessments pursuant to the Health Fund's delinquency collection rules and/or applicable law. The Employer consents to the audit of its payroll records by persons designated by the Health Fund's Trustees for the purpose of verifying the correctness of the Employer's contribution payments in accordance with uniform audit policies adopted by the Trustees. Any underpayments disclosed by such an audit shall be processed as delinquent contributions pursuant to the Health Fund's delinquency collection procedures. Contributions must be reported and paid each month, without regard to any prior overpayments. Prior overpayments and mistaken contributions can be claimed by the Employer pursuant to the rules adopted by the Health Fund's Trustees for refund of mistaken contributions. The Employer reserves the right to conduct audits of the vendors providing services to employees as well as the fund office.

ED. Eligibility

Qualification for The Health Plan shall remain compliant with ACA throughout the term of this agreement. Where measurement and administration periods are such that contributions are required by ACA for an employee's enrollment in a Plan, the Employer shall comply accordingly. The Employer shall meet and resolve with the Union upon the development of changes in the current system to ensure compatibility with the ACA.

1. Measurement Periods

- a) 12-month Measurement periods: Unless hired as a "full time" employee or accept a full-time position during their first year of employment, new hires will initially be measured after their 12th month of service. The employee's eligibility, which will be determined by their average weekly hours over the 12-month initial measurement period, will become effective on the first day of their 13th month of service. The employee's eligibility will remain the same for at least the 12 months following their initial qualification date, unless promoted.
- b) After their initial measurement period: An employee will be measured over the Company's standard measurement period. This period will begin on the payroll period that begins on the Sunday closest to October 1st of each year and conclude on the Saturday of the payroll period that ends closest to September 30th. This period should not overlap and cannot exceed twelve (12) months. An employee's eligibility, determined by the standard measurement period, will be effective from January 1st through December 31st of the following year.

~~2. Modified measurement period:~~

~~a) Employees with 12+ months of service on October 5, 2018: For the plan year 2020 only, employees with 12 or more months of service as of October 5, 2018 will be measured from November 18, 2018~~

~~through October 5, 2019 and awarded benefits that will be effective January 1, 2020 through December 31, 2020. Benefits awarded will be determined by years of service and average weekly hours paid.~~

~~b) Employees with less than 12 months of service on October 5, 2018: Employees with less than 12 months of service on October 5, 2018 will not be measured on said date. All other employees will be measured on their 12 month anniversary. Benefit eligibility will become effective on the first day of their 13th month of service. Benefit eligibility will be determined by employees' years of services and average weekly hours paid.~~

23. Earned Benefits

a) Employees working 36+ hours

- i) Family Benefits for Employee Qualification for Employees averaging 36 or more hours: For the purpose of establishing and maintaining eligibility for family health and wellness benefits as set forth in this Agreement, an employee must average thirty-six (36) hours or more during their basic work week for twelve (12) consecutive months, which is their initial measurement period or following the Employer's standard measurement period.

Once qualified, employees must average thirty-six (36) hours per week during their basic work week for the standard 12 month measurement period to maintain eligibility. Employees qualified as "family eligible," will have a contribution made in order to provide Employee, Spouse, and Child(ren), or Family, coverage in the plan of benefits for which they qualify, based on their hire date. Employees have the option to enroll spouse in ancillary benefits (not subject to the spouse fee). This contribution will continue for no less than 12 months.

A newly hired employee, expected to work 30+ hours per week through their first year of service will have a contribution made on their behalf on the first of the month following sixty (60) days following their date of hire. This contribution will be made in order to provide Employee, Spouse, and Child(ren), or Family, coverage. This contribution will continue for no less than 12 months unless the employee voluntarily opts to work part time hours in their first 12 months of service.

- ii) Family benefits Employee qualification for employees promoted to full-time jobs: An employee that is promoted to a full-time role with at least 12 months of service will be eligible for Employee, Spouse, and Children or Family coverage benefits on the first of the month following the promotion. An employee promoted to full time service within their initial 12 months of service will be eligible on the first of the month following 60 days from the promotion date.
- iii) Plan qualification for 36+ hours per week: Employees averaging 36+ hours per week during their measurement period will be eligible for Plan B benefits for their first three (3) years of service. Employees averaging 36+ hours per week during their measurement period can become eligible for Plan A after three (3) years of continuous service.

b) Employees averaging 30 or more hours but less than 36 hours per week

- i) Employee and Child(ren) Employee Qualification for Employees averaging 30 or more hours, but less than 36: Employees who average thirty (30) or more hours, but less than thirty-six (36) hours, per week during their during their measurement period, will have a contribution

made in order to provide Employee and Child(ren) coverage in the plan of benefits for which they qualify, based on their hire date.

ii) Plan qualification for 30 or more hours, but less than 36 hours per week:

Employees averaging thirty (30) or more hours per week, but less than thirty-six (36) hours per week, will be eligible for Plan B only (except employees who were hired prior to 3/14/88 and have continuously been enrolled in Plan A since 1/1/2020).

c) Part Time Variable Hours Employees

i) Part-Time Variable Hour Employee Qualification: Employees who have completed twelve months of service and averaged a minimum of twenty ~~six~~ ~~seven~~ (27) hours per week, but less than thirty (30) hours per week, during their measurement period will have a contribution made in order to provide Employee Only coverage in the plan of benefits for which they qualify, based on their hire date. ~~The requirement for part time benefit eligibility for the 2021 plan year will increase to twenty seven (27) average hours per week.~~

ii) Part-time Plan qualification: Employees averaging 27+ hours per week, but less than 36 hours per week will be eligible for Plan B only (except employees who were hired prior to 3/14/1988 and have continuously been enrolled in Plan A since 1/1/2020). ~~The requirement for part time benefit eligibility for the 2021 plan year will increase to 27 average hours per week.~~

iii) Part Time Employees Hired Prior to March 14, 1988: Part time employees hired prior to March 14, 1988 will have access to Plan A, employee only coverage. Employees will need to meet the same minimum part time hours requirements as set forth in section E.3.c.ii and will pay Plan A contribution rates. Employees that cease to be eligible and enrolled in Plan A for any reason during the term of this agreement will only be eligible for Plan B, effective January 1, 2020.

d) Ancillary benefits for Employees working 20 or more hours per week, but less than 27: Employees with 12 months of service and 20 or more hours per week, but less than 27 (~~27 in 2021~~), following the standard measurement period will qualify for ancillary benefits. Ancillary benefits include Dental, Vision, Life, and Sick pay benefits. Note: Employees waiving ancillary benefits will not be enrolled in life and sick pay plans.

e) ELIGIBILITY SUMMARY Tables: The tables below are for general information about clerk benefit eligibility. The rules established in the section above outline specific rules.

Hours worked	Dependent Coverage Awarded
36+	Employee, Spouse, Child(ren), Family Coverage
30 - 35.99	Employee, Child(ren)
27* - 29.99	Employee Only

~~*27 hours per week will be required for employee only benefits in 2021~~

Hours worked	Plan A	Plan B
36+	3+ years of service	1+ year of service
30 - 35.99	N/A	1+ year of service
27* - 29.99	N/A	1+ year of service

~~*27 hours per week will be required for Plan B benefits in 2021~~

*The tables above are illustrative. For specific rules, review the eligibility language preceding the tables.

EF. Wellness Incentives

For the purpose of administering the wellness program the Heartland Fund Board of Trustees will have authority to apply or modify the terms and conditions of the wellness benefits. Questions concerning application of wellness program should be directed to the Heartland Health and Wellness Fund office. All wellness data will remain confidential.

1. Definition of Terms:

- a) Biometrics – A short health examination that indicates your risk for certain diseases and medical conditions. Cholesterol, Blood Pressure and Glucose are tested. Screenings can be conducted by your physician or at other convenient locations.
- b) Yearly Physical – A Physical with a doctor that includes the above stated biometrics component.
- c) Wellness Program – ~~Beginning January 1, 2020 to~~ To pay “With Health Screening Rates,” employees must have completed either Biometrics or yearly physical and communicate completion with Heartland Health and Wellness Fund Office as necessary.

2. Requirements: Each year Employees and, if applicable, covered spouses will be required to participate in the Wellness Program by September 15th to be eligible for the “With Health Screening Rate,” through the following benefit year. Otherwise, employees will pay the “Without Health Screening” rate. Service based eligibility for Health Care, plus participation in your Wellness Program is evaluated each year independent of previous year’s eligibility.

Employees becoming eligible for benefits for the first time will be eligible for the “With Health Screening Rates,” initially. These employees will be eligible for the “With Health Screening Rates,” through December 31 of their initial benefit year. Based on their month of eligibility, these employees must participate in the wellness exam by September 15th of their initial year of eligibility or within 90 days of becoming eligible to continue to be eligible for the “With Health Screening Rates” for the following calendar year.

- ~~3. Deductible Credit Carry over: Prior to January 1, 2020, any wellness incentive credits earned from previous wellness programs that were in place through December 31, 2019 will be used to reduce Employees’ out-of-pocket medical expenses. These incentives will roll over from year to year until December 31, 2021 or until all earned credits are used, whichever occurs first.~~

FG. Cost Containment

The parties acknowledge that the Trustees of the Health Fund have the responsibility to consider cost containment and other appropriate measures to operate the Health Fund efficiently.

GH. Coordination of Benefits Rules

When an eligible dependent has the option of receiving alternative compensation (i.e. money) in lieu of selecting health care coverage under a plan provided by such person’s employer, the parties agree that the Fund will coordinate its benefits as if the other employer’s benefit coverage was in force and being utilized as primary coverage.

This coordination of benefits provision also extends to dependent coverage and, in that situation; the Fund uses the “birthday rule” to determine which coverage is primary. It is the employee’s responsibility to provide the Fund Office with information necessary to determine whether it will pay on a primary or secondary basis. Kroger employees covered as both an employee and a spouse shall not have duplication of benefits.

HI. Prescription Drug Plan

1. Coverage for Prescription Drug benefits is based on the eligibility requirements previously described in this Article. Employees may not have Rx Benefits unless Medical coverage has been elected. The Prescription Drug plan for all active and COBRA Kroger Employees shall be “carved out” and the costs of the plan will become the Company’s liability. The Kroger Company will issue eligible employees an Rx Benefit Card which will be valid at any Kroger Pharmacy.
2. Dependent Eligibility: Dependent eligibility for the prescription drug plan shall be the same as dependent eligibility for medical benefits.

~~3. The prescription drug benefit card issued by the Company will be valid at any Kroger Pharmacy.~~

3.A co-pay charge will be paid by the employee for each prescription as follows:

PRESCRIPTION PLAN KPP		
Day Supply - Retail Only	30 Days	
	Min	Max
Retail Generic	Greater of \$10 or 10%	\$25.00
Retail Preferred Brand	Greater of \$20 or 20%	\$75.00
Retail Non- Preferred Brand	Greater of \$40 or 30%	\$100.00
Specialty Generic	8%	\$100.00
Specialty Preferred Brand	15%	\$150.00
Specialty Non- Preferred Brand	25%	\$175.00
Day Supply - Mail Order Only	90 Days	
Mail-Order Generic	Greater of \$25 or 10%	\$62.50
Mail-Order Preferred Brand	Greater of \$50 or 20%	\$187.50
Mail Order Non- Preferred Brand	Greater of \$100 or 30%	\$250.00
Day Supply - Retail Order Only	90 Days	
Mail-Order Generic	Greater of \$27.50 or 10%	\$68.75
Mail-Order Preferred Brand	Greater of \$55 or 20%	\$206.25
Mail Order Non- Preferred Brand	Greater of \$110 or 30%	\$275.00

~~5.~~ 4. Step Therapy applies to all prescription medications. Annual changes in Formulary and non-co-pay cost containment initiatives are aligned with Company plan.

5. The following provisions will be made available for any employee who works in an outlying area where Kroger Pharmacy is not readily available (must fall outside of a 10-mile radius of employee’s work location):
 - a) Mail in
 - b) Network local pharmacy
6. Any changes to the prescription drug formulary plan must be communicated to the plan participants at least thirty (30) days prior to the effective date of the change unless otherwise required by law. This includes, but is not limited to, changes in the formulary program. Any contractual provisions as mentioned in Section H will not be changed during the term of the contract.
7. Diabetic supplies (syringes, test strips and monitors) offered as Kroger brand are eligible at generic co-pay.
8. The Employer and the Union will have access to reports on the cost and operation of the plan in a format mutually agreeable.

- The Employer agrees that the Prescription Drug Card Program plan administrator and Health Fund administrator must coordinate and share information to maximize operational efficiency, including data coordination with any program established by the Health Fund, such as disease management or other enhanced services provided to plan participants.

IJ. Retirees

Employer Contributions for Retirees: The Employer will contribute to the fund in which the retiree is eligible to enroll on behalf of each associate who retires and is eligible for pension benefits, as defined in Article 22 of this Agreement. The retirees experience will be pooled with the active experience. A per contract per month cost will be calculated and adjusted for the retiree demographic by the consultant. Kroger's contribution will be equal to the mentioned rate, less the retiree contribution. It is agreed that the Fund shall provide retirees with an annual statement of fund assets and expenses from which they can clearly ascertain the retirees' share of the cost.

Retiree Contributions: ~~Effective January 1, 2020, e~~ Employees retired prior to 1/1/2020 with at least 20 years of service will pay the retiree monthly contribution rates listed below:

Service Time	Plan A	Plan B
35 years or more	9%	5%
30-34 years	14%	10%
25-29 years	19%	15%
20-24 years	24%	20%

Retirees that retire on or after 1/1/2020 will be eligible to enroll in Plan B. The retirees enrolling will contribute the following to costs of coverage:

Service Time	Plan B
35 years or more	15%
30-34 years	20%
25-29 years	25%
20-24 years	30%

Employees between 55 and 65 years of age with at least 20 years of service will be given an opportunity to retire prior to December 31, 2024. Those opting to retire will be eligible to receive a one-time \$15,000 payment from Kroger OR enroll in the retiree medical plan administered by the Heartland Health and Wellness plan. Employees will not be eligible for both.

Eligibility for the \$15,000 payment AND retiree medical benefits administered by the Heartland Health and Wellness Fund will be discontinued for all employees retiring on or after January 1, 2025.

All employees eligible for retiree medical benefits that retire on or after January 1, 2020, will be eligible for the Plan B schedule of benefits only (excluding Life insurance and Accident & Sickness benefits).

Former Kroger employees that are enrolled in the retiree medical plan administered by the Heartland Health and Wellness Fund at the time of ratification will be offered a one-time cash payment in lieu of medical benefits. This offer will only be made to former employees during the open enrollment period for the plan years 2023 – 2025 to those who will be eligible for retiree benefits during that timeframe. After 12/31/2024, the one-time payment will no longer be available to members in the retiree healthcare plan. The payment will be limited to one per family unit. The retiree decision to opt out of retiree benefits will be permanent. The offer will apply as follows:

<u>1 year of eligibility remaining...</u>	<u>\$2,000</u>
<u>2 years of eligibility remaining...</u>	<u>\$4,000</u>

3 years of eligibility remaining... \$5,000

4+ years of eligibility remaining. \$6,000

Associates and retirees that take the one-time payment agree to forfeit their healthcare eligibility along with any dependents and/or spouses that are on their plan. Associates who opt to retire to receive the one-time payment or retiree healthcare will not be eligible for rehire. Retiree eligibility (Section J - Retirees) will not apply.

Retiree Eligibility: Health and welfare and prescription drug coverage will continue until such time that such retiree is eligible for Medicare coverage in accordance with applicable federal law. Such retiree coverage shall cover the spouse until the retiree or spouse is eligible for Medicare-, whichever occurs first.

Retiree plan designs will mirror the active benefit plans. Employees retiring prior to 1/1/2020 will be eligible for the Plan A and Plan B. Employees retiring on or after 1/1/2020 will be eligible for Plan B only. Neither plan will include Life insurance or sick pay benefits for retirees. If retired by 1/1/20, retirees may change plans annually at open enrollment as per their eligibility but change of coverage of dependents is based upon a qualifying life event. Retirees or their spouses will not be subject to wellness provisions.

Retiree Health Plan Prescription Drug Program: The Prescription Drug plan for the Retiree Health Plan shall ~~be transferred to~~remain with the Heartland Health & Wellness Fund. The Prescription Drug plan administration for the Retiree Health Plan and the liability for the Retiree Health Plan Prescription Drug Program shall ~~be transferred to~~remain with the Heartland Health & Wellness Fund. All other terms noted above shall apply.

**Nothing in this Agreement shall be construed to vest any retirees with healthcare benefits, contributions, or coverage for life or any period beyond the term of this Agreement.*

JK. Health and Welfare Benefit Plan Changes

The parties agree that the benefits provided herein Article 21, as set forth above, under the Heartland Health and Wellness Fund may be modified or replaced, as approved by the board of trustees, during the term of this agreement.

KL. Reopener/ACA Matters

The Employer and Union agree to meet and resolve, at the request of either party, the effects of the ACA, any amendments thereto and attendant federal regulations on this Health and Welfare article and, in the event they jointly agree to do so, the Employer and the Union may reopen this Health and Welfare article to bargain such matters during the term of this Agreement. As the ACA causes modifications to this Article, the parties direct the Trustees of the Fund to amend Plan's Rules and Regulations and to adopt such policies and procedures as they deem appropriate and necessary to conform to the requirements of the ACA, and to administer the Plan in compliance with the ACA. The bargaining parties authorize the Trustees of the Fund to take such other actions not detailed above as are necessary to address an details required to fully comply with the ACA. However, no benefits or terms of this article or agreement as a whole may be reduced without mutual agreement.

In the event the UFCW International Union and The Kroger Company come to an agreement on a regional or national level that a change in the delivery, Plan, or Funding of health care to employees is mutually

beneficial, the parties to this agreement agree to reopen this article for the purpose of amending such terms to conform with such agreement.

The Employer and the Union hereby agree that in the event of a reopening of this Health and Welfare article, this article and only this article will be reopened. No other article (including but not limited to any no-strike or no-lockout articles) is or will be construed to be reopened without the express joint agreement of both the Employer and the Union. No-strike and no-lockout restrictions will apply during any reopener negotiations.

BENEFIT SUMMARY

A summary of the plan designs is below. For detailed information regarding plan design and eligibility, employees can request from SPDs and SBCs from the health and welfare fund office. In the case of discrepancies, the aforementioned plan documents will control.

Columbus 1059	Plan Design Changes: Effective 1/1/2024			
	Plan A		Plan B	
MEDICAL BENEFITS	In Network	Out of Network	In Network	Out of Network
Medical Plan Essentials				
Preventive Coverage	100%	50%	100%	50%
Predominant Co-Insurance (Plan share)	80%	50%	70%	50%
Predominant Co-Insurance (Associate share)	20%	50%	30%	50%
COE Coinsurance (Plan Share)	95%	N/A	95%	N/A
COE Coinsurance (Associate Share)	5%	N/A	5%	N/A
	100% of travel for 2 covered, deductible waived		100% of travel for 2 covered, deductible waived	
Annual Deductible: Single / Family	\$750 / \$1,500	\$1,500 / \$3,000	\$1,250 / \$2,500	\$2,500 / \$5,000
Out of Pocket Max: Single/Family	\$4,000 / \$8,000	\$8,000 / \$16,000	\$6,250 / \$12,500	\$12,500 / \$25,000
2024 Out of Pocket Max: Single/Family	\$4,500 / \$9,000	\$9,000 / \$18,000	\$6,500 / \$13,000	\$12,000 / \$24,000
2025 Out of Pocket Max: Single/Family	\$5,000 / \$10,000	\$10,000 / \$20,000	\$6,500 / \$13,000	\$12,000 / \$24,000
Rx Costs Count Towards Medical Maximums	No		No	
Point of Service Coinsurance (Do not apply to deductibles)				
Copays apply to Deductible	No	No	No	No
Primary Care Office Visit Coinsurance	\$25	50% after deductible	\$25	50% after deductible
Specialist Office Visit Coinsurance	\$40	50% after deductible	\$40	50% after deductible
Urgent Care	\$50	50% after deductible	\$50	50% after deductible
Telemedicine visit	\$25	50% after deductible	\$25	50% after deductible
Anthem LHO (or carrier equivalent)	\$10	N/A	\$10	N/A
Emergency Room Copay	\$175 + 20% coinsurance		\$175 + 30% coinsurance	
Emergency Room Copay (Waived if Admitted)	Yes (Only copay is waived, not coinsurance)		Yes (Only copay is waived, not coinsurance)	
PHARMACY/PRESCRIPTION DRUG BENEFITS				
RX OOP MAX	\$5,000 / \$10,000		\$5,000 / \$10,000	
Retail 30 Days	Min	Max	Min	Max
Retail Generic Copay	Greater of 10% or \$10.00	\$25.00	Greater of 10% or \$10.00	\$25.00
Retail Brand Formulary Copay	Greater of 20% or \$20.00	\$75.00	Greater of 20% or \$20.00	\$75.00
Retail Brand Non Formulary	Greater of 30% or \$40.00	\$100.00	Greater of 30% or \$40.00	\$100.00
Specialty - Generic Copay	8%	\$100.00	8%	\$100.00
Specialty - Formulary Copay	15%	\$150.00	15%	\$150.00
Specialty - Non Formulary Copay	25%	\$175.00	25%	\$175.00
Mail-Order 90 Days	Min	Max	Min	Max
Mail-Order Generic Copay	Greater of 10% or \$25.00	\$62.50	Greater of 10% or \$25.00	\$62.50
Mail-Order Brand Formulary	Greater of 20% or \$50.00	\$187.50	Greater of 20% or \$50.00	\$187.50
Mail Order Brand Non Formulary	Greater of 30% or \$100.00	\$250.00	Greater of 30% or \$100.00	\$250.00
Retail 90 Days	Min	Max	Min	Max
Retail Generic Copay	Greater of 10% or \$27.50	\$68.75	Greater of 10% or \$27.50	\$68.75
Retail Brand Formulary Copay	Greater of 20% or \$55.00	\$206.25	Greater of 20% or \$55.00	\$206.25
Retail Brand Non Formulary	Greater of 30% or \$110.00	\$275.00	Greater of 30% or \$110.00	\$275.00
DENTAL	In Network	Out of Network	In Network	Out of Network
Spouse and Dependent Coverage Available	Yes		Yes	
Annual Deductible (<i>Applies to both networks</i>)	\$100		\$100	
Preventive Coinsurance	100%	80%	100%	80%
Basic Coinsurance	80%	50%	80%	50%
Major Coinsurance	80%	50%	80%	50%
Annual Maximum Benefit	\$2,000		\$2,000	
Orthodontia Coverage	Yes	Yes	Yes	Yes
Orthodontia Coinsurance	50%	50%	50%	50%
Orthodontia Lifetime Maximum Benefit	\$2,000	\$2,000	\$2,000	\$2,000
VISION	In Network	Out of Network	In Network	Out of Network
Spouse and Dependent Coverage Available	Yes		Yes	
Exams	\$0 Copay One/Year	\$30 Copay One/Year	\$0 Copay One/Year	\$30 Copay One/Year
Frames	\$150 annual max	\$25 annual max	\$150 annual max	\$25 annual max
Lenses	No charge; limit 1 set per year	\$80 annual max (Varies by type)	No charge; limit 1 set per year	\$80 annual max (Varies by type)
Contact Lenses	\$150 Max every year in lieu of lenses	N/A	\$150 Max every year in lieu of lenses	N/A
INCOME REPLACEMENT*				
Life Benefit				
--Employee	36+ hours per week: \$25,000 / Under 36 hours per week: \$10,000		36+ hours per week: \$25,000 / Under 36 hours per week: \$10,000	
-- Enrolled Spouse	\$5,000.00		\$5,000.00	
-- Enrolled Child	\$2,500.00		\$2,500.00	
Accidental Death & Dismemberment				
--Employee	36+ Hours: \$25,000 / Under 36 Hours: \$10,000		36+ Hours: \$25,000 / Under 36 Hours: \$10,000	
Short Term Disability				
--Replacement Rate	66 2/3% of Salary		66 2/3% of Salary	
--Maximum Benefit Period	26 Weeks		26 Weeks	
--Elimination Period	7 days		7 days	
--Maximum Benefit (Weekly)	36+ Hours: \$300 Less than 36 Hours: \$150		36+ Hours: \$300 Less than 36 Hours: \$150	
FUNDING AND RESERVES				
Policy	Pass-through with guardrail language			