



MACY'S Union Bargaining Team Unanimously Recommends YES Vote on Tentative Agreement

Macy's, like many other employers in our country today, came into recent negotiations with proposals to take away our health plan, cut wages, and reduce our working conditions. It took many months, but by standing together with each other and our community supporters at leaflets, informational pickets, solidarity actions at work and other activity, we were able to push back.

As a result of sticking together, taking action, and believing in one another, Macy's workers at UFCW 21 have not only defeated take away proposals, we have achieved a contract we can be proud of. These advances include breakthroughs on wages and better protection for hours, securing our retirement until the end of 2017, and keeping our health plan.

It is with this in mind, that the Union Member Bargaining Team makes its unanimous recommendation to vote yes to approve the tentative agreement.

The Union bargaining committee unanimously recommends the following settlement for ratification. Significant and proposed changes of most interest are summarized in this document. The exact technical language is available and will be incorporated into the contract when ratified.



Wages:

Our wage scale now has higher rates of pay including increases in the progression steps and the Thereafter rate. Most Bellingham wage scales brought up to the non-metro scale. Big Ticket will also receive general wage increases to their existing wage rates.

- May 03, 2015 (Sunday) - \$0.35 per hour (paid retroactively)
- May 29, 2016 (Sunday) - \$0.20 per hour
- November 27, 2016 (Sunday) - \$0.25 per hour
- May 28, 2017 (Sunday) - \$0.45 per hour

Associates hired at an over scale rate of pay, including those paid over scale due to changes in the Washington State Minimum Wage, shall be given credit for hours as though worked in the previous steps. In the case of an increase to the Washington State Minimum Wage, Associates shall be placed one step higher than the Minimum Wage.

Progression Schedule:

Examples:

HOURS	RATE
0	1200 \$ 9.67
1201	2400 \$ 9.95
2401	3600 \$ 10.25
3601	4800 \$ 10.55
4801	6000 \$ 11.00
6001	7200 \$ 11.50
7201	8400 \$ 12.05
8401	9600 \$ 12.55
9601	10800 \$ 12.95
10801	12000 \$ 13.45
12001	13200 \$ 13.95

Scenario 1: New Associated Hired at \$10.75

- *Hours credit granted to bring accumulated hours to 3,601 hours*

Scenario 2: Minimum Wage increases to \$10.00

- *Rate increased to \$10.25.*
- *Hours credit granted to bring accumulated hours to 2,401 hours*

Scenario 3: Associate transfer to new grade

- *Former rate of \$10.00.*
- *Hours credit granted to bring accumulated hours to 1,201 hours*

Thanksgiving:

1. Working shifts on Thanksgiving is voluntary.
2. If not enough shifts are available due to an excess of volunteers, shifts will be assigned by seniority, by department.
3. If more Associates are needed than those who volunteer, Macy's will then assign Holiday Hire Associates to unfilled shifts
4. If shifts are still unfilled, they will be assigned by inverse seniority by store (inclusive of Flexible Work Team), except departments that are commission. Fine Jewelry associates must be Fine Jewelry security cleared.
5. Thanksgiving day holiday pay (1.5 times pay) will be applied to all hours worked on the shift beginning on Thanksgiving day and ending on Thanksgiving day or ending on the Friday following Thanksgiving.
6. 10% shift differential for all hours worked on Thanksgiving between 10:00 pm of Thanksgiving and 6:00 am of the Friday following Thanksgiving.
7. No shift less than 5 hours on Thanksgiving

Retirement:

After December 31, 2017, additional benefits in the Macy's Inc., Cash Account Pension Plan are discontinued [this includes the May Department Stores Company Retirement Plan].

1. After December 31, 2017, vesting service counts only for the purpose of becoming fully vested
2. Participants retain all benefits earned through December 31, 2017.
3. Benefits from the Cash Account Pension Plan will be paid during retirement in accordance with the rules of the plan.

Effective January 1, 2018, a single 401(k) plan will be provided to eligible employees

- Eligibility: Age 21 and 1 year of service of 1,000 hours paid in the first year, or any calendar year thereafter.
- Maximum Employee Contribution: IRS Contribution Limit.
- Vesting: Employees are 100% vested upon reaching two years of vesting service. Company Match: 100% match of the first 1% [one-percent] of pretax employee contribution; 50% match of the next 5% [five-percent] of pretax employee contribution.

Health Care:

Employees are eligible for coverage who work an average of at 30 hours per week. Cost share remains the same (Group Health HMO- 70/30, all other plans 50/50).

Attendance:

Transition to the Company Attendance Policy:

At the point this bargaining unit transitions to the Company Attendance Policy, employees will start with 18 credits, with the following exceptions: Employees on a Reminder 2 for attendance at point of transition to the new policy will start with 9 credits; and Employees who are on DML for attendance at point of transition to the new policy will start with 6 credits.

- *Initial Bank of Credits.* New Hires and Seasonal Employees are awarded nine (9) Attendance Credits at time of hire.
- *Accumulating Credits.* You can start earning extra credits during the first thirty (30) days of employment. For every two weeks of perfect attendance (i.e., no attendance credits used), a half ($\frac{1}{2}$) credit will be added to your bank.
- *Carryover:* You can carry over unused Attendance Credits from one fiscal year to the next. Associates who do not lose an attendance credit or any portion thereof at any point during one fiscal year shall be rewarded with an additional PTO for the next fiscal year.

FOR EXAMPLE:

USING ATTENDANCE CREDITS	
½ credit used	• Arriving 10 minutes or more late
1 credit used	• Absent (Monday-Friday) • Consecutive absences during the week (Monday –Friday)
2 credits used	• Absent (Saturday or Sunday) • Consecutive absences (including a Saturday or Sunday)

Hours of work and other

- Sales Associates hired exclusively for the holiday season will not receive commission, **and will be assigned hours only after all regular bargaining unit employees have been given the opportunity to select available shifts.** **Holiday hires will also participate in performing the same duties as regular sales associates (stock work, clean up, etc).** The holiday season shall end no later than January 31 of each year.
- We will have two Committees to work on Fulfillment and MSP.

OUR UFCW 21 UNION MEMBER VICTORIES

For the last 6 months Macy's came after our Pay, PTO, Retirement, Healthcare, Holidays and more. Macys workers, along with our community allies and customers, fought hard to push back.

Pay: Macy's came after our wage scale. We pushed back and won a new wage scale with better pay and better ability to move up the scale and get credited for hours worked so we don't get stuck at once pay rate for long periods of time.

PTO: Macy's came after our PTO and wanted to expand the number of key days where we could not use PTO if we were sick. We pushed back and protected our PTO.

Retirement: Macy's came after our retirement plan and wanted to eliminate the current plan now. We pushed back and protected that plan until the end of 2017. After that time, our retirement becomes a 401 (k) with matching of 100% for the first 1% we contribute and then 50% for the next 5%.

Health care: Macy's came after our health plan and wanted to significantly increase the cost of our most affordable plan or eliminate the plan all together. We pushed back on that and were able to keep the health plan with the same costs.

Holidays: Macy's came after our Holidays. We fought back to protect our Easter and Christmas Holidays. Work on Thanksgiving will be paid time and a half, staffed on a volunteer basis, Holiday Hires, and if more associates are needed to be scheduled by inverse seniority by store.

Additional Changes and Improvements

Wages Retro-active: From May 3rd 2015

Holiday Season: Extended from 75 days to 100 days. Holiday hires assigned hours only after regular bargaining unit employees have been given opportunity to select available shifts

Flex Associates: Regular Associates who are self-scheduled in various departments of the store.

- Flex Associates must work a minimum of 20 hours each quarter (1st through 3rd quarter only).
- Flex Associates must work a minimum of 32 hours during the 4th quarter.
- Flex associates are expected to work 2 key days per quarter (1st through 3rd quarter)
- Flex associates are expected to work 3 key days per quarter in the 4th quarter.
- Should a flex associate not meet the above requirements in a given quarter, they will be notified in writing and required to acknowledge that should any of the above requirements not be met during any one of the next two (2) quarters, the Flex Associate would be discharged as a voluntary resignation.

Increase Pay: For Counter Managers: A CM defined as having one (1) or more beauty advisors assigned to their line, shall receive an additional one dollar and fifty cents (\$1.50) per hour above their wage scale.

Increase in Lead Premium: Any non-commission Associate assigned to perform lead duties shall receive an additional one dollar (\$ 1.00) per hour. For those Associates regularly assigned lead duties, this premium will be part of their regular rate of pay.

Discipline removed out of file after 6months for all Steps

Coaching Conversation:

Associates are required to acknowledge receipt of the coaching conversation with their signature. This will be placed in your file and remains active for 6 months.

Reminder:

If after a coaching conversation. A reminder will be placed in your file and remains active for 6 months.

Responsibility Based Performance-Decision Making Leave:

Finally, if after the coaching conversation and reminder a DML will be issued and remain active for 6 months.

Women's Tailor/Fitters:

Move the Women's Tailor/Fitters into the Tailor's CBA, allowing for all Tailor/Fitters to perform Men's and Women's work.

New Letter of Understanding for MSP and Fulfillment Hours:

Fulfillment & Scheduling LMC's (Tentative Agreement on September 17)

Labor management committees will meet within thirty (30) days of January 15, 2016 to further discuss and endeavor to reach consensus regarding Fulfillment and Scheduling issues discussed during the 2015 contract negotiations. The Scheduling LMC shall include a management representative from Macy's Selling Services (staffing). The parties will submit agenda items ten (10) days prior to the first meeting of each committee. Committees shall meet at least once per quarter for three (3) consecutive quarters, then on an as-needed basis. The parties agree to engage in non-binding FMCS mediation services if either side deems necessary and endeavor to reach consensus regarding Fulfillment and Scheduling issues discussed during the aforementioned LMC's. Both parties reserve all rights within the bargaining agreement.