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# Contract

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## COLLECTIVE BARGAINING AGREEMENT

between  
MACY'S WEST, INC  
and

UNITED FOOD AND COMMERCIAL WORKERS  
LOCAL 101

June 1, 2004 through May 31, 2008

THIS AGREEMENT, made and entered into , by and between MACY'S WEST, Inc., hereinafter referred to as the Employer, and United Food and Commercial Workers Union, LOCAL 101, chartered by the United Food and Commercial Workers Union AFL-CIO & CLC, hereinafter referred to as the Union.

### SECTION 1 - RECOGNITION

The Union is recognized as the sole collective bargaining agent for all employees employed at the Macy's Downtown San Francisco Store, Stonestown Store and Divisional Offices except executives as defined in Section 2. (Definition of Executives) and for the classifications listed in Appendix A.

Any department covered by the terms of this agreement which moves from the Downtown San Francisco Store or Stonestown Store to another location, within the Local 101 jurisdiction in the City and County of San Francisco, shall be covered by the terms and conditions of this Collective Bargaining Agreement, provided, the employees remain on the payroll of the employer.

"Satellite" operations of a department of the Downtown San Francisco Store(s) or Stonestown Store shall

be covered by the terms and conditions of this Collective Bargaining Agreement.

## SECTION 2 - DEFINITION OF EXECUTIVES

An executive is defined as an employee having the duty and responsibility of directing the operation of a store, or a selling or non-selling department, or sub-division thereof, and who customarily and regularly exercises discretionary power and except for executives employed in an administrative capacity, must customarily and regularly direct the work of other employees and have the authority to hire and fire other employees, or be an employee whose suggestions and recommendations as to hiring and firing, and as to advancement or promotion, or any other changes of status of the employee, will be given particular weight. See also Section 26.

It is understood that the Support Team Leader position in Stonestown is covered under Section 2. The total number of Selling Managers in Stonestown shall be limited to three (3) per season.

## SECTION 3 - UNION MEMBERSHIP

A. There shall be no discrimination by the Employer against any employee or applicant on account of membership in or activity on behalf of the Union.

B. Those employees who are members of the Union, or who become members, must continue their membership in good standing for the life of the present Agreement as a condition of employment. All employees hired on and after February 1, 1968, shall within thirty-one (31) days following their employment become members and maintain membership in the Union.

C. "Good standing," for the purpose of this Agreement, shall mean that the employee shall tender, in accordance with applicable law, the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership in the Union.

The Union will send to the company, by noon each Monday, a list of employees who they want terminated for non-payment of dues. Once this list is submitted, the names shall be non-revocable by the Union, and the Employer will terminate effective Tuesday. However, in the event that an employee complies after the notice to the Employer but prior to the termination, it is the employee's responsibility to provide this written verification from the Union to the Human Resources Representative prior to the termination. In such circumstances Employer will not terminate said employee. Employees terminated under this provision will have no right of re-instatement and such termination shall not be subject to the grievance procedure.

The Union agrees to indemnify and hold the Employer harmless in any and all claims and/ or causes of

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action, which arise out of or are in any way connected with the Employer's compliance with this provision.

D. As of January 1, 2000 or before, the Employer agrees to provide the Union monthly, by the 10th of the following month, a list of all employees working under this Collective Bargaining Agreement. This list will contain the employee's name, social security number, payroll I.D., full address, date of hire, area and area suffix, base hourly rate, phone number and full-time/part-time designation. If such information is in a code form, the Employer will provide a key to understanding the code. The Employer is only responsible to provide the personal employee information contained on its payroll system and is not responsible for the accuracy of the information. Seasonally, upon written request of the Union, the company will furnish the union a list of all vendor specialists and selling supervisors. Once a year, upon written request of the Union, the company will furnish the union with a list of all bargaining unit employees, Social Security number and last year's gross earnings. This once a year list may only be requested after the information is compiled for federal income tax purposes.

The Union agrees to defend, indemnify and hold the Employer harmless from any claim, loss, damage or judgment of any court of competent jurisdiction, or any agency of government, in connection with or arising from any loss, misuse or theft of Social Security numbers provided to the union pursuant to this section.

E. The provisions of sub-section B shall apply to Christmas and Summer Season store associates, but their obligation after thirty-one (31) days of employment shall be expressly limited to the payment of and amount of money equal to the Union's regular and usual dues, plus a minimal administration fee. Summer Season and Christmas Employees shall have no obligation to pay an amount of money equal to the regular and usual fees; including initiation fees, unless they are retained on the Employer's regular roll at the end of their seasonal employment. The company will provide, on Monday, a weekly list of seasonals hired the previous week.

F. No employee in the bargaining unit shall be allowed to enter into any individual contract or agreement with the employer.

G. It is the intention of the Employer and the Union to continue a harmonious relationship, and, recognizing that the Union has the responsibility to represent all employees covered by the collective bargaining agreement between the Employer and the Union, the parties agree to enter into a joint program to discuss Union membership with individual employees.

#### **SECTION 4 - UNION-EMPLOYER RELATIONS**

A. In the interest of promoting a harmonious relationship mutually beneficial to the Employer and the

Union, the Employer will inform all new employees, except Christmas Employees, of their obligations under Section 3 (B) and (C) of this Agreement by providing a letter (prepared by the union and approved by Macy's) to the new employee explaining their obligations at the time a job offer is made. Each employee will be asked to cooperate with the Union and the Employer jointly to carry out the terms of this Agreement. The Union agrees to provide Macy's with 50 copies of the collective bargaining agreement once during the term of the agreement and if requested by Macy's, to sell additional copies of the contract to Macy's at the union's cost.

**B.** Any act of the Employer, representative of the Union, or any employee that is interfering with the faithful performance of this Agreement, or a harmonious relationship between the Employer and the Union, may be referred to mediation for such action as the Mediator deems proper, and is permissive within this Agreement.

**C.** The mutually agreeable system that has been worked out between the Employer and the Union to permit the Union activities of receiving complaints and collecting dues during store hours shall be continued. It is understood, however, that such activities shall be conducted at a reasonable time and so as not to interfere with the conduct of the Employer's business or to interrupt or interfere unreasonably with the performance of work. It is recognized and agreed the Union Representatives may meet with employees in the lunch areas of the stores provided the meeting does not become disruptive to other employees in the lunch area and that these meetings are not intended to harm the reputation of the employer.

**D.** Duly authorized representatives of the Union, not on the payroll of the Employer, shall be permitted to visit the store during the hours employees are working under the terms of this agreement. The Union agrees that it will not engage in disruptive activity and recognizes at all times the primary responsibility of the employee is to perform work for the employer and that such visits will not disrupt employees from performing their responsibilities to the employer. The Union specifically agrees that it will not engage in Union dues collection in work areas or when the employee is on Company time except during an authorized break period.

It is understood that, in visiting non-selling areas where their members normally perform their duties, the Union Representatives will upon entering the store inform Loss Prevention of their presence and wait for Loss Prevention to notify the appropriate management representative. Nothing in the notification process is intended to delay the Union Representative's ability to observe working conditions and to insure the terms of this agreement are being followed in these non-selling areas.

**E.** The Employer will provide bulletin boards in every facility. Facility shall be defined as a building with a separate Employee entrance. The employer will provide one bulletin board in the Stonestown facility to be located in the employee entrance area for posting of notices and jobs. The Union agrees it will not

distribute literature within the Stores.

F. The parties recognize that it is in their mutual interest to assure that the Employer's customers receive the highest level of customer service possible. Questions and issues arising from this Subsection shall be handled in an expedited manner.

G. The Employer agrees to recognize Shop Stewards as designated representatives of the Union.

1. The maximum number of Shop Stewards shall be equal to the number of floors in each Macy's facility covered by the Collective Bargaining Agreement, with one assigned per floor.

2. The Union will notify the Employer in writing of the names of each Shop Steward prior to said Shop Steward assuming his/her duties.

3. The Union agrees to revoke any employee's Shop Steward designation who has been proven to engage in discourteous and/or unprofessional behavior during meetings with management on three separate occasions.

4. Shop Stewards shall have the authority to investigate complaints, intake grievance information, meet with the employer in good faith attempts to resolve grievances, accompany employees during investigatory and/or disciplinary interviews and perform other duties as may be required from time to time by the Union.

5. If a Union representative is not available to attend a meeting between the employer and an employee, where an employee has requested their presence, at the Employer's discretion, a Shop Steward may be requested to attend in the absence of a Union representative. In these instances, a Shop Steward will be paid for the time required to attend. For all other occasions, a Shop Steward's duties shall be performed on the Shop Steward's own time and not on the Employer's time or during prior scheduled hours, except as requested by a designated human resources executive.

6. It is understood that all steward activities should be executed so as not to interfere with the conduct of the Employer's Business or to interrupt or interfere unreasonably with the performance of work.

7. It is understood by the parties that the Union may compensate the Shop Stewards.

H. The parties agree that in the event a Union Representative flagrantly violates the provisions of Section 4 C, D or E the parties will meet and confer in an effort to define and resolve the outstanding violation(s). In the event the parties cannot correct the violation(s) the Employer may submit the violation(s) to the mediation process and the Union agrees to be bound by the decision and remedy of

the mediator including reassignment to a non-Macy's facility.

## SECTION 5 - DESIGNATION OF EMPLOYEES

For the purpose of this Agreement, employees are designated as follows:

**A. REGULAR FULL-TIME** - an employee who has completed their orientation period and who is regularly scheduled to work five (5) days per week and thirty-seven and one-half (37.5) hours or more per week between Sunday and Saturday, consistent with the terms of the agreement. Regular Full-time associates must be available to work at least two (2) nights per week consistent with the terms of the agreement.

**B.** Or an employee who has completed their orientation period and who is available and is regularly scheduled to work five (5) days per week and/or thirty (30) hours or more per week between Sunday and Saturday. Full time associates must be available to work at least two (2) nights per week consistent with the terms of this agreement.

**C. REGULAR PART-TIME DAYS** - an employee who has completed their orientation period and who is available to work five days, no less than twenty (20) hours and no more than twenty-nine and one-half (29.5) hours between Sunday through Saturday. Part time day associates must be available to work nights on the weekend consistent with the terms of this agreement.

**D. REGULAR PART-TIME NIGHTS** - an employee who has completed their orientation period and who is available to work five (5) days between Sunday and Saturday and is regularly scheduled to work no less than thirteen and one-half (13.5) hours and no more than twenty-eight and one-half (28.5) hours. Night Associates will work at least three nights and must be available to work days on the weekends consistent with the terms of this agreement.

**E. ON-CALL-** an employee who has no set minimum weekly hours but is required to work at least twenty-five (25) hours per month unless such twenty-five (25) hours are not available and must be available to work all weekends and Sale events in a month.

**F. SEASONAL EMPLOYEES** - are those employees who are hired either for Christmas or Summer Season work. The period of employment for Seasonal hires is set forth below:

1. For Christmas employees hired to work in all facilities of the Employer, November 1st for Sales Employees and October 1st for Merchandise Handlers through the Winter Inventory period, but in no event later than February 1.

For all Christmas employees hired to work in the Trim-a-Home department, two (2) weeks prior to the

opening of the Trim-a-Home department for Sales employees and by no earlier than the second week in August for Merchandise Handlers through the Winter Inventory period, but for both Sales and Merchandise Handlers in no event later than February 1.

The Employer will make available three (3) full time Merchandise Handler positions to be posted for selection by seniority, by regular part-time Merchandise Handlers. These three (3) positions would be for the duration of the set-up and into the openings of the shop, but no later than the first week in January. Should the amount of available work in the Trim-a-Home shop not require any or all of the three (3) full time positions, the positions would end and the employee would revert back to their existing regular part time position.

2. Summer Season employees are those employees hired to work for the period from June 15th through August 15.

3. Training for Seasonal Employees may begin prior to the dates noted above. Such training shall not exceed sixteen (16) hours. The Employment date for such Seasonal Employees shall be the first day of assignment on the floor.

4. The Employer agrees prior to hiring Seasonal Employees to request the availability of Regular Employees and to schedule those Regular Employees into Seasonal Employee schedules where the Regular Employee can assume the complete seasonal schedule. Employees may switch their regular schedule for one of the seasonal schedules within the department when the seasonal schedule provides for more hours or a more favorable schedule in a week for the duration of the Christmas season.

G. When the Employer uses temporary employment agency employees it will notify the Union, require the employment agency to pay the Employee the applicable contract rate of pay and require the employee to join the Union if the temporary assignment lasts longer than thirty-one (31) work days for store temporaries and three months for clerical employees. If any Agency employee assignment lasts beyond thirty-one (31) working days for store temporaries and three months for clerical temporaries, the Agency Employee must become a regular employee. Said Temporary Agency Employees will be required to follow Section 3 in regards to payment of Union dues and fees if their assignment lasts thirty-one (31) working days or more for store temporaries, and three months for clerical temporary workers. Upon request of a representative of the Union, at a mutually agreeable time the Union representative may review invoices from the Employment Agency.

H. This Section 5 is not meant to reduce the schedule or change the designation of any employee on roll as of the date of ratification of this agreement. Employees not working one of the designated schedules listed above will be given six (6) months to bid on and select a conforming schedule or at the discretion of the employer additional hours shall be added to their existing schedule to bring them into conformity.

## SECTION 6 - EMPLOYMENT DATE

It is understood that, in the application of this Agreement, an employee's employment date shall date from the beginning of his employment with the Employer and not from the signing of this agreement. Said employment date shall remain unchanged unless continuity of employment is broken pursuant to the provisions of Section 16 (Seniority).

## SECTION 7 - ORIENTATION PERIOD

Any person entering the employment of the Employer shall be required to complete a six (6) calendar month orientation period prior to achieving regular status. Such employees, after 3 months of employment, will be afforded the same rights as other employees under Section 31 of this Collective Bargaining Agreement. The termination of Employees with less than three (3) months of employment shall not be subject to Section 31, except for terminations for Union membership or activity.

## SECTION 8 - WORK SCHEDULES

A. The maximum straight-time work week shall consist of forty (40) hours, to be performed within five (5) days, between Sunday through Saturday, both inclusive, except as otherwise modified by the terms of this Agreement. The maximum straight-time workday shall consist of eight (8) hours each workday. Sunday work shall be voluntary. Those presently working Sundays shall have preference for said Sunday work. When it is necessary to fill vacancies for Sunday work, the principle of seniority shall apply as provided for in Section 16 of this Agreement. If the Employer does not receive a sufficient number of volunteers for the Sunday work, the Employer shall schedule and assign employees by inverse seniority. In no event shall Sunday work assignments go unfilled. The same process shall apply as noted above when Sunday work as part of set hour allotment becomes available. Once assigned, by seniority, as part of the set hour allotment, it shall become a part of the employees' regular schedule.

B. As new job opening(s) becomes available in a department it/they will be posted for no less than six (6) days. One of the days shall be a Saturday. Interviewing for the posted open position(s) may begin on the 2nd day of the posting, however the final selection may not be made until after the sixth (6th) day of posting. All employees who apply for a new job opening(s) will be interviewed.

Job posting notices shall include job title, classification, wage rate, estimated starting date, brief job description, minimum qualifications for the position, the designation as described in Section 5, and the minimum hour allotment including base days of work, initial shift and set day(s) off. Positions in the San Francisco Stores will be posted along with this portion of the CBA in the Employee lunchrooms and the Human Resource Office in the San Francisco Store. Job postings for the Stonestown store will be located in the employee entrance area. Location of the postings may be changed by mutual agreement.



C. Regular employees shall have a base scheduled hour allotment (with days of work, hours, and days off) each week, but may be scheduled to work additional hours or days as required by the Employer, consistent with the terms of this Section 8. The Employer retains full discretion to determine the set schedule hour allotment in any department or to eliminate any such schedules.

D. The Employer shall have the right to schedule employee's workdays, shifts, hours and day(s) off. Preference for an employee's scheduled day(s) off shall be considered by seniority within the department and hour classification. Said scheduled day off shall be unchanged except for five days to be designated in writing, (and to be posted with departmental vacation schedules), by the Company or by a department no later than February 15th for Spring-Summer season; August 15th, for the Fall-Winter season), with this additional proviso: If an employee has scheduled his or her vacation to commence or end immediately before or after their N/A day and before one of the five additional "exception" days has been announced, that employee will be guaranteed that N/A day.

E. The Employer shall post the next month's weekly preliminary schedules, by department, by Sunday noon, four (4) weeks prior to the start of the scheduled week. Changes to an employee's base schedule must be shown on the preliminary schedule. The employer will assign these changes by department on such schedules, by seniority and availability for day or night work. Individuals may initially decline additional days or hours consistent with "F" below

F. If there are additional hours or days unassigned under "E" above, each employee within the department will have the opportunity, by seniority, within the next five (5) days from the date of the preliminary schedule posting, to select any unassigned full shifts or days, provided the selection does not exceed eight (8) hours in one (1) day or forty (40) hours in one (1) week. If hours or days become available after the fifth (5th) day from the posting of a preliminary schedule and before a final schedule, the hours or days shall be offered by seniority then assigned by inverse seniority provided the additional hours or days does not result in overtime without the prior permission of the Employer. Employees may substitute existing shifts for longer unassigned full shifts with manager's approval. If there are insufficient volunteers for the unassigned hours or days, including shifts or days substituted, the Employer shall schedule by inverse seniority from those departmental employees whose schedules do not conflict with the available hours or days. It shall be in the Employer's discretion whether such hours or days go unfilled. Regular Employees shall be scheduled to work, on a voluntary basis, six (6) days in a pay week at straight time, consistent with the provisions of the California Labor Code and the State of California Industrial Welfare Commission Orders.

G. Finalized schedules shall be posted by noon Sunday no less than two (2) weeks prior to the start of the scheduled week. Changes from the preliminary schedules to the finalized schedules shall be made to reflect assignment of days or hours consistent with Paragraph E and F above or desired department coverage for periods of unplanned absence of other employees, (i.e. vacation or leave of absence) to

insure desired department coverage for planned sales events unknown at the time the preliminary schedule was posted including additional days of sales and departmental sales events; to adjust for customer traffic patterns unknown at the time the preliminary schedule was posted, including changes in store hours.

H. Changes to the finalized schedule must be mutually agreeable between the employee and the Employer. Changes made to the finalized schedule made between the day of posting and day of work shall be offered by seniority and then assigned by inverse seniority, provided the additional hours or days do not result in overtime without prior permission of the Employer. In cases where employee absence or unplanned customer service needs result in the loss of floor coverage or an impairment in business operations, employees who are available and willing to work beyond their schedule may be scheduled to work these additional hours, by seniority among the employees working that day. If the Employer becomes aware of a business need and provides notice by 6 p.m. the preceding day of such a business need, the hours will be offered by seniority to those associates in the department the day the hours become available and then if there are insufficient volunteers, the Employer may schedule by inverse seniority from those working that day. It shall be in the Employer's discretion whether those hours or days shall go unfilled.

I. Any employee scheduled to work a number of hours per week in addition to their base hours for three (3) consecutive months which will qualify them for a new designation will have their base hours adjusted to the new designation as provided for in Section 5. Exceptions to this Paragraph H are: additional hours of work during the Christmas Season and in cases where employees are covering leaves of absence for defined periods of time.

J. Three days notice will be given to the employee and the Union before laying off Regular Employees.

For Employees during their Orientation Period, Fine Jewelry Center permanent layoffs or Seasonal Employees notice will be given twenty-four (24) hours prior to layoff or by the end of the preceding workday, whichever is shorter.

The layoff notice may be shortened in cases of emergency or where a shorter period of notice is mutually agreeable. Notice given in the first two (2) hours of the start of the scheduled day three days before the lay-off is to begin will be considered timely notice.

K. The daily schedule of hours for all employees will be no less than three (3) hours in half-hour increments. The Employer will limit such three (3) hour schedules to only the night part-time schedules and no more than forty percent (40%) of the part-time schedules will have a starting time of 5 p.m. at Macy's Union Square, 6:15 p.m. at Macy's Stonestown or later. No employee on roll as of the date of ratification shall have their schedule reduced as a result of the implementation of these three (3) hour

schedules. Three (3) hour schedules will not be used in the Furniture, Mattress, Carpet and Women's and Men's Shoes Departments.

L. Other than the provisions of this section, no designation of any type of employee in the Agreement shall be understood to guarantee any fixed amount of employment.

M. No employee shall be required to work a shift extending for a period in excess of eight (8) hours and forty-five (45) minutes, where a forty-five (45) minute meal period is taken, or nine (9) hours where a one hour meal period is taken, without the payment of overtime.

N. Employees covered by this Agreement shall not be required to report to work unless there has been a lapse of at least ten (10) hours between the end of their last work day and the commencement of their next work day, except where agreeable between the Employer and the employee. Should the Employer schedule or require an employee to work a schedule wherein the employee does not receive the ten (10) hour lapse, the Employer will be required to compensate the employee at time-and-one-half for all hours worked up to the ten (10) hour lapse.

O. Employees may voluntarily exchange scheduled days from their base schedule with another employee in the department so long as the exchange does not involve payment of additional premium. Unless, the voluntary exchange of scheduled days is facilitated through mutual agreement between employees by means of the e-scheduling system, such schedule exchange shall be made on the preliminary schedule at management's discretion or may be made on the final schedule at management's discretion. If the employment of either employee involved in the exchange goes off-roll, the Employer shall have the discretion to restore the original schedule for the remaining employee. Such voluntary schedule exchange shall not be subject to a grievance by other employees in the department. E-scheduling will be implemented no later than the spring season of 2005.

P. The following scheduling provisions shall apply only to Merchandise Handlers:

1. The Company shall increase the number of full time forty-hour (40) merchandise handling positions in the Downtown Store to no less than eighty-six (86). Recall to be made by "Burns" list seniority. The Company agrees to subsequently maintain these eighty-six (86) full time merchandise-handling positions as designated in Section 5A.

2. The Company shall increase and maintain the number of full time thirty (30) hour or more merchandise handling positions as designated in Section 5B in the Downtown Store at no less than thirty (30). All subsequent thirty-hour (30) positions shall be offered as per Section 17E.

3. As soon as is practicable, and in any event within one month of ratification of the 1999-2004

contract, the Company shall increase the number of full time forty (40) hour merchandise handling positions in the Stonestown Store at no less than six (6). The Company subsequently agrees to maintain these full time merchandise-handling positions as designated in Section 5A. All subsequent full time positions shall be offered as per Section 17E.

4. "Extended hours" for the merchandise handlers shall include all work beyond one (1) hour past the scheduled shifts/coverage. "Extended hours" shall be offered first by seniority by floor then by seniority by building then by storewide seniority. In the event no one volunteers extended hours will be assigned first by storewide seniority then by building seniority then by floor seniority.

5. The "Affected" Merchandise Handlers as of the date of ratification of this Agreement as defined by the "Angelo" decision shall not be required to work more than five (5) out of eight (8) Saturdays.

6. The Employer agrees to layoff by "Burns" list seniority prior to reducing any base hours of merchandise handlers.

7. The Night Processing agreement of November 21, 2002, shall continue in effect for the life of this Agreement (see Appendix E) except as follows:

a. Employer may implement overnight processing at Stonestown if necessary during the life of the contract, but agrees to give the Union six (6) months advance notice of implementation and subject to all of the same terms applicable at Union Square and specified in the Side Letter.

b. Allow up to 10% of the overnight processing team at either store to be part-time.

c. Effective upon the ratification date, Macy's agrees to create a new classification for Night Processors (F1BN) who will be paid an additional \$0.25 to any employee working on the Night Processing Team, except for those employees who have already received a wage enhancement during the implementation of Night Processing.

d. Macy's agrees to incorporate the November 21, 2002 night processing agreement into the contract, but it will supersede any other side letters or understandings as it relates to night processing. Macy's agrees the total number of Night Processors will be set at 40 employees at the Union Square store and 10 positions at the Stonestown store. Macy's may add to these numbers, provided it is applied at a ratio of one (1) full-time day F1B for every two (2) Night Processors.

Q. The following scheduling provisions shall apply only to Sales, and/or Divisional Employees:

1. The Employer agrees to lay-off by seniority prior to reducing any base hours of all Employees except those Merchandise Handlers covered by Burns List seniority per Section 8, P-6.
2. Except during the Christmas Period, no less than fifty-percent (50%) of the number of Sales Employees on roll shall be classified as full-time. The remedy for a violation of this section shall be to hire as soon as practical to the level necessary to maintain the fifty-percent (50%) full-time head requirement.
3. All sales areas shall have at least one (1) Regular person assigned as an "opener" and at least one (1) Regular person assigned as a "closer." These shifts shall be offered in a fair and equitable manner
4. During the Christmas Season when more than one "opener" and/or "closer" per sales area is needed, no less than fifty (50) percent of these opening and/or closing schedules shall be filled by Christmas Seasonal Employees. Assignment of Regular employees to these opening or closing schedules during the Christmas Season shall be done in a fair and equitable manner

R. Effective no later than April 1, 2005, Macy's will eliminate rotating schedules at Stonestown and replace them with fixed schedules. Scheduling will conform to all other provisions in this agreement. Employees will be allowed to choose among the fixed schedules by seniority, by department, by designation. During the development of the new set schedules, Macy's agrees to take into consideration employee's existing scheduling preferences, but reserves the right to create schedules without an obligation to conform to an employee's personal scheduling preferences.

#### SECTION 9 - OVERTIME

- A. The following shall be considered overtime work and shall be paid for at the rate of one and one-half times the straight-time rate of pay:
1. Work in excess of eight (8) hours per day.
  2. Work in excess of forty (40) hours per week.
  3. For all Regular Employees work performed in excess of five (5) hours from the beginning of the workday without a lunch period, unless the employee's workday is completed in six (6) hours or less. All sales transactions are to be completed at the time the person is due to go to lunch or at the scheduled quitting time, without the payment of overtime as provided above.

4. Work performed on a holiday, as specified in Section 11 (Holidays) shall be paid pursuant to the 1990-1993 Collective Bargaining Agreement. Such premium shall begin upon completion of the first anniversary date of employment.

5. For all Regular Employees work in excess of four (4) days in a holiday week, except where it is mutually agreed between the Union, Employer and the employee that the employee will work the 5th day at straight-time. Any paid time off in a holiday week shall constitute time worked.

B. Overtime for employees working on a commission basis, where they are paid a percentage of sales after they have earned their guarantee (the employee's straight-time hourly rate of pay multiplied by the number of hours worked during the commission period), shall be computed by adding only the straight-time portion of overtime earnings to their guarantee. The premium portion of such overtime will be paid in addition to commission earnings.

C. There shall be no pyramiding of overtime or premium pay.

D. Employees may work overtime only when previously authorized by Employer.

#### SECTION 10 - MEAL AND REST PERIODS

A. The meal period for all full-time employees, including those employees working a seven (7) hour schedule, shall be forty-five (45) minutes unless a lesser time period, not less than thirty (30) minutes, or a greater time period, not more than one (1) hour, is mutually agreed to. The meal period shall be scheduled between the second (2nd) and fifth (5th) hour from the start of the employee's straight-time work schedule; however, on the two inventory days, lunches may be given any time prior to the fifth (5th) hour provided it is mutually agreed between the employer and the employee.

B. All employees, except those on a three (3) hour schedule, shall receive a fifteen (15) minute rest period for each four (4) hours' work, or major fraction thereof, up to a total of two (2) fifteen (15) minute rest periods per eight (8) hour schedule, or per a seven (7) hour schedule, if desired by the employee. Employees working a five (5) hour schedule shall receive a twenty (20) minute rest period. Employees working a six (6) hour schedule shall receive two (2) fifteen (15) minute rest periods. Providing the Union can obtain an opinion from the appropriate State authorities that break periods may be lawfully combined under California law in this employment setting and/or by virtue of the inclusion of language providing for this practice in this collective bargaining agreement, the following provision shall apply: When it is mutually agreeable between the Employer and the employee the two (2) fifteen (15) minute rest periods may be combined into one (1) thirty (30) minute rest period, consistent with California Labor codes.

C. The Employer will try, whenever practicable, to schedule rest periods in advance. Employees are expected to take their rest periods.

### SECTION 11 - HOLIDAYS

A. The following holidays shall be observed for all Regular Employees: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas. All Regular Employees, on roll for one (1) year, shall be paid Holiday premium for hours worked on the Holiday as per the current practice. Work on a holiday will be offered to volunteers first based on seniority. If there are insufficient volunteers for the holiday work assignments, the Employer shall schedule and assign the holiday work by inverse seniority. In no event shall the holiday work go unfilled.

When a holiday falls on Sunday, it shall be observed on the following Monday.

B. Nothing in this Agreement is intended to change the Holiday premium calculation, total number of holidays and/or the eligibility provisions for holidays for an employee on roll the date of ratification of this agreement from the terms of the 1993 through 1996 Collective Bargaining Agreement except as revised in A and B to include the personal, birthday and anniversary days in the vacation calculation.

C. Employees must work their scheduled hours on the working day prior and the working day after the Holiday, in order to receive Holiday pay. Such employee shall be deemed to have worked their schedule if the absence on the working day before and/or after the holiday is with the express written permission of the Employer or due to a bona fide illness. If absent on the day prior and/or after the holiday due to illness the employee must have worked at least one day in the calendar week the holiday falls in order to receive Holiday pay. Eligible Employees laid off the day prior to or the day after the holiday shall receive the holiday pay.

D. Employees with at least two (2) weeks notice to the Employer prior to the issuing of a final schedule will be given the opportunity to use one of his or her vacation days for the celebration of Martin Luther King Day. Employees who regularly work Sunday will be given the first opportunity, by seniority, to add unassigned days or shifts of work in the week Easter falls, if unassigned days or shifts are available.

E. Employees holiday pay calculation shall be calculated by multiplying 1.92% of the previous calendar year gross earnings to obtain the weekly amount and dividing that amount by the Employees base days in the week to obtain a daily rate of pay. Gross earnings shall be defined as all monies paid including salary, vacation, commissions, spiffs, pre-tax health and pre-tax savings plan contributions. Gross earnings shall not include State Disability Insurance, other insurance payments including Workers Compensation or Vendor spiffs. Associates without a full calendar year of employment will receive their base rate until they have worked one calendar year. Effective January 1st, 2000 gross wages will include

the Macy's portion of the sick pay.

F. All Employees, who are eligible to receive pay for the holiday and who work the holiday may receive paid time off within the calendar quarter following the holiday in-lieu of holiday pay. Such option must be mutually agreeable between the Employer and the Employee. The scheduled time off for such Employees will be at a mutually agreeable time. Employees will be required to take this time off during the quarter. If such time off cannot be scheduled at an agreeable time then the employee may be paid for the holiday with the agreement of the Human Resource office and the Employee's manager. The employee is required to notify their manager of their request for the time off prior to the expiration of the calendar quarter.

G. A regular employee shall not be scheduled to work more than four (4) days, excluding the holiday, in the holiday week. Employees may be scheduled off additional days in a holiday week on a voluntary basis.

H. In no event will holiday and/or vacation pay be charged against commission earnings.

#### SECTION 12 - VACATIONS

A. Except in the case of the "grandfathered" employees covered by the final paragraph of text in this Subsection A below, vacation eligibility will be based upon the length of service completed by the start of the benefit year (February 1st), and by employment status. The amount of vacation to which an employee is entitled to have as time off in a calendar year is listed below:

All Regular (i) full time Employees and (ii) part-time employees who work 1300 paid hours or more (less sick hours) in the previous calendar year:

<u>Full years of continuous service</u>	<u>Days of Vacation</u>
After One (1) full year of service	7 days
Two (2) years	12 days
Three (3) through Four (4) years	14 days
Five (5) through Fourteen (14) years	20 days
Fifteen (15) through Twenty-Nine (29) years	25 days
Thirty (30) years or more	35 days

All Regular part-time Employees who work less than 1300 paid hours (less sick hours) in the previous calendar year:

<u>Full year of continuous service</u>	<u>Days of Vacation</u>
For One (1) full year through Three (3) full years	4 days



Four (4) years through Fourteen (14) full years	10 days
Fifteen (15) years through Twenty-Nine (29) full years	20 days
Thirty (30) Years or More	28 days

“Grandfathered” Employees: Employees on roll as of June 14, 1996 and who chose prior to February 1997, the schedule of vacation provided for in the 1993-1996 contract, which appears immediately below, shall continue to have this “old” vacation schedule. (Said option was offered to only these employees as a result of prior negotiations) In addition, the eligibility of these “grandfathered” employees will continue to be based on the anniversary date, not the commencement of the benefit year. The personal birthday and anniversary holidays for these “grandfathered” employees has been added to their vacation allotment.

**Store 010 - Downtown**

Regular Employees with Base schedules of 25 Hours or More per week:

<u>Full years of continuous Service</u>	<u>Eligibility</u>
After 1 year	1 base week + 2 days
2 years	2 base weeks + 2 days
3 -4 years	2 base weeks + 4 days
5 - 14 years	3 base weeks + 5 days
15 -19 years	4 base weeks + 5 days
20-29 years	5 base weeks + 5 days
30 + years	6 base weeks + 5 days

Regular Employees with Base Schedules of Less Than 25 Hours per week:

<u>Full Years of Continuous Service</u>	<u>Eligibility</u>
1 -2 years	1 base week + 2 days
3 years	1 base week + 4 days
4 - 9 years	2 base weeks + 5 days
10 -14 years	3 base weeks + 5 days
15 -19 years	4 base weeks + 5 days
20 -29 years	5 base weeks + 5 days
30 + years	6 base weeks + 5 days

**Store 009 - Stonestown**

All Employees

<u>Length of Service</u>	<u>Eligibility</u>
1 year	1 base week + 4 days
2 - 4 years	2 base weeks + 4 days
5 - 14 years	3 base weeks + 4 days
15 - 29 years	4 base weeks + 4 days
30 + years	5 base weeks + 4 days

\* Stonestown employees (former Emporium employees) have selected between "Old Emporium" and "New Macy's."

B. Vacations shall be granted between February 1st and January 31st, or the nearest fiscal year, by seniority by department. For the months of February through October if the department is staffed with 14 or less Employees at least one (1) may be granted a week of vacation; if staffed with 15-24 Employees at least two (2) may be granted a week of vacation and if more than 24 at least three (3) may be granted a week of vacation. Thereafter for every additional ten (10) employees per department or area at least one (1) additional person may be granted a week of vacation. For the period of November 15th through the January inventory, the Employer may determine the number of departmental employees, if any, who may be on vacation at any one time, dependent on the staffing and business interests of the Employer. Vacation shall not be scheduled in an arbitrary or capricious manner.

C. Vacation lists shall be posted in work areas no later than January 1st. Selection of vacations by seniority shall be accomplished between January 15th and March 15th. Employee requests for week(s) of vacation will take precedence over requests to take a day(s) of vacation. Vacation days may be taken at a date(s) mutually agreed upon between the Employer and the employee. (Employees requesting to take vacation in day intervals must give the Employer advance written notice prior to March 31.) Requests for specific dates must be submitted no less than two (2) weeks prior to the date requested off.

The final schedule of vacations shall be posted in the department by March 31. Once scheduled, requests for changes in vacation must be submitted in writing no later than four (4) weeks prior to the original vacation commencement date. Changes shall be considered in light of the number of existing vacations scheduled for the newly requested period, the staffing needs of the Employer, and the nature of the employee's reason for the requested change.

Grievances regarding vacations will be handled in an expedited manner.

D. Vacations must be taken as time off.

E. Vacation pay shall be paid in the regular payroll cycle for vacations of less than two weeks. Vacation of two (2) weeks or more may be paid in advance at the Employees request. The average hourly rate for

associates will be calculated according to 11(E).

F. Where an employee has been absent from work in excess of one month within the benefit year then his/her vacation will be prorated on the number of months worked. There shall be no prorating of vacations where an employee is absent for a portion or all of the prior year due to a valid certified on-the-job compensated injury. Such pro-ration exclusions shall be limited to one compensable job related injury in a benefit year.

G. An employee eligible for vacation and who has not taken all eligible time off when s/he resigns or is separated shall receive wages to be paid in lieu of time off. The amount of such wages shall be equal to 1/12 of the total year's vacation for each month worked in the benefit year, less any vacation time taken. Employees who have taken more paid time off for vacation than what was earned under this provision shall be responsible to pay to Macy's at the time of resignation or separation all paid but unearned vacation. It is agreed that this overpayment if any will first be deducted from any final pay.

Employees retiring under the terms of the Macy's California Pension Plan shall receive any remaining vacation due to be taken in the benefit year, as cash at the time of retirement.

When a holiday, as provided in Section 11 (Holidays), falls during an employee's paid vacation s/he shall receive an additional day's vacation for such holiday.

H. Any accrued but unused vacation days for the prior plan year will be carried over as a credit balance to the new vacation plan year. The number of days an employee may accrue into the next plan year is reduced by the number of days carried over from the previous plan year. The provision of this paragraph will not apply when an employee has scheduled all vacation in the previous vacation year and the Employer for business reasons cancels all or a portion of the employee's vacation. In these instances the Employee and the Employer will schedule the Employees previous years vacation in the next three (3) calendar months.

#### I. Paid Time Off (PTO) Days

##### 1. General Description

a. Paid Time Off (PTO) benefits are provided to assist employees in paid time off for personal time, time off to care for dependents or in times of emergency or illness.

b. Up to four (4) PTO days may be taken per year in exchange for four (4) earned but unused vacation days. PTO days cannot be taken unless an employee has an equivalent number of accrued vacation days.

c. The Paid Time Off benefit shall be in effect August 01, 2004.

## 2. Eligibility

a. Regular employees on roll for one (1) year or more are eligible to take PTO days.

b. New hires are eligible to take PTO days at the beginning of the next quarter following their one (1) year anniversary date.

## 3. Procedure of benefit

a. Paid time off must be taken as time off.

b. Requests for specific dates must be submitted and Manager approved no less than two (2) weeks prior to the date requested off.

c. The employee shall be responsible to notify either their Department Manager or Human Resources within seven (7) days of the date of the illness or emergency if they wish to be paid for the time missed. An employee would not be eligible to apply PTO time and the incident will be considered as an attendance deviation if the employee fails to notify management.

d. Scheduled PTO days will be granted and scheduled in combination with vacation days and in accordance with Section 12(B).

e. PTO day may be spit into half-shift days at the discretion of the employee.

f. PTO half-shift days may not be requested or scheduled in advance and may only be used on the day an illness or emergency occurs.

g. Attendance points will not be assigned for approved and prescheduled PTO days or full-day or half-day PTO days taken on account of an illness or emergency.

h. Time paid for i.e. paid vacations but not worked during which PTO days are applied shall be considered as time worked.

## 4. Payment of benefit

a. To receive payment for a PTO day an employee must exchange a vacation day for a PTO

day and must have accrued the unused vacation days to cover the requested PTO.

b. Paid time off shall be paid in the regular payroll cycle if scheduled and approved in advance according to policy. The average hourly rate for associates will be calculated according to Section 11(E).

c.

### SECTION 13 - LEAVES OF ABSENCE

A. Except to the extent this agreement or applicable State or Federal law provides greater benefits, leaves of absence shall be granted in accordance with the Macy's policies governing such leaves. These policies, including Macy's policies pursuant to the Federal Family and Medical Leave Act, California Family Rights Act and California's Pregnancy Disability Leave Act, are described in the Macy's West Employee Handbook, the pertinent sections of which are contained in Appendix D to this agreement.

B. Leaves of absence for reasons other than those listed in Appendix D:

Reasonable unpaid personal Leaves of Absence shall be granted to Regular Employees who work twenty (20) or more scheduled hours per week, at the discretion of the Employer and where so granted, shall be in writing. Employees taking a Leave of Absence shall be assured of return to the same job and schedule, as long as the leave of absence is no longer than two (2) months, without loss of seniority provided the Employee returns to work on the scheduled day after the leave expires. This provision may only be utilized once per calendar year. In the event that the leave of absence is longer than two (2) months, the employees taking a Leave of Absence shall be assured of return to the same job classification and work schedule without loss of seniority provided the Employee returns to work on the scheduled day after the leave expires. The maximum period of personal leave shall be:

1. For Eligible Employees with six (6) months continuous service but less than one (1) year a maximum of two (2) weeks unpaid leave;
2. For eligible employees with one (1) year of continuous service but less than five (5) years one (1) month leave;
3. For employees with more than five (5) years of service eight (8) weeks.

C. All employees, except Christmas Employees and orientation period employees will be entitled to three (3) working days of leave of absence for death in the immediate family without loss of pay.

Compensation for said leave shall be at average earnings as computed in Section 11E and the employee shall be granted three (3) days pay. The immediate family shall consist of the employee's spouse, children, mother, father, mother-in-law, father-in-law, sister, brother, roommate, stepparents, grandchildren, grandparents and domestic partners.

I. All employees, except Christmas Employees and orientation period employees, will be entitled to forty-five (45) minutes paid time off to observe religious holidays. This may be combined with lunch period, if requested.

J. All employees who fail to return to work on the next scheduled working day after the expiration of any leave of absence granted under this Section 13, shall be deemed to have voluntarily resigned as of the end of the leave, except in cases of verifiable, unplanned inability to return on the scheduled return date. The Employer agrees to notify all employees of this provision prior to granting their leave of absence.

K. The Employer agrees not to act in an arbitrary or capricious manner in considering the requests for leave of absence. The period of time may be extended at the discretion of the Employer for compelling personal reasons. Grievances regarding this section shall be processed in an expedited manner.

#### SECTION 14 - JURY DUTY

A. Regular employees who are required to serve on court mandated jury duty shall be granted leave with pay for their lost earnings as a result of such required jury service. Lost earnings will be calculated by paying, at the individuals average hourly rate as computed in Section 11 (E), for those hours they are actually scheduled to be present for jury duty, up to the employee's maximum scheduled work hours in a given day or week.

B. Employees must notify their Human Resource Manager as soon as practicable concerning their being called to jury duty. No compensation is owed by the Employer without prior notification by the employee.

C. It is understood that an employee is required to contact the Human Resource Department and if requested to report to work for any part of his/her scheduled work day, provided two (2) hours of scheduled work remains, when s/he is not required to be present for said jury duty.

If the combined time spent in jury duty and work for the Employer exceeds eight (8) hours in one day, the employee is not required to work those scheduled hours which exceed the combined eight (8) hours per day. It is further understood that if the combined time of jury duty hours and work for the Employer hours exceeds forty (40) hours per payroll week, the employee is not required to work those scheduled

hours which exceed the combined forty (40) hours in the payroll week. In either, the excess of forty (40) combined hours per payroll week or eight (8) combined hours a day situation, the employee must notify their manager of their status as soon as possible if they desire to reduce their work schedule consistent with the above. When employees are assigned to jury duty, and where a combination of jury duty and scheduled work exceeds five (5) days, employees may take a paid vacation day for any scheduled day(s) lost in that work week.

D. An employee may work those scheduled hours which may exceed the combined eight (8) per day or forty (40) per week situation if mutually agreed upon by the Company and the Employee. In no event shall such hours be considered overtime pursuant to Section 9 (A) of this Agreement, unless and until the employee's work for the Employer exceeds eight (8) hours per day or forty (40) hours per payroll week.

E. To be paid by the Employer for such leave, the employee must submit to the Human Resources Department written proof, executed by the court administrator, of having served, where possible the actual hours served and the duration of such service, prior to being paid for such service.

#### SECTION 15 DISCIPLINE OF EMPLOYEES

A. The Employer shall have the right to discharge any employee for just cause. A Union representative must be present at the time of discharge except where the Employee designates in writing they do not want the Union representation. The Employer may terminate any Employee without first issuing a warning or suspension for any of the following offenses: proven theft or embezzlement; carrying an unauthorized concealed weapon; being the aggressor in a fight; being under the influence of alcohol or a controlled substance while at work; or gross insubordination.

For all other offenses, the Employer shall use progressive discipline (i.e., warning(s) and/or suspension (s) prior to termination), unless the offense is of such severity to warrant immediate discharge. An arbitrator shall have sole authority to determine if such offense is sufficiently serious as to justify discharge without prior discipline.

Any Employee feeling s/he has been unjustly discharged shall have the right to appeal such discharge through the Union within ten (10) calendar days from the date the Union receives notice of the discharge pursuant to Section 31 - Processing of Complaints and Disputes.

The Employer shall have ten (10) calendar days to investigate a suspension which could lead to a discharge. If on the eleventh (11th) day the Employer has not communicated to the Union or the Employee the outcome of the investigation or sent to the Employee by certified mail to the last known address a request to schedule an appointment with the Employer the Employee will be paid their average rate of pay beginning the eleventh (11th) day until such time as the Employee is notified or sent

notification.

B. All notices of discharge shall be given in writing to the employee and the Union within five (5) days of discharge. Such notice shall include the reason(s) for the discharge.

C. If an Employee is discharged on the basis of evidence supplied by a store shopper, investigator, or other undercover employee, a representative of the Union shall have the right to review such evidence, but only upon written demand of the Employee affected through the Union. In the event of discharge due to a shopper's report, such discharge must be made within six (6) days after the completion of the shopper's investigation.

D. In the event the Employer gives a written warning the Employer agrees to furnish such notice to the Employee immediately and the Union within fourteen (14) days. For disciplinary actions, other than discharge, the Employer will set forth a written statement describing the reasons for the discipline and the facts supporting the discipline. When a final written warning is issued to an Employee (one that indicates to an Employee that any further action similar to that contained in the warning or failure to improve work performance may result in immediate discharge) such warning will be furnished to the Union.

E. All cautionary warnings shall become null and void after one (1) year. All written warnings shall become null and void after two (2) years. Final warnings, except for final warnings issued for discriminatory conduct or actions, threats against others, destruction of property or comparable egregious violations of Macy's policies which does not result in termination, shall become null and void after three (3) years.

#### SECTION 16 - SENIORITY

A. The Employer is obligated to recognize the principle of seniority in scheduling, promotions, laying off or rehiring employees as detailed in the specific sections of this Agreement. The principle of seniority shall prevail and control in such layoffs or rehiring where, in the judgment of the Employer, merit and ability are equal. In exercising such judgment, the Employer is obligated to do so fairly, reasonably and impartially, and is further obligated to take into consideration the relative merit and ability of employees with experience in the same type or types of work, and such consideration shall not be limited to the employees in a particular department affected.

Except as provided in Section 16F, it is agreed that application of Section 16 shall be limited to the facility where the Employee is employed and shall not be inter-facility. Employees shall have no right to exercise their Section 16 rights between the facilities for any purpose.



B. When an Employee is transferred from one department to another, s/he shall not lose, but shall retain all seniority rights. It is agreed that employees shall not be transferred from a higher classification to a lower paying classification unless such transfer is brought about by layoff or reduction in work force, or unless such transfer is mutually agreeable to the Employer and the Employee. Employees may be transferred to jobs within the same classification structure. Sales employees in such circumstances shall not suffer loss of potential earning opportunities because of the transfer. In such circumstances the Employer will be required to demonstrate that the average associate has a comparable earnings opportunity. In determining that average the Highest and Lowest commission earnings per hour employees shall not be included in the calculation.

C. The provisions of Section 16 shall not apply to Seasonal employees. Further, the provisions of Section 16 shall not apply to all other employees during their orientation period, except that such employees, when laid off, excluding Seasonal employees which have no recall rights, for a period of up to four (4) months unemployment, shall be offered employment for which they have qualifications before any new employee is hired for such work.

D. Where an Employee is entitled to recall to work from a layoff and cannot be contacted by telephone, the Employer will notify the Employee of availability of work by written communication to his/her last home address on file with the Employer.

Telephone notification to a member of the Employee's family at the Employee's last telephone number on file with the Employer will fulfill the requirements of this subsection.

E. Seniority shall be terminated by:

1. Written resignation.
2. Verbal resignation not withdrawn in writing by the close of the next business day.
3. Discharge for cause.
4. Failure to return from leave of absence granted in accordance with Section 13 (Leaves of Absence).
5. Failure to return to work from layoff within three (3) working days of mailing notification by certified mail by the Employer to the Employee's home address unless just cause for not returning to work is proven.
6. For employees:

- . with less than six (6) months of service, four (4) consecutive months of unemployment;
- . for employees with six (6) months to one year of employment, six (6) consecutive months of unemployment;
- . for employees with one (1) to two (2) years of service, nine (9) consecutive months of unemployment;
- . for employees with two (2) or more years of service, twelve (12) consecutive months of unemployment.

Any and all disputes arising as a result of this Section 16E shall be processed in accordance with the grievance time frames specified in Section 15 - Discipline of Employees.

F. It is agreed in application of Section 16 (Seniority) it shall be limited to the facility (Downtown or Stonestown) where the employee is employed and shall not be inter facility. Employees shall have no right to exercise their Section 16 seniority rights between facilities for any purpose, except as provided in this paragraph. On a limited allowance per year from Union Square and Stonestown no more than three (3) employees from each facility will be eligible to move into a position in the alternate facility. The employee from outside of the facility that is posting the position must bid in accordance to Section 8B and must meet all eligibility and qualification requirements. The employee's bid shall only be considered if no other internal bid from within the facility that posted the position was received or all internal bids received within the facility that posted the position were ineligible for consideration. If the employee bidding from outside the facility is offered a position their Section 16 rights will become effective at the start of the benefit year, following the date of transfer.

#### **SECTION 17 - GENERAL WORKING CONDITIONS**

- A. The Employer agrees to provide lockers, clean and adequate facilities for the storage of the wearing apparel of the employees.
- B. All complaints concerning, lunch periods, lunchrooms, breaks, or lifting may be processed through Section 31 (Processing of Complaints and Disputes).
- C. Where the Employer requires employees to wear identical garb as to style or fashion, when such garb is not suitable for street wear, the Employer shall furnish the same. The Employer shall also provide for the maintenance of such garb.
- D. The Employer may establish and enforce any safety rules, regulations, or divisionally approved facility or store rules (i.e. policies such as express credits solicitation, reasonable expectations,

standards and procedures) which do not violate an express term of the Collective Bargaining Agreement and which are not arbitrary or capricious. The Employer agrees to issue, in an associates on roll packet, a letter indicating the Collective Bargaining Agreement may contain different provisions than those contained in the Employee Handbook.

If such rules and regulations (as defined above) may result in the discipline of an Employee or could otherwise adversely affect an Employee, the Employer will provide the Union with at least fourteen (14) days written notice prior to the proposed implementation of said rule and regulation.

If the Union makes a written request within fourteen (14) days of receipt of said notice of Implementation, then the Employer will meet with the Union to discuss the rule and/or regulation. The Employer will give good faith consideration to the comments of the Union. The effective date of the rule and/or regulation shall be the 15th day after the receipt by the Union of the notice or the 31st day if the Union has filed a request to meet, or another mutually agreeable date.

Thereafter the Union may, within seven (7) days (from the date of the meeting or response from the Company), request mediation over whether such rule or regulation is arbitrary or capricious or a violation of an express term of the Agreement.

The Union may grieve the application of the rule or regulation to a specific individual as being arbitrary or capricious or in violation of an express term of this Agreement.

The Employer shall post or otherwise publicize all such rules and regulations in order that all Employees affected may have an opportunity to become familiar with them. All such rules and/or regulations shall be enforced uniformly and without discrimination.

E. No person shall be discriminated against in regard to hire, tenure of employment or job status by reason of race, color, creed, national origin, age, sex, sexual orientation, medical or mental disabilities as defined in the Americans With Disabilities Act.

Job openings shall be filled by promotions by seniority, consistent with Section 16 (A), wherever possible and always on a non-discriminatory basis. All permanent openings in higher rated jobs shall be publicized well in advance in order that all employees including minority race employees and female employees may have an opportunity to notify management of their desire to be considered for promotion to a better position or to a higher paying department.

F. In the event the Employer offers a rewards program in which employees bring forward ideas which are ultimately utilized by Macy's, the Downtown San Francisco Store(s) and the Stonestown Store shall participate in said program.

**SECTION 18 - ASSIGNMENT OF WORK**

It is recognized by the Employer and the Union that it is every Employee's responsibility to perform the duties of their position in a manner which creates a cooperative environment and to work as a team in performing their duties. Further the parties recognize that the objective of all employees is to meet the needs of the Employer's customers.

A. It is recognized by the Employer and the Union that a sales employee's primary duty is to serve and attend to the needs of the Employer's customers. It is recognized that selling employees may be required to work in non-selling activities, and at times in non-sell areas in order to properly assist or provide for customer needs, with the following limitations:

1. This work will be distributed as equitably as possible among all the sales employees in a given department, and shall not be assigned in a manner which prevents the salesperson from attending to customers who are in the department. Nor shall such non-sell work be assigned in a manner which purposely curtails a salesperson's opportunity to attend to their own clientele. Finally, the assignments shall not be of a length or duration that unreasonably restricts the salesperson from their primary duty. Sales Associates will be scheduled no more than half (½) an hour before store opening or after store closing. Sales Associates may work in addition to the half (½) hour on a voluntary basis.

2. A salesperson may volunteer to work with management approval prior to or in addition to the half-hour (½) limit set in Section 18, A. 1, and shall be given non-productive hours.

3. The following guidelines will be used in determining appropriate non-sell duties to be performed by sales associates:

a. Sales associates will not be scheduled to work in stockrooms or in support areas (including Fitting rooms).

b. Sales associates may be assigned to perform non sell work that may be performed on the selling floor as long as it does not inhibit their ability to sell to the customers that come in the department.

c. Work that would comply with this section would include work comparable to:

Getting back stock directly for a customer when an item is not on the floor.

Shoe Department "drags".

Recovery of fitting rooms so long as the activity does not impact an Associate's ability to service

customers.

d. Work that would not comply with this section would include work comparable to:

Regular or historical merchandise handling functions.

Schedules designed to permit the performance of stock work.

**B. Express Credit.**

1. Employer agrees to remove all existing express credit warnings following ratification of the contract.

2. For the full term of the new contract, Employer will not bar employees from job bidding, if they are only on a cautionary warning for express credits; Employer will not subject Fitting Room Checkers to discipline standards, although Fitting Room Checkers will still be required to solicit the opening of accounts, and Employer will provide a seasonal report, if requested in writing, that summarizes the express credit accounts for which employees have received credit. Additionally, changes to express credit discipline standard for Union Square and Stonestown only if the discipline standard changes for a majority of Macy's West employees. Discipline for Express Credit shall be subject to progressive discipline i.e. Cautionary, Written, Final then Termination. Warnings will remain in effect for a rolling 12-months.

3. The following minimum disciplinary standard will be in place until at least August 1, 2005:

a. For all regular sales associates, cashiers and service specialists who work a minimum of 160 hours or more in each bi-monthly review period, two (2) Express Credit applications.

b. For all regular sales associates, cashiers and service specialists who work less than 160 hours in each bi-monthly review period, one (1) Express Credit application.

C. The Employer may temporarily assign non-selling employees to do selling work during peak selling hours and/or seasons or to cover due to unexpected absences.

D. Vendor Representatives, who are not on the payroll of the Employer, must follow the Collective Bargaining Agreement between Macy's and the Union.

Permitted:

1. Help in the floor presentation of the merchandise; i.e. arrange floor displays for sales presentation.

2. Do counts.
3. Remove limited items from a stock room FOR A CUSTOMER.
4. Promoting the product(s)
5. Filling in selling floor from "understock".

Not permitted:

1. "Ringing" or taking credit for sales, hanging, sensing and/or unpacking of merchandise.
2. Using Rolling Equipment.
3. Filling in of the selling floor with merchandise brought from the stockroom.
4. Participation in the termination, discipline, or direction of employees.

#### **SECTION 19 - MEETINGS**

Any meetings for employees held by the Employer shall be held on the Employer's time. Any mandatory meeting time of four (4) hours or more cumulatively per week (or less with management approval) shall be considered non-productive time. Educational courses which cannot be conducted during scheduled working hours are to be voluntary as to attendance on the part of the employees and time spent in attending such courses, up to a maximum of two (2) hours per week need not be paid for. Employees will not be required to attend storewide meetings.

#### **SECTION 20 - CONTRIBUTIONS TO CHARITY**

All contributions to charity shall be voluntary.

#### **SECTION 21 - RECORD OF COMPENSATION**

- A. Each Employee, at the time s/he receives his compensation shall be provided with a record of such compensation showing the straight time and overtime hours worked and all deductions.
- B. Each Employee covered by a commission plan shall be furnished at the time commissions are paid with a record of her/his net sales and all deductions. The statement of deductions should include return date, Store number and terminal number. These statements must be attached to the employees

paycheck or direct deposit slip on a weekly basis.

C. No identified returned merchandise or adjustments shall be charged against a salesperson unless such salesperson has made the sale. No identified merchandise returned or adjusted after one hundred eighty (180) days following its delivery to the customer shall be charged against the sales of any salesperson. No identified merchandise returned as defective or damaged in transit shall be charged to the original sales associate.

D. Employees in all Selling classifications may dispute any return after receiving the record of compensation listing that return. Once a return is disputed, the Employer shall have sixty (60) days to provide documentation that the return has been properly charged back. If the return is not substantiated within this sixty (60) day period, the Employer shall credit the salesperson for any lost commission on the next payday following the expiration of the sixty (60) day period. However, if the Employer is able to substantiate the charge back within the next sixty (60) days, the commission will be deducted from the salesperson's paycheck.

E. All salespersons shall provide the record of compensation (FEM) when disputing any return.

## **SECTION 22 FIDELITY BOND PREMIUMS AND PHYSICAL EXAMINATIONS**

A. The Employer shall pay all premiums for fidelity bonds required by the Employer and shall pay for all charges for physical examinations required by the Employer.

B. The Employer shall compensate the employee at his straight-time rate of pay for time spent undergoing any physical examination required by the Employer.

## **SECTION 23 - USE OF AUTOMOBILE**

When the Employer requires and authorizes in writing an employee to use his/her own car in the performance of his/her work, the Employer shall pay a mileage allowance of not less than thirty-four and one-half (34.5¢) cents per mile and shall change as Macy's changes for the majority of its employees.

Should the Employer offer a Commuter Check Plan for its employees that plan shall apply to the Downtown San Francisco Store(s) and the Stonestown Store.

## **SECTION 24 DEMONSTRATORS, LEASED AND SUB-LEASED DEPARTMENTS**

A. Demonstrators shall receive the same scale of wages as provided herein for the classification of merchandise they are demonstrating, and all of the terms of the Agreement, except the provisions of Section 16 (Seniority) shall apply to such persons. In the case of casual demonstrators (those employed less than ninety (90) consecutive working days), the right of appeal in case of discharge shall not apply except in the case of discharge for Union membership or activity.

1. This Section and the provisions of this Agreement shall not have application to demonstrations of less than thirty (30) days in duration, wherein the demonstrators are employed by and controlled by persons or companies other than the Employer. The Employer agrees to notify the Union of the date the demonstration will start and end. Further, the Employer agrees that all terms of Section A will apply to any demonstration effective on the 31st day of the demonstration.

B. The provisions of this Agreement shall apply to all leased or subleased departments which are presently covered by the Agreement, except as specifically outlined below.

1. This Section and Subsection and the provisions of this Agreement shall not have any application to future leased or subleased departments where in the term of the lease or sublease is less than ninety (90) days.

2. Any grievance regarding this Section will be handled in an expedited manner, and a meeting will be held no later than three (3) working days, at the request of the grieving party.

C. In the Downtown San Francisco Cosmetics Department the Employer may staff one Cosmetics Counter/Vendor, that is not currently (June 14, 1996) contained in the Downtown San Francisco Store, with 100% vendor paid associates who are not covered by the terms of this agreement, but who may perform functions similar to other Cosmetics Sales Associates. This will not result in the lay off or reduction of any current sales associates. It is understood in application of this provision that said vendor sales associates will not intersell other Cosmetics merchandise and will turn the intersell over to other respective lines. Non-vendor associates as part of the normal intersell may sell the vendor merchandise. All stock functions, consistent with the regular cosmetics stock practice, shall be performed by bargaining unit stock associates. This Counter/Vendor shall be maintained in no more than two (2) locations within the Downtown Store, and shall not increase beyond the linear selling size or floor square footage than is in place as of the date of ratification of this agreement.

It is understood and agreed all other vendor supported employees of Macy's Downtown and Stonestown, including "merchandise specialists" will be subject to the terms of the Collective Bargaining Agreement.

## SECTION 25 - DISCOUNTS



A. All employees covered under the terms of this agreement shall receive an employee discount on purchases in accordance with the Employee Discount Policy affecting a majority of the employer's employees under the employee discount plan.

B. The Employer does agree to provide the Union with a copy of the discount program in its present form and provide in a prompt manner copies of any changes that may be implemented to the discount program in the future. Additionally, the Employer will provide to the Union a copy of the rules and policies regarding use of the discount by eligible employees.

## **SECTION 26 EXECUTIVE SELLING ACTIVITIES AND WORK ACTIVITIES**

The Employer seasonally may assign one manager (as defined in Section 2 of this Agreement) per department who may perform the same type of selling work as non-supervisory Employees in up to seven (7) Merchandise Departments without violation of this Agreement. The Company will notify the Union of the seven (7) departments and any changes to the list of seven (7).

In these seven (7) departments if the Employees are eligible for commission the managers personal sales will be calculated seasonally and the value of the predominant commission rate for Associates in the department on the managers sales (example: in 1% departments, even if a minority has a different commission rate, 1% of the executive sales will be calculated), will be distributed to commission eligible associates based on hours worked in the season by the associates on roll at the end of the season.

For all other departments, in regards to Executive selling activities and work activities, for all executives including those above, the following general rules of guidance and practice shall be followed:

1. That executives shall not take unfair advantage of their position in making sales by any of the following practices:
  - a. Intentionally sending or directing salespeople to leave the selling floor or to perform non-selling work in order to enable said executives to make sales to the detriment of salespersons.
  - b. Making sales themselves and crediting or turning over said sales to a person or persons selected by them to be written up, thereby depriving other salespersons in the department of the opportunity of an equitable division of sales opportunities within the department.
  - c. Unduly or unreasonably appropriating to themselves the opportunity to wait on customers or to fill mail or phone orders to the exclusion of other salespersons in the department where such salespersons are available for such work.

It is understood between the Company and the Union that Section 26 Subsection 1-b does not prohibit the Company from having Executives do bargaining unit work for the purposes of merchandise presentation, training and customer service which cannot be completely performed by the employees working on the job at the time or in the event of an emergency. In arriving at such understanding the Company and the Union have agreed as follows regarding the duties Executives may perform without violation of the Agreement:

Permitted duties of Executives which are presumed permitted under the terms of the Agreement (said duties may be performed in addition to Stock/Sales Associates).

1. Stock functions executed when working directly with an associate in a training capacity, or when,
  - a. Getting an item from the stock room directly for a customer when necessary for customer service;
  - b. Opening merchandise in the stock room for purpose of determining content;
  - c. Fluffing & folding selling floor merchandise.
  - d. Recovery of fitting rooms in emergency situations.
  - e. Auditing of RTV's, transfers, claims or other outbound merchandise.
2. Identifying merchandise on the selling floor for the execution of markdowns.
3. Performing stock work to maintain customer service which cannot be performed satisfactorily because of emergencies, and traditional inventory work. This includes events which cannot reasonably be anticipated or planned for by the Executive.
4. Working with new or existing merchandise that has been delivered to the selling floor by a stock associate, to the extent necessary to create new arrangements, displays, or visual presentations in conjunction with merchandising functions. It is the intent of the parties that merchandising activities are not to extend to the performance of routine stock work unrelated to the purpose and objectives of the merchandising activity.
5. Executives shall only use rolling equipment to transport appropriate amounts of merchandise that are already on the selling floor in conjunction with merchandising functions the Executive is permitted to perform under this Agreement.

Duties Executives are presumed NOT permitted to perform under the terms of the Agreement are:

1. Stock functions executed for purposes other than training, merchandising or customer service including recovering merchandise from dressing rooms.
2. Taking markdowns on merchandise on the selling floor or in the stockroom.
3. Other than permitted by the above:
  - a. Bringing new receiving or existing back stock merchandise to/from the selling floor/stockroom.
  - b. Back stocking, organizing, or prepping/receiving merchandise in the stockroom.
  - c. Packing or processing transfers, claims, RTV's, or other outbound merchandise from the selling floor or stockroom.
4. Unpacking, prepping, or filling-in new receiving or existing back stock merchandise to maintain/fill-in existing fixturing or merchandise presentation.
5. The use of rolling equipment to transport stock except as set forth in item 5 under the "permitted section".

Unresolved grievances shall be given priority at the regularly scheduled grievance meetings. Any such grievance not resolved at the regularly scheduled grievance meeting shall be assigned to mediation per Section 31. It is agreed by the parties that any unresolved mediations arising from this Section 26 shall be arbitrated by Thomas Angelo.

#### **SECTION 27 - SELLING SUPERVISORS AND WORKING SUPERVISORS**

Selling Supervisors and Working Supervisors covered by the terms of this Agreement may perform supervisory functions to assist executives in the performance of their duties, including coaching and counseling employees on their respective job duties, assigning work duties and other supervisory assignments necessary for the effective operation of the department and the store. Such duties shall only be assumed upon the successful bidding for the assignment under Section 17E, assignment by the employer and a three (3) hour orientation held jointly with the Union and the Employer. The Employer agrees to notify the Union as to the names(s) of the Supervisor(s) and to arrange for the orientation.

#### **SECTION 28 - HEALTH AND LIFE INSURANCE PLAN**

A. The Employer shall provide a health plan(s) for eligible employees covered by this Agreement and for qualified dependents of such employees. The health care plan(s) shall be the same plan(s) as that

provided to the majority of the Employer's employees and shall change when changes are made in plan (s) which affect the majority of the Employer's employees. The health care plan(s) shall be outlined in booklets which will be given each covered employee.

**B.** Any changes in the applicable health plan(s) contribution rates or eligibility qualifications affecting a majority of the other employees covered under the applicable plan shall be effective at the same time for any employees covered under this Agreement.

## **SECTION 29 - SICKNESS PAY BENEFITS**

### **A. General Description**

1. Sick pay benefits are provided to minimize the economic hardships that may result from an unexpected illness or injury to an employee.
2. The Employer provided Sickness Pay Benefit Program is integrated as a supplement to the State Disability Insurance Benefit and Workers' Compensation Benefits Programs.
3. This new sick pay plan shall be in effect for all illness or injury beginning on or after January 1, 1994.

### **B. Eligibility**

1. An employee is eligible for sickness pay benefits if the following requirements are met:
  - a. Prior to illness and/or injury the employee is performing work covered by the terms and conditions of the Collective Bargaining Agreement, and
  - b. The employee, when eligible, has applied for and has qualified for State Disability Insurance or Workers' Compensation Disability Benefits in accordance with California Law, and
  - c. The employee is a Regular employee who works 20 hours or more per week and has been employed for more than six (6) month and has worked eighty (80) hours or more in the month immediately prior to the calendar month in which absence for sickness or injury occurs;
2. For the purpose of this provision, time paid for but not worked, i.e. paid holidays, paid vacations and periods during which sickness pay benefits are received, shall be considered as time worked.
3. The provision for hours worked in the preceding calendar month shall be waived for employees who are normally scheduled to work the required number of hours where the employee is on authorized

leave of absence of no longer than thirty (30) days and becomes ill or disabled. The employee will then become eligible for any sick pay benefits as of the date the employee was due to return to work.

### C. Waiting Period

The period for which sickness pay benefits are payable shall begin with the first day of hospital confinement, or the fourth (4th) calendar day of sickness or injury, whichever is first; except as shown below:

Years of Service as of Date Waiting Period of Sickness or Injury	Waiting Period
Two (2) year or more but less than five (5) years	Three (3) calendar days
Five (5) years or more	Two (2) calendar days
For Employees hired prior to 10/8/93 and on roll for ten (10) years or more	One (1) calendar day

Sickness pay benefits are payable from the first day of absence from work where an employee is hospitalized for the first three (3) calendar days of absence from work because of sickness or injury, or when absence from work is due to an awarded industrial injury.

### D. Schedule of Benefits

1. The following are the maximum allowable periods that sickness pay benefits will be paid in a calendar year or if an injury or illness extends over two (2) calendar years the maximum period allowable for the particular illness or injury.

Full years of Continuous Employment: Number of Work Weeks of

Sickness Pay Benefits:

One (1) year or more but less than two (2) years Eight (8) weeks

Two (2) years or more but less than five (5) years Sixteen (16) weeks

Five (5) years or more Twenty-six (26) weeks

2. The maximum allowable period of Sickness pay benefits shall be based on the total period of

continuous employment as of the time of each illness or injury.

3. Weeks of Sickness Pay Benefits shall be defined as the Employees regular daily hours per week of work. The maximum benefit amount shall be the employees regular days and hours of work per week multiplied by the weeks listed above.

#### E. Computation of Sickness Pay Benefits

1. For any illness or injury which begins on or after August 1, 1996, the sickness pay benefits shall be paid at sixty-six and two thirds (66 2/3's) of average pay for the days eligible for sick pay. Average pay shall be computed as per Section 11 less benefits received from California Disability Insurance (not including hospital benefits) or less Workers' Compensation Benefits received by the employee.

2. Sickness Pay Benefits can only be taken in full days.

#### F. Payment of Sickness Benefits

1. The employee shall be responsible for notifying the Employer of sickness or injury in accordance with the established store rules of the Employer. An Employee's failure to notify the Human Resources Office and provide a medical certification of inability to work within six (6) calendar days of illness or injury may result in a loss or delay in the payment of sickness pay benefits. Failure to notify the Human Resources of an injury or illness may result in loss of employment. No employee shall be terminated for failure to notify the Human Resources Office, if the Employee's injury or illness precludes them from doing so.

2. The employee shall be responsible for filing his/her disability claim form DE2501 with the department of Employment and/or his/her industrial accident claim. No sickness pay benefits will be paid until this is done and a current medical certification of inability to work is on file with the Employer.

3. Upon receipt of "Disability Insurance Notice of Computation" form DE 429 from the Department of Employment, the employee shall present this form in person or by mail to the Employer.

4. Upon receipt of the "Disability Insurance Notice of Computation" form DE 429 from the employee, the Employer shall pay any sickness benefits due the employee on the next payroll period immediately following receipt of the form DE 429 and return the form to the employee for his/her records, provided the Employer has a current medical certification of inability to work on file.

a. Sickness pay benefits shall be paid on a separate check or cash voucher not incorporated with any other monies due the employee. Where the employee is out ill at a time payment is due, the Employer

will mail the check to the employee's home address.

5. Only deductions as prescribed by law or authorized by the employee shall be made from sickness pay benefit payments.

#### G. Exclusions

1. Sickness pay benefits shall not be paid when the employee is ineligible to receive disability insurance payments under the California Unemployment Insurance Code or Worker's Compensation Benefits under the Worker's Compensation Act.

a. Exception shall be made in the case of an employee who does not have sufficient earnings in his/her base period to qualify, but who qualifies under all other provisions of the code.

2. Sickness pay benefits shall not be paid during any period where the employee would not otherwise be eligible for payment of wages, i.e., leave of absence, layoff, or absence because of trade disputes. Before the employee on layoff becomes eligible for sickness pay benefits, s/he must have worked required number of hours outlined in (B) of this Section in the month preceding the illness or injury in accordance with B (1) and (2) hereof. Before an employee on Leave of Absence or absence because of trade dispute becomes eligible for sickness pay benefits, s/he must have returned to work for at least one work day (except as provided in B hereof).

3. The Employer reserves the right to request medical certification of inability to work due to sickness or injury, provided, however, such certification will not be requested prior to the second day of paid sickness leave, except for chronic and/or pattern cases.

H. The Employer reserves the right to become self-insured for State Disability Insurance at a later date.

#### SECTION 30 - PENSION

Macy's West will provide a pension plan and pension benefits for eligible employees covered under the terms of this Collective Bargaining Agreement consistent with the pension plan and benefits provided to the majority of the Macy's West employees. The pension plan and the benefits shall change when changes are made in the plan affecting the majority of the Macy's West employees.

At the time of retirement of an employee covered by this Agreement, the Employer will notify the Union of the name and address of the employee, the date of the employee's most recent employment and the date of the employee's retirement.

**SECTION 31 - PROCESSING OF COMPLAINTS AND DISPUTES**

A. A "grievance" is defined as a dispute over the interpretation or application of an express term of this collective bargaining agreement alleging the agreement has been violated and as a result an employee's rights under this agreement have been adversely affected. Before filing a grievance, an employee who believes that the agreement has been violated and, as a result, her/his rights have been adversely affected (except in instances of suspension or discharge) is encouraged to resolve the issue with her/his immediate supervisor. In the first alternative, the employee's assigned shop steward shall meet with the employee's store manager or designee and shall attempt in good faith to resolve the issue. In the second alternative the employee shall contact her/his Union Membership Service Representative or Business Agent who shall meet with the Employer's designated representative and shall attempt in good faith to resolve the issue. If the dispute is unresolved following this aforementioned meeting, the employee may then request a grievance be filed by the Union.

B. A grievance to be considered as properly submitted, must be filed within sixty (60) days of the date of occurrence to the designated representative of the employer, in writing, on the prescribed form fully completed with all information available to the Union, stating specific contract sections alleged to be violated, facts which show that a violation occurred, name of grievant(s), and specification of how the grievant(s) have been harmed by the alleged violation. For a grievance to be considered timely filed such information will be provided in a manner as to make clear to a reasonable person the specific basis for the alleged violation. Within thirty (30) days following the submission of the grievance, it shall be heard at the weekly grievance meeting.

C. Grievances regarding a discharge must be submitted by the Union within ten (10) calendar days from the date the Union receives written notice of the discharge.

D. Any grievance not filed or heard within the time limits in Section 31 B and C will be deemed null and void. Time limits may be extended upon mutual agreement between the employer and the Union.

E. The parties shall establish regularly scheduled weekly meetings at which time grievances shall be discussed between the Employer and the Union. Other than discipline grievances (i.e. discharge, suspension, warning or demotion) at the time the grievance is discussed, the Union is required to set forth the facts supporting the grievance, witnesses to the facts and how these facts support a violation of the contract. Failure on the behalf of the Union to supply such information will cause the grievance to be deemed as untimely under the provisions of Section 31 (A). Failure by the Employer to respond to a grievance within fourteen (14) calendar days from the original weekly grievance meeting shall cause the Employer to comply with the remedy requested.

F. The Union and the Employer agree to discuss issues separately from the "grievance" discussion in the



same meeting. The parties further agree that those issues not covered by the express terms of this agreement shall not be grieved.

**G.** The parties shall establish a monthly Mediation session with a Mediator affiliated with the Federal Mediation and Conciliation Service. At least two (2) weeks prior to said session, the Union shall list the outstanding grievances that have been deadlocked at the weekly meetings that the Union wishes to pursue in mediation. Failure by the Union to list a grievance deadlocked at a weekly meeting will be considered a waiver of the Union's right to proceed to Mediation. If the parties are unable to agree on a resolution, the Mediator shall make an immediate written recommendation. Said recommendation shall not be binding and shall not be admissible as evidence in any arbitration, except as may be necessary for the allocation of costs and expenses as set forth below.

**H.** Said weekly and monthly meetings shall not be cancelled except for unusual circumstances.

**I.** If the matter is not resolved following the mediation session, the Union may, within fourteen (14) days following receipt of the written documentation from the Mediator, request in writing that the matter be submitted to binding arbitration. Submitted with the request for arbitration must be a list of issues the Union is requesting the arbitrator to hear. Failure by the Union to request arbitration within such time frames or to submit the list of issues will be considered a waiver of the Union's right to proceed to arbitration. Within fourteen (14) days after the Union specifies the issue(s) to be submitted the Company must set forth any objections to the formulation of the issue(s) by the Union and propose alternative formulation(s). Failure of the Company to respond and set forth alternate formulations will be deemed an acceptance of the issues as formulated by the Union.

**J.** The impartial arbitrator shall be selected by agreement of the parties. In the event the parties are unable to agree upon an arbitrator, he/she shall be selected by the strike-off method from a list of qualified and experienced labor arbitrators obtained from the American Arbitration Association (AAA). Each party shall have the right to reject one list provided by the AAA. Each arbitration will be conducted in accordance with the rules of the American Arbitration Association.

**K.** An arbitrator shall have no power to add to, subtract from, change, or modify any provision of this Agreement, but shall be authorized only to interpret the existing provisions of this Agreement and apply them to specific facts of the complaint or dispute.

**L.** The selected arbitrator shall issue a written decision to the parties within thirty (30) days of the submission of written briefs to the arbitrator.

**M.** Any agreement reached at the weekly meetings or the monthly mediations and any arbitration decision shall be accepted as final and binding. If a party refuses to accept the recommendation of the

Mediator and does not receive a more favorable determination by the arbitrator, the other party shall be considered the prevailing party. Expenses and verified costs of the prevailing party shall be borne by the other party, including cost of the arbitrator, reporting, and cost of meeting rooms incurred as the result of arbitration. In all other areas the parties will share the respective costs, one-half (1/2) to be borne by each side. Cost of attorney fees and the publication of the transcript shall be borne by the party incurring the fees.

#### **SECTION 32 - NO STRIKE - NO LOCK OUT**

- A. There shall be no strike or lockout during the life of this Agreement.
- B. The Union agrees to give the Employer at least ten (10) days advance written notice of any intent by the Union to honor a primary sanctioned picket line when established by another union directed at Macy's San Francisco and Stonestown.
- C. A primary sanctioned picket line is one sanctioned by the UFCW International Union and the San Francisco Labor Council.

#### **SECTION 33 - WAGE RATES AND JOB CLASSIFICATIONS**

A. No contract rate herein provided shall be considered as other than a minimum rate, and no wage rate being paid to an individual employee as of the date of this Agreement above the minimum provided herein for the classification in which the employee is working shall be reduced.

##### **B. Progression Schedule**

Effective for all new hires after the date of ratification, for all classifications under the Collective Bargaining Agreement, the progression schedule shall be:

Months of continuous service:

In hire 80% of the thereafter rate of pay

12 months 85% of the thereafter rate of pay

24 months 90% of the thereafter rate of pay

36 months 95% of the thereafter rate of pay.

48 months Thereafter rate

Rates of pay under the progression schedules shall be as follows:

1. Inexperienced employees may be hired at the lowest rate of pay of the progression schedule for their classification of work.
  2. An experienced employee who has had comparable experience in the retail and department store industry equivalent to the completion of one or more steps within the progression schedule for his/her classification of work, may be hired at the rate of pay for the progression step equivalent to his/her past experience, but such employee shall not be entitled to the highest rate in the progression schedule until s/he completes fifty (50) working days. However, this language does not preclude the Employer from hiring individuals above the maximum of the classification if such action is necessary to secure an individual. The Employer agrees that it will not act in an arbitrary manner in this regard and that it will not exercise its right herein, except in certain limited situations where the individual is of a reputation that will enhance the Employer's selling opportunities.
  3. The rates of pay as established in 1 and 2 above will also apply to Seasonal Employees. Such employees shall not receive progressive wage increases during the period of their seasonal employment. Christmas Season Employees may be hired at 70% of the thereafter rate.
  4. All progression steps will be adjusted according to their % of the thereafter rate consistent with the wage increases.
  5. Effective June 1, 2003 the entry rate of pay may be \$8.50 in selling grades I, II and III, and in all non-selling grades.
- C. An employee who works more than fifty percent (50%) of the time in any one day in a classification calling for a higher rate of pay than his/her regular rate shall be paid for the entire day at such higher rate.

**D. Biweekly Pay**

The Employer, with thirty (30) days advance notice to the Union and the Employees, may convert at the same time as the majority of the other Employer's employees to a biweekly pay period.

E. The reclassification of a Regular employee as the result of a successful complaint of improper classification, shall be effective retroactively to the date the employee was placed in the disputed classification, or the date not more than one hundred twenty (120) days prior to the claim of

misclassification, whichever period is shorter.

F. Should any job classification, new departments or division be established which are not covered by the Agreement and are not, by the terms of this agreement excluded from the coverage of the same, either party will, upon request of the other party, discuss wages applicable to such employees, and in the event the parties are unable to arrive at agreement as to the proper wage classification (including new commission arrangements) for the new classification, the matter may be submitted by the Union for disposition to an impartial arbitrator following the procedures contained in Section 31 of this Agreement.

**G. WAGES:**

Thereafter rates 6-1-04 6-1-05 6-1-06 6-1-07

**Selling Classifications**

**Grade 1**

Downtown& \$12.34 \$12.74 \$13.14 \$13.59

**Stonestown**

**Grade II**

Downtown& \$12.66 \$13.06 \$13.46 \$13.91

**Stonestown**

The progression schedule is calculated on the current years thereafter rate in each location

In instances where an Employee in a Grade I or II selling classification is or would be above the thereafter rate in any given year the increases shall be according to the following schedule: June 1, 2004 \$0.40 per hour, June 1, 2005 \$0.40 per hour, June 1, 2006 \$0.40 per hour, June 1, 2007 \$0.45 per hour

Commission Grade I and Grade II: 1% guaranteed, 1.5% at 110%-119.9%, 2% at 120% of individual SVPH goal

For new hires the commission rates in Grade I and II will begin after their first three (3) months.

## Enhanced Commission Plan

For Sales Employees in Grade I and Grade II.

Effective June 1, 1999, based on the individual sales goal results for the fiscal quarter beginning March 1, 1999 through May 31, 1999 the commission rate for sales employees under these classifications may be enhanced based on their individual sales goal performance.

At the end of each fiscal quarter the Sales Employees actual SVPH will be compared to their individual SVPH goal. SVPH goals will be derived from the zone selling cost goals and the individual's hourly base rate (hourly and buyouts).

Enhancements consistent with the terms set forth below will be made for each fiscal quarter thereafter based on individual sales results:

- 120% of goal or greater would be paid 2% commission on net sales
- 110%-119.9% of goal would be paid 1.5% commission on net sales
- Less than 110% of goal would be paid 1% commission on net sales

For the purposes of this provision, zone selling cost goals and individual sales per hour goals may be set at the discretion of the Employer provided the goals are not established in an arbitrary or capricious manner. In addition, the Union may request, with advance written notice to review the results with the employer. The Employer will provide the Union the Historical selling cost percentage and the percentage goal quarterly.

New hires will be eligible to receive commission upon completion of their first three (3) months of employment. They are eligible for the commission enhancement at the end of the first full fiscal quarter following their first three (3) months of employment.

For Grade I and Grade II Employees to be eligible for the Yearly base rate increase they must meet one of the following sales goal criteria, based on an average over the previous 12 months.

1. Sell 110% or more of the average department sales volume per hour.

OR

2. Sell 75% or more of their individual SVPH goal.

For the purposes of this provision, "previous 12 months" shall be defined as the fiscal twelve (12) month period beginning the first day of the first month of the second fiscal quarter of the previous fiscal year and ending the last day of the last month of the first fiscal quarter of the current fiscal year. For example, the annual base rate increase to be paid June 1, 2001, would be based on associate's SVPH average over the following twelve (12) fiscal months: May 2000; June 2000; July 2000; August 2000; September 2000; October 2000; November 2000; December 2000; January 2001; February 2001; March 2001; April 2001.

Thereafter rates 6-1-04 6-1-05 6-1-06 6-1-07

#### Selling Classification

Grade IIB

Downtown& \$12.71 \$13.11 \$13.51 \$13.96

Stonestown

Employees at or above the thereafter rate in any given year shall receive the increase as follows: The increases for Grade IIB are June 1, 2004 \$0.40 per hour, June 1, 2005 \$0.40 per hour, June 1, 2006 \$0.40 per hour, June 1, 2007 \$0.45 per hour.

Thereafter rates 6-1-04 6-1-05 6-1-06 6-1-07

#### Selling Classifications

Grade IIIA \$13.95 \$14.35 \$14.75 \$15.20

Thereafter rates 6-1-04 6-1-05 6-1-06 6-1-07

#### Selling Classifications

Grade IVA

Downtown& \$12.69 \$13.09 \$13.49 \$13.94

Stonestown

Grade IVB

Downtown & \$13.01 \$13.41 \$13.81 \$14.26

#### Stonestown

Employees at a base rate at or above the thereafter rate in any given year shall receive the increases as follows: June 1, 2004 \$0.40 per hour, June 1, 2005 \$0.40 per hour, June 1, 2006 \$0.40 per hour, June 1, 2007 \$0.45 per hour.

All cosmetics employees in Grade IV shall receive a minimum guarantee of 3% commission, or the current commission rate in effect as of date of ratification of the agreement.

All West Building fragrance employees in Grade IV shall receive a guaranteed 2% commission on all women's fragrance sales and 3% on all cosmetics sales.

All Men's Building fragrance employees in Grade IV shall receive a minimum guarantee of 3% commission, or the current commission rate in effect as of date of ratification of the agreement, on all men's fragrance sales.

The same progression schedule as Grade I and II shall apply to Grade IV.

#### Selling Classifications

##### Grade VA1 Women's Shoes and Children's Shoes

Draw Rates 6-1-04 6-1-05 6-1-06 6-1-07

Downtown & \$ 9.22+ \$ 9.22 + \$ 9.22 + \$ 9.22 +

Stonestown\* \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 9.50 for full time employees, 8.25% for part time employees. Any Part-time employee on roll as of 8-20-1999 shall receive 9.00% commission. For the first year new full time employees may receive 1% less than the applicable commission rate.

##### Grade VA2 Men's Shoes

Draw Rates 6-1-04 6-1-05 6-1-06 6-1-07

Downtown & \$ 9.22 + \$ 9.22 + \$ 9.22 + \$ 9.22 +

Stonestown\* \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 8.25% for full time employees, 7.00% for part-time employees. Any Part-time employee on roll as of 8-20-1999 shall receive 8.25% commission. For the first year new full-time employees may receive 1% less than the applicable commission rate.

The Commission Rate on Athletic Shoe sales shall be 6.00%

\*Stonestown side letters remain in effect.

Grade VB1

Draw Rates 6-1-04 6-1-05 6-1-06 6-1-07

Downtown & \$ 8.92+ \$ 8.92 + \$ 8.92 + \$ 8.92 +

Stonestown \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 6.75% for all full time employees, 5.00% for part-time employees. Any Part-time employees on roll as of 8-20-1999 shall receive 6.25% commission. For the first year new full time employees may be paid 1% less than the applicable rate.

Grade VB2 6-1-04 6-1-05 6-1-06 6-1-07

Downtown & \$8.92+ \$8.92+ \$8.92+ \$8.92+

Stonestown \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 6.50% for full-time employees, 5.00% for part-time employees. For the first year new full-time employees may be paid 1% less than the applicable rate.

Grade VB3 6-1-04 6-1-05 6-1-06 6-1-07

Downtown & \$8.92+ \$8.92+ \$8.92+ \$8.92+

Stonestown \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 6.00% for full time employees; 4.25% for part-time employees. (Status Crystal commission rate will be eight [8%] percent).



For the first year new full-time employees may be paid 1% less than the applicable rate.

Grade VC1

Draw Rates 6-1-04 6-1-05 6-1-06 6-1-07

Downtown \$ 9.77 + \$ 9.77 + \$ 9.77 + \$ 9.77 +

only \$0.40 bonus \$0.40 bonus \$0.40 bonus \$0.45 bonus

Commission Rate 8.25% for full-time employees, 7.00% for part-time employees. Any Part-time employees on roll as of 8-20-1999 will receive 8.25% commission. For the first year new full-time employees may be paid 1% less than the applicable rate.

The ratio of Full-time to Part-time employees in all Grade V departments shall be three full-time to one part-time or less. If the current ratio is less than 3:1 as of date of ratification of this agreement than that current ratio shall stay in effect for the life of this agreement. If the current ratio is more than 3:1 as of date of ratification of this agreement the Employer will within 3 months bring the ratio into compliance.

The quarterly bonus payments shall be made no later than the third week of the first month of each fiscal quarter, based on hours worked in the previous fiscal quarter (for example, for fiscal year 2000: January 30 - April 29; April 30 - July 29; July 30 - October 28; October 29 - February 3). The first bonus payment period shall be from June 1, 1999, through October 30, 1999, (five (5) months), and the last bonus payment period shall be May 1, 2004 through May 31, 2004. All intervening payment periods shall be based on standard fiscal quarters, as described above.

Any Grade V employee who, during the term of the agreement, transfers to another department in the store, shall receive a prorated bonus based on hours worked in the Grade V department during the quarter in which the transfer was processed. The past practice of requiring associates to be on roll as of the date the bonus is paid in order to be eligible to receive the bonus payment shall continue.

#### H. NON-SELLING CLASSIFICATIONS

Thereafter Rates 6-1-04 6-1-05 6-1-06 6-1-07

Grade A \$13.04 \$13.44 \$13.84 \$14.29

Grade B1 \$13.14 \$13.54 \$13.94 \$14.39

Grade B2 \$12.84 \$13.24 \$13.64 \$14.09

Grade C1 \$13.22 \$13.62 \$14.02 \$14.47

Grade C2 \$12.92 \$13.32 \$13.72 \$14.17

Grade D2 \$13.36 \$13.76 \$14.16 \$14.61

Grade E1 \$13.36 \$13.76 \$14.16 \$14.61

Grade F1B \$13.62 \$14.02 \$14.42 \$14.87

Grade F1BN \$13.87 \$14.27 \$14.67 \$15.12

Grade F1C \$14.66 \$15.06 \$15.46 \$15.91

Grade F1D \$14.27 \$14.67 \$15.07 \$15.52

Grade F2A \$15.60 \$16.00 \$16.40 \$16.85

Grade F2B \$15.90 \$16.30 \$16.70 \$17.15

Grade G \$9.00 \$9.40 \$9.80 \$10.25

Grade H \$14.89 \$15.29 \$15.69 \$16.14

Grade I \$13.91 \$14.31 \$14.71 \$15.16

In instances where an employee in a non-selling classification is or would be above the thereafter rate in any given year, the wage increase effective June 1, 2004 is \$0.40 per hour, June 1, 2005 \$0.40 per hour, June 1, 2006 \$0.40 per hour, June 1, 2007 \$0.45 per hour.

#### **I. SCHEDULE FOR GENERAL UTILITY EMPLOYEES**

Grade I June 1, 2004 Thereafter Rate \$13.11

General Utility employees shall be those employees not definitely regularly assigned to specific duties in any selling or non-selling department. They may be used at the discretion of the Employer in any department of the store and for any duties, either selling or non-selling as the occasion arises. The

number shall not exceed five percent (5%) of the total number of employees covered by this agreement.

If such employees work at a job carrying a higher rate of pay than he is receiving, he shall receive such higher rate for the time he works at such job.

Thereafter rates 6-1-04 6-1-05 6-1-06 6-1-07

\$13.11 \$13.51 \$13.91 \$14.36

#### **J. SERVICE AND SALES WAGE ENHANCEMENT**

For those who are eligible for general wage increases or bonuses effective years 2006 and 2007, the general wage increase or bonus will be raise by \$0.10 if the Union Square and Stonestown previous years annual sales are exceeded by 5% and the customer service scores reach an annual average of 80, for each respective fiscal year (2005 and 2006).

#### **EXTRA WRAPPERS**

During the period between November 1 and Christmas, the week preceding Easter, and one major sales days, not to exceed six (6) per year per store. Employer may hire and so designate "extra wrappers" to do wrapping comparable to that done in the floor desk (but irrespective of the place where such wrapping is done) at the same rate of pay as provided in Section 33H Grade B2 of this Agreement for Delivery Wrappers.

#### **EXTRA EMPLOYEES FOR INVENTORY WORK**

The Employer may employ Extra employees for the purpose of taking inventory at the same rate as provided for in Section 33H Grade B2 of this Agreement.

#### **K. BONUSES**

##### **Men's Clothing:**

Those Employees who previously received a side payment will be paid a quarterly Bonus of .25% on the individual net sales calculated from the beginning of the business quarter through the end of the business quarter. Eligible Employees must be on roll from the beginning of each quarter to the end of each quarter to qualify for the side payment bonus amount.

##### **Shop on Union Square:**

Those Employees who previously received a side payment will be paid a Quarterly Bonus of 1.75% of the individual's net Sales based on the same calculation as noted in Men's Clothing.

Eligible Employees must be on roll from the beginning of each quarter to the end of each quarter to qualify for the side payment bonus amount.

**Lifestyles:**

Those Employees who previously received a side payment will be paid a Quarterly Bonus of 1.25% of the individual's Net Sales based on the same calculation as noted in Men's Clothing.

Eligible Employees must be on roll from the beginning of each quarter to the end of each quarter to qualify for the side payment bonus amount.

**Furniture and Mattresses:**

Those Employees who previously received a side payment will be paid a Quarterly Bonus of 1.25% of the individual's Net Sales based on the same calculation as noted in Men's Clothing.

Eligible Employees must be on roll from the beginning of each quarter to the end of each quarter to qualify for the side payment bonus amount.

**Carpets:**

Those Employees who previously received a side payment will be paid a Quarterly Bonus of 1.75% of the individual's Net Sales based on the same calculation as noted in Men's Clothing.

Eligible Employees must be on roll from the beginning of each quarter to the end of each quarter to qualify for the side payment bonus amount.

**Women's Shoes:**

Those Employees who previously received a side payment will be paid a seasonal Bonus of 1.5% of individual net sales, calculated from the beginning of the business season through the end of the business season. Eligible Employees must be on roll from the beginning of each season to the end of each season to be eligible.

**Men's Shoes:**

Those Employees who previously received a side payment will be paid a seasonal Bonus of 2.75% of individual net sales, calculated from the beginning of the business season through the end of the business season. Eligible Employees must be on roll from the beginning of each season to the end of each season to be eligible.

**Misc. Departments:**

There remain a few grandfathered side payment Employees in Misc. Departments other than those identified above (Men's and Women Shoes not included) which will be paid a new commission rate and Quarterly bonus on the same calculation noted above. If Dual commission as per Men's Clothing; if single commission as per the calculator method of Furniture. New Commission rates will be rounded to the nearest .25%. The Company will submit a list of these Employees and their new draw commission structure to the Union.

**Current Employees in Grade V Departments:**

Current Grade V Associates will not have to satisfy the one (1) year progression period to receive the agreed to commission rate if they transfer to a new Grade V department (i.e. Men's Clothing receiving 6.75% transfers to Carpets will receive on the first day in Carpets 6.50%) and the Quarterly Bonus if applicable. If another employee not in Grade V as of September 1, 1993, transfers to a Grade V department, they may be required to satisfy the commission progression schedule.

**RATIFICATION BONUS**

A "Ratification Bonus" shall be paid to all employees on roll as of June 1, 2004 of \$250.00.

L. Selling incentive plan agreed to between the Employer and the Union in effect as of the date of ratification of this Agreement shall remain in effect. Copies of the individual store selling incentive plans are on file in the offices of the Union and the Employer.

Where a salesperson fills a phone, computer or mail order, s/he shall be credited with such sale provided the sales employee assists with the sale

The commission period shall be the same period as the majority of the employer's employees are paid, except at no time shall the period be greater than a 4-5-4 payment cycle. There shall be no commission deficit carried from one Season (e.g. February 1st to July 31st and August 1st to January 31st) to another. In the event any Furniture Department Employee (Grade VB2) falls into deficit during the months of November or December due to the Trim-a-Home department, that deficit shall be wiped off.

M. Selling and Working Supervisors not falling within the definition of "Executive" as set forth in Section 2 (Definition of Executives) shall receive one dollar (\$1.00) per hour of premium pay above the minimum wage scale in the department in which they work, and shall be covered by all the terms of the Agreement.

N. Nothing in this Agreement shall restrict the employer from enhancing the commission rate for all commission eligible employees in a department, and/or increasing an individual's base rate compensation above their current rate.

#### **SECTION 34- SEPARABILITY**

If any Section of this Agreement or Appendices thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Section is restrained by such tribunal pending a final termination as to its validity, the remainder of this Agreement and of any Appendix thereto, or the application of such Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

#### **SECTION 35 - TRANSFER AND REMOVAL OF WORK**

No work now being performed by the employees within the bargaining unit shall be transferred or removed from the bargaining unit without at least sixty (60) days advance notice to the Union affected by certified or registered mail setting forth the nature of such intended change(s), dates of such change(s) and whether the change involves the elimination of a work or departmental operation or a change in method of operation wherein present bargaining unit employee's job or position would be eliminated. Any employee displaced as a result of those situations where the change results in the elimination of entire departments or work operations, or individual job functions within a department will, in order of seniority, be offered the opportunity to displace among the least senior employee in their same classification, provided the employee has the requisite merit and ability to perform the function of the least senior employee in accordance with Section 16 of the Collective Bargaining Agreement. The classification shall be defined as the major grouping (i.e. Grade C1 - 1a through f). The Employer shall provide whatever in-store training necessary to place the affected employee(s) in other available positions regardless of classification. In such situations, the affected employee(s) shall have the option of accepting the available position or of going on layoff status.

The employer upon notice to the Union, agrees to institute a hiring freeze for the classifications, or work types affected by the transfer or removal, as well as for Grade I selling positions, in an effort to create and/or keep for the affected employees, as many available open positions as possible.

It is understood that such available open positions are the only positions that the affected employees can transfer to, and the hiring freeze does not apply to positions of the type that the affected employees would not be experienced or qualified for. Should all of the prospective displaced employees fail to accept an available position and choose to accept a layoff, the Employer shall fill the available position(s) in accordance with Section 16. The Employer agrees to offer to those on layoff status, as a result of the job elimination, positions that become available in the future before any new employee is hired. The offer of newly available positions shall be in accordance with Section 16, and this Section shall have priority and precedence over Section 17E.

In those situations cited above if the Union has served notice on the Employer within seven (7) days of receipt of the above-mentioned Employer notice, the parties shall meet as soon as possible to discuss the effects of such above-mentioned changes on the bargaining unit employees. If displacement results in loss of work resulting in layoff, then the Employer and the Union will meet to discuss the effects of such layoff and negotiate applicable severance and general release. Grievances by employees regarding the effects of the change(s) will be subject to all provisions of Section 31.

#### **SECTION 36 - LABOR MANAGEMENT COMMITTEE**

The parties have agreed to establish a Labor Management Committee. This Committee will consist of a Business Agent of the Union, a Human Resources representative of Macy's and three (3) regular employees from the affected department(s) selected by the Union.

The Labor Management Committee shall meet once per quarter at a time and date mutually agreeable to Macy's and the Union. At least two (2) weeks prior to the meeting, the Union will advise Macy's of the subjects to be discussed at the Labor Management Committee meeting, so that Macy's will be prepared for the meeting. Following the meeting, the Human Resources representative will be responsible for following up with the members of the committee as to Macy's response.

The committee does not have the authority to interpret, alter, change or modify any section of the Collective Bargaining agreement, as well as, any Company policy or procedure not expressly covered in the agreement. Disputes over the interpretation or application of the contract or any alleged contract violations will continue to be heard solely at the weekly grievance meeting as defined in Section 31. The focus of the meetings shall be on issues of departmental or storewide concern and not be a forum for personal issues or gripes.

This letter of understanding remains in effect during the life of the contract, unless there is a mutual agreement to rescind or modify it.

#### **SECTION 37 - TERM OF AGREEMENT**

This Agreement shall be effective the first day of June 2004 and shall remain in full force and effect until midnight May 31, 2008, and shall continue in effect thereafter from year to year unless either party hereto serves notice in writing sixty (60) days prior to the anniversary date of this Agreement of its desire to modify or change this Agreement.

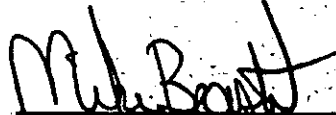
The parties hereto agree that all issues between them are settled by this Agreement for the full term thereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands, by their respective officers or representatives thereunto duly authorized.

**MACY'S WEST**

**UFCW LOCAL 101**

**UFCW LOCAL 101**



Kevin Sears,  
Director of Employee &  
Labor Relations

Mike Borstel,  
President

Matthew Ross Esq.  
Counsel

Date: 10-1-2004

Date: 10-6-04

Date:

MACYS/UFCW LOCAL 101

APPENDIX "A"

Artists

Personnel Interviewers

Beauticians

Personnel Office Clerks

Cabinet Makers

Plumbers

Carpenters

Printers



Copy Writers	Programmers - Operators
Culinary Employees	Radio and TV Servicemen
Deliverymen - Outside	Registered Nurses
Displaymen	Secretaries to Executives above department manager
Drapery Workers	Shoe Repairmen
Electricians	Special Officers
Elevator Constructors	Store Detectives
Elevator Operators	Teamsters
Engineers	Teen Board Members
Executive	Trainees Warehouse Dept.
Fur Workers	Watch Repairmen
Furniture Finishers	
Garage Employees	
Guards	
Janitorial Operations	
(Janitors, Matrons)	
Laborers	
Operations (Shipping & Receiving Clerks; General Department Store Warehouse)	
Painters	

**APPENDIX B**

The department area/suffix numbers  
are subject to change.

**SELLING**

**GRADE I**

**Area Suffix**

01 05 Expressions

01 08 Club House\*

01 17 Career Sportswear\*

01 22 YC/Sleepwear

01 39 Dresses Foundation Fitter\*

01 54 Petites

01 69 Macy Woman

01 87 Coats/Swim

01 88 Impulse

02 01 Lingerie

03 01 Fashion Accessories

03 02 Fashion Jewelry

03 04 Hosiery

03 05 Handbags  
03 52 Watches \*  
06 02 Children's  
07 02 Men's Sportswear  
07 20 Basic Men's Furnishings  
07 21 Dress Men's Furnishings  
07 22 Collections/Activewear  
07 29 Tommy Hilfiger  
07 30 Polo \*  
07 43 Men's Accessories  
07 47 Active/ Outerwear  
08 10 Young Men's  
10 08 Domestics  
14 18 Home To Go \*  
15 01 Juniors  
16 01 Housewares  
16 15 Table Top Housewares  
18 09 Luggage\*  
19 43 Candy/Pkg Goods

19 44 Yogurt

19 43 Bakery

20 32 Cookware Demonstrator

40 02 Fine Jewelry, Fine Watches, Bridge Jewelry (Stonestown) \*

93 27 Watch Repair

93 41 Candy

\* Grade IIA prior to ratification date 08/01/2004

GRADE IIB

94 01 Flyers

94 01 Door Greeters

(Macy at Your Service)

GRADE IIIA

Area Suffix

19 43 Wine-Gourmet Food

Sales

19 44 Deli Type Items Sales

GRADE IVA

Area Suffix

04 02 Estee Lauder (main

counter)

04 03 Clinique (main counter)

04 04 Lancome (main counter)

04 05 Arden

04 08 Fragrances

04 10 Chanel

GRADE IVA (CONTINUED)

04 12 Prescriptives

04 13 Borghese

04 14 Fashion Fair

04 15 Shiseido

04 17 Clarins

04 18 Christian Dior

04 22 Origins

04 24 Fragrances

04 25 Fragrances

04 25 Tommy Shop

04 28 YSL/Guerlain

04 38 Biotherm

- 04 42 On-Calls/Flyers
- 04 47 Laura Mercier
- 04 51 Clinique outpost
- 04 53 Estee Lauder Spa/Color Library
- 04 54 Lancome Outpost
- 04 55 Lancome Institute
- 04 58 Benefit
- 04 62 Lancome L'atlier/Color  
Studio
- 04 63 Clinique - (Men's)
- 04 68 5s
- 04 82 Open to sell Cashiers
- 04 88 Guerlain
- 04 90 Assisted-Sell Fragrances
- 04 92 Origins Store
- 04 93 Men's Fragrance/Men's Store
- GRADE IVB
- See Grade IVA Cosmetics Counter Person
- GRADE VA1

Area Suffix

05 02 Women's Shoes (Blue  
team)

05 31 Women's Shoes (Grn.  
team)

93 07 Stride Rite Shoes

93 08 Children's Shoes

GRADE VA2

Area Suffix

05 03 Men's Shoes

GRADE VB1

Area Suffix

07 32 Men's Clothing

07 45 Men's Designer

01 04 Shop on Union Square

01 17 Career Sportswear

01 21 Bridge

GRADE VB2

Area Suffix

14 07 Furniture

14 12 Mattress

12 01 Carpets/Rugs

GRADE VB3

Area Suffix

11 01 Decorative Tabletop \*

\*(Grade II prior to

8.20.99)

GRADE VC1

(Downtown only)

Area Suffix

03 52 Watches

40 02 Fine Jewelry, Fine

Watches,

NON SELLING

GRADE A

Area Suffix

25 15 Office and Clerical (file

clerk)



GRADE B1

Area Suffix

Office and Clerical

35 50 Mail room

clerk/divisional

GRADE B2

Area Suffix

35 05 Sales Support (fitting

room checker, gift

wrapper)

GRADE C1

Area Suffix

70 10 Office and Clerical (buyer

70 20 clerical, error control clerk)

70 28 Divisional Clerical

GRADE C2

Area Suffix

35 05 Delivery wrapper and Floor cashier

GRADE D 2

Area Suffix

70 Sales Support (Cashier office)

GRADE E 1

Area Suffix

25 15 Office and Clerical

80 70 (Bookkeeper and

92 04 Office/Visitor Support center)

92 05

GRADE F1B, F1BN\*

Area Suffix

35 20 Supply Clerk

80 10 Recovery (seasonal)

80 70

90 02 Este Lauder Stock

90 03 Clinique Stock

90 18 Night Processors\*

90 19 Seasonal Support

90 20 Seasonal Recovery

90 21 Seasonal Recovery

- 90 23 Seasonal Recovery
- 90 24 Seasonal Recovery
- 90 50 Cellar
- 90 51 1st Floor West Stock
- 90 52 West 3rd Floor Stock
- 90 53 West 4th Floor Stock
- 90 54 Trim a home
- 90 55 West 6th Floor Domestic
- 90 57 RTW North Bldg.
- 90 58 Men's Lower Level  
Stock
- GRADE FIB (continued)
- Area Suffix
- 91 58 Men's Suit Stock
- 92 58 Men's Polo Stock
- 90 59 Men's 1st Floor Stock
- 90 60 Cosmetic Stock
- 90 61 Women's Shoe Stock
- 90 62 Women's Shoe Stock

90 63 Men's Shoe Stock

90 64 Luggage Stock

90 65 Gift Wrap Stock

90 66 Men's 2nd Floor Stock

90 66 Men's 3rd Floor Stock

90 68 Open-sell cosmetics

90 69 Tabletop Stock

(Merchandise Handling/Stock Clerk, and Supply Clerk, Signers, Sensomatic Team)

\*For purposes of wages only

GRADE F1C

Area Suffix

70 30 Fine Jewelry Center (Merchandise

Processor)

GRADE F1D

Area Suffix

55 29 Photo Studio

(Merchandise Handler)

GRADE F2A

Area Suffix StockClerk, Grandfathered See F1B Store Stock Associate

92 04 Corporate Sales

92 07 Bridal Registry

92 08 Bridal Registry

GRADE F2B

Area Suffix

90 10 Sales Support (Delivery Packer and Parcel  
Clerk)

GRADE G

Area Suffix

xx xx Recovery

GRADE H

Area Suffix

07 08 Alterations (Women's Alterations and fitter,  
Hand-Machine Presser)

09 76 Women's Alterations

GRADE I

Area Suffix

60 30 Copy Center, Duplicating  
Machine Operator

## UFCW'S/UFCW LOCAL 101

## APPENDIX C

## ATTENDANCE POLICY

## I. GENERAL ABSENTEEISM POLICY

Macy's California believes it is the obligation of every employee to report to work on time as scheduled each day and to work their entire schedule.

## II. STANDARD

A. Punctuality in reporting to the job is expected from every employee and is essential to the smooth operation of the business.

B. 1. An absence occurs any time an employee is scheduled to work, but does not report. This does NOT include approved time off for vacation, holidays, bereavement leave, jury duty, approved leave of absence including pre-approved sick leave, or for any other written approved reason. All employees who are unable to report to work must inform the personnel office prior to their scheduled starting time and inform them of the reason for their pending absence, and how long they will be out. An employee out of work due to illness for five (5) or more working days must provide Human Resources, for purposes of SDI, current medical certification of ability to work, or inability to work. In cases of Worker's Compensation, this certification must still be provided on the first day.

2. The Employer shall consider all circumstances presented by an employee (or union representative on his behalf) before classifying an attendance incident as an "occurrence" or "irregularity".

C. Absences shall be recorded into three (3) categories:

1. Reported absences: Those in which the employee is not reporting to work but has contacted Human Resources in accordance with the above procedures. If an employee reports an anticipated return date, they do not have to call in each day, unless the return date goes beyond original anticipated return date.

2. Job Abandonment: Failure to report to work within two (2) days of notification, or failure to report for two consecutive days.

3. Failure to Report Off: Unless serious illness or injury precludes an employee from reporting off work,

A FINAL WARNING SHOULD BE GIVEN THE FIRST DAY OF NO REPORT. TERMINATION THE SECOND TIME AN EMPLOYEE FAILS TO REPORT.

### III. DISCIPLINE

A. Excessive absenteeism and/or tardiness will result in a CAUTIONARY WARNING, WRITTEN WARNING. Continued poor attendance will result in a FINAL WARNING and thereafter, possible discharge.

B. 1. An employee has a combination of attendance and/or punctuality problems which exceed six (6) points in any rolling 3-month period or ten (10) points in a rolling 12-month period. Each absence will count as one (1) point. Each long lunch shall count as a ½ point or 1 full point. Each tardy and employee-initiated home-early over 15 minutes will count as a full point. Tardiest under 15 minutes but greater than five (5) will be recorded as 1/2 point.

C. An employee who shows a clearly identifiable pattern in his/her absences and/or punctuality (e.g. Fridays, excessive short-term tardiest or Saturdays, long lunches, day off after vacation, etc.) shall receive counseling.

#### D. Counseling Guidelines:

1. An employee will be subject to disciplinary action where their attendance exceeds the deviation points below or their absences follow a pattern.

2. Ten (10) points in a rolling 12-month period or six (6) points in a rolling quarter = Written Warning.

3. Twelve (12) points in a rolling 12-month period or the second time in a rolling 12-month period of six (6) points in a rolling 3-month period = Final Warning.

4. Fourteen (14) points in a rolling 12-month period = Termination.

C. 1. Except as noted in Subsection C(2) incidents will be null and void after the 12-month rolling period.

2. An employee who demonstrates a pattern of attendance problems even after the 12-month rolling period will be reinstated at the 12 point level of this Divisional Attendance Policy, for a period of four (4) months.

### IV. PROCEDURES

- A. Employee's attendance records will be monitored every month. When a review indicates a failure to meet standards, the employee should be disciplined. When an employee's attendance is reviewed, and possible discipline may occur, ALL employees in the department should be reviewed. If another employee has a similar record, they too should be addressed.
- B. If upon examination, the employee's attendance continues to fall below the above standards, or the employee exhibits a clearly identifiable pattern, or exhibits a lack of commitment to improve his or her attendance record further disciplinary action may be taken.
- C. All employees must contact Human Resources for reporting absences of any kind, including going home early. All calls must be logged in and kept on file for at least one (1) year. The log sheets should also include a column for anticipated return date. Attendance tracking should be off the call-in sheets and attendance cards.
- D. Attendance cards must be kept on all employees. Attendance cards should show any attendance irregularities (i.e. home early, late arrival, absence for any reason), in addition to days worked, noting indicators listed on the bottom of the card. Attendance cards must be posted weekly.
- E. The Department and Group Managers are responsible for keeping track of daily attendance with the Human Resource Manager in tracking attendance.
- F. Department managers and Group managers should review attendance no less than monthly.
- G. When disciplinary warnings are given under this policy the Employer shall simultaneously furnish written notice to the Union.

#### **V. COUNSELING GUIDELINES**

1. Again, consistency is a key factor in a successful attendance program.
2. Relevant factors to consider in all cases are:
  - a. Frequency-How often is the employee out?
  - b. Cause-Does the employee usually have an acceptable record and is experiencing a long term illness in a given year, or is attendance sporadic?
  - c. Patterns of Absences-Is the employee always absent on a Saturday, or Mondays and Fridays, or day prior to or after vacation?



d. Compliance with call-in policy.

3. Begin by being supportive. Tell the employee you want to help, don't lecture or become angry. If the employee expresses that they are having a personal crisis contributing to their attendance problem, suggest the EAP (Macy's Employee Assistance Program) to them if appropriate.

4. Use the documentation to show evidence. Don't rely on memory-have it in front of you. Ask if they have any comments.

## VI. DEFINITIONS

1. ABSENCE-Failure of an employee to report to work when scheduled, or unscheduled time off the job (unless time off approved by executive or is a certified workers compensation illness/injury), consecutive absences for the same reason shall be deemed one incident.

2. TARDY-Failure of an employee to report to their work station within five (5) minutes of their schedule, or punch in within five (5) minutes of their scheduled time.

5-14 minutes = ½ point

15 or more minutes = 1 point

3. HOME EARLY-Failure of the employee to work their full scheduled shift if initiated by the employee and not approved by the manager.

4. LONG LUNCH-Failure of the employee to return from meals or breaks in their allotted or agreed upon time.

5-29 minutes tardy = 1/2 point

30 or more minutes tardy = 1 point

5. JOB ABANDONMENT-Failure to report to work within two (2) days of notification, or failure to report for two (2) consecutive days.

6. ATTENDANCE IRREGULARITY/INCIDENT-Any time an employee arrives late, leaves early, or is not at work (other than approved times specified).

## VII. GRIEVANCE RIGHTS AND SCOPE OF AGREEMENT

A. Nothing in this policy shall be deemed to waive any of the Union's rights or obligations to grieve the application of this policy to an individual employee who has completed the probationary period. The parties agree the Divisional Attendance Policy applies to all non-probationary bargaining unit employees.

Any employee who currently has nine (9) or less points under the Divisional Attendance guidelines shall be deemed to have zero points under this policy effective on date of approval by the parties.

An employee having either 10 or 11 points under the guidelines will be deemed to have nine (9) points under the policy, deletion to be the oldest incidents.

## **VIII. ATTENDANCE CREDITS**

### **Grace Period**

Each associate has 7 ½ "grace points" in a rolling twelve (12) months period or 5 1/2 "grace points" in a rolling three (3) month period under the current attendance policy before any disciplinary counseling is begun.

### **Credit Points**

Associates shall earn 1/2 credit that will be applied to these "grace points" under the following parameters:

1. Volunteering to change any scheduled day off, to accommodate business needs after a final schedule has been posted or changing an approved scheduled personal/floating holiday or vacation to accommodate business needs.
2. A maximum of eight (8) credits may be earned in a rolling twelve (12) month period.
3. The Employer shall apply the credit points to the employee's attendance record.

### **Rewards**

At the end of each calendar year each associates who has zero (0) attendance points will earn a day off with pay that may be taken in the following calendar year under the same guidelines that apply to vacation days. If an associate has zero (0) points for two (2) consecutive years thereafter they earn one (1) day per year up to a maximum of five (5) days.

We further agreed any dispute with the terms of the agreement will be placed before the mediator for

resolution.

## APPENDIX D

### LEAVE OF ABSENCE AND TIME OFF

At some point in your career, you may need to request a leave of absence/time off.

Your eligibility and whether the leave is paid are determined by several factors. These include the reason for the leave, your length of service, and your hours worked. Different kinds of leaves of absence may run concurrent with each other and/or with paid time off.

To request a leave, contact your Human Resources representative and your manager. A Human Resources representative will provide the necessary forms, information, explain the procedure, and advise you what kinds of leave may be available, whether or not you qualify, and whether the leave will be paid or unpaid. Most leave time is unpaid. If you have used up all the time available on one kind of leave and request additional time off, the Company will explore whether another type of leave might be available to you. Leave eligibility often depends on the information you provide us, so be sure to respond promptly and fully to any requests for information, doctor's certifications, etc.

**The following types of leave and/or time off are available subject to eligibility requirements. Eligibility, amount of leave time available, and other specifics and limitations vary depending on the state you work in and the type of leave. Additional information on each of these leaves is available from your Human Resources representative.**

- **Personal** - Time off for personal reasons not covered by other specific types of leave. Employees must take any unused vacation concurrent with a personal leave.
- **Military** - To attend scheduled drills, training, or active duty.
- **Drug and Alcohol Rehabilitation** - For employee to voluntarily enter a drug or alcohol rehabilitation program, provided the leave does not pose any undue hardship on the Company.
- **Domestic Violence/Sexual Assault Leave** - Time off for victims of domestic violence or sexual assault to obtain help from a court, seek medical attention, obtain psychological counseling, or participate in safety planning, such as permanent or temporary relocation.
- **Volunteer Firefighters** - Leave of up to 14 days per calendar year for firefighter training.

- **Bereavement** - Up to 3 working days off in the event of a death in the immediate family (spouse, child, grandchild, mother, father, sister, brother, mother-in-law, father-in-law, stepparent, grandparent, domestic partner or roommate ).
- **Jury/Witness Duty** - Time off to fulfill jury or witness obligations.
- **Time Off to Vote** - Up to two hours unpaid time off if necessary to vote.
- **Time Off for School Children** - Up to eight hours a month or 40 hours in a calendar year to participate in a child's school activities, including meetings about discipline or suspension.
- **Pregnancy Disability** - For employees who are disabled because of pregnancy, childbirth or related medical conditions, as certified by a health care provider.  
California's employees must review the appendix to this handbook regarding pregnancy disability leaves as provided under California state law.
- **Disability** - For regular employees in the event of their own illness or injury which makes them unable to work a full work week or more, as certified by a health care provider.
- **Family Care and Medical Leave** - Under the federal Family and Medical Leave Act ("FMLA"), employees with at least 12 months of service and who have worked at least 1250 hours in the 12 month period prior to the beginning of the leave, may be eligible for up to 12 weeks of unpaid leave for:
  - Care of the employee's newly born, newly adopted or new foster child.
  - Care of a child with a serious health condition.
  - Care of a spouse or parent who has a serious health condition.
  - The employee's own serious health condition.

Other leaves may also be available for childbirth and for the care of a newborn, foster child or adopted child. Please contact your Human Resource Manager for more information on regarding leaves for these purposes. The following notice reviews in detail family care and medical leave under the federal Family and Medical Leave Act ("FMLA"). The FMLA benefits described below are available to eligible employees throughout the United States and Guam. For California employees, review the appendix to this handbook for the policy that applies to you under the California Family Rights Act and California Pregnancy Disability Law.

#### **FMLA LEAVE POLICY**

Under the federal Family and Medical Leave Act, you are eligible to take up to 12 weeks of unpaid

Family and Medical Leave within any 12-month period and be restored to the same or a comparable position upon your return from leave provided: (1) you have worked for the Company for at least 12 months, and for at least 1250 hours in the last 12 months; and (2) are employed at a worksite that has 50 or more employees within a 75 mile radius. The 12-month period in which you may take 12 weeks of leave will be measured as a “rolling” 12-month period dating back from the time you request leave to begin.

### **1. Reason for Leave**

You may take Family and Medical Leave for any of these reasons: (1) the birth of a child and to care for such child; (2) the placement of a child with you for adoption or foster care and to care for the newly-placed child; (3) to care for a spouse, child, or parent (“family member”) with a serious health condition; or (4) because of your own serious health condition which renders you unable to perform an essential function of your position. Leave because of reasons “1” or “2” must be completed within the 12-month period beginning on the date of birth, adoption, or placement. In addition, where both spouses are employed by the Company and they request leave because of reasons “1” or “2”, they may only take a combined total of 12 weeks leave for such purposes during any 12-month period.

### **2. Notice of Leave**

If your need for Family and Medical Leave is foreseeable, you must give the Company at least 30 days prior notice of the need for leave, preferably written. If this is not possible, you must at least give notice as soon as practicable (generally within one to two business days of learning of your need for leave). Failure to provide such notice may be grounds for delay of leave. Additionally, if you are planning a medical treatment, you must consult with the Company first regarding the dates of such treatment. Where the need for leave is not foreseeable, you should notify the Company as soon as possible and practical.

### **3. Medical Certification**

If you are requesting leave because of your own or a covered family member’s serious health condition, you must provide appropriate medical certification from the relevant health care provider within 15 calendar days after you request leave, if practicable. You may obtain Health Care Provider Certification Forms from your Human Resource Manager or an Employee Service Area. If your leave is foreseeable, you must provide the medical certification before leave begins. Failure to provide requested medical certification in a timely manner may be grounds for delay of leave.

The Company, at its expense, may require an examination by a second health care provider designated by the Company, if it reasonably doubts the medical certification you initially provide for your own

serious health condition. The Company, at its expense, may require an examination by a second health care provider designated by the Company, if it reasonably doubts the medical certification you initially provide for your own serious health condition.

If the second opinion conflicts with the original medical certification, the Company, at its expense, may retain a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion.

The Company may require subsequent medical re-certification at the expiration of your previous certification. Failure to provide requested re-certification within 15 days, if such is practicable may result in delay of further leave until such certification is provided.

#### **4. Reporting While on Leave**

If you take leave because of your own serious health condition or to care for a family member, we may require you to contact us every 30 days regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown.

#### **5. Leave is Partially Paid**

You may be eligible to receive under the Paid Family Care Leave Act, up to 6 weeks partially paid leave under Family Temporary Disability Insurance, and you may also be eligible for short or long-term disability payments and/or workers' compensation benefits. Those plans are described in the benefit information brochure, "Macy's More You". If you request leave because of a birth, adoption, or foster care placement of a child, your unused vacation accrual and any paid time off will first be substituted for unpaid Family and Medical Leave. If you request leave for a pregnancy-related disability, or any disability for your own serious health condition, you may use your unused vacation accrual if you desire. However, if you request leave because of your own serious health condition, your Family and Medical Leave will run concurrently with other Company provided leave, except where prohibited by law. The substitution of paid leave time for unpaid leave time does not extend the 12-week leave period. Further, in no case may the substitution of paid leave time for unpaid leave time result in you receiving more than 100% of your salary.

#### **6. Medical and Other Benefits**

For the first 12 weeks of an approved Family and Medical Leave, the Company will maintain your health benefits as if you continued to be actively employed. If you take a leave for disability caused by pregnancy, childbirth, or a related medical condition and follow that leave with a leave to care for your

newborn child, your leave may exceed 12 weeks, but we will only pay the company contribution for medical benefits for the first 12 weeks you are on leave. If paid leave is substituted for unpaid Family and Medical Leave, the Company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium through direct payment to Federated Finance. (The address is available from your Human Resources representative). Your health care coverage may end if your premium payment is more than 30 days late. If your payment is more than 30 days late, we will send you a letter to this effect. If we do not receive your co-payment within 15 days of that letter, your coverage will end. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you will be required to reimburse the Company for the cost of the health benefit premiums paid by the Company for maintaining coverage during your unpaid leave, unless you cannot return to work because of a serious health condition of you or a family member or other circumstances beyond your control.

### **7. Exemption for Highly Compensated Employees**

Highly-compensated employees (i.e., the highest paid 10% of salaried employees within 75 miles of the employee's worksite) may not be returned to their former or equivalent position following a leave if restoration of employment will cause substantial and grievous economic injury to the Company. The Company on a case-by-case basis will make this fact-specific determination. The Company will notify you if you qualify as a "highly compensated" employee, if the Company intends to deny reinstatement, and of your rights in such instances.

### **8. Intermittent and Reduced Schedule Leave**

Leave because of a serious health condition, including pregnancy-related disabilities, may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary. Employees also may be eligible for intermittent leave for bonding purposes following the birth or placement of a child in increments of two weeks, except for two occasions where the amount of time can be less. If leave is unpaid, the Company will reduce your salary based on the amount of time actually worked. In addition, while you are on an intermittent or reduced leave schedule, the Company may temporarily transfer you to an available alternative position that better accommodates your recurring leave and has equivalent pay and benefits.

### **9. Returning from Leave**

If you take leave because of your own serious health condition, (except if you are taking intermittent leave) you will be required to provide medical certification that you are fit to resume work. Employees failing to provide a required Return to Work Medical Certification will not be permitted to resume work

until it is provided. Under most circumstances, an employee who returns from Family and Medical Leave will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if she or he had been continuously employed rather than on leave. In addition, employees who do not return to work are not entitled to an accrual of seniority or employment benefits that may have occurred during a leave period.

#### **10. Extended Leave for Serious Health Condition**

Leave taken because of your own serious health condition may be extended where it appears an extension will allow you to return to work in the readily and foreseeable future and perform your essential job functions with or without reasonable accommodation. Such extended leave is based on: (1) written request to the Company; (2) medical certification that the serious health condition has continued and an extension of leave will allow you to return to work in the readily foreseeable future and perform your essential job functions with or without reasonable accommodation; and (3) approval by the Company. If you do not return to work on the originally scheduled date or if you do not request in advance an extension of the agreed-upon leave, providing appropriate documentation, you will be deemed to have voluntarily resigned your job. If you request an extension of your leave beyond the initial 12-week period, submit the request and supporting documents before your original leave expires. In addition, you must provide an updated medical certification each month that the leave is extended. Reinstatement is not guaranteed on an extended leave and depends on Company needs.

#### **11. No Work While on Leave**

Working a non-Company job inconsistent with the restrictions provided by your health care provider while on Family and Medical Leave or any other authorized leave of absence is considered a voluntary resignation. Unless on intermittent leave, you may not perform any work for the Company during the time period your health care provider certifies you are disabled from work.

#### **CALIFORNIA PREGNANCY DISABILITY LEAVE**

If you are disabled by pregnancy, childbirth or related medical conditions, you are eligible to take a pregnancy disability leave ("PDL"). If you are affected by pregnancy or a related medical condition, you are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. In addition, if it is medically advisable for you to take intermittent leave or work a reduced leave schedule, the Company may require you to transfer temporarily to an alternative position with equivalent pay and benefits that can better accommodate recurring periods of leave. The PDL is for any period(s) of actual disability caused by your pregnancy, childbirth, or related medical condition up to four months (or 88 workdays



for a full-time employee) per pregnancy. The PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth is covered by your PDL. Generally, we treat your pregnancy disability the same as we treat other disabilities of similarly-situated employees.

You are required to obtain a certification from your health care provider of your pregnancy disability or the medical advisability of a transfer. The certification should include: the date on which you became disabled due to pregnancy or the date of the medical advisability of a transfer; the probable duration of the period(s) of disability or the period(s) for the advisability of a transfer; and, a statement that, due to the disability, you are either unable to work at all or to perform any one or more of the essential functions of your position without undue risk to yourself or to other persons; or a statement that, due to your pregnancy, a transfer to a less strenuous or hazardous position or duties is medically advisable. As a condition of your return from PDL, or transfer, the Company requires you to obtain a release to return to work from your health care provider stating that you are able to resume your original job duties.

At your option, you can use your unused vacation accrual for the year as part of your PDL before taking the remainder of your leave on an unpaid basis. Macy's Disability leave runs concurrently with PDL. The substitution of any paid leave will not extend the duration of your PDL. If you do not return to work on the originally scheduled return date or request in advance an extension of the agreed upon leave with an appropriate medical certification, you will be deemed to have voluntarily resigned your employment with the Company. Failure to notify the Company of your ability to return to work when it occurs, or your continued absence from work because your leave must extend beyond the maximum time allowed, may be deemed a voluntary resignation of your employment with the Company, unless you are entitled to Family and Medical Leave. Upon your return from PDL, you will be reinstated to your same position in most instances. Taking a PDL may affect certain of your benefits. If you want more information regarding our eligibility for a leave and the impact of the leave on your benefits, please contact your Human Resource representative. Please refer to the "Family and Medical Leave" policy in this Handbook for additional information. If you remain disabled after you have exhausted PDL benefits, you may be eligible for additional leave under other laws and/or Company policy. See Human Resources.

#### **CALIFORNIA FAMILY RIGHTS ACT ("CFRA")**

The following notice reviews in detail the California Family Rights Act:

#### **THE LEAVE POLICY**

Under the CFRA, you are eligible to take up to 12 weeks of unpaid Family and Medical

Leave within any 12-month period and be restored to the same or a comparable position upon your return from leave provided: (1) you have worked for the Company for at least 12 months, and for at least 1250 hours in the last 12 months; and (2) are employed at a worksite that has 50 or more employees within a 75 mile radius. The 12-month period in which you may take 12 weeks of leave will be measured as a "rolling" 12-month period dating back from the time you request leave to begin.

### **REASON FOR LEAVE**

You may take leave under the CFRA policy for any of the following reasons: (1) the birth of a child and to care for such child; (2) the placement of a child with you for adoption or foster care and to care for such child; (3) to care for a spouse, child, or parent ("family member") with a serious health condition; or (4) because of your own serious health condition which makes you unable to perform an essential function of your job. Leave for reasons (1) or (2) must be completed within the 12-month period beginning on the child's date of birth, adoption, or placement. If both spouses are employed by the Company and they request leave because of reasons (1) or (2), they may only take a combined total of 12 weeks leave for such purposes during any 12-month period.

### **NOTICE OF LEAVE**

If your need for leave is foreseeable, you must give the Company at least 30 days prior notice of the need for leave, preferably written. If this is not possible, you must at least give notice as soon as practicable (generally within one to two business days of learning of your need for leave). Failure to provide such notice may be grounds for delay of leave. Additionally, if you are planning a medical treatment, you must consult with the Company first regarding the dates of such treatment. Where the need for leave is not foreseeable, you should notify the Company as soon as possible and practical.

### **MEDICAL CERTIFICATION**

If you are requesting leave because of your own or a covered family member's serious

health condition, you must provide appropriate medical certification from the relevant health care provider within 15 calendar days after you request leave, if practicable. You may obtain Health Care Provider Certification Forms from your Human Resource Manager or an Employee Service Area. If your leave is foreseeable you must provide the medical certification before leave begins. Failure to provide requested medical certification in a timely manner may be grounds for delay of leave.

The Company, at its expense, may require an examination by a second health care provider designated by the Company, if it reasonably doubts the medical certification you initially provide for your own serious health condition.

The Company, at its expense, may require an examination by a second health care provider designated by the Company, if it reasonably doubts the medical certification you initially provide for your own serious health condition. If the second health care provider's opinion conflicts with the original certification, the Company, at its expense, may retain a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. The Company may require subsequent medical re-certification at the expiration of your previous certification. Failure to provide requested re-certification within 15 days, if such is practicable, may result in delay of further leave until such certification is provided.

#### **REPORTING WHILE ON LEAVE**

If you take leave because of your own serious health condition or to care for a covered family member, we may require you to contact the Company every 30 days regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown.

#### **Leave is Partially Paid**

You may be eligible to receive under the Paid Family Care Leave Act, up to 6 weeks partially paid leave under Family Temporary Disability Insurance, and you may also be eligible for short or longterm disability payments and/or workers' compensation benefits. Those plans are described in the benefit information brochure, "Macy's More You". If you request leave because of a birth, adoption, or foster care placement of a child, your unused vacation accrual and any paid time off will first be substituted for unpaid leave. If you request leave for a pregnancy related disability, or any disability for your own serious health condition, you may use your unused vacation accrual if you desire. However, if you request leave because of your own serious health condition, your leave will run concurrently with other Company provided leave, except where leave is provided to California employees for pregnancy disability. The

substitution of paid leave time for unpaid leave time does not extend the 12-week leave period. In no case may the substitution of paid leave time for unpaid leave time result in you receiving more than 100% of your salary.

#### **MEDICAL AND OTHER BENEFITS**

For the first 12 weeks of an approved Family and Medical Leave, the Company will maintain your health benefits as if you continued to be actively employed. If you take a leave for disability caused by pregnancy, childbirth, or a related medical condition and follow that leave with a leave to care for your newborn child, your leave may exceed 12 weeks, but the Company will only pay the company

contribution for medical benefits for the first 12 weeks you are on leave. If paid leave is substituted for unpaid leave, the Company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium through direct payment to Federated Finance. The address is available from your Human Resources representative, who also will provide you with a schedule of payments. Your health care coverage may end if your premium payment is more than 30 days late. If your payment is more than 30 days late, we will send you a letter to this effect. If we do not receive your co-payment within 15 days of that letter, your coverage will end. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you will be required to reimburse the Company for the cost of the health benefit premiums paid by the Company to maintain coverage during your unpaid leave, unless you cannot return to work because of a serious health condition of you or a family member or other circumstances beyond your control.

### **EXEMPTION FOR HIGHLY COMPENSATED EMPLOYEES**

Highly-compensated employees (i.e., the highest paid 10% of salaried employees within 75 miles of the employee's worksite) may not be returned to their former or equivalent position following a leave if restoration of employment will cause substantial and grievous economic injury to the Company. The Company on a case-by-case basis will make this fact-specific determination. The Company will notify you if you qualify as a "highly compensated" employee, if the Company intends to deny reinstatement, and of your rights in such instances.

### **INTERMITTENT AND REDUCED SCHEDULE LEAVE**

Leave because of a serious health condition, including pregnancy-related disabilities, may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary. Employees also may be eligible for intermittent leave for bonding purposes following the birth or placement of a child in increments of two weeks, except for two occasions where the amount of time can be less. If leave is unpaid, the Company will reduce your salary based on the amount of time actually worked. In addition, while you are on an intermittent or reduced leave schedule, the Company may temporarily transfer you to an available alternative position that better accommodates your recurring leave and has equivalent pay and benefits.

### **RETURNING FROM LEAVE**

If you take leave because of your own serious health condition, (except if you are taking intermittent leave) you may be required to provide medical certification that you are fit to resume work. Employees failing to provide a required Return to Work Medical Certification will not be permitted to resume work until it is provided.

Under most circumstances, an employee who returns from CFRA will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if she or he had been continuously employed rather than on leave. In addition, employees who do not return to work generally are not entitled to an accrual of seniority or employment benefits that may have occurred during a leave period.

#### **EXTENDED LEAVE FOR SERIOUS HEALTH CONDITIONS**

Leave taken because of your own serious health condition may be extended where it

appears an extension will allow you to return to work in the readily and foreseeable future and perform your essential job functions with or without reasonable accommodation. Such extended leave is based on: (1) written request to the Company; (2) medical certification that the serious health condition has continued and an extension of leave will allow you to return to work in the readily foreseeable future and perform your essential job functions with or without reasonable accommodation; and (3) approval by the Company. If you do not return to work on the originally scheduled date or if you do not request in advance an extension of the agreed-upon leave, providing appropriate documentation, you will be deemed to have voluntarily resigned your job. If you request an extension of your leave beyond the initial 12-week period, submit the request and supporting documents before your

original leave expires. In addition, you must provide an updated medical certification each month that the leave is extended. Reinstatement is not guaranteed on an extended leave and depends on Company needs.

#### **APPENDIX E**



**Employee Relations**  
P.O. Box 7888, Internal Box 36  
San Francisco, Ca 94120

November 21, 2002

### **Night Processing for Union Square:**

#### **Memorandum of Understanding:**

This memorandum is an addendum to the November 10, 2000 letter re: Night Receiving from Ramzi Bivens to UFCW Local 101 and will be used in determining appropriate duties for F1-B associates assigned to night processing.

Macy's and the Union agree to the following guidelines:

- Night processors are F1-B associates whose primary duties shall be to process new merchandise.
- Night processors may also be assigned to perform regular stock functions on a limited basis as needed.
- Night processors will be assigned to the following families of business:
  1. Women's RTW
  2. Men's (\*excluding Designer and Men's Accessories)
  3. Children's
  4. Center Core (\*excluding Designer Handbags, Costume Jewelry and Fine Jewelry)
  5. Cellar
  6. Domestics/Tabletop
- No employee working the day shift shall be displaced into a night processing position during the term of the current Collective Bargaining Agreement.
- The total number of night processors allowed will be a maximum of forty (40) employees. Any increase greater than forty (40) shall be applied at a ratio of two (2) full-time night processors to one (1) full-time day F1-B associate.
- Seasonal Employees: No change to seasonal employees.
- Layoffs: All F1-B layoffs are by Burns list seniority. Any reduction in the F1-B associates assigned to night processing, shall be in accordance with Section 36: Transfer or Removal of Work. Seniority will be determined by F1-B grade not by graveyard or day shift.

#### **Not Permitted Job Duties:**

1. Work in the sub-basement.
2. Work in other than the East, West and North buildings.

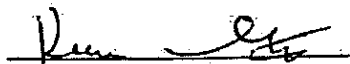
Solely, for the purposes of settlement and without prejudice to its position or admitting any liability  
Macy's also agrees to the following:

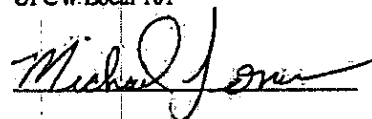
- o To furnish to Local 101 a Quarterly General Utility Report
- o Sunday scheduling by seniority for F1-B associates. Employees who did not take the buy out will not be assigned Sunday work with the exception of the associates who chose a Sunday schedule in 1994.
- o To not implement grave-yard processing to the Stonestown location for the term of the current agreement, which expires May 31, 2004.
- o Offered by seniority, to increase five (5) 20-hour day F1B associates to 30-hour designations.
- o To amend the language as detailed in Section 9, P-2 from "at no less than twenty-five (25)" to "at no less than thirty (30)".

Macy's and Local 101 agree this proposal shall continue in effect through the term of the current agreement, which expires May 31, 2004.

Macy's West

UFCW Local 101





Date: 11-21-02

Date: 11-21-02

MACY'S CALIFORNIA

June 1, 2004 through May 31, 2008

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