

## **BALDWINVILLE LAB SUMMARY OF THE TENTATIVE AGREEMENT**

On April 1<sup>st</sup>, negotiators for Teamsters Local 1149 and Anheuser-Busch reached a tentative agreement on a first contract for employees in the Quality Assurance Department. While the contractual language of the tentative agreement is being finalized, the Union would like to inform Quality Assurance employees of the major changes resulting from the negotiations. The final language for the entire contract will be submitted soon for your review and ratification. In the meantime, below is a summary of important changes.

**At Will Employment to Just Cause:** Your employment relationship with A-B changes from at-will to one of just cause. The courts have consistently held that an employer may terminate its employees at will, for any or no reason. The employer may act arbitrarily or inconsistently, without providing specific protections such as prior warning, fair procedures or objective evaluation. The mere existence of an employment relationship affords no expectation, protectable by law, that employment will continue, or will end only on certain conditions, unless the parties have actually adopted such terms. The parties (A-B and the Union) have done just that by agreeing to such terms that include; requiring A-B to establish that just cause exists and to act fairly and impartially when disciplining or terminating an employee. Moreover, you now have the right to file a grievance challenging any discipline and to have the Union present your grievance to a neutral arbitrator.

**Job Security:** You now have protection under the Union contract against the following: reductions in the workforce and permanent layoffs (including a commitment to keep the brewery open for the life of the agreement), subcontracting, erosion of full-time positions to part-time/temporary employees and loss of seniority or termination due to disability or work related injury.

**Term of Agreement:** Three (3) years, commencing upon ratification and expiring on February 28, 2019.

**Wage Increases:** 1.15% (39 cents/hour average) effective upon ratification and retroactive to July 1, 2015 for each employee provided the agreement is ratified on the first vote; July 1, 2016 – potential of 1.50% (51 cents/hour average); July 1, 2017 – potential of 1.50% (52 cents/hour average); July 1, 2018 – potential of 1.50% (53 cents/hour average). A minimum wage increase of 0.25% is guaranteed in each year of the agreement. The Union has the right to challenge through the grievance procedure if it believes the Company abused its discretion in granting annual pay increases.

**Annual Bonus Program:** Beginning in 2017, each employee will receive a 2.5% bonus each year of the agreement based on the market rate of \$38.78 per hour and a percentage of KPI targets achieved. Such targets will be established by the Company and related to the QA Department. Bonuses will no longer be tied to the “global pie”. Historically, the QA Department has attained 70% - 80% of their targets. As an example, should the QA Department reach 80% of the KPI targets, each employee would receive \$1,613. The Company will also consider overtime/double time worked and increase the bonus accordingly. Based on the average of overtime hours worked

in 2015, the bonus would increase by 30%. The Union has the right to challenge through the grievance procedure if it believes the Company abused its discretion in setting target levels.

**Healthcare:** All current benefits in the Company plan will remain the same through the end of CY 2016. The administration of all health and welfare benefits will be transferred to the Teamsters Local 1149 Health and Welfare Fund (the Fund), effective January 1, 2017. Upon transfer to the Teamsters Fund the following plan changes will occur:

Monthly employee contributions through payroll deduction for medical benefits will no longer required and employee out of pocket costs will be dramatically reduced. Currently, you pay \$4,924 annually towards your healthcare or **\$2.37 per hour**. When the administration of your medical benefits transfers to the Teamsters Local 1149 Fund, the savings goes in your pocket.

- Annual Deductible - \$500 Individual / \$1,500 Family
- Most in-network services covered at 100% (Current Company Low PPO 80/20)
- Office visit for preventative care – No charge
- Office visit for illness or injury - \$15 copay (Current Company Plan \$25)
- Specialist office visit - \$15 copay (Current Company Plan \$35)
- Emergency Room - \$50 copay (Current Company Plan \$150)
- Urgent Care - \$25 copay (Current Company Plan \$100)

<b>Prescription Drugs</b>	<b>2017</b>
<b><i>Retail:</i></b>	
Generic/Supply Limit	\$15 copay 30 day supply
Formulary Brand/Supply Limit	\$30 copay 30 day supply
Non-Formulary Brand/Supply Limit	\$45 copay 30 day supply
<b><i>Mail Order:</i></b>	
Generic/Supply Limit	\$30 copay 90 day supply
Formulary Brand/Supply Limit	\$60 copay 90 day supply
Non-Formulary Brand/Supply Limit	\$90 copay 90 day supply

### **Dental Benefits**

**Calendar Year Maximum - None**

## **Dental Percentage Payable – IN-NETWORK PROVIDERS**

Class A Services-  
Preventive ..... 100%

Class B Services-  
Basic..... 100%

Class C Services-  
Major..... 100%

**Calendar Year Maximum for Orthodontic Services: \$1,500 combined with non-network services**

## **Vision Benefits**

**EYE EXAMINATIONS** ..... Every January 1  
including dilation as professionally indicated.  
In-Network Copayment ..... None

**EYEGLASSES** ..... Every January 1  
In-Network Copayment: ..... None

You may choose from the Premier selection of frames from "The Collection" available in most network provider offices. A \$25 credit will be applied toward a network provider's own frame.

**CONTACT LENSES** .....Every January 1  
In-Network Copayment: ..... None

Standard, soft, daily-wear, disposable or planned replacement contact lenses may be selected in lieu of spectacle lenses. A \$50.00 credit will be applied toward contact lenses from the provider's own supply (which may or may not apply toward fitting/follow-up care fees). Medically necessary contact lenses will be covered in full with prior approval.

**Retirement:** The Salaried Employees' Pension Plan (SEPP) was frozen effective January 1, 2012. However, the tentative agreement contains language recognizing QA employees as vested participants in SEPP. Moreover, in accordance with the terms of the SEPP, as participants age and gain years of vesting service, they will continue to earn service that will count for purposes of determining eligibility for the early retirement subsidies that provide more favorable early retirement benefits to individuals who remain employees.

## **Recommendation**

Based on the foregoing and the tentative agreement in its entirety, the Union is recommending the tentative agreement be ratified.