

# TEAMSTERS 856

## Rapid Return Agents' Collective Bargaining Agreement

with

**AB Car Rental Services, Inc.**

October 1, 2016 – September 30, 2019



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## Protect yourself with your Weingarten Rights!

**As a Union member, you are entitled to union representation if you are questioned by any management representative and have reason to believe that you might suffer disciplinary action as a result.**

**To assert this right to union representation, declare your Weingarten Rights:**

*"If this discussion could in any way lead to my being disciplined or terminated, or affect my personal working conditions, I respectfully request that my union representative or steward be present at this meeting. If this discussion could lead to my being disciplined, I choose not to answer any questions until a union representative or steward arrives."*

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## AGREEMENT

This Agreement entered into this day between AB CAR RENTAL SERVICES, INC., hereinafter referred to as the "Employer", and FREIGHT CHECKERS, CLERICAL EMPLOYEES & HELPERS UNION LOCAL NO. 856, International Brotherhood of Teamsters, hereinafter referred to as the "Union", covering rapid return agents of the Employer in Company offices at the San Francisco International Airport, the Oakland International Airport and the San Jose International Airport.

This Agreement shall be in full force and effect from October 1, 2016 to and including September 30, 2019.

This Agreement shall be considered renewed from year to year subsequent to the expiration date unless either party hereto gives written notice to the other party of a desire to alter, modify or change this Agreement. Said notice shall be given at least sixty (60) days prior to the expiration thereof.

If either party is served with notice of a desire to change or modify this Agreement, negotiations must commence within fifteen (15) days of such notice.

### ARTICLE 1 - Recognition and Hiring

1.01 Recognition: The Employer recognizes the Union as the exclusive representative of the employees covered by this Agreement for collective bargaining. As a condition of employment, after thirty (30) days from the date an employee is hired, whichever is later, all employees covered by this Agreement shall be required to become and remain members of the Union in good standing. The Union agrees that written notice shall be given to the Employer at least seventy-two (72) hours before any employee is required to be removed from his employment by reason of his failure to become or remain a member of the Union, as required by this Article.

1.02 Hiring New Employees: The Employer shall give the Union equal opportunity with all other sources to refer suitable applicants for employment, but the Employer shall not be required to hire those referred by the Union or any other particular source.

In hiring, the Employer may give consideration to the employment of applicants who have been previously employed in the car rental companies under the jurisdiction of Local 856.

However, applicants so employed shall be on probation during the first ninety (90) calendar days of their employment and may be subject to discharge during this period without recourse. No applicant will be preferred or discriminated against by the Employer because of membership or non-membership in the Union.

1.03 Notification to the Union: The following information will be given in writing by the Employer to the Union within seven (7) days from the (date of hiring new employees: (1) Name, home address, and social security number of employee; (2) date employed; (3) and the hourly rate of pay.

## **ARTICLE 2 - Previous Employment Experience**

2.01 All newly hired rapid return agents who have one (1) or more years of experience in the employment of car rental companies within the jurisdiction of Local No. 856, shall be hired at a wage rate corresponding to their work experience within the jurisdiction of Local 856, provided such employees in the judgment of the Employer are capable of performing the work for which they are employed. Such employee will be hired at the minimum hiring rate and their wage rate may be adjusted, at the conclusion of the employee's probationary period, based on experience, which shall be in the sole judgment and discretion of the Company, which shall not be exercised in an unreasonable manner.

2.02 Any employee who shall have been an employee of Avis Rent A Car System, Inc. ("Avis") or Budget Rent A Car System, Inc. ("Budget") outside of the jurisdiction of the Union, as provided by this Agreement, and who shall transfer into employment covered by this Agreement, shall be paid at the rate provided in the wage schedule of Article 35 corresponding to the years of seniority with Avis Rent A Car System, Inc. held by any such transferring employee. The transferring employee shall not suffer any reduction in his rate of pay due to this Article. In the event the employee is transferring into the same classification, such employee shall not have to go through the ninety (90) day probationary period to be able to bid but rather a sixty (60) day period. If the employee is transferring into a new classification, the employee will have to go through the ninety (90) day probationary period to be able to bid.

2.03 Any employee who has worked for Avis Rent A Car System, Inc. or Budget Rent A Car System, Inc. in another location outside the jurisdiction of the Union, shall have past service credit given for vacation purposes in order to determine only the number of weeks of vacation earned. The transferring or hiring shall take place within ninety (90) days from their last day worked in order to qualify for the above.

## **ARTICLE 3 - Covered and Exempt Positions**

3.01 Excluded from this Agreement are Managers, Supervisors having the authority to hire and/or discharge, and Confidential Employees defined in the Labor-Management Relations Act of 1947.

3.02 Exempt employees shall not perform work within the jurisdiction of this Agreement except in cases of bona fide emergency where no regular employee is available to perform the work or in the event of a sudden increase of the workload beyond the Employer's control.

## **ARTICLE 4 - Seniority**

4.01 In laying off or rehiring employees, seniority shall apply to all employees covered by this Agreement. In the event of a layoff, an employee shall be given ten (10) calendar days notice of the recall mailed to his last known address. The employee must respond to such notice within three (3) days after receipt, thereof and actually report to work in seven (7) calendar days after the receipt of notice, unless otherwise mutually agreed to. In the event the Employee fails to comply with the above, he shall lose all seniority rights under this Agreement.

4.02 The Employer will post open positions in the bargaining unit for a period of five (5) calendar days. Interested employees shall apply for the position in writing. Interviews of qualified applicants will be conducted and the selection will be made within four (4) days thereafter. In the event the skill, ability and qualifications of two or more applicants are equal,

seniority will govern.

4.03 Employees shall not acquire seniority until they have been employed by the Employer for a period of ninety (90) calendar days.

4.04 Transfers (Bids): Qualified seniority employees desiring to move to another location must submit a written request to Human Resources, with a copy to the Union. The written request must be signed, dated and designate the location desired. Only written transfer requests on file prior to a job opening will be considered as valid.

Only the most current letter of transfer to one specific location will be considered. The start date of employment at the new location will establish location seniority to be used for bidding. Company seniority will be used for all other purposes. If no employee exercises the right to transfer or bid by seniority, the job will be filled in accordance to Article 1.

4.05 At the time of any shift bid, the Employer shall provide a list of all shifts, showing the hours of work, days off and geographic locations. Employees shall make their choice in accordance with their seniority standing. A copy of the final completed master shift bid shall be given to the shop steward and local Union.

4.06 There shall be at least two (2) shift bids annually, the first occurring in November and the second occurring in May. There shall be no more than four (4) shift bids in one (1) year, the year being from November 1st to November 1st. It is recognized that the needs of the service may require additional shift bids. In the event of such necessity, the Union will not unreasonably withhold agreement to the additional shift bids. The first job opening occurring between shift bids shall be posted and bid in accordance with the procedure stated elsewhere in this Article.

4.07 Said bid shall be posted for a period of three (3) calendar days. At the end of this three (3) day period, all employees shall commence bidding, which bidding shall be complete within four (4) calendar days. A minimum of 25% of the seniority employees shall bid each day until the shift bid is complete. Employees will be given a set date and time to state their shift choices. If the employee is not available at that date and time, they can authorize another employee of their choice to do the bidding on their behalf. The employee must notify the Company, in writing, the name of their co-worker proxy. Any employees who fail to promptly exercise their choice of shift shall, after consultation with the Union, forfeit their right to bid and shall be placed in whatever shift remains open. After completion of the bidding procedure, the Employer shall have one (1) week to effectuate the bidding procedure. The time limit set forth in this paragraph may be shortened by mutual agreement.

4.08 Where it is known that a shift bid will occur during an employee's vacation, the employee will be required to inform the Employer prior to the start of his vacation of at least three shift choices that are acceptable. If the employee is not available, the employee can authorize another employee of their choice to do the bidding on their behalf. The employee must notify the Company, in writing, the name of their co-worker proxy. Failure to do so, after consultation with the Union, will result in a forfeiture of their bid rights as set forth in Section 4.07 above. Where the employee is not on notice of a shift bid that may occur prior to the employee commencing vacation, the Company will contact the employee on his/her cell phone prior to the bid being posted to inform such employee of the bid. The employee is expected to contact the Company within three (3) days with at least three (3) shift choices. If the employee is not able to do so, the employee can authorize another employee of their choice to do the bidding on their behalf. The employee must notify the Company, in writing, the name of their co-worker proxy. Failure to do so, after consultation with the Union, will result in a forfeiture of their bid rights as set forth in Section 4.07 above.

4.09 If the seniority employee is on leave of absence of ninety (90) days or less at the time of the bid, the Company will contact the employee on his/her cell phone prior to the bid being posted to inform such employee of the bid. The employee is expected to contact the Company within three (3) days with at least three (3) shift choices. Failure to do so, after consultation with the Union, will result in a forfeiture of their bid rights as set forth in Section 4.07 above. If the seniority employee is on a leave of absence in excess of ninety (90) days, upon the employee's return to work, the Company will conduct a shift bid solely amongst the returned employee and any employee with less seniority.

4.10 Current seniority list and shift schedules shall be maintained and posted at all Company locations and offices. The Union shall be furnished such lists at least every six (6) months or upon demand.

4.11 In the event of a reduction of force, the least total bargaining unit seniority employee at a location (depending upon the necessary qualifications to do the remaining work) will be the person to be laid off. Such person may elect to take the layoff or to displace the least senior person in the bargaining unit that he/she is qualified to displace and assume the least senior employee's work shift. A person electing not to exercise his or her seniority at time of layoff will retain recall rights only to the location of where layoff was effected. An employee so bumping shall take his/her total bargaining unit seniority into the new work location, but he/she shall not exercise his seniority for shift bidding purposes until the next shift bid takes place.

4.12 It is recognized that in the case of transfers, the person has location seniority for bidding purposes and total bargaining unit seniority for layoff.

4.13 Employees who accept transfers to non-bargaining unit Company positions will retain seniority for a period of ninety (90) days from time of transfer to the non-bargaining unit position.

4.14 Involuntary moves from one location to another are defined as those caused by following one's job from a present Local 856 location to another Local 856 location caused by the partial or complete closing of a location as defined herein. In all cases of involuntary moves of this nature, the employee's Company seniority date shall be used for all purposes and shall be dovetailed into the seniority list of the new location.

4.15 Company locations for purposes of this Agreement shall be those locations under the supervision of a manager in accordance with a list furnished to the Union by the Employer and posted at the time of each semi-annual job bid.

4.16 An employee shall cease to have seniority rights if:

- (a) He quits voluntarily.
- (b) He is discharged for just cause.
- (c) He exceeds a leave of absence without written approval of the Employer and the Union.
- (d) He is laid off or is absent from work for any reason in excess of one (1) year, with the exception outlined under Article 9.1.

## **ARTICLE 5 - Discrimination**

5.1 There shall be no discrimination by the Employer against any employee on account of Union membership or for upholding Union principles, national origin, race, creed, color, age, handicap, veteran status or sex.

## **ARTICLE 6 - Employment Agency Fees**

6.1 If employees are hired through an employment agency, the Employer is to pay the employment agency fee. The Employer shall notify the Union of all temporary job openings.

6.2 The hiring of temporary employment agency employees shall not exceed one (1) week.

## **ARTICLE 7 - Pay Day**

7.1 Employees shall be paid once each week or bi-weekly. There shall be no deductions taken from the employee's payroll check for any reason unless the deduction is authorized by the employee in writing or is required by law.

## **ARTICLE 8 – Meal and Rest Periods**

The Company will comply with applicable California law with respect to provision of meal and rest periods.

8.1 **Meal Periods:** The Company provides an uninterrupted, paid, 30-minute meal period for employees who work more than five hours and a second uninterrupted, paid, 30-minute meal period for employees who work more than ten hours. Managers (or their designees) schedule these meal periods.

Employees who work six or fewer hours and wish to waive their first meal period may do so by signing a meal period waiver form available from Human Resources. Likewise, employees who work twelve or fewer hours and who have not waived their first meal period may waive their second meal period by signing the second meal period waiver form also available from Human Resources.

Employees must accurately record the start and stop times of their meal periods and take a full 30 minute meal period. Employees are expected to start their first meal period before they work more than five hours. If they are entitled to a second meal period, and choose not to waive it, said meal period should start before they work more than ten hours. Employees are free to leave the premises during their meal period.

Should an employee anticipate the inability to take a meal break at the scheduled time, or on a timely basis, they must notify a manager.

8.2 **Rest Periods:** Employees are allowed a paid, fifteen minute, rest period for each four hours of work or major portion thereof.

Employees are expected to observe their assigned working hours and the time allowed for rest periods. Employees should remain on the premises during their rest periods but are allowed to go to the break room, restroom, or outside. Employees must not take more than a net fifteen minutes for each rest period (that is, an employee should be away from their immediate work-area for no more than a total of fifteen minutes).

Should an employee anticipate the inability to take a rest break at the scheduled time, or on a timely basis, they must notify a manager.

### **ARTICLE 9 - Leave of Absence**

9.1 Where an employee with one (1) or more years of continuous service is unable to work because of his or illness or injury and has worked 1250 hours in the twelve (12) months prior, he or she shall receive a leave of absence for a period of three (3) months, provided that he or she submits medical evidence satisfactory to the Company of his or her inability to work because of such illness or injury. This period may be extended in thirty (30) day increments, up to a cumulative maximum of twelve (12) months, provided the employee submits medical evidence satisfactory to the Company. Before returning to work from such a leave of absence, the employee similarly must submit medical evidence satisfactory to the Company that he or she is fully able to perform all of the duties of his or her job classification. In the event that the medical evidence submitted by the employee to obtain or extend a leave of absence or to return from leave of absence is not satisfactory to the Company, the Company may require, as a condition of granting or extending such leave or permitting the return from such leave, that the employee undergo an examination by a doctor of the Company's choosing at the Company's expense.

9.2 The Employer may grant a personal leave of absence not to exceed twenty (20) work days upon written application. Employees will be required to apply accrued, unused sick days to this time.

9.3 Any employee who undertakes other work or employment during any leave of absence, without first securing permission from the Employer and the Union, automatically cancels such leave of absence and will be considered to have terminated his or her employment.

9.4 Employees on leave of absence, other than FMLA, must make arrangements for their individual contribution for medical insurance continuation before beginning said leave.

9.5 Leaves of absence exceeding thirty (30) days cumulative, for any reason, whether continuous or intermittent in nature, shall not apply toward vacation credits. That is, the employee's accrued vacation shall be pro-rated based on time off in excess of thirty (30) cumulative days.

9.6 For leaves of absence approved pursuant to FMLA or CFRA for the employee's own illness, the Company will utilize accrued, unused sick days. For leaves of absence approved pursuant to FMLA or CFRA for the care of a family member, the employee may utilize accrued, unused sick days. In all cases, however, it is the intent of the parties that employees utilize accrued, unused sick days prior to the application of vacation and/or personal days for such time.

## **ARTICLE 10 - Discharge or Suspension**

10.1 The Employer may discharge or suspend an employee for just cause, but no employee shall be discharged or suspended unless a written warning notice shall previously have been given to such employee of a complaint against him concerning his work or conduct except, that no such prior warning notice shall be necessary if the use for discharge or suspension is dishonesty, drinking related to his employment, incompetence, unbecoming conduct, insubordination and the use or possession of drugs and/or alcohol.

10.2 The complaint specified in such prior warning notice need not concern the same type of misconduct as the cause for discharge or suspension. No such warning notice shall remain in effect for a period of more than nine (9) months. A copy of such warning notice shall be sent to the Local Union involved at the time it is given to the employee. A warning notice must be issued within ten (10) workdays, excluding weekends and holidays, of the alleged cause for the reprimand or within ten (10) workdays, excluding weekend and holidays, of the Employer's knowledge of the cause for such warning notice. By mutual agreement of the parties, this time period may be extended by five (5) workdays.

10.3 The Employer shall attempt to notify in writing, the affected employee and the Union of a verbal warning, but in no event shall the failure to do so on the part of the Employer violate the terms and conditions of any portion of this Article.

10.4 In cases where the Company intends to suspend or discharge an employee for offenses other than those referred to in paragraph 1 of this Article 11, the Company shall notify the employee involved and the Union in writing of such intent. Such notice will occur within ten (10) workdays, excluding weekends and holidays, of the incident or from the point the Company had such knowledge of the cause. By mutual agreement of the parties, this time period may be extended by five (5) workdays. The District Manager and Business Agent, if required, shall meet within ten (10) workdays, excluding weekends and holidays, of the date of the letter of intent to suspend or discharge to discuss said case. Where such action of suspension or discharge does take place, the employee may exercise his/her right under the appeal procedure set forth in this Article.

10.5 An employee may request an investigation of his discharge or suspension or any warning notice and the Union shall have the right to protest any such discharge, suspension or warning notice. Any such protest shall be presented to the Employer in writing within ten (10) workdays, exclusive of Saturdays, Sundays and holidays, after the discharge, suspension or warning notice, and if not presented within such period, the right to protest shall be waived. Upon the filing of a protest, the matter shall be immediately referred to an Adjustment Board selected in the manner provided in Article 12 for determination in accordance with the disputes procedure set forth therein.

10.6 The Employer shall give a discharged or suspended employee written notice of such action and, at the same time, send a copy to the Local Union.



## **ARTICLE 11 - Adjustment of Grievances**

11.1 In the event of a misunderstanding or dispute regarding the interpretation or enforcement of this Agreement, the aggrieved party shall submit a grievance within (10) days, excluding Saturday, Sunday and holidays, of the event giving rise to the grievance or reasonable knowledge thereof, in the following manner:

STEP 1 By the representative of the Union and the employee involved to the Airport Manager or his/her designee. An answer shall be given within ten (10) calendar days or such extended time as may be mutually agreed.

STEP 2 If the matter is not resolved at Step 1, the grievance will be submitted by the Business Agent to the District Manager. It shall be presented within ten (10) days, excluding weekends and holidays, of the answer in Step 1 and answered in writing within ten (10) calendar days, excluding weekends and holidays, or such extended time as may be mutually agreed.

STEP 3 If a satisfactory settlement has not been reached in Step 2 above, the matter shall be referred to a Board of Adjustment within ten (10) calendar days, excluding weekends and holidays, of the response in Step 2. The parties agree that timely resolution of disputes is in the best interest of all parties involved. Such notice to proceed to a Board of Adjustment shall propose multiple dates to hold the Board of Adjustment within sixty (60) days of the date of the notice. The Board of Adjustment shall consist of two (2) representatives of the Union and two (2) representatives of the Employer. Members of the Board will be persons who have not been directly involved in, or a subject or, the dispute. A decision of such Board shall be final and binding on all parties. The parties further agree that on a case by case basis, by mutual consent of the parties, a neutral mediator from the Federal Mediation and Conciliation Service (FMCS) may act as Chairman of the Board of Adjustment in an effort to mediate the dispute and have the parties reach settlement. The cost of such mediator will be borne equally by the parties. In the event that the Adjustment Board is unable to reach a decision on any such matter, the grieving party may move for arbitration, within three (3) days, after notification of deadlock, by submitting a request to the Federal Mediation and Conciliation Service requesting a panel of seven (7) names, with each side striking one (1) name in order to reduce the list to one (1) person. A failure by the grieving party to request arbitration within the time limits set forth herein shall prevent further processing of the grievance.

11.2. The Board of Adjustment including its Chairman shall not have the power or right to add, delete, change or modify this Agreement or any part thereof.

11.3. The expense of the arbitrator shall be borne equally between the Local Union and the Employer. The arbitrator shall have no power to add, delete, change or modify this Agreement or any part thereof.

## **ARTICLE 12 - Maintenance of Standards**

12.1 The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at no less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement.

12.2 Any employee enjoying wages or conditions better than those set forth in this Agreement shall not have them modified in any way to his disadvantage because of this Agreement.

12.3 It is agreed that the provisions of this article shall not apply to inadvertent or bona fide errors made by the Employer or the Union.

## **ARTICLE 13 - Protection of Rights**

13.1 Picket Lines: It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute, or refuses to go through or work behind any lawful primary picket line, including the lawful primary picket line of unions party to this Agreement, and including lawful primary picket lines at the Employers places of business.

13.2 Struck Goods: It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, if any employee refuses to perform any service which his Employer undertakes to perform for an Employer or person whose employees are on strike, and which service but for such strike, would be performed by the employees of the Employer or person on strike.

13.3 Grievances: Within five (5) working days of filing of a grievance claiming violation of this Article, the parties to this Agreement shall proceed to the final step of the Grievance Procedure, without taking any intermediate steps, any other provision of this Agreement to the contrary notwithstanding.

## **ARTICLE 14 - Starting Time**

14.1 The established starting time of any employee shall not be changed without at least one (1) week's notice unless such notice is waived by mutual agreement of the parties.

## **ARTICLE 15 - Workweek**

15.1 Forty (40) hours shall constitute a workweek to be worked in five (5) consecutive days.

15.2 Four (4) Day/Ten (10) Hour Work Schedules: It is agreed that at the Company's option, it may establish work shifts consisting of four (4) days of ten (10) hours of scheduled work per day. The days off may be on the basis of either three (3) consecutive days off or two (2) consecutive days off, plus one (1) additional day. Overtime will not be paid for the ninth (9th) and tenth (10th) hours of said work schedule. The rate of time and one-half (1 ½) shall be paid for all hours worked in excess of forty (40) hours per week.

The establishment of the four (4) day, ten (10) hour workweek in no manner increases any benefit which may be contained in any other article or section of this labor contract.

In the event this type of work schedule is established and it is found to be unacceptable to either party, said parties may cancel the work shifts in question at time of next shift bid as long as a thirty (30) day notice has been given to the other party.

As much as possible, all schedules will show three (3) consecutive days off. However, it will be acceptable to have two (2) consecutive days off followed by one (1) or two (2) working days in between.

This policy is subject for review between the Employer and the Union.

Appropriate adjustments are made in the definition of overtime, vacations, sick leave, holiday, funeral leave and jury duty compensation to reflect the intent of the four (4) day workweek.

## **ARTICLE 16 - Overtime**

16.1 One and one-half (1 ½) the regular hourly rate of pay as herein provided shall be paid:

- (a) For all work performed in excess of forty (40) hours in any one (1) week, or in excess of eight (8) hours in any one (1) day. Daily overtime shall be credited against weekly overtime.
- (b) For all work performed on the sixth (6th) and seventh (7th) days, except where the employee has not worked forty (40) hours that week. Vacations, paid holidays and funeral leave will be considered as time worked in computing the forty (40) hours.

16.2 At the time of a shift change, any employee required to work six (6) and seven (7) days in succession, shall have such days paid for at the rate of time and one-half (1 ½) his regular hourly rate. There shall be no split days off during any shift change.

16.3 Overtime will be offered in the following manner:

- (a) Overtime up to four (4) hours will first be offered, in seniority order, to employees who are on duty. In the event that there are insufficient volunteers, overtime shall be worked by the least senior employee(s) in that job classification who is going off duty at the time that the overtime is needed.
- (b) Overtime in excess of four (4) hours will be offered in seniority order. In the event that there are insufficient volunteers, overtime shall be worked by the least senior employee(s).

16.4 Two times (2x) the regular hourly rate of pay shall be paid for all worked performed in excess of twelve (12) hours in any one (1) day or in excess of eight (8) hours on a seventh (7th) consecutive day of work.

#### **ARTICLE 17 - Sixth and Seventh Days**

17.1 Any employee called and reporting for duty on the sixth (6th) or seventh (7th) day shall be guaranteed at least four (4) consecutive hours of work.

#### **ARTICLE 18 - Shift Premiums**

18.1 All work performed between the hours of 11:00 p.m. and 6:00 a.m. shall receive eighty cents (\$.80) per hour premium pay over and above the basic hourly rate. The premium rate shall be capped at the said eighty cents (\$.80) per hour. All work performed between the hours of 5:00 p.m. and 11:00 p.m. shall receive sixty cents (\$.60) per hour premium pay over and above the basic hourly rate. The premium rate shall be capped at the said sixty cents (\$.60) per hour.

18.2 The applicable premiums shall be added to the base rate of the employee working on a premium shift operation for purposes of computing overtime, sick leave, sick leave cash out, holiday pay and vacation pay. The premium shall not be applicable to work performed on a regularly scheduled day shift or to day shift overtime work. The day shift shall be defined as any regularly scheduled shift ending not later than 6:00 p.m.

#### **ARTICLE 19 - Reporting Pay and Minimum Pay**

19.1 Employees who report to work at the time they are instructed by the Employer to report shall receive eight (8) hours work commencing at reporting time or at least eight (8) hours pay at the hourly rate prevailing on the day said employee reports.

#### **ARTICLE 20 - Extra Employees**

20.1 Extra employees at any location may be employed under the following circumstances, provided no regular employee at the location involved is laid off as a result of such employment of extra employees:

- (a) Illness or absence of a regular employee which includes vacation; or
- (b) Temporary influx of business as a result of conventions, seasonality, tours or unforeseen circumstances.

20.2 Articles 4, 15 and 19 shall not apply to extra employees.

**ARTICLE 21 - Uniforms**

21.1 The Employer will furnish a uniform to each car rental representative once a year if required. The Employer shall once each month reimburse the employee for twelve dollars (\$12.00) per month for maintenance and cleaning of uniforms provided, however, that this provision shall not apply when the employees are furnished with washable uniforms, which do not require professional maintenance.

21.2 The Employer retains the right to require the employee to produce paid receipts in order to receive the reimbursements.

**ARTICLE 22 - Shortages**

22.1 The Employer shall not make any deduction from the wage of an employee or require any refund of an employee for any cash shortage, except in the case of proven dishonesty.

22.2 The Employer shall maintain a written system for handling shortages that is known by the employees and by the Union. Each employee shall be schooled in the matter of handling Company funds and/or shortages of any of those funds.

**ARTICLE 23 - Holidays**

23.1 The following holidays shall be granted with pay when not worked:

First Year of Employment (after 90 days of employment)

New Year's Day	Day Before Christmas
Fourth of July	Christmas Day
Thanksgiving Day	New Year's Eve Day
Day After Thanksgiving	(2) Personal Days

Second Year of Employment

One (1) additional Personal Holiday for each three (3) months until earning a total of three (3) Personal Holidays, plus the two (2) Personal Holidays earned during the first year of employment, for a total of five (5) Personal Holidays. Effective January 1, 2014, solely for employees in Sick Day Tier 4 and hired after August 1, 2010, during their second year of employment, will receive one (1) additional Personal Holiday, for a total of five (6) Personal Holidays.

23.2 In order to be eligible for holiday pay, the employee must work the last scheduled work day immediately prior to the holiday and the first scheduled work day immediately following the holiday unless the employee can show a justifiable excuse to his employer and the Union. Further, in order to be eligible to receive pay for holiday pay, the employee must work the day of the holiday if so required unless the employee can show a justifiable excuse or pre-approved by management.

23.3 Any of the above mentioned holidays falling on Sunday and observed by the State and Nation on a Monday shall be considered a paid holiday, except Christmas Day, the day before Christmas Day and New Year's Day, which shall always be observed December 25th, December 24th and January 1st, respectively. Work performed on these holidays shall be compensated for at the rate of time and one-half (1 ½) over and above credited pay for the day.

23.4 On the occasion of holidays when the Employer wishes to work a skeleton crew on a station or location basis, the Employer shall post the holiday work schedule at least two (2) weeks in advance of the holiday.

23.5 Employees scheduled to work on a holiday shall bid, by straight seniority, to determine who works and who works what shift provided the employee is capable of doing the work. Employees who are not scheduled to work on a holiday shall be able to bid only after those employees who are scheduled to work on the holiday have exercised their bid rights.

23.7 Personal Holidays will be granted where the employee has given at least two (2) weeks written notice to the Company. No Personal Holiday can be used for any of the named holidays listed in 24.1 and 24.2 above.

#### **ARTICLE 24 - Vacations**

24.1 Employees in Vacation Tier 1 shall receive vacation with pay as follows:

Employees with one (1) year of service shall receive two (2) weeks vacation with pay each year.

Employees with five (5) or more years of service shall receive three (3) weeks of vacation with pay each year.

Employees with twelve (12) or more years of service shall receive four (4) weeks of vacation with pay each year.

Employees with twenty (20) or more years of service shall receive five (5) weeks of vacation with pay each year.

24.2 Employees in Vacation Tier 2 and/or hired after June 1, 2010 shall receive vacation with pay as follows:

Employees with one (1) year of service shall receive one (1) week vacation with pay each year.

Employees with two (2) years of service shall receive two (2) weeks vacation with pay each year.

Employees with eight (8) or more years of service shall receive three (3) weeks of vacation with pay each year.

Employees with fifteen (15) or more years of service shall receive four (4) weeks of vacation with pay each year.

24.3 An employee whose services terminate for any reason after six (6) months of continuous employment shall be granted prorated vacation pay based on one-twelfth (1/12) of his annual vacation pay per month, however, if this service should terminate for any reason prior to six (6) months of continuous employment, he shall not receive any prorated vacation pay. If a holiday falls during an employee's vacation, it shall be optional with the Employer to grant an additional day to his vacation or to pay for the day with no time off given.

24.4 The choice of vacations shall be based on seniority. The vacation schedule for all employees shall be posted during January of each year.

24.6 Prorated vacation shall be based on one-twelfth (1/12) of employee's annual vacation pay per month of service.

24.7 Each employee's regular days off preceding and following his vacation shall be contiguous to his vacation.

24.8 Vacation bids shall be posted every November 1. All employees will be required to submit their vacation requests no later than November 30. Employees shall be given a specific date and time to make their vacation selections. If the employee is not available, the employee can authorize another employee of their choice to do the bidding on their behalf. The employee must notify the Company, in writing, the name of their co-worker proxy. A failure to bid at that time may result in forfeiture of the employee's turn. The final vacation calendar will be posted on December 20. The Employer shall consult with the Union before effectuating any such forfeiture. Upon completion of vacation bid where such employees are required, the Employer shall take steps to provide adequate vacation relief employees.

24.9 Vacation pay shall be by separate check and shall be given to the employee the last working day preceding the taking of vacation. The employee must notify the Employer at least three (3) weeks prior to the vacation.

24.10 An employee on leave of absence, medical or otherwise, with a definite date of return shall be contacted and allowed to bid his or her vacation, providing the employee is eligible for vacation in accordance with Article 25.

## **ARTICLE 25 - Sick Leave**

25.1 In case of bona fide illness, employees will receive sick leave with pay as follows:

- A. Sick Day Tiers 1 and 2: Maximum of fifteen (15) sick leave days per year, earned January 1<sup>st</sup> of the calendar year.
- B. Sick Day Tier 3: Maximum of ten (10) sick leave days per year earned January 1<sup>st</sup> of the calendar year.
- C. Sick Day Tier 4 and/or Employees Hired After August 1, 2010: Maximum of three (3) sick days after completion of the employee's probationary period through December 31 of the calendar year of hire. Beginning in January of the next calendar year, a maximum of six (6) sick days per year earned in January of the calendar year.

25.2 In industrial injury or disability cases, Worker's Compensation or Unemployment Disability (UCD) benefits and sick benefits allowances shall be paid separately, but in the event Worker's Compensation payments or Unemployment Disability payments cover all or part of the period during which sick benefits allowances are paid, the sum of the two (2) shall not exceed the sick benefits payable for said period and the unused portion of accumulated sick leave will continue to be credited to the employee.

25.3 Any employee who terminates for any reason prior to October 1st of each year shall receive prorated sick leave cash for the unused portion of sick leave. Cash out payment of sick leave shall be by separate check and shall be given to the employee on the second pay period in December.

25.4 The employee shall be paid in cash for all unused sick leave accumulated during the previous twelve (12) months, not to exceed fifteen (15) days.

25.5 Any employee who has not used his/her accrued sick leave (i.e., perfect attendance) by the first December payroll of each year will be cashed out at 125% of the value of the allotted sick leave. In connection therewith, it is understood and agreed that employees cannot circumvent the requirement of perfect attendance by utilizing unpaid days off in lieu of sick leave days.

25.6 An employee with fifteen (15) available sick days may use up to one (1) week as personal floating holidays. The days can be taken individually without impact to the 125% payout provided the employee submits the request in writing two weeks prior to the requested date and has management approval.

#### **ARTICLE 26 - Health and Welfare, Dental, Vision, Prescription Drug and Life Insurance**

26.1 Effective August 1, 2010, eligible employees and their qualified dependents shall participate in the Labor Alliance Managed Trust Fund and Labor Alliance Managed Annuity Plan (the "Plan"). The Employer shall contribute the following maximum amounts for each covered employee:

Effective October 1, 2015: \$758.79

Effective October 1, 2016: \$848.24

Effective October 1, 2017: \$883.21

Effective October 1, 2018: \$927.37

26.2 Any deficiency in rate between the maximum employer contribution per employee per month shall be borne equally by the bargaining unit employees payable through pre-tax payroll deductions.

26.3 Eligibility of Benefits: The Company will make a contribution on behalf of full-time employees, that is, those employees who are regularly scheduled to work forty (40) hours per week. For newly hired full-time employees, such contributions shall begin the first of the month following hire. Pursuant to the terms of the Plan, new employees and their qualified dependents will be eligible to receive benefits following the receipt of three (3) consecutive months of payment to the Fund on the employee's behalf. In the event a part-time employee works an average of thirty (30) hours per week for twelve consecutive weeks, the employee will be covered by the terms of the Plan for the remainder of that benefit year.



**ARTICLE 27 - Pension Plan**

27.1 The Employer agrees to make contributions to the Trustees of the Western Conference of Teamsters Pension Trust Fund for the account of each employee working under this Agreement per straight time hour as follows:

	Basic Rate	PEER Rate	Total Contribution
October 1, 2015	\$1.76/hr	\$.11/hr	\$1.87/hr
October 1, 2016	\$1.76/hr	\$.11/hr	\$1.87/hr
October 1, 2017	\$1.81/hr	\$.11/hr	\$1.92/hr
October 1, 2018	\$1.81/hr	\$.11/hr	\$1.92/hr

27.2 Probationary Employees: For probationary employees hired after April 27, 2007, the employer shall pay an hourly contribution rate of ten cents (\$0.10) during the employee's probationary period but in no case longer than ninety (90) calendar days from the employee's first date of hire. Contributions shall be made on the same basis as set forth above. After the expiration of the probationary period as defined in Article 4, but in no event longer than ninety (90) calendar days from the employee's first date of hire, the contribution shall be increased to the full contractual rate in effect at that time.

27.3 Effective August 1, 2010, the Company will contribute 6.5% of its hourly pension contribution to the new PEER Plan/84. The additional contribution for the PEER must at all times be 6.5% of the basic contribution, and cannot be decreased or discontinued at any time.

27.4 This Agreement, in conformity with ERISA, may not be modified, terminated, rescinded, or revoked by the parties, directly or indirectly, without the expressed written consent of the Trustees.

27.5 Paid holidays, paid sick leave (except cash out) and paid vacations shall be counted as time worked, but no payments shall be made on overtime hours. Further, hours paid does not include payment for vacation, sick days and personal holidays paid at the time of termination of employment.

27.6 Such contributions shall constitute full compliance with and full performance of all obligations of the Employer to provide a pension plan for said Employer's employees.

27.7 It is mutually understood that all of the Employer's contributions as provided herein shall be deductible from gross income under Section 404 of the Internal Revenue Code.

27.8 The Company shall make available a 401(k) plan for eligible employees, with no matching contribution. These employees may defer as much money as is allowable under law.

## **ARTICLE 28 - Jury Duty**

28.1 Employees called to jury duty shall not lose any pay by reason of serving as jurors. The Employer shall pay such employees the difference between their regular compensation and the payment made to them as jurors. Employees shall be required to submit proof of jury service, days and time and any payment therefrom in order to be eligible for pay under this Article.

## **ARTICLE 29 - Check- Off**

29.1 The Employer, at the request of the Union, is to deduct from the wages of employees, membership dues (and initiation fees) of the Union and promptly transmit such funds to the Union; provided, that the Employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one (1) year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner.

29.2 D.R.I.V.E.: The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to D.R.I.V.E. D.R.I.V.E. shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The employer shall transmit to D.R.I.V.E. National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number, and the amount deducted from that employee's paycheck.

29.3 The Union agrees to hold the Employer harmless from loss from any judgment of a court of competent jurisdiction and from any order of the Labor commissioner or agency in government in connection with or arising out of any deduction made pursuant to this Agreement.

## **ARTICLE 30 - Funeral Leave**

30.1 In the event that any employee shall suffer an actual bereavement involving the death of the employee's spouse, domestic partner, mother, father, brother, sister, child, grandparents, grandchildren, mother-in-law, father-in-law, step-parents and step-child, he shall be granted with pay a funeral leave of not longer than three (3) days per death in any calendar year; however, if the death and funeral is outside of the state of California, the leave shall be for a maximum of five (5) days per death. Funeral leave shall not be cumulative from year to year, nor shall unused funeral leave be compensated for.

30.2 It is understood that the purpose of funeral pay is to make arrangements for and to attend the funeral. Employees will be required to show proof of travel outside the state of California in order to eligible for such funeral pay.

### **ARTICLE 31 - Shop Steward**

31.1 The Employer recognizes the right of the Local Union to designate shop stewards from the Employers seniority list. The authority of shop stewards shall be limited to:

- (a) The investigation and presentation of grievances along with the Union representative, or without the Union representative, when authorized by the Union.
- (b) The transmission of such messages and information which originate with and are authorized by the Union.
- (c) At the option of the Employer, the steward may assist management in the orderly conduct of setting up shift and vacation bids and seeing that employees exercise their bid promptly.

31.2 Stewards have no authority to take strike action or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer recognizes these limitations upon the authority of job stewards and shall not hold the Union liable for any unauthorized acts. The Employer, in so recognizing such limitations, shall have the authority to impose proper discipline, including discharge, in the event the shop steward has taken unauthorized strike action, slowdown or work stoppage in violation of the Agreement.

31.3 Stewards shall be permitted reasonable time to investigate, present and process grievances with or without the Union representative on the Company property without loss of time or pay during his or her regular working hours. Such time used by a shop steward shall be considered regular working hours and shall be considered working, hours in computing daily and/or weekly overtime if within the regular schedule of the steward.

### **ARTICLE 32 - Appearances**

32.1 Any employee appearing in court, city, state, or federal agency or before an attorney on behalf of the Employer shall be compensated by the Employer at the straight time daily rate of pay if the appearance occurs during the normal work shift. If an appearance described above is made outside the regular work shift, the employee is to be compensated at premium pay in accordance with Article 17.

### **ARTICLE 33 - Savings Clause**

33.1 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by any decree of a court of last resort, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

## ARTICLE 34 - Regular Rates of Pay

### 34.1 Out of Progression:

For employees with one (1) or more years of service as of October 1, 2016, the following wage increases shall apply on the effective dates set forth below:

<u>10/1/16</u>	<u>10/1/17</u>	<u>10/1/18</u>
\$ .50	\$ .40	\$ .40

\* Retroactive on hours worked and paid to employees on the payroll on the date of ratification subject to normal taxes and withholdings as required by law.

34.2 Minimum Hiring Rates: Employees with less than one (1) year as of October 1, 2016 and hired thereafter shall start at the following minimum hiring rates, effective on ratification of the agreement (August 14, 2017):

OAK:	\$13.84
SFO:	\$13.84
SJC:	\$15.36

Any employee who is below the minimum hiring rates set forth above will be adjusted to such rates effective as of the date of ratification of the agreement. In the event the employee has more than one (1) year of service as of October 1, 2016 and his/her rate is below the minimum hiring rate, such employee's rate will either be adjusted to the new minimum hiring rate or he/she will receive the "out of progression" increase set forth above, whichever will yield the employee the highest rate.

After hire, the employee will be eligible to receive the "Out of Progression" rates set forth above on the next effective contract anniversary date.

34.3 Leads: Leads are selected and retained at the sole discretion of the Company and shall receive one dollar fifty cents (\$1.50) per hour. At the Employer's discretion, any employee who works alone at a location may be designated a Lead. Leads do not bid work shifts. They are assigned by the Company.

The Employer shall post vacant Lead positions for application for a period of five (5) calendar days; interviews will be conducted and the Lead selected within four (4) days thereafter. Any seniority employees shall have the right to apply for a Lead vacancy during the posting period. If seniority employees are off work due to a short term leave of absence or vacation, the Employer will make a reasonable attempt to contact the employee. Upon request by the local union, the Company will provide a copy of the posting.

**ARTICLE 35 - Part-Time Employees**

35.1 Present employees will have the opportunity to fill part-time positions under the following circumstances:

- Such employees will work a maximum of twenty-four (24) hours per week;
- The employee will remain part-time for a minimum of six (6) months;
- The Company will inform such employee at least one (1) week in advance of the hours, days on and days off to be worked based on the needs of the business;
- The Company will take into consideration the availability of the person as to the hours to be worked but the Company retains the final determination of the schedules;
- The employee shall accrue pro-rata sick days, holidays and vacation days as a part-time employee;
- The Company will buy-out accrued unused sick days, holidays and vacation days upon transition to part-time;
- The Company will continue agreed upon contributions to Pension;
- Employees will be eligible for health benefits after they have worked an average of thirty (30) hours per week for twelve consecutive weeks.
- Total bargaining unit seniority shall be maintained and, in the event of a layoff, the employee may exercise total bargaining unit seniority and return to full-time employee status prior to the implementation of a layoff;
- In the event the employee returns to a full-time position, location seniority will be the date of return to the full-time position

35.2 The Company may employ part-time employee whose regular schedules do not exceed twenty-four (24) hours per workweek. During the life of the contract, the Employer will not employ any more part-times than what is listed herein, unless business needs require additional people. In this event, the matter will be discussed with the Union and the Union will not unreasonably withhold its approval.

San Francisco Airport	33 1/3%
Oakland Airport	33 1/3%
San Jose Airport	33 1/3%

35.3 There will be separate seniority list for layoffs, bidding and recall purposes. Part-time employees cannot be employed if any full-time employee is laid off at their location except that, in the event of layoff, a full-time employee may elect to work available part-time hours until recall to a full-time position.

35.4 The Employer will inform part-time employees at least one (1) week in advance of the hours, days on and days off to be worked based on the needs of the business. The Company will take into consideration the availability of the person as to the hours to be worked but the Company retains the final determination of the schedules.

35.5 Should any full-time job openings occur, part-time employees shall be given preference to fill such openings based on date of hire as a part-time employee. In such cases, the employee's full-time seniority will commence at the point at which the individual begins full-time employment. No part-time employee will hold a lead position, unless all full-time employees at the location refuse the position.

35.6 Part-time employees will not be entitled to any fringe benefits in this agreement except those listed herein. The Employer will make the required hourly Pension contributions for these employees. Employees who work an average of thirty (30) hours per week for twelve (12) consecutive weeks will be eligible for health benefits. These employees will be eligible for three (3) days sick leave (paid for unused) and three (3) days' vacation after the completion of nine hundred (900) hours of work in a given year.

35.7 Part-time employees who report to work at the time they are instructed by the Employer shall receive a minimum of four (4) hours of work at their applicable hourly rate.

35.8 The part-time employees, as to overtime payments and other non-wage and/or non-fringe benefits items, unless specifically referred to herein, will be governed by the provisions of the Labor Agreement.

35.9 The wage rates will be based upon actual hours worked. One hundred seventy three (173) hours equals one (1) month for purposes of the wage scale.

### **ARTICLE 36 - Miscellaneous**

36.1 Parking: The Company shall provide free parking to employees at the location designated by the Company.

### **ARTICLE 37 - Management and Union Relations**

37.1 The Employer and the Union agree that all employees, regardless of position, will treat each other and the customer with dignity and respect.

### **Article 38 – Bulletin Boards**

38.1 Official Union notices may be posted on designated bulletin boards provided by the Employer and placed in conspicuous areas to the employees. If no bulletin board area is available, then notices may be distributed by other mutually agreeable methods. Union notices shall be restricted to the following:

- (1) Notices of Union elections, appointments and results of Union elections;
- (2) Notices of Union meetings;
- (3) Notices of official Union business.

It is understood and agreed that such notices must be authorized by the Union Business Agent or other Union official.

### **ARTICLE 39 – Management Rights**

39.1 The Union recognizes the right of the Employer to conduct its business, its operations and the direction of the workforce and the work and duties to which they are assigned provided the same do not conflict with any of the provisions of this Agreement. The failure of the Employer to exercise its rights under this Article will not be deemed a waiver of such rights.

### **ARTICLE 40 –No Strike/No Lockout**


40.1 Employees represented by the union shall not engage in any strike, sitdown, slowdown, or work stoppage during the life of this Agreement; nor will the Employer engage in any lockout during the life of this Agreement. Neither the Union, nor any officer, agent, or other representative of the Union shall, directly or indirectly, authorize, assist, encourage, or in any way participate in any strike, sitdown, slowdown, or work stoppage during the life of this Agreement. Neither will the Union, its officers, agents, or representative, condone or ratify or lend support to any strike, sitdown, slowdown, or work stoppage. If any employee or group of employees represented by the Union should violate the intent of this Article, the Union through its proper officers or agent will promptly notify the Employer and such employee or employees in writing, of its disapproval of such violation and will take steps to effect a prompt cessation of such violation and a prompt resumption of work.



**ARTICLE 41 – Living Wage**

41.1 This Collective Bargaining Agreement is intended to supersede in all respects any state or local statute or ordinance which purports to provide a living or minimum wage, benefit or other terms and conditions of employment, including, but not limited to, Chapter 12P and 12W of the San Francisco Administrative Code, the San Jose Living Wage Policy (Resolution No. 68900) and the Oakland Living Wage Ordinance (Ordinance 12050), where such supersession is permitted or authorized by the terms of that law.

AB CAR RENTAL SERVICES, INC.

By:   
Aiko D. Bunn,  
Vice President, Labor Relations

Date: 1/24/18

FREIGHT CHECKERS, CLERICAL  
EMPLOYEES & HELPERS UNION  
LOCAL NO. 856, International Brotherhood of  
Teamsters

By:   
Peter Finn,  
Secretary-Treasurer

Date: 2/16/18

By:   
Liliana Cortez,  
Business Representative

Date: 1/26/18



## MEMORANDUM OF AGREEMENT

### Living Wage Waiver

#### Minimum Hiring Rates and Increases for Employees Hired On or After October 1, 2017

The parties agree to remove the waiver language set forth in Article 41 of the collective bargaining agreement and place the language in a side letter, attached to the contract, as follows:

The parties agreed during the negotiations to renew the collective bargaining agreement, which expired on September 30, 2016 that the waivers of the various minimum compensation ordinances for San Francisco International Airport, San Jose International Airport and Oakland International Airport would eventually be removed from the agreement.

Accordingly, to the fullest extent permitted; the collective bargaining agreement between the parties commencing on October 1, 2016 shall operate to waive any applicable provisions of the San Francisco Minimum Compensation Ordinance ("MCO"), San Francisco Administrative Code Chapter 12R, the San Jose Living Wage Policy and the Oakland Living Wage Ordinance and shall supersede and considered to have fulfilled all requirements of said Ordinances as presently written, and or amended during the life of this agreement.

This waiver shall be amended and shall apply through September 30, 2017 solely for wages. Thereafter, effective October 1, 2017 and throughout the duration of the Agreement, the Company agrees to comply with the wage provisions of any minimum compensation ordinance applicable to each such employee who is governed by the collective bargaining agreement.

However, the parties agree that, to the fullest extent possible, all applicable paid and unpaid time off requirements provided under any applicable minimum compensation ordinance shall be waived. Specifically, the parties agree that the terms and conditions of the collective bargaining agreement relating to the provision of paid and unpaid time off benefits (including, but not limited to, sick days, holidays, personal days, vacation days) shall supersede such ordinances where such supersession is permitted or authorized by terms of that law.

In this regard, employees hired on or after October 1, 2017 will receive wages in accordance with the applicable minimum compensation ordinance applicable to each such employee. Such employees will not be eligible for the general wage increases provided for in Article 34.1 of the Collective Bargaining Agreement.

**MEMORANDUM OF AGREEMENT**  
**EQUITY WAGE ADJUSTMENTS**

July 25, 2017

The parties have agreed to the following equity wage adjustment to the following employees:

Effective on ratification of the agreement, the below employees will receive a one-time wage increase in the amount of \$.10/hour to their base hourly rate:

Aaron Kumlin  
Vince Vega  
Philip Mo  
Yee Chan  
Jerold Redic  
Ann Caina  
Tyfeesah Shaheed  
Alita Vi  
Nikkolas Camp  
Brigitte Kelly  
Robertson Sen  
Pedro Velasquez  
Mauro Noriega  
Patzy Roman  
Corey Sallis  
Maritza Omura  
Christian Baluyut  
Vinay Sukhu  
Melolopa Fanua  
Trina Mukhopadhyay

**MEMORANDUM OF AGREEMENT**  
**HEALTH AND WELFARE BENEFITS**

This memorandum shall serve to confirm the parties' understanding with respect to the Company's obligation to contribute and deduct to the Teamsters Managed Trust:

1. Contract Term. This memorandum applies for the contract term October 1, 2016 through September 30, 2019.
2. Company Obligation. The Fund shall directly bill the Company.
3. Employee Obligation.
  - a. The Company shall contribute towards the cost of coverage for each participating bargaining unit employee pursuant to Article 27 of the collective bargaining agreement.
  - b. In the event there is any deficiency between the total amount the Company has agreed to pay per employee in a given month, as set forth in Article 27, that amount will be shared equally by all employees participating in the Fund, regardless of the level of coverage such employee chooses. The Company shall recoup this deficiency, if any, through pre-tax payroll deductions.
  - c. So long as the Company is billed pursuant to a tiered structure, the Company shall determine the monthly deduction amount, if any, by dividing the total billed amount for a given month by the total number of employees participating in the Fund at that time. Such amount shall be deducted based on a twenty-six (26) bi-weekly payroll period cycle.
  - d. This deduction amount shall be determined every three months by the Company and shall be fixed for that entire three month time period, regardless of any fluctuations in billing. The Company shall inform the Union of any change in the bi-weekly payroll deduction amount at least two weeks prior to the date any new deduction amount goes into effect. In the event no objections to the amount are received within two weeks of that date, that deduction amount shall remain in effect for the entire three month time period.
  - e. The employee's deduction amount, if any, shall commence in the month following remittance to the Fund (e.g., for coverage effective July 1, the Company remits payment in July and the employee deduction, if any, shall commence in the first payroll period in August).

f. The average shall be determined based on the demographics in the month preceding the beginning of three month fixed time period. If demographics shift during the three month fixed time period, the employee share of the premium will be unchanged. If demographics shift during the three month fixed time period, the Company's share of the premium will either increase or decrease to ensure full payment is remitted to the Trust Fund.

4. Coverage Beginning Date: Effective for the October 1, 2016 through September 30, 2017 Plan Year, the Company's first contribution would commence in the first month after the employee completes his probationary period and worked eighty (80) hours. Effective with the October 1, 2017 Plan Year, for full-time employees, the Company will make the first contribution beginning the first month following employment. The Fund requires three (3) months of contributions prior to employee being able to utilize benefits.

5. Part-Time Eligibility: Effective for the October 1, 2016 through September 30, 2017 Plan Year, part-time employees are eligible for coverage in a given month if the employee worked eighty (80) hours in the prior pay month. Effective with the start of the October 1, 2017 Plan Year, part-time employees will be covered by the Plan in event the employee works an average of thirty (30) hours over a twelve consecutive week time period (total 360 hours over a twelve consecutive week period). Pursuant to Trust requirements, "hours" include straight hours worked and/or paid, which includes paid time off such as sick days, vacation days or holidays. Once the employee works the requisite number of hours, they will be included on the next remittance to the Fund and will be required to pay the requisite deduction as the other employees pay. Further, once the employee works the requisite number of hours, the employee will be covered for the remainder of the Plan year (which is October through end of September of the next calendar year).

6. Medical Leaves of Absence: The Company will pay a maximum of three (3) contributions to the Fund after an employee commences an approved covered medical leave of absence. When the employee returns from leave, he/she will be expected to pay back the missed payroll deductions upon his return. The employee may coordinate such payment plan with the local District Manager and payroll coordinator.

7. HCAO Waiver: Pursuant to the City and County of San Francisco's Healthcare Accountability Ordinance found in San Francisco's Administrative Code, Chapter 12Q, Section 8, the Union and bargaining unit employees hereunder clearly and unambiguously waive in full all applicable requirements of Chapter 12Q only.

FOR THE COMPANY



Aiko Bunn,  
Vice President, Labor Relations

FOR THE UNION



Lilianna Cortez, 1/26/18  
Business Representative