



SF HOTEL 2-YEAR CONTRACT EXTENSION

TENTATIVE AGREEMENT SUMMARY

We have reached a tentative agreement with the hotel for a 2-year extension agreement, which includes wage increases, fully employer-paid health & welfare, and pension increases.

Wage Increases:

\$1.25 per hour increase effective 1/1/2024

\$1.00 per hour increase effective 1/1/2025

Total
\$2.25 hourly increase
by 1/1/2025

Health & Welfare:

- ▶ Maintenance of **100% employer-paid health & welfare** premium, which includes **Retiree Plus benefit** and **\$50,000 life insurance** benefit.
- ▶ Ability to opt-out of coverage with proof of comparable health plan. Members who opt out will receive \$410 monthly.

Pension:

Increases in Year 1 (2024) and Year 2 (2025) of the agreement.

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“MOA”) is entered into by and between the Handlery Union Square Hotel (“Hotel”) and Teamsters Local Union No. 856, (“Local 856” or the “Union) (collectively, the “Parties”).

WHEREAS, the Hotel and Union are parties to a Collective Bargaining Agreement, effective January 1, 2019 through December 31, 2023 (the “CBA”).

WHEREAS, the Parties have engaged in good faith collective bargaining for an extension to their CBA and have now reached a tentative agreement for an extension to their CBA, the terms of which are outlined below.

NOW, THEREFORE, it is tentatively agreed:

1. Through this MOA and conditioned upon ratification by the bargaining unit at the Hotel, the Parties shall agree to extend their CBA, with the modifications specifically described herein, with respect to the Hotel, effective January 1, 2024 through and including December 31, 2025.
2. The Classification and Wage Section of the CBA between the Union and the Hotel shall be amended to read as follows:

- a. Effective January 1, 2024

A total increase of Two Dollars and Five Cents (\$2.05) per hour allocated at the Union’s discretion between Health & Welfare, wages, and/or pension contributions.

- b. Effective January 1, 2025

A total increase of Two Dollars and Five Cents (\$2.05) per hour allocated at the Union’s discretion between Health & Welfare, wages, and/or pension contributions.

Each annual total economic package described in this Paragraph 2 is an absolute maximum, and the Hotel shall not be required to pay any greater amount.

3. Health and Welfare

- a. In recognition that employees may have alternative medical coverage options, commencing the first full month following ratification of this MOA, the Parties agree to amend the Health and Welfare Section of the Parties’ CBA as follows:

Employees may elect to opt out of medical coverage under the Teamsters Local Union No. 856 Health & Welfare Trust Fund (“Health Fund Coverage”) to the extent they attest, in writing, that they and their tax dependents (if any) have or will have comparable group medical coverage (e.g., through employer-sponsored coverage of a spouse or another relative, such as a parent). The Hotel is the sole authority to determine if an employee is eligible to decline Health

Fund Coverage, and shall determine that an employee is ineligible to decline Health Fund Coverage if (i) the Hotel knows or has reason to know that the employee (or a dependent of the employee) does not have (or will not have) the required alternative group medical coverage; or (ii) if the employee fails to provide the required attestations at least annually. Employees must provide a written attestation that complies with the provisions of this paragraph and must also complete a Health Care Security Ordinance Employee Voluntary Waiver Form, both of which will be provided by the Hotel. These required written attestations must be completed and submitted by the employee to the Hotel no earlier than a reasonable period before the commencement of the period of coverage to which the opt-out arrangement applies. Coverage under an individual medical insurance policy (whether or not obtained through the ACA Marketplace) does not allow an employee to decline Health Fund Coverage.

- b. In the event an employee opts out, the total monthly premium that would otherwise have been paid to the Health & Welfare Trust Fund by the Hotel on behalf of the employee in question will be paid out as follows: (1) an amount equal to fifteen percent (15%) of the total monthly Health and Welfare premium shall be directly paid to the employee; (2) An amount equal to thirty-five percent (35%) of the total monthly Health & Welfare premium shall be paid to the Teamsters Local Union No. 856 Health & Welfare Trust Fund by the Hotel; (3) The remaining amount is retained by the Hotel.
 - c. The fifteen percent (15%) of the total Health and Welfare premium paid to employees who opt out will be paid as wages (to be paid out at the discretion of the Hotel but at least on a monthly basis). For example, the total Health and Welfare monthly premium for 2024 is \$2,730.00 per month per employee. For an employee who is opted out, the Hotel will, at least each month, pay to that employee fifteen percent (15%) of the monthly premium, or four hundred and ten dollars (\$410.00), in additional wages, less all applicable withholdings and deductions. This amount will increase or decrease depending on the increase or decrease to the total monthly premium for Health and Welfare.
 - d. An employee who opts out may opt into the Teamsters Local 856 Health & Welfare Trust Fund after a rolling one-year period (measured from the date of opt-out) or upon a qualifying event such as the loss of the alternative health and welfare option.
 - e. An employee may opt out of Teamsters coverage at any time of the year, with a month advance notice, as long as there has been no change in the previous twelve (12) calendar months.
4. All other terms and provisions of the CBA shall remain unchanged during the term of the extension described in Paragraph 1.
 5. The Parties agree that this MOA is subject to a ratification vote by bargaining unit members at the Hotel, to be completed as soon as practicable. Once ratified, the terms of the MOA shall go into effect as the effective date referenced in paragraph 1 above, and a revised CBA reflecting

the modifications referenced in this MOA shall be prepared and executed as soon as possible.

6. Each party has cooperated in the drafting and preparation of this MOA. Thus, this MOA will be construed neutrally and will not be applied more strictly against one party or another.
7. Any disputes about the interpretation or application of this MOA shall be subject to the grievance and arbitration procedure of the CBA.

IN WITNESS WHEREOF, the parties hereto have executed this MOA on the date written below:

FOR THE EMPLOYER:

HANDLERY UNION SQUARE HOTEL

Name Jon S. Handlery
Title President
Date 10/13/2023
Signature [Handwritten Signature]

FOR THE UNION:

TEAMSTERS LOCAL UNION NO. 856, I.B.T

Name Peter Finn
Title Secretary-Treasurer
Date 10/12/23
Signature [Handwritten Signature]