KEY FACTS
REACHING A FAIR NEW CONTRACT WITH NEW ENGLAND’S ONLY LARGE FULLY-UNIONIZED SUPERMARKET WORKFORCE

1. **Stop & Shop is the only large fully-unionized food retailer left in New England. Our labor costs are having a major impact on the company’s ability to compete in a fundamentally changing market.**

   For decades, Stop & Shop’s competitors fell into two general groups:

   - **Unionized chains** with similar labor costs to Stop & Shop — the largest component of store costs after the cost of products sold; and
   - **Non-union stores** with lower labor costs but that usually lacked the size and capital to provide the best locations and best product prices for their customers.

   Stop & Shop and our associates could compete successfully on this level playing field.

   Today, the landscape has changed. Now, our biggest New England competitors — national giants like Walmart, Whole Foods/Amazon, Costco and Aldi as well as strong regional chains like Market Basket and Big Y — are large, heavily funded **non-union stores that enjoy both much lower labor costs and access to low prices and great locations.** These companies control as much as 77% of the region’s market share.

2. **Full-time Stop & Shop union associates in New England are among the highest paid in the industry.**

   Full-time associates, including union department managers, at Stop & Shop average an hourly wage rate of $21.30. In Massachusetts, for example, full-time associates in various positions make as much as 44% more per hour than other grocery employees. This is in addition to a comprehensive package of health and retirement benefits. Under our latest proposal, **all associates would see an increase in take-home pay.** Wage cuts have never been proposed.

   Note: Updated to reflect changes in bargaining proposals that have been provided to the unions on or before 3/28/19.
In addition, we are committed to ensuring our Sunday and holiday pay is competitive. Our Sunday premium pay rates in Connecticut have been higher than nearly all our competitors for many years, with some associates making double their normal wage. In Massachusetts, our competitors will no longer have to offer premium pay as the Sunday time-and-a-half legal requirement is phased out. Nonetheless, Stop & Shop has proposed to maintain Sunday and holiday premium pay at time-and-a-half for full-time associates and at current dollar levels for current part-time associates.

3. Stop & Shop associates pay far less for health care coverage than employees at most other companies.

Stop & Shop provides comprehensive health care benefits to all eligible employees, and this remains a central component of the company’s present contract offers. As costs of health care nationally and for Stop & Shop plans have increased astronomically, our associates’ share of the costs has changed minimally, and our health benefits design has not kept pace with the changing health care market. For example, since 2007, costs for individual coverage in our Interstate Health and Welfare Fund increased by 88%, and costs for family coverage in the Local 919 Health and Welfare Fund have increased by 183%. Yet Stop and Shop associates’ deductibles and employee health plan contributions have remained far below national averages.

- Stop & Shop health care deductibles for individual coverage have not changed since 2007, consistently averaging $200 per year. Annual deductibles nationally have risen sharply from an average of $584 in 2006 to $1,573 in 2018.

- The share of health care costs paid by Stop & Shop associates currently averages 8.2% of the cost of single coverage and 6.6% of the cost of family coverage. According to the Kaiser Family Foundation’s 2018 Employer Health Benefit Survey (available at kff.org), other retail employees pay, on average, 20% of the cost of single coverage and 28% of the cost of family coverage.
Stop & Shop’s latest offer includes excellent, affordable health care benefits for eligible associates that qualify as federal “Gold Level” in quality, with associates’ share of the costs remaining far below what employees at most other companies pay. Our proposal includes comprehensive medical and prescription benefits for eligible associates, as well as dental and vision care coverage.

Further, having a high-quality insurance program with low associate costs has led to Stop & Shop subsidizing other employers because associates’ spouses join our programs rather than using insurance available to them through their own employers. Our proposal modifies eligibility rules to offer coverage only to spouses who do not have access to a group health plan through their own employers.

4. **Unlike its non-union competitors, Stop & Shop provides most of its associates with a defined benefit pension, funded completely by the company.**

Stop & Shop spends between $1,926 and $2,644 per associate, per year on pension benefits for full-time associates. Our industry competitors generally offer a 401(k) program without a guaranteed payout, if they provide any retirement benefits at all. A 401(k) program providing a benefit comparable to Stop & Shop’s pension plan (with a 4 – 5% company match) would cost only about $1,300 per associate, per year.

In addition, Stop & Shop pays $12 million per year for pension benefits for part-time associates in New England. Part-time defined benefit pensions are very uncommon in any industry. In sharp contrast, most employers pay very little, if anything, for part-time retirement benefits.

Stop & Shop remains committed to a defined benefit pension. We have proposed increased company contributions to the UFCW’s national defined benefit pension fund for full- and part-time associates. The Trustees of the UFCW International-Union-Industry Pension Fund have taken actions that, if continued, would maintain associates’ prior accrued benefits, but would reduce future benefit accruals for some associates unless the company makes an even greater increased contribution.

5. **Stop & Shop provides more paid time off than other food retailers in the region.**

Stop & Shop provides generous paid time off to its associates, including 10 to 12 paid holidays for most members of our store teams. Competitors in the region generally offer 6 to 8 paid holidays. The company’s proposals do not reduce any current employee’s holidays and provide newly hired associates a competitive holiday offering.

Stop & Shop is committed to continuing to provide **strong wages and benefits**. As we modernize our benefits package and adapt to market conditions, our proposals still offer:

- **Across-the-board increases to our already industry-leading pay.** No one’s pay would be cut, and premium pay for Sundays and holidays would be maintained at time-and-a-half for full-time associates and at current dollar levels for current part-time associates.
- **Federal “Gold Level” health care benefits** for eligible associates, with associates’ share of the costs remaining far below what employees at most other companies pay. This simply keeps pace with health care changes our competitors made years ago.
- **Retirement benefits**, through continuation of the defined benefit pension plan for full-time and part-time associates.
- **Generous paid time off**, including no reductions in paid holidays for current associates.
- **Strong part-time associate compensation**, including competitive wages, guaranteed minimum hours, a company-funded pension, flexible schedules, paid holidays and vacations, dental and vision insurance, short-term disability and life insurance benefits and opportunities for full-time positions. Many of our part-time associates go on to full-time careers at Stop & Shop, including more than 2,200 such promotions over the last three years.