

Subject: PSP Dispute Victory!

UFCW LOCAL 7 and the Alliance of Health Care Unions leadership scored an important victory regarding the PSP. Local 7 raised issue with the way in which the company calculated the payout amount under the PSP program. We have communicated to our members this issue on multiple occasions over the last couple of years. We followed the National Agreement dispute process to resolve the issue, and a dispute panel ruled in our favor on Saturday.

Since we in Colorado were the only ones that raised the issue, the panel ultimately decided to order the Company to award the Colorado Alliance union members (UFCW Local 7 and IUOE Local 1) a revised payout for the 2020 PSP plan year according to the correct contractual formulation. In addition, the decision will apply to all Alliance members for the 2021 plan year and going forward.

The revised payout amount for our union members will likely be a meaningful amount. When we have more information about the payout amount and timing we will let you know.

We are proud of the work our Local 7 and Alliance PSP bargaining teams did in spotting the issue and pursuing it! We are also proud of the great work the Alliance leadership did in pressing this case.

To further explain the issue, the PSP payout is based on performance of the union members according to the goals. Importantly, it is also based in part on the weighted average rate (average wages of those in the Alliance in each region). The company instead was incorporating in its weighted average rate calculation a substantial number of employees that are not part of the Alliance, who on average make substantially less wages than the Alliance union members. The panel found that the Company's method of calculation to be a violation of the plain language of our contract. In short, your PSP checks were lower than they should have been for 2020.

We still have much work ahead of us as we continue to bargain our local and national contracts. A contract means something and the company has to follow the contract. The decision is a testament of that fact.

In order to secure strong labor contracts our members will need to exhibit unity for

good, strong labor agreements this year.

In unity,

Nate Bernstein  
UFCW Local 7 Healthcare Director