

**UNITED SERVICE WORKERS UNION, IUJAT
LOCAL 455
and
TOYOTA OF RUNNEMEDE D/B/A FAMILY TOYOTA, INC.**

Service Shop Employees

February 1, 2016 through January 31, 2021

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AGREEMENT, made as of this 1st day of February, 2016, by and between **UNITED SERVICE WORKERS UNION, IUJAT, LOCAL 455**, its affiliates, assigns, and successors, having its principal office at 138-50 Queens Boulevard, Briarwood, New York 11435 (hereinafter referred to as the "UNION"), acting for and on behalf of itself and the employees covered by this Agreement now employed, or hereafter to be employed by the Employer, and

**TOYOTA OF RUNNEMEDE
D/B/A FAMILY TOYOTA, INC.
99 SOUTH BLACK HORSE PIKE
RUNNEMEDE, NEW JERSEY 08078**

(hereinafter called "The Employer.")

WITNESSETH:

In consideration of the mutual covenants, provisions and conditions of this Agreement, and other good and valuable considerations, the parties hereto agree as follows:

ARTICLE I - RECOGNITION AND COVERAGE

The Employer recognizes the Union as the duly authorized representative and exclusive bargaining agent for **ALL SERVICE SHOP EMPLOYEES**, excluding office clerical employees, new and used car salesmen, guards, watchmen, professional employees and supervisors as defined in the Labor Management Relations Act of 1947, as amended.

All employees hired on or after February 1, 2001 under the classification of utility and lot people shall be deleted from the Collective Bargaining Agreement.

ARTICLE II - UNION SECURITY

a) It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution or effective date of this Agreement, whichever is later, shall remain members in good standing for the term of

this Agreement. Employees who are not members in good standing on the execution or effective date of this Agreement, whichever is later, shall on the thirtieth (30th) day following the execution or effective date of this Agreement, whichever is later, become and remain members in good standing in the Union for the term of this Agreement. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its execution or effective date, shall after thirty (30) days from the beginning of such employment and for the term of this Agreement, become and remain members in good standing in the Union. The requirement of membership in good standing under this Article is satisfied by the payment of the financial obligations of the Union's initiation fee and periodic dues uniformly required.

b) Upon notice to the Employer by the Union, in writing, that an employee is delinquent in payment of or has failed to tender the periodic dues and initiation fee uniformly required by the Union as a condition of acquiring and retaining membership in good standing, the employer shall within fifteen (15) days discharge such employee and advise the Union thereof in writing of its action taken.

c) The chief shop steward shall be notified by the Employer when a new employee is hired.

ARTICLE III - CHECKOFF

Section 1

a) The Employer shall deduct from each employee an amount equal to the initiation fees and membership dues uniformly required as conditions of acquiring and retaining membership in the Union, provided that the employee has duly signed, dated and delivered to the Employer, the written authorization form for such deductions set forth below in this Section 1 (a). The Employer will notify the Union of any revocation of an authorization by an employee.

"I hereby authorize and direct my Employer to deduct from my wages and to pay over to **UNITED SERVICE WORKERS UNION, IUJAT, Local 455**, such amounts, including Dues and Initiation Fees (as Membership Dues) in said Union, as may be established by the Union and become due to it from me during the effective period of this authorization.

This authorization may be revoked by me as of any anniversary date hereof, or termination date of the Collective Bargaining Agreement, whichever occurs sooner, by written notice signed by me. This authorization shall automatically renew itself unless written revocation is submitted."

b) Nothing contained in this Article shall be construed so as to require the Employer to violate any applicable law.

ARTICLE IV - VISITATION

An official representative of the Union shall be permitted reasonable time to visit the Employer's premises during working hours. Such representative of the Union shall be permitted reasonable time to visit the Employer's premises during working hours. Such representative shall first report to the office of the Employer, and he shall not interfere with the work of any employee and shall, at all times, comply with shop rules.

ARTICLE V - UNION STEWARDS

Section 1

a) The Union shall designate not more than one (1) employee as chief shop steward for the Employer. The chief shop steward shall have top seniority for layoff purposes, provided however, that he is able to perform the functions of the position for which he seeks to claim his seniority.

Section 2

b) The investigation and adjustment of grievances shall be done on non-working time unless impracticable, in which latter event, the Shop Steward may investigate and adjust grievances during working hours.

ARTICLE VI - SENIORITY

Section 1 - General

Seniority is defined as continuous service with the Employer. Seniority with the Employer

at this premise shall not count as seniority with the Employer at any other location.

Section 2 - Probationary Period

a) Each new employee shall be a probationary employee and shall acquire no seniority or status as a regular employee for a period of sixty (60) working days of continuous employment from the employee's last day of hire. The Employer shall have the absolute right to discharge a probationary employee without cause and such action is not subject to the grievance or arbitration provision of this Agreement. Upon satisfactory completion of the probationary period, the employee shall be given seniority credit from the employee's last date of hire.

Section 3 - Layoff and Recall

a) When the Employer determines it is necessary to reduce the workforce of his facility, the Employer shall have the right to layoff employees according to their classification. In layoffs and recalls, classifications and seniority shall govern, providing the employee possesses the necessary qualifications, knowledge and ability to perform the equal work.

b) In the event of such reduction in the work force where there remains a more junior employee working in an equal or lower rated job which the senior employee has the necessary qualifications, knowledge and ability to perform, the senior employee shall have the right to bump the junior employee, at the junior employee's rate, provided he notifies the Employer of his desire to bump within two (2) working days of the notice of layoff.

c) When bumping into another classification, the employee shall bump the employee having the least company-wide seniority in that classification.

d) Employees shall be recalled in inverse order of layoff, provided they have the said qualifications, knowledge and ability to perform the available work. The employees shall continue to maintain full seniority rights while on layoff.

e) In the event that additional employees shall be needed, all employees covered by this Agreement, previously laid off within a period of six (6) months prior thereto, shall be rehired in the order of seniority; that is, the last person laid off, shall be the first person to be rehired, provided however, that any employee so recalled, must report for work within three (3) days after sending notification by mail or telegram, addressed to the employee at his last known address, by the Employer, or failing to do so, shall forfeit his right to employment with the Employer.

f) The **new owner will honor** the seniority for all present employees for all issues **including layoff** and **vacation** from the previous owner.

Section 4 - Notice of Layoff

In the case of layoff, the Employer shall give three (3) working days' notice, except in the case of circumstances beyond the Employer's control, such as manufacturer's work stoppage, failure of delivery of cars or parts, or because of fire, flood, storm, power failure, or act of God, in which case an employee may be laid off immediately without advance notice.

If an employee who has punched in and, begun his scheduled work and is sent home as a result of an Act of God, he shall be guaranteed at least four (4) hours or four (4) hours' pay.

Section 5 - Promotions and Vacancies

The Employer will notify the Shop Steward that a job opening is available within the bargaining unit for which any senior qualified and experienced employee may apply. Job opening in higher classifications shall first be offered to existing employees who have the qualifications and ability before hiring from the outside.

ARTICLE VII - DISCRIMINATION

Section 1

The Employer shall not discriminate against any person because of membership in the Union.

Section 2

The provisions of this Agreement shall be applied to all employees without discrimination because of race, color, religion, national origin, sex or age as provided by law.

ARTICLE VIII - REGULAR WORK WEEK

Section 1

The regular workweek shall consist of eight (8) hours per day beginning on Monday and shall continue through the following Friday, except when an employee is specifically hired to work Saturday as part of a normal work week, or an employee volunteers to make Saturday part of their normal work schedule. In either situation, the employee will acknowledge acceptance of Saturday being part of their normal workweek in writing and the signed acceptance will be maintained in the employees personnel file. The normal workweek for each employee shall consist of forty (40) hours within five (5) workdays, unless mutually agreed, otherwise.

The employer, union and the employees, out of a continuing mutual sense of their responsibility for high quality service to the customer and for the economic well being of the employer and its employees, and in order to provide maximum accommodations for customers and timely scheduling of the service and parts departments, mutually agree to the following procedure with respect to the modified work week (incorporating Saturday as a regular work day with in a five (5) day work week).

Section 2

This Article does not constitute a guarantee of any number of hours of work per day or per week, and is included in this Agreement solely for the purposes of establishing a basis for computation of overtime and premium pay.

ARTICLE IX - OVERTIME CALL - IN AND PREMIUM PAY

Section 1 - Overtime

All hours worked by an Employee in excess of forty (40) hours in his regular work week shall be paid at one and one-half (1½) times his rate of pay.

Section 2 - Call In

An employee who is called in for work the sixth (6th) day in a regular work week will receive at least four (4) hours of work and shall be paid at one and one-half (1½) times his rate of pay for all such work. Incentive employees shall be guaranteed one and one half (1½) times their hourly rate or hours produced whichever is greater.

Section 3 - Premium Pay

All work performed on Sunday shall be paid at two (2) times the employee's hourly rate of pay.

Section 4 - Restriction of Pyramiding

Payments provided for under this Article IX shall not be duplicated, pyramided or counted again in computing premium pay under this article.

Section 5 - Overtime Pay

It is agreed that the efficient operation of the facility requires overtime work at certain times. Employee shall be required to work a reasonable amount of overtime.

ARTICLE X - HOLIDAYS

Section 1 - Designated Holidays

The following holidays shall be granted by the Employer to all employees actively at work:

- New Year's Eve Day
- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Eve Day
- Christmas Day
- Two (2) Personal Days

Section 2 – Personal Days – all employees hired on or after October 11, 1994 shall have the following paid personal days:

Hired date up to 1st year anniversary.....0 personal days
On 1st anniversary.....One (1) personal paid day
On 3rd year anniversary..... Two (2) personal days

No employee shall be required to work on any of the above named holidays.

Section 3 - Personal Days New Hires After February 1, 2006

Hire date thru Three (3) Years.....0 personal days
Fourth Anniversary One (1) paid personal day
Fifth AnniversaryTwo (2) paid personal days

No employee shall be required to work on any of the above named holidays.

Section 4 - Holiday Pay

Holidays shall be paid to eligible employees at eight (8) times the employee's regular hourly rate. Any work performed on the above holidays is to be paid for at one and one-half (1½) times an employee's rate of pay in addition to his holiday pay.

Employees must work the day before and day after each “Holiday” in order to qualify for Holiday pay, unless the employee is excused by the employer beforehand or if the employee is sick, he/she must present for Employer with a doctors certificate in order to collect holiday pay.

Section 5 - Day of Celebration

Holidays shall be celebrated on the day proclaimed for their observance or on the day on which they occur; provided, however, that holidays which fall on Saturday shall be celebrated on the previous Friday and holidays which fall on Sunday shall be celebrated on the succeeding Monday. The Employer may designate a substitute day off in lieu of the day before New Year's Day.

ARTICLE XI - SICK LEAVE

Section 1 - Eligibility

All regular employees employed by the Employer for more than one (1) year shall be entitled to six (6) sick leave days per year as required, unless they are transfers from another USWA

shop.

All Employees

Sick Days

Up to 1st Anniversary
After 1st Anniversary

None
6 Days per year

Employees shall be entitled to sick leave only when they have completed their first (1st) year anniversary.

New Hires -All employees hired on or after February 1, 2006, unless they are a transfer from another USWU shop shall have sick days as follows:

Hired date up to 1 st year anniversary.....	(0) sick days
On 1 st year anniversary.....	(3) sick days
On 2 nd year anniversary.....	(4) sick days
On 3 rd year anniversary.....	(5) sick days
On 4th year anniversary.....	(6) sick days

*Note- transfer from another USWU shop shall have his/her time worked at that shop included in the calculation of paid sick days as stated above.

Section 2- Unused Sick Leave

All unused sick leave benefits shall be paid by the Employer to the employee by December 15th of each year.

Section 3 – Sick Pay Calculation

The amount of pay for sick leave for salaried employees is eight (8) times the employee's regular hourly rate, and for incentive employees one-fifth (1/5th) the employee's guarantee.

Section 4 - Sick Pay Termination

If an employee is terminated, he shall receive sick pay on a pro-rata basis for actual time worked during the year, as required. If an employee is terminated after having received sick pay in excess of that earned on a pro-rata basis for actual time worked during the year, the Employer may deduct such unearned sick pay from any monies due to the employee, or may arrange to recover the same.

ARTICLE XII - VACATIONS

Section 1 - Length of Vacations

a) A regular employee shall be eligible for paid vacations according to the following schedule with the length of employee's continuous service being calculated from anniversary date of hire:

One (1) Year.....	One (1) Week
Two (2) Years	Two (2) Weeks
Seven (7) Years.....	Three (3) Weeks
Twenty (20) Years	Four (4) Weeks

Vacation New Hire

b) All employees hired on or after October 11, 1994, shall have the following vacation schedule:

After 1st year anniversary	One (1) paid week
After 2nd year anniversary.....	Two paid weeks
After 10 years anniversary	Three (3) paid weeks

c) Absences or layoffs in excess of thirty (30) working days shall result in a proportioned reduction of vacation pay entitlement.

Section 2 - Computation of Vacation Pay

Vacation pay shall be the number of weeks to which the employee is eligible multiplied by his average weekly straight-time earnings during the base period. The base period shall be the six month period preceding the employee's actual taking of vacation. For employees regularly scheduled to work overtime, a week's vacation pay shall be based upon the number of hours regularly scheduled workweek.

Section 3 (a) - Recall From Scheduled Vacation

If Employer deems it necessary to recall an employee from a previously scheduled vacation, employee shall receive 10% over their regular pay for time worked during their previously scheduled vacation period.

Section 4 - Vacation Period

a) The vacation period shall be scheduled during the twelve-month period subsequent

to the employee's anniversary date of employment.

b) Employees shall notify the Employer of the date(s) they wish to take their vacation at least two (2) months in advance, and the Employer will make a reasonable attempt to schedule the employees for vacation at the time. However, the Employer reserves the right to schedule vacations in accordance with the efficient operation of the facility. The Employer shall notify the employee of the acceptance or rejection of the requested vacation within one (1) week after the receipt of the written request. In the event that two (2) or more employees decide to take vacations at the same time, seniority shall prevail between or among them.

Section 5 - Holidays During Vacation Period

If a paid holiday occurs during a scheduled vacation period, then the employee affected shall have his vacation period extended one (1) day or receive holiday pay in lieu thereof.

Section 6 - Vacation Pay Termination

If an employee is terminated, he shall receive accumulated earned vacation paid on a pro-rata basis for the actual time worked during the year; however, in the first year of employment, an employee must have worked a minimum of six (6) months to be eligible for pro-rata vacation pay.

ARTICLE XIII - WEEKLY GUARANTEE

The "weekly guarantee" for eligible employees shall be at the rate of forty (40) times the employee's regular hourly rate of pay. The guarantee shall be based on a forty (40) hour work week actually worked, and shall be reduced proportionately by the ratio of the number of hours not actually worked to forty (40) hours if such employee actually works less than forty (40) hours during that working week.

ARTICLE XIV - LUNCH AND COFFEE BREAKS

Employees shall be entitled to a lunch period each day of not less than one-half (½) hour and two (2) paid coffee breaks per day, one (1) in the morning and one (1) in the afternoon of fifteen (15) minutes duration. The Employer shall determine the times of such breaks with due consideration for the efficiency of the operation and desire of employees. The Employer may unilaterally revert back to lunch or coffee breaks in the event employees continue to take breaks or

customer service is not being accommodated for.

ARTICLE XV - BEREAVEMENT PAY

In the event of a death in the immediate family of a regular employee, the Employer will reimburse the employee for up to three (3) days' pay for (i) salaried employees at eight (8) times the employee's regular hourly rate; and (ii) incentive employees at one-fifth (1/5) the employee's average weekly pay, for time lost on consecutive days beginning on the day of death or funeral which the employee would otherwise have worked as a normal regularly scheduled workday with no payment to be made for any of said three (3) consecutive days which is a Saturday, Sunday, paid holiday, part of the employee's vacation, or occurs while said employee is not working, or for any time not worked for which the employee is otherwise paid. For the purpose of this Article, the term "immediate family" shall be limited to the employee's spouse, natural child, adopted child, step-child, mother, father, father-in-law, mother-in-law, brother, sister, grandparents or grandchildren. The Employer may request evidence to support that an employee's claim for benefits under this Article is legitimate.

ARTICLE XVI - UNIFORMS

The Employer shall furnish all Service Department employees one (1) clean uniform per day to be worn while working. Each employee shall give reasonable and proper care to such uniform.

ARTICLE XVII - MILITARY SERVICE

Employees who are inducted into the armed forces of the United States shall be granted a military leave of absence without pay under the Universal Military Training and Service Act, as amended.

ARTICLE XVIII - SCHOOL DAYS

Section 1

The Employer will give employees the opportunity for education and schooling to achieve

advancement and promotion. Schooling shall be mandatory. Employees shall be selected by the Employer to attend school in a fair and reasonable way. An employee shall be paid for such school day at the rate of eight (8) times the employee's regular hourly rate and for incentive workers, at one-fifth (1/5th) the employee's average weekly pay. In addition, the sum of Six (\$6.00) Dollars per day shall be paid as expense money to the employee for each such school day. Should the distance of the school be over twenty-five (25) miles, the Employer shall provide the employee with a car. The parties recognize that new products school is necessary for efficiency, and employees will attend when scheduled.

Section 2 – Learning Modules

Employer will pay one (1) hour of pay provided

- Employees must pass test; and
- Employees must produce hours of forty (40) or more

ARTICLE XIX - LEAVE OF ABSENCE DUE TO ILLNESS

a) Supplementing rights that may be available under the Family Medical Leave Act (FMLA), any employees becoming ill shall be entitled to a leave of absence for a personal illness for up to three (3) months during any twelve (12) month period, and said employee shall be entitled to reinstatement upon application to his former position without loss of seniority. An employee injured on the job shall be entitled to reinstatement to his former position without loss of seniority upon application within one (1) year of the leave of absence caused by the injury.

b) Seniority shall continue to accrue during paid leave, military leave, and periods for which the employee receives disability benefits or worker's compensation.

c) Contributions and payments for health coverage shall continue to be paid during the period of all leaves provided for in this Agreement which do not exceed three (3) months, commencing with the first day of the month after the month in which the employee began the

leave.

ARTICLE XX - JURY DUTY

A regular, full-time employee who is required to serve as a juror will be paid the difference between the amount of pay received as a juror and straight-time earnings necessarily lost while on jury duty up to a maximum of five (5) calendar days. Compensation will be paid on the first pay period after the employee has provided management with a copy of his payment records from the Court.

ARTICLE XXI - NOTIFICATION TO UNION

If the Employer determines to discharge an employee, he shall give notice of such discharge to the Shop Steward. If the Employer discharges any Shop Steward, he shall first give notice of such discharge to the Union representative. Compliance with the notification provisions of this Section shall not be a condition of affecting a discharge where notice is impracticable.

ARTICLE XXII - GRIEVANCE AND ARBITRATION

Section 1 - Grievance Defined

All disputes, complaints or claims arising between the Employer and the Union, or any employee covered by this Agreement, concerning the interpretation and application of this Agreement shall be considered a grievance and be adjusted in accordance with the grievance procedures set forth herein.

Section 2 - Grievance Procedures

The grievance shall first be taken up between a representative of the Union and a representative of the Employer within ten (10) working days after the dispute has arisen. If the said dispute shall not be adjusted within five (5) working days thereafter, then the matter shall be submitted to arbitration within ten (10) working days by either party with a copy of the submission letter being sent to the other party, which letter shall concisely state the nature of the grievance.

Section 3 - Arbitration

The matter shall be submitted to the New Jersey State Board of Mediation for arbitration pursuant to its rules and regulations. The decision of the arbitrator deciding the matter shall be final and binding upon the parties involved and shall be fully enforceable in law or in equity. An

arbitrator shall not have the power to amend, modify or alter in any way, or add to or subtract from this Agreement or any provision thereof. Nothing herein shall preclude the parties from mutually agreeing to any other arbitrator or arbitrator selection procedure.

Section 4 - Time Limitation

If the time limitations provided in this Section are not met, it shall be conclusively presumed that the grievance has been abandoned by the party failing to comply with the time requirements, unless time limits are waived by mutual agreement of the parties. A timely request for an extension by either party shall not be unreasonably refused.

Section 5 - Cost of Arbitration

The cost of arbitration and the fee of the arbitrator shall be shared equally by the Employer and the Union. Neither party shall be liable for any expenses for representatives or witnesses, except Shop Steward, of the other party in any arbitration proceeding.

Section 6 - Shop Steward Pay

For time lost in arbitration or investigation or adjustment of grievance, the Shop Steward shall receive his regular hourly rate of pay.

ARTICLE XXIII - MANAGEMENT RIGHTS

Except as specifically abridged or modified by this Agreement, the management of the Employer's facility and the direction of the working force, including the right to plan, direct and control the Employer's operations; to determine the products to be serviced, the location of its facilities and the continuance and locations of its operating departments; to determine the number of employees; to increase or decrease the size of the working force; to hire, transfer, lay-off, recall, to suspend, demote, discipline and discharge employees; and fire employees for just cause; are rights reserved to the Employer.

ARTICLE XXIV – UNITED WELFARE FUND

a) The Employer shall contribute monthly, with such contributions to be in the hands of the Fund Administrator on or before the first (1st) day of the current month, to the United Welfare Fund – Welfare Division, the following amounts per month for each employee covered by this

Agreement who is on the payroll on the first day of each month. Unless otherwise provided herein, for new employees, contributions shall commence not later than on the first day of the month following thirty (30) days from the date of hire, unless otherwise provided in this collective bargaining agreement to be earlier, and eligibility for coverage shall be determined effective as of the date of such first day of the month covered by such contribution.

<u>COVERAGE</u>	<u>SINGLE RATE</u>	<u>FAMILY RATE</u>
Hospitalization/Medical Coverage	\$718.00 *	\$1,468.00 *
United Welfare Fund Dental Coverage	\$ 42.00	\$ 8.00
\$10,000.00 Life Insurance	\$ 7.50	\$ 7.50
6 Units Supplemental TDB Benefits	\$ 6.00	\$ 6.00

<u>TDB UNITS</u>	<u>WAGES</u>
10 Units	\$8.50 and over
8 Units	\$6.00 to \$8.50

*The Employer contribution for single coverage is \$355.25 and the family rate is \$937.32. Employees shall be responsible for the additional cost of medical premiums over and above the Employer's contribution.

Employees Hired After 2/1/16 for the Life of the Agreement:

Employer Contribution Single Rate- \$332.00 Family Rate - \$876.00

All employees hired on or after February 1, 2016, shall be provided single coverage only, unless they are transfers from another USWU shop. On the employee's 5th Anniversary of service such employee shall be eligible for family coverage provided by the Employer if needed. Effective February 1, 2016, all hospital/medical coverage benefit rates and/or increases above the set forth hereinabove monthly rates shall be paid by the employee through payroll deductions on a pre-tax basis. The Union shall notify the Employer in writing of the amount of the hospitalization/medical coverage increase each year to be deducted.

b) For all employees participating in the United Welfare Fund prior to 2/1/16, the Employer

agrees to increase the Employer contribution to the monthly premium 7% effective April 1, 2016, which increase is reflected in the above-stated rates. Thereafter, the Employer agrees that should the Fund increase the monthly premiums, the Employer will only be responsible for up to 5% of the increased monthly premiums to those employees in the Fund prior to 2/1/16 on a yearly basis effective 2/1/17, 2/1/18, 2/1/19 and 2/1/20. The employees in question shall be responsible for any increase in the monthly premium over 5% annually.

c) Should any employee of the Employer voluntarily elect to waive their right to hospitalization, medical and prescription benefits provided through United Welfare Fund and maintain these benefits through their spouse's insurance coverage, the Employer shall pay to the employee the sum of \$250.00 per month for single coverage or the sum of \$400.00 per month for family coverage. Should any employee having waived their right to these benefits through United Welfare Fund once again desire to retain these benefits through United Welfare Fund, the employee may be enrolled into the United Welfare Fund on the first day of the month, pursuant to any and all qualifying events, open enrollment periods and all waiting period condition provisions that may be applicable under the guidelines of the United Welfare Fund plan.

The Employer shall provide such information with the contributions as the Fund determines necessary and remit such contributions along with the remittance form(s) provided for that purpose.

These contributions shall be used by the Welfare Fund for the purpose of financing the Welfare Plan for the benefit of participating employees and defraying the reasonable costs of operation and administration. In the event that the Trustees of the Welfare Fund shall determine, in their sole discretion, that the amounts contributed by the Employer are insufficient to adequately provide for maintenance of the benefits being made available to employees, the Employer agrees to make payment in such increased amounts as shall be determined by said Trustees. The Trustees reserve the right, in their sole and unfettered discretion, to reject participation by the Employer if it

does not agree to a contribution rate during the term of this collective bargaining agreement that is sufficient to maintain the level of benefits and costs of operation and administration provided by the Welfare Plan. In the event the Trustees reject continued participation by the Employer, the parties will meet to negotiate a substitute for the benefits being eliminated, and if the parties are unable to agree, the dispute shall be submitted to interest arbitration under the grievance procedures of this Agreement for the arbitrator to determine the dispute including a determination of what obligations are to be continued.

d) Benefits provided by the Welfare Fund for employees covered by this Agreement shall terminate the date that any contribution required on the part of the employee is due and unpaid, or the first date of the month following the date said Welfare Fund notifies the Employer that coverage will no longer be offered for its employees, or the first date of the month following the date an employee ceases to be employed by the Employer. Termination of employment and ceases to be employed shall be defined as cessation of active work by termination, layoff, work stoppage, resignation, quitting, dismissal, being pensioned or retired, or cessation of active work, including cessation of work as a result of a qualifying COBRA event. In the event of a COBRA qualifying event, the employee may continue coverage in accordance with provisions of COBRA.

e) Said Welfare Fund shall comply with all laws and regulations governing such Fund, and the Employer under a collective bargaining agreement requiring contributions to the Welfare Fund shall have all of the rights of contributing Employers provided by law and the Declaration of Trust relating to said Welfare Fund. Trustees of said Fund shall have the right to provide for inclusion in the Plan of Union officers, agents and employees, and such other persons as they may determine shall be included.

f) The Employer agrees that the Trust Agreement establishing the United Welfare Fund, rules and regulations and collections procedures adopted by the Trustees as existing and amended

from time to time shall be deemed to be as though fully set forth herein and the terms thereof shall bind the Employer as if it were a signatory to the Agreement of Trust made and establishing the United Welfare Fund. The parties hereto hereby confirm and approve the composition and membership of the Board of Trustees of the Welfare Fund as now and hereinafter constituted.

g) If the Employer is ten (10) or more days delinquent in its obligation to make contributions under this Article, the Union or the Welfare Fund may serve a notice of delinquency upon the Employer via certified mail, facsimile, or overnight mail delivery service addressed to the Employer's last known address or facsimile number on file with the Welfare Fund stating that all coverage and benefits for the Employer's employees under the United Welfare Fund will be suspended unless the delinquency is fully cured within ten (10) days of the date of notice. If the delinquency is not cured within the time set forth in the notice, the Welfare Fund may suspend or terminate benefits and coverage of the Employer's employees. In the case of a benefit suspension or termination, the Employer is fully liable for direct payment of claims for coverage for all of its employees and eligible dependents and in the event of any loss sustained by the employee or his eligible dependents because of the suspension or termination of benefits and coverage, the Employer shall directly compensate the employee for any loss as a self-insurer and indemnify the employee or eligible dependents with respect to such claim(s). The rights granted under this section are cumulative and do not relieve the Employer of its obligation to make contributions or otherwise waive any other rights of the Union or Welfare Fund which may exist.

h) The employer shall, in the event an employee is on Worker's Compensation or disability leave, continue contributions to the United Welfare Fund - Welfare Division in compliance with the Family Medical Leave Act. If the employee does not return to work at the conclusion of the leave period and/or a COBRA event occurs, the Employer shall immediately notify the Fund of such event and continue to pay health coverage by paying the requisite COBRA premium to the Fund on

behalf of the employee for the period through which COBRA benefits are made available to the employee or three months, whichever is shorter. This additional period will be counted against the total COBRA period entitlement.

i) In the event a dispute arises in connection with the failure of the Employer to make any required payment to the Fund, remit required reports, or cooperate with an examination of the Employer's records provided for in this Agreement, or remit union dues and in the event that the Trustees and/or the Union submit the matter to arbitration, the dispute may be submitted to arbitrator Aaron Shriftman, or in case of a scheduling conflict, to J.J. Pierson or Elliot Shriftman for resolution; the arbitrator is authorized to award such relief as the Trustees shall establish in their collections policy in accordance with ERISA.

j) The Union and/or the Welfare Fund shall have the right to examine all records of the Employer pertaining to the Employer's payments to the Fund as the Funds' auditor(s) deem relevant to such examination.

ARTICLE XXV- UNITED WELFARE FUND – SECURITY DIVISION

a) The Employer agrees to contribute the following amounts per month to the United Welfare Fund - Security Division, to be in the hands of the Fund Administrator on or before the first (1st) day of the current month, for each employee covered by this Agreement, together with an additional sum of ten (10%) percent of each member's monthly Security Division contribution. This additional amount shall not be less than \$2.00 per member per month and shall not exceed \$20.00 per member per month, said fee to be utilized in connection with administrative expenses of said Security Division.

HIRED BEFORE 2/1/06 * - \$49.00/week

* (unless transferred from another USWU shop)

HIRED AFTER 2/1/06

Weekly

Up to 4th Anniversary	\$32.00
After 4th Anniversary	\$37.00
After Fifth Anniversary	\$49.00

USWU Transfer – Any employee hired on or after February 1, 2006, who is a transfer from another USWU shop shall have his/her time worked at that shop included in the calculation of service for said employee to receive the proper present contribution in effect at that time by the Employer.

b) It is understood that for new employees said contributions shall commence after the employee's fourth week of employment.

c) The Security Division is a part of United Welfare Fund, which has been established by an Agreement and Declaration of Trust between the Union and Employers under contract with the Union and is administered by an equal number of Trustees designated by the Union and Employers, respectively.

d) The Employer agrees that the Trust Agreement establishing the United Welfare Fund – Security Division Rules and Regulations adopted hereunder shall be deemed to be as though fully set forth herein and the terms thereof shall bind the Employer as if it were a signatory to the Agreement of Trust made and establishing the United Welfare Fund-Security Division. Currently, this is not a defined benefit pension. If at any time the trustees of the Security Fund establish a defined pension, then this clause shall be immediately negotiated.

e) These amounts shall be used by said Security Division for the purpose of financing the Security Division for the benefit of said employees. In the event that the Trustees of said Security Division shall determine that the administrative fees contributed by Employers are insufficient to adequately provide for the administration of the Fund, the Employer agrees to make payment in such increased amounts as shall be determined by said Trustees.

ARTICLE XXVI - HEALTH AND SAFETY

Section 1

The Employer will comply with federal, state and local laws dealing with health and safety.

Section 2

Employees will comply with federal, state and local laws dealing with health and safety.

Section 3

The Employer shall provide clean locker and toilet facilities and hot water and soap. Employees shall cooperate to keep the facilities clean.

Section 4

Eye and ear protection is to be supplied by Employer. If not worn or if missed, Employer has the right to stop supplying said equipment.

ARTICLE XXVII - REDUCTION OF BENEFITS

No regular employee on the payroll shall be required to take a reduction in pay, loss of an economic benefit as a result of the execution of this Agreement, or the application of any of its provisions.

ARTICLE XXVIII - STRIKES AND LOCKOUTS

For the duration of this Agreement, the Union, its officers, representatives, and members shall not authorize, instigate, ratify or participate in, any strike, slowdown, stoppage of work, interference with business, boycott or picketing (all of which are herein referred to as "strikes"). In consideration of this strike pledge by the Union and the employees, the Employer shall not lock out employees for the duration of this Agreement.

ARTICLE XXIX - WAGES

Employees shall receive increases in accordance with the rates and classification stated on Appendix "A" of this Agreement.

All employees shall receive the following hourly wages increase over and above their present hourly wage rate:

<u>2/1/16</u>	<u>2/01/17</u>	<u>2/1/18</u>	<u>2/1/19</u>	<u>2/1/20</u>
2%	2.5%	3%	3%	3%

ARTICLE XXX - TOOL INSURANCE

The Employer agrees to provide employees with tool insurance.

ARTICLE XXXI - WAIVER OR MODIFICATION

There shall be no right to waive or modify any provisions of this Agreement without written agreement of the Union and the Employer.

ARTICLE XXXII - SEPARABILITY

If any provision of this Agreement should be held or adjudged illegal or in violation of any provision of any present or future law, such adjudication shall not invalidate any other portion or provision of this Agreement, nor relieve any party thereto from their liabilities and obligations under this Agreement, but the remainder shall continue in full force and effect. In the event that any portion of said Agreement is held illegal as abovementioned, the parties agree to meet promptly in order to agree upon a proper and legal substitute therefore.

ARTICLE XXXIII - TERM OF AGREEMENT

This Agreement shall be and continue in full force and effect from February 1, 2016, to and including the 31st day of January, 2021, and this Agreement shall automatically renew from year to year thereafter, unless notice by registered mail is given by either party to the other not less than sixty (60) days prior to the current termination date thereof, of intention to modify or terminate this Agreement.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and upon their respective successors, purchasers, assignees, and legal representatives.

IN WITNESS WHEREOF, the parties have caused these presents to be signed and sealed by their respective officers thereunto duly authorized the day and year first above-written.

**UNITED SERVICE WORKERS UNION,
IUJAT, LOCAL 455**

By: _____
Peter DeVito, Automotive Director

By: _____
Witness

Contributions are not considered "received" until they are in the hands of the Fund Administrator

**TOYOTA OF RUNNEMEDE
D/B/A FAMILY TOYOTA, INC.**

By: _____

**APPENDIX "A" – Wages
SERVICE EMPLOYEES**

RATES& CLASSIFICATION	2/01/16	2/01/17	2/01/18	2/01/19	2/01/20
*TECHNICIAN "A"	\$32.52/HR.	\$33.33/HR.	\$34.33/HR.	\$35.36/HR.	\$36.42/HR.
TECHNICIAN "B"	\$28.56/HR.	\$29.27/HR.	\$30.15/HR.	\$31.05/HR.	\$31.98/HR.
TECHNICIAN "C"	\$21.39-\$25.28	\$21.92 - \$25.91	\$22.58-\$26.69	\$23.28-\$27.49	\$23.98-\$28.31

NEW HIRE WAGE SCALE FOR A, B & C, TECHNICIANS HIRED AFTER 2/1/11

"A" TECHS-May be hired at the minimum end of the scale, but shall receive wage increases as follows:

- On 1st Anniversary - \$1.00 per hour raise
- On 2nd Anniversary - \$1.00 per hour raise
- On 3rd Anniversary – Goes to top rate of scale

"B" TECHS – May be hired at the minimum end of the scale, but shall receive wage increases as follows:

- On 1st Anniversary - \$1.00 per hour raise
- On 2nd Anniversary -\$1.00 per hour raise
- On 3rd Anniversary - \$1.00 per hour raise
- On 4th Anniversary – Goes to top rate of scale

RATES& CLASSIFICATION	2/01/16	2/01/17	2/01/18	2/01/19	2/01/20
*TECHNICIAN "A"	\$28.92-\$32.52.	\$29.64-\$33.33	\$30.53-\$34.33	\$31.45-\$35.36	\$32.39-\$36.42
TECHNICIAN "B"	\$23.47-\$28.56	\$24.06-\$29.27	\$24.78-\$30.15.	\$25.52-31.05	\$26.29-\$31.98
TECHNICIAN "C"	\$20.17-\$25.28	\$20.67-\$25.91	\$26.29-\$26.69	\$21.93-\$27.49	\$22.59-\$28.31

***ALL TECHNICIAN "A" MUST BE ASE AND TOYOTA FULLY CERTIFIED MASTER TECHNICIAN.** The number of ASE's a technician must have to be a Toyota Master Technician is eight (8). For Toyota Certification program the criteria is sixty (60) months, and Toyota classes minus two (2).

TOYOTA MASTER DIAGNOSTIC TECHNICIAN: Any Technician who is certified by Toyota as a Master Diagnostic Technician shall receive a one-time bonus of \$250.00.

EXTENDED WARRANTY WORK: Extended, Extra Care, Certified Used Cars shall be paid at reimbursed time with an additional .75¢/hour over and above the technicians present hourly wage rate.

Non Technician Employee	2/01/16	2/01/17	2/01/18	2/01/19	2/01/20
	\$14.68/hr.	\$15.05/hr.	\$15.50/hr.	\$15.97/hr.	\$16.45/hr.

NON-TECHNICIAN EMPLOYEE – These employees will work for straight time. They will perform the following tasks:

1. Rotate & balance tires;
2. Light warranty work;
3. PDI's (pre-Delivery Services), when no one else is available;
4. All Fluids, except transmission, differential & rear; Transmission, differential & rear, when no one is available;
5. Any used car work;
6. Assist other higher rated technicians on an occasional basis;
7. Any other tasks useful to the operation of the dealership, other than servicing vehicles.

PARTS EMPLOYEES

RATES & CLASSIFICATION	<u>2/01/16</u>	<u>2/01/17</u>	<u>2/01/18</u>	<u>2/01/19</u>	<u>2/01/20</u>
PARTS "A"	\$27.21/HR.	\$27.89/HR.	\$28.73/HR.	\$29.59/HR.	\$30.48/HR.
PARTS "B"	\$25.41/HR.	\$26.05/HR.	\$26.83/HR.	\$27.63/HR.	\$28.46/HR.
PARTS "C"	\$21.33/HR.	\$21.86/HR.	\$22.52/HR.	\$23.20/HR.	\$23.90/HR.
PARTS DRIVER	\$16.84/HR.	\$17.26/HR.	\$17.78/HR.	\$18.31/HR.	\$18.86/HR.

Any parts employee who is certified by Toyota by passing Toyota's test shall receive a one (1)-time one hundred dollar (\$100) bonus.

PARTS "A" AND PARTS "B" CLASSIFICATION EMPLOYEES shall each receive a monthly bonus of one-third of one percent (0.33%) of the following sales: Repair Order parts, retail counter parts, wholesale parts, customer body shop parts and total internal parts sales less a \$12,500 pack.

BONUS SYSTEM – Technician "A", "B" and "C" shall receive additional monies per hour retroactive to the 1st hour for all hours booked as follows:

Hours Booked	<u>2/01/06</u>
45.0-49.9	\$1.50 per hour
50.0-54.9	\$1.75 per hour
55.0 and above	\$2.75 per hour

Failure to meet the guarantee for flat rate technicians: When a flat rate technician fails to meet the guarantee two (2) consecutive weeks or ten (10) times in a calendar year due to the employees inability to perform and not due to the lack of work or other circumstances beyond his/her control such employee shall be subject to discipline up to and including discharge. After missing guarantee for two (2) consecutive weeks, the Employer shall issue a written warning to the employee and submit a copy to the Union.