

**COLLECTIVE BARGAINING PROVISIONS**

**Guaranteed Employment and Wage Plans**

**Bulletin No. 908-15**

**UNITED STATES DEPARTMENT OF LABOR**

*Maurice J. Tobin, Secretary*

**BUREAU OF LABOR STATISTICS**

*Ewan Clague, Commissioner*



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## Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,  
BUREAU OF LABOR STATISTICS,  
*Washington, D. C., September 30, 1949.*

**THE SECRETARY OF LABOR :**

I have the honor to transmit herewith the fifteenth bulletin in the series on collective-bargaining provisions. The bulletin deals with guaranteed employment and wage plans, and is based on an examination of collective-bargaining agreements on file in the Bureau. This chapter was prepared in the Bureau's Division of Industrial Relations, by James C. Nix, under the direction of Abraham Weiss.

**EWAN CLAGUE, *Commissioner.***

**HON. MAURICE J. TOBIN,**  
*Secretary of Labor.*

**II**

## Preface

As early as 1902 the Bureau of Labor Statistics, then the Bureau of Labor in the Department of the Interior, recognized the growing importance of collective bargaining, and published verbatim the bituminous coal mining agreement of 1902 between the Association of Coal Mine Operators of Pennsylvania, Ohio, Indiana, and Illinois and the respective districts of the United Mine Workers of America. Since 1912 the Bureau has made a systematic effort to collect agreements between labor and management in the leading industries and has from time to time published some of those agreements in full or in summary form in the *Monthly Labor Review*.

The first bulletin entirely devoted to collective bargaining agreements was published in 1925 under the title "Trade Agreements in 1923 and 1924." Similar annual bulletins were published in 1926, 1927, and 1928. These bulletins analyzed only outstanding agreements affecting certain industries and certain skilled crafts in which collective bargaining has followed a more or less established pattern.

No bulletins in this field were published by the Bureau between 1928 and 1942—a period during which collective bargaining first lost ground in the depression and then made rapid strides following the enactment of the National Labor Relations Act in 1935. The growth in trade-union membership from fewer than 4,000,000 workers in 1935 to more than 10,000,000 in 1942 not only resulted in a large increase in the number of collective agreements covering industries hitherto not included under collective bargaining, but also extended the scope and area of bargaining in individual industries. In recognition of this development, the Bureau's 1942 report on union agreements (Bulletin No. 686) dealt with provisions and clauses on particular labor-management problems rather than with the agreements of each union or industry separately.

The substance and character of collective bargaining agreements change continuously, and many of the clauses and provisions covered in Bulletin No. 686 underwent significant changes during the war emergency, as a result not only of the normal processes of collective bargaining but of the decisions of the National War Labor Board. New problems meant new clauses and new provisions. The Board also gave added impetus to certain forms of union security, and to certain practices now deeply imbedded in the entire field of labor-management relations.

The liquidation of the Board, and the renewal of emphasis on free collective bargaining after VJ-day, led to a tremendous increase in the demand for information on specific current provisions in agreements. Urgent requests came from employers and unions, from the United States Conciliation Service, and from mediators and arbitrators engaged in settling or preventing labor-management disputes. It was largely in response to these requests that the Bureau of Labor Statistics undertook to revise and bring up to date the material on union agreements.

In this revision two significant departures have been made: (1) Accumulation of data has made possible the use of a larger sample than was possible heretofore. (2) The information will be presented in a series of small bulletins, each stressing a major area or significant problem of collective bargaining. This will permit the material for each major problem to be published as rapidly as finished without waiting until all of the subjects of collective bargaining are analyzed. It will have the advantage of greater flexibility in handling specific requests for material from employers, unions, and the public. Some clauses are more or less stable and undergo relatively minor changes even over a considerable period of time and therefore need only occasional revision, whereas others undergo rather rapid change. Also, as new issues develop it will be possible to add new bulletins to the series without revising those already published.

The clauses used are designed to facilitate, but not to condition, the bargaining process. No special attempt has been made to determine the prevailing industry practice or the most frequently used provisions. The clauses are presented, not as models but as a source of reference for those who participate in collective bargaining negotiations, by making available to them a wide variety of provisions on the specific subjects under consideration. An index of all the contract clauses quoted, with a brief description of each clause, is appended to each report.

This report, dealing with guaranteed employment and wage plans, is the fifteenth in this Collective Bargaining Provisions series. The bulletins already published are as follows:

- No. 908     Union Security Provisions.
- No. 908-2   Vacations; Holidays and Week-End Work.
- No. 908-3   Incentive Wage Provisions; Time Studies and Standards of Production.
- No. 908-4   Apprentices and Learners.
- No. 908-5   Discharge, Discipline, and Quits; Dismissal Pay Provisions.
- No. 908-6   Leave of Absence; Military Service Leave.

- No. 908-7 Promotion, Transfer, and Assignment; Lay-Off, Work-Sharing, and Reemployment.
- No. 908-8 General Wage Provisions.
- No. 908-9 Wage Adjustment Plans.
- No. 908-10 Union-Management Cooperation, Plant Efficiency, and Technological Change.
- No. 908-11 Seniority.
- No. 908-12 Union and Management Functions, Rights, and Responsibilities.
- No. 908-13 Strikes and Lock-Outs; Contract Enforcement.
- No. 908-14 Safety, Health, and Sanitation.



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## Collective Bargaining Provisions

### Guaranteed Employment and Wage Plans

#### *Introduction*

Job security has always been a matter of great concern to workers, employers, labor unions, and the Government. Guaranteed employment or wage plans as an avenue to job security have, therefore, gained widespread support among wage earners, thus reflecting labor's deep-rooted desire for steady jobs and steady income.

A guaranteed employment or wage plan is a formal commitment by an employer to provide for all or some of his employees a stipulated amount of work or wages during the year. Under one, a certain amount of work is guaranteed; under the other, income is guaranteed. The difference is largely one of emphasis.

As early as the 1890's, plans in which employers assumed responsibility for providing minimum annual work or wages were negotiated with unions in several industries.

Many employers have voluntarily attempted to provide year-round employment, not only because of such intangible but important benefits as better labor relations and the good will of the community, but also because of resultant savings from reduced turn-over of personnel and improved employee morale which results from eliminating workers' fear of unemployment. However, most employers have been unwilling to commit themselves to guarantee annual employment, fearing that seasonal and/or cyclical fluctuations beyond their control may make it impossible to fulfill the guarantee.

Unions have, on occasion, participated with employers in the planning and operation of programs intended to reduce irregularity in employment in a particular industry or company. Such programs may be limited to the distribution of available business in such a manner that seasonal fluctuations are reduced or may be designed to expand the employer's business so that a greater number of workers can be employed more steadily. For example, the International Ladies' Garment Workers' Union (AFL) and several associations of dress employers have established a cooperative promotion program. " \* \* \* with the objective of increasing the volume of production of the New

York market, improving further the quality of its product, and offering even better values to the consumer, by publicizing the outstanding position in the field of style, fine workmanship and sound values of the New York market, by stimulating consumer demand in the United States and elsewhere, and by establishing New York as the fashion center of the world. Such a campaign will result in increased business to the members of the organized dress industry, and in material advantages to the members of the union employed by them who will derive therefrom greater continuity of employment and increased annual earnings."

Other ways of stabilizing workers' incomes or lessening the effect of unemployment, that is, seniority rules, work-sharing in slack seasons, and dismissal pay, all help workers to bridge periods of unemployment or idleness. None of these measures, however, provides security of income or employment. Seniority rules merely determine which employees are to be laid off; sharing work also means sharing unemployment; dismissal pay only softens the blow from loss of job. (Bulletins 908-11 on seniority; 908-7 on lay-off, work-sharing, and reemployment; and 908-5 on dismissal pay provisions.)

Some State unemployment compensation laws are designed to encourage stable employment by means of merit-rating provisions, whereby the employer's unemployment tax decreases as employment becomes more regularized. Although unemployment compensation provides some income during slack times, payments are comparatively small and continue for a relatively short time. Though of aid, it is no satisfactory substitute for regularized and steady employment.

The Fair Labor Standards Act (sec. 7 (b) (2)), applicable to employees engaged in interstate commerce or in the production of goods for interstate commerce, exempts an employer from paying overtime for weekly hours of work in excess of 40 under certain agreements which guarantee annual employment. Annual employment guaranteed may be for 1,840 up to 2,080 hours in a year, or for not less than 46 normal workweeks of at least 30 hours a week. After the guaranteed hours have been completed, time and a half must be paid for each hour worked beyond 40 in a week. All hours worked beyond 2,080 in the contract year must be paid for at time and a half. The employees may not work more than a maximum of 2,240 hours in the year. Hours in excess of 12 a day or 56 a week, however, must be paid for at the rate of time and a half.

The majority of employment or wage guarantee plans have been in consumers' goods industries; however, successful plans have been established in other types of industries. Some plans were negotiated by individual employers; others are incorporated in agreements nego-

tiated by an association of employers in the same area, engaged in the same trade or branch of business.

Currently, wage and work guarantees are found in relatively few collective bargaining agreements, but they vary widely as to the type and amount of the guarantee, eligibility for the guarantee, conditions under which the guarantee may be terminated, and related provisions.<sup>1</sup> Some guarantee a year's normal income or work; others guarantee employment for much shorter periods. Some guarantees are limited to a minimum number of hours a week. The guarantee may cover the employer's entire labor force, or only a designated number or group of employees (those with a minimum period of service; those in a certain craft or type of work, certain "key" employees; a "basic crew," etc.). Many include "escape" clauses which specify conditions under which the employer is released from his obligation to provide work. Some plans have detailed provisions regarding the effect of employees' absence from work, holidays, vacations, and other types of time off; the employer's right to transfer employees to any available work; and penalty rates for overtime hours.

In some agreements, the employer merely pledges to provide regular employment to the best of his ability, or to study the possibility of instituting a guarantee.

### *Annual Guarantees*

Annual guarantee plans in collective bargaining agreements are of two general types—those guaranteeing employment and those guaranteeing annual wages. The former assures a minimum number of hours, days, weeks, or months of work each year, without specifying the amount of earnings to be received. A year's job (or in some cases, a fraction of a year) is guaranteed, but the employee's total annual income varies. For example, it is impossible to determine in advance and, therefore, guarantee the annual earnings of an employee who is paid on a piece-rate or incentive basis or on a combined hourly rate and incentive pay basis. Transfers to different jobs at different rates of pay also complicate the forecasting of earnings. For these reasons, most guarantees are expressed in terms of regular employment.

On the other hand, annual-wage plans guarantee the employee a certain income for the year. Actually, insofar as the year's return to the employee is concerned, little real distinction exists between guaranteed employment and annual-wage plans, for if the employer

<sup>1</sup> An analysis of 2,126 collective bargaining agreements by the BLS in the autumn of 1949, disclosed that only 123, or about 5 percent, of the agreements contained provisions for guarantees of employment, or wages, either on a weekly, monthly, or annual basis. Most of the agreements which provided guarantees did so on a short-term or weekly basis.

cannot furnish sufficient work to fulfill the contract, wages must be paid for the remainder of the time guaranteed. The significant differences among the various plans relate to the relative completeness of the guarantee, that is, how closely the guarantee, whether expressed in wages or in work, comes to providing the equivalent of full employment at normal wages.

A full year's work is usually considered to be at least 2,080 hours (40 hours a week times 52 weeks). Some plans assure this amount of work, and a few guarantee more than 2,080 hours, but many guarantee less than 52 weeks a year.

Usually the employment guarantee is expressed in terms of hours or weeks, but a few contracts guarantee a stated number of days or a specified percentage of "normal working time." Several agreements, most of them covering personnel of inland water transportation lines, guarantee a minimum number of months' work a year.

A few contracts in industries which are especially susceptible to seasonal fluctuations guarantee fewer hours a week in designated "slack" months than in peak months. The annual guarantee may be for full employment for several months and may require employees to share available work during the remaining months.

Some annual guarantee plans have special reserve funds supported by employer deposits amounting to a specified percentage of pay roll, and from which is paid the difference between the employee's actual earnings and the guaranteed minimum. In some instances, the employer's total liability is limited to the amount of his deposits, and any unused balance in the fund at the end of the contract period reverts to him.

The question of compensation for overtime hours is an important consideration in annual guarantee plans. Usually, time and a half is paid for hours in excess of a designated number a day or week. In industries where employees are subject to the Fair Labor Standards Act, payment of this penalty rate for hours exceeding 40 a week is mandatory, unless the annual wage agreement meets the requirements of the exemption provided under section 7 (b) (2) of the act. In that event, overtime rates must be paid only for hours in excess of 12 a day or 56 a week. (See p. 2.)

Some agreements set up an individual account for each employee; a credit is made for overtime compensation and a debit is entered for employer advances when the employee works less than the guaranteed minimum during the week. When the account is cleared at specified intervals, the employee receives any credit balance but is not liable for payment of a debit.

The contractual obligation under any guarantee plan included in a collective bargaining agreement is limited to the effective period of such agreement. Most agreements are in effect for 1 year. Some

guarantee plans are incorporated in 2-year agreements and are, therefore, in effect for 2 years. The fact that most guarantees are for 1- or 2-year periods tends to limit their effectiveness to seasonal or intermittent situation rather than to prolonged periods of business depression.

NOTE.—The guarantee clauses in this section which refer to section 7 (b) (2) of the Fair Labor Standards Act were negotiated prior to the 1949 amendments. See p. 2 for a summary of the amended section 7 (b) (2).

### 1. *Guaranteed Annual Wage; Maximum of 2,000 Hours To Be Worked*

The union above named has been duly certified by the National Labor Relations Board as a bona fide representative of employees for the purposes set forth in section 7, subdivision B, of the Fair Labor Standards Act of 1938.

The company agrees to continue to employ the members of the union now presently in the employ of the company throughout the period beginning with the [date] and ending with the [date] and guarantees to pay each journeyman printer total wages for said period of not less than —— dollars, payable at the rate of —— dollars.

The company agrees that each of the members of the union in the employ of the company throughout the period covered by this contract, shall, subject to and in accordance with the provisions of this contract, work not more than two thousand (2,000) hours during the period of fifty-two (52) consecutive weeks covered by this contract.

The union agrees that each of said members of the association in the employ of the company throughout the period covered by this contract, shall, subject to and in accordance with the provisions of this contract, work, on call by the employer, up to but not more than two thousand (2,000) hours during the period of fifty-two (52) consecutive weeks covered by this contract.

### 2. *Annual Wage Payable in Equal Weekly Installments. Pro Rata Payments to Employees Hired After Beginning of Year*

All members of the union employed at the beginning of this period [date] are hired on an annual basis and shall receive an annual salary payable in equal weekly installments as set forth in section 1 of this agreement and any member employed after [date] shall be hired on a pro rata basis for the balance of the contract year.

### 3. *Annual Wage Plan Incorporating Requirements of Section 7 (B) (2) of Fair Labor Standards Act*

The employees whose names are listed in schedule "A," annexed hereto and made a part hereof, shall be employed on an annual basis and are hereby guaranteed continuous employment for fifty-two (52) consecutive weeks, from [date] including as a part of said fifty-two (52) weeks the vacation period provided for in this agreement. The weekly wage of —— dollars shall be paid to said employees during said period of fifty-two (52) consecutive weeks so long as, and provided that, the said employees continue to faithfully perform their services for the employer. Should any employee work in excess of twelve (12) hours in any workday or in excess of fifty-six (56) hours in any workweek, he shall be paid time and one-half for all time worked in excess of twelve (12) hours per day or in excess of fifty-six (56) hours per week, whichever method of computation yields the employee the greater compensation for the workweek. None of the above-mentioned employees shall work more than two thousand and eighty (2,080) hours during the said period of fifty-two (52) consecutive weeks.

**4. *Fifty-two Weeks' Notice Prior to Lay-Off if Employed on Annual Basis. In Operating Departments, Time and One-Half Paid for Weekly Hours Over 53, or Over 48 If More Than 10 Hours Worked in 1 Day. Employee To Do Any Work Assigned But Is To Receive His Regular Rate for 52 Weeks if Assigned to Lower-Rated Job***

Unless specifically designated as being on some other basis of employment, each employee will be employed on an annual basis. In no case shall any such employee be employed for more than 2,080 hours within the applicable 52-week period.

Work schedules or work budgets may be issued and amended from time to time by the company.

Each employee on an annual basis shall receive the regular weekly rate of pay provided in a work schedule or work budget as it is established and as it may be amended from time to time in pursuance of the procedures established in this agreement.

Legally required premium payments shall apply, namely; time and one-half shall be paid for time in excess of 12 hours in any one day or in excess of 56 hours in any one week. However, any employee in a regular operating department shall be paid time and one-half for hours worked in excess of 53 in any one week, or time and one-half for hours worked in excess of 48 in any one week if required to work more than 10 hours in any one day of that week.

Lay-offs of employees on an annual wage will be made on a seniority basis and only after 52 weeks' notice to the union and to the individuals.

Each employee shall do any work to which he may be assigned at any time and from time to time by the company.

Individuals assigned to a higher-rated job will draw the higher rate of pay. Individuals replacing a man on a higher-rated job will draw that higher rate of pay only if the one he is replacing is on authorized vacation or leave of absence or subject to dock or reduction in rate during the period of the replacement.

An employee who has been on higher-rate job for a 30-day period shall acquire the rate of that job as his own rate.

If an employee is then assigned to a lower-rated job, he shall carry his own rate for 52 weeks in order to provide him that much opportunity to qualify for and claim a job of similar rate, but this 52-week period shall be terminated with respect to any employee at any time he refuses to accept a job of similar rate which may be offered him, and at the end of 52 weeks an employee working under this provision shall take the rate of the job to which he is then assigned.

When an employee moves from a higher-rated job to a lower-rated job at his own option or for seniority reasons, he shall take the lower rate.

**5. *Annual Wage Based on Section 7 (b) of Fair Labor Standards Act. Weekly Payment Includes 6 Hours' Pay at Overtime Rate. Compensation at Annual Expiration Date of Contract for Additional Overtime Hours Accumulated During Year. No "Dockage" for Sick Leave, Vacation, or Other Authorized Leave***

The union is certified by the National Labor Relations Board to negotiate an annual wage as per section 7, subdivision "B" of the Fair Labor Standards Act of 1938.

(a) All employees who have been on the seniority list for a period of 6 months at the time of the signing of this agreement are to receive an annual wage of \_\_\_\_\_, which is to be paid in 52 weekly amounts of \_\_\_\_\_, to be paid on a designated day in each week as provided for in section 7, subdivision "B" of the

Fair Labor Standards Act of 1938. Two thousand eighty (2,080) hours shall be the total number of hours to be worked at straight time during any fiscal year of 52 weeks.

(1) It is understood and agreed that the above paragraph does not establish a precedent as to number of employees covered by this agreement or as to form thereof.

(b) It is fully understood and agreed that all employees shall receive forty-nine (49) hours' pay based on 85.7 cents per hour for each of the above-mentioned 52 weeks. It is further understood that the last six (6) hours are being paid at the rate of one and one-half times the basic hourly rate, causing payment of 49 hours' pay for 46 hours' work.

(c) It is fully understood and agreed by both parties that it may be necessary for the men to work either a long workweek or a short workweek. However, except for the exceptions listed below this clause, all men covered by this annual wage plan are to receive the \$42 per week for 52 weeks per year and on the annual expiration date of this agreement they shall be compensated in full for any additional overtime they may have accumulated, and regardless of how short a week they may work, the employer, for the purpose of balancing annually, shall give each employee credit for forty (40) hours in any workweek, however short.

(d) Any workweek in which an employee does any work covered by the over-the-road agreement in addition to work covered by this agreement, such week shall be subject to the following rules:

(1) The employee shall be guaranteed \$42 per week or his actual time spent on both jobs, whichever of the two is the higher.

(2) Such week shall be listed by the company as a 46-hour credit week for the purpose of computing the annual overtime balance.

(e) The management reserves the right to allocate the work in such a manner as to cause all employees covered by the annual wage plan to work 46 hours insofar as possible before seniority shall prevail on hours worked over the 46-hour guarantee.

(f) Time off because of sickness, vacation, and other leave authorized by the employer shall not be considered as falling within the term "dockage." Any day or days lost in this manner shall be discounted at the rate of seven and two-thirds (7 $\frac{2}{3}$ ) hours per day at straight time or overtime, whichever the dockage actually is, at the end of the annual balancing period for the purpose of determining how much overtime an employee has coming. Any leave of absence requested by an employee shall be considered noncompensable under the terms and provisions of this agreement.

(g) During any balancing period the employee can never owe the employer any time except dockage time.

(h) Only actual hours worked on Sundays or holidays shall be credited against the annual number of hours set forth in this agreement. All such overtime shall be paid each week in addition to the regular weekly rate of pay.

(i) In the event an employee quits or is discharged for any cause he shall be paid the full amount due him according to the terms and provisions of this agreement.

(j) Up to 10 days' paid sick leave shall be allowed during each calendar year. In case of any such leave the company may require proof of alleged illness.

#### 6. *Guarantee of 2,080 Hours Per Year for 2 Years to Special Class of Employees*

Class A employees as defined in article IX, Classification of employees, section 1, are included in the guaranteed-work plan as hereinafter provided for. [Class A employees are those who have been permanently added to the work force, filling a

regular job, and have completed five (5) years of continuous service with the company at the effective date of this agreement.] Class B and class C employees are not included in the guaranteed-work plan.

The company agrees to provide work at wage rates agreed upon by the company and the union, for a period of two (2) years from the effective date of this agreement, to all class A employees as provided for in article IX, Classification of employees, of this agreement \* \* \*.

Those employees who are guaranteed work under this article will be given an opportunity to work 2,080 hours during each of the guaranteed-work years, less vacation and holidays.

The right by the company to suspend or discharge an employee for cause as provided for in this agreement shall in no way be infringed upon through the application or interpretation of this article.

**7. *Guarantee of 40 Hours' Pay for Each Week During Life of Agreement. Payment Based on Employee's Straight-time Average Hourly Rate of Earnings for Previous Year.***

Each employee of the company who is continuously employed and whose services are available to the company is guaranteed a minimum weekly wage for each week during the life of this contract, and the company agrees to make up the difference to the employee who does not receive a sum equal to the minimum as outlined below.

The guaranteed minimum weekly wage shall be computed in the following manner:

The individual employee's straight-time average hourly rate of earnings for the year preceding the effective date of this contract, or such portion thereof during which the employee may have been employed by the company, plus the general wage adjustments included in this agreement, shall be multiplied by 40 hours.

NOTE.—This agreement is in effect for 1 year.

**8. *Plant To Operate 50 Full Weeks Per Year***

The employer hereby guarantees to keep his bakery in operation a minimum of 50 full weeks per year, the number of days of operation per week to remain unchanged.

**9. *Guarantee of 40 Hours Each Week for 52 Weeks to Employees With 1 Year's Seniority. Employee's Account in Trust Fund Credited With Overtime Compensation and Debited With Advances Made by Company in Short Weeks. Upon Clearing of Account at 13-Week Intervals, Employee Paid Amount of Credit Balance But Is Not Liable in Event of Debit Balance. Guaranteed Minimum Workweek of 36 Hours for Employees Ineligible for Guaranteed Annual Wage***

**GUARANTEED TIME**

The company will guarantee a minimum of thirty-six (36) hours of work per week for all employees, or wages in lieu thereof to those employees who are not covered by the guaranteed-annual-wage provisions hereinafter set forth, and subject to the following provisions.

Employees who are laid off up to and including the close of the second workday of the week will not be paid any guarantee, but will be paid only for the hours actually worked. It is understood, however, that if any employees are recalled to work in their regular seniority turn, in the same workweek in which laid off, they will be guaranteed the minimum of thirty-six (36) hours.

Employees who are tardy or are excused from work for part of a day for personal reasons shall have the 36-hour guarantee reduced by the number of hours of work missed by such absence.

Employees who are reemployed after the beginning of the pay-roll week shall be guaranteed that portion of 36 hours which the gang has not worked that week.

The application of the 36-hour guarantee shall be the same in holiday weeks as in all others.

The regular workweek for all workers within the appropriate units shall begin at 12:01 a. m. Monday.

Employees called to work must be provided with a minimum of 4 hours' work or 4 hours' pay in lieu thereof.

Any employee called back to work on the same day after once going home shall be paid at the rate of time and one-half for all hours worked on recall and shall be guaranteed a minimum of 4 hours. This shall not apply when shifts are being changed.

The provisions of paragraphs —— shall be applicable also to employees covered by the provisions of the guaranteed annual wage hereinafter set forth.

#### GUARANTEED ANNUAL WAGE

The company agrees to guarantee all employees who qualify as hereinafter provided fifty-two (52) weeks of employment for forty (40) hours each week. They shall pay to such employees forty (40) hours' pay as illustrated and set forth in section 45 hereof.

There shall be established an employees' trust fund to be managed by an independent trustee to be agreed upon. The union agrees that the trustees may be, and in order to facilitate the administration of the trust, should be officers of the company. The trustees shall give bonds satisfactory to the union and the company, the cost of which shall be borne by the company.

(a) All overtime compensation due the employees shall be computed and paid over to said trustees each week in trust for the respective accounts of each of the employees. Each such payment of overtime compensation shall be accompanied by a weekly statement indicating the amount of overtime compensation paid over for the account of each employee and the number of hours in excess of forty (40) worked by said employee. It is agreed that the bona fide pay-roll records of the company shall be made available to and shall be accepted by the trustees as a true statement of each employee's account.

(b) An employee shall be credited in such account for all hours worked in excess of forty (40) hours at time and one-half. (Example—An employee who works fifty (50) hours in a given week shall receive forty (40) hours' pay and his account shall be credited with fifteen (15) straight-time hours.)

(c) In such weeks as an employee actually works less than forty (40) hours he shall receive a cash advance for the difference between the number of hours actually worked and forty (40) hours, to be computed by multiplying this difference in hours by his hourly basic rate of pay. Example:

1. Assume an employee's basic rate of pay to be \$1 per hour. If he works thirty (30) hours at his basic rate in any week he shall be paid \$30 for the hours actually worked and shall be advanced 10 times his basic hourly rate of pay, or \$10.

2. If he should work thirty (30) hours at a job calling for a higher basic rate than his regular rate of pay he shall be paid 30 times the higher hourly rate at which he worked and he shall be advanced 10 times his basic hourly rate of pay, or \$10.

(d) For the purpose of this agreement, an accounting period will be of thirteen (13) weeks' duration beginning [date], provided that, commencing on [date], and continuing thereafter, unless otherwise provided, the accounting periods shall be computed from said date. At the end of each thirteen (13) week period, the company will submit to the trustees a statement reflecting the amount of money advanced to each employee and the number of hours for which such advances were made.

(e) Promptly upon receipt of the statement referred to in (d) above, the trustee will clear each employee's account as follows:

1. The amount of all overtime compensation paid to the trustee shall be credited to the account of the employee for whom it is held in trust.

(i) The amount of all advances reported to the trustee shall be debited to the account of the employee to whom such advances were made.

(ii) If the credits exceed the debits, the trustees shall pay such excess to the employee and the balance—representing the advances made to the employee—shall be paid over to the company.

(iii) In the event that no amount is due the employee because the debits exceed or offset the credits, the employee's account shall be considered as cleared and he shall start the next thirteen (13) week period with a fresh account having no credits or debits at that time. In such case, the trustee shall thereupon pay over to the company any funds standing in trust account.

(f) For purposes of payment of the account, the hours shall be computed at the employee's regular rate of pay. For the purpose of this paragraph the employee's regular rate is defined as the job classification rate at which he is carried on the pay roll. (Example—Employees will be paid each week any extra money earned because of working at a rate higher than the employee's regular rate. Therefore, if an employee's regular rate is \$1.10 per hour but said employee works 50 hours at \$1.20 per hour, he will receive 10 cents per hour for the 40 hours and 15 cents per hour for the 10 hours overtime, or a total of \$49.50 that week. His bank will be credited with fifteen (15) hours at \$1.10 per hour.)

Employees shall qualify under this plan as soon as they have worked 1 year since [date]. For the purpose of this provision, 1 year's work shall be defined as either forty-four (44) weeks or two hundred fifty (250) days in the anniversary year or succeeding year of employment starting from the anniversary date, whichever is more favorable to the employee. In the event an employee is laid off at the time he passes his anniversary date, his next qualifying year will begin with the date he is rehired and placed on the pay roll. For example, an employee is hired [date]; on [date] he had not qualified and was laid off for lack of work at the time. He was hired again on [date], therefore his next qualifying year begins on that date. Once an employee qualifies as provided herein, he shall be covered by this annual wage guarantee at the beginning of the next thirteen (13) week period following qualification.

Employees absent for personal reasons during any week shall be paid that week for the hours actually worked, plus any cash advance paid to the gang. In the event any cash advance is paid the gang, his account shall be charged with the same amount as is charged against the account of the balance of the gang.

Employees absent because of sickness or injury shall receive no pay for time so lost under this guaranteed time provision provided he will be paid in accordance with the sickness and accident benefit plan as hereinafter provided for.

If any action is commenced pursuant to the provisions of the Fair Labor Stand-

ards Act which challenges the validity of the guaranteed annual wage plan or the method by which it is administered, the company shall reserve the right to terminate upon ten (10) days' notice those provisions of this contract which provide for said guaranteed annual wage. If the company exercises its right to so terminate the provisions of the guaranteed annual wage, the compensation of the employees affected thereby will revert to and be governed by the provisions of this contract applicable to those employees who do not qualify under the guaranteed annual wage plan or to enter into further negotiations with the union as the union may elect. In the event the courts establish the validity of the plan the provisions of the guaranteed annual wage plan shall again become operative as soon as practicable.

In the event the company elects to recompute the regular rate of pay at the end of any thirteen (13) week period and compensate the employees in accordance with the recomputed rate (a practice recognized by the Wage and Hour Administrator), it is understood that such recomputation and additional payment was made without prejudicing the company's position that the Fair Labor Standards Act does not require such action.

Employees who do not qualify under this plan shall be covered by the provisions of the guarantee time section of this agreement providing for the thirty-six (36) hour guarantee.

Employees who voluntarily quit or are discharged will forfeit all rights under the annual wage plan.

Any employee on leave of absence will be suspended from the annual wage payment plan during the period of such leave.

10. *Company Advances in Weeks When Less Than 40 Hours Worked Repaid in Weeks When Overtime Worked. Advances Canceled by Employee's Death or Termination of Employment.*

All employees covered by this contract who have worked steadily for the employer one or more years shall be classified as a permanent employee and shall qualify for the annual wage plan. All permanent male employees shall be guaranteed 40 hours' pay per week and all permanent female employees shall be guaranteed 36 hours' pay per week. In the event the employer is not successful in providing a whole week's work for any permanent male employee, the employer will give that employee 40 hours at straight-time, making up all hours less than the 40 straight-time hours. This difference between hours worked less than 40 hours at straight-time in any one week and the 40 straight-time hours which the employer guarantees is an advance which can only be repaid in work. In making repayments in those weeks where the employee works more than 40 straight-time hours, the employee for each hour worked over 40 straight-time hours in any week, will cancel out one and one-half hours of straight-time hourly pay advanced him by the employer in those workweeks in which he worked less than 40 straight-time hours. The following provisions and conditions relative to the annual guarantee shall also prevail during the life of this labor contract and working agreement:

1. The annual guarantee described above is a minimum guarantee only and the employer, wherever possible, will make every effort to provide the highest possible earnings through overtime or other financial inducements to employees covered by this contract.

2. Any "advances" granted employees covered by this agreement shall be automatically canceled out in the event of an employee's death or in the event the employee leaves the service of the employer.

3. No pay shall be held back against any future advances.

11. *Annual Guarantee of 1,704 Hours Per Year. Company Advances in Weeks When Less Than 30 Hours Worked Repaid in Weeks When More Than 30 Hours Worked. Advances Become Immediately Payable Upon Termination of Employment.*

All employees who obtain a seniority of three (3) years or more, and provided such employees have reported and worked whenever work was available, shall be guaranteed a minimum of 1,704 working hours including vacation time at the regular existing rates of pay in any calendar year, subject to a deduction for time lost through sickness or accident (actual time that the classification was in operation) or shut-down of the mill caused directly or indirectly by fires, strikes, riots, tornadoes, cyclones, explosions, floods, military or civil commotion, and other causes beyond our control.

Any employee who has attained a seniority of three (3) years or more employment and shall in any week earn wages for less than thirty (30) hours due to work not having been made available, shall be paid for the actual hours worked; and at the employee's request to the auditor a sum sufficient to make up a total payment for thirty (30) hours, with the understanding that the excess payment will be collected without interest or other charges in the next following week or weeks in which the employee receives in excess of thirty (30) hours' work. When employment is terminated for any reason, all excess payments become immediately due and payable in full.

12. *Twelve Hundred Hours' Work Per Year for Employees With 5 Years' Service*

The company guarantees to every employee, who has completed 5 years' continuous service in the employ of the company at the time of the execution of this agreement a minimum employment of 1,200 hours for the year covered by this contract. All hours worked by said employees, both straight time and overtime, shall be credited against the 1,200 hours. If the company does not provide work for any part of the 1,200 hours the employee shall be paid for the unworked hours at his straight time hourly rate.

13. *Minimum of 50 Full Weeks Per Year*

The employer hereby guarantees to keep his bakery in operation a minimum of 50 full weeks per year, the number of days of operation per week to remain unchanged.

14. *Guaranteed Workweek of 60 Hours for 3 Months, 54 Hours for 2 Months, and 45 Hours for Remaining 7 Months*

It is mutually agreed by both parties to this contract that each class of employee listed above shall be assured a minimum of sixty (60) hours of employment per week during the months of June, July, and August, fifty-four (54) hours per week during May and September, and forty-five (45) hours per week during the remaining seven (7) months of the year.

NOTE.—This agreement covers truck drivers and salesmen of several wholesale fruit companies.

15. *Minimum Weekly Guarantee of 55 Hours for 9 Months and 44 Hours for 3 Months. Pay at Regular Rate for Hours in Excess of Weekly Minimum*

It shall be the duty of the employer to furnish 55 hours of work per week for 9 months of the year and 44 hours of work for the following 3 months: January, February, and December. In case a holiday falls on a workday the employer has no responsibility to furnish work nor to pay the employee for this day. In

case any more than the stipulated 55 hours are worked in any one week the employee shall be paid at his regular rate of pay for any hours worked.

NOTE.—This agreement covers county employees.

16. *Specified Classifications Guaranteed 48 Hours Each Week for Duration of Agreement; Other Employees Guaranteed 40 Hours. Guarantee in Consideration of Wage Reduction*

In consideration of guaranteeing the wage rates attached hereto, the above wage rates have been established at five (5) cents per hour less than the standard rate for each classification. The company agrees that all regular employees are guaranteed forty (40) hours' work each week except millers, machine tenders, and one millwright who are guaranteed forty-eight (48) hours' work each week including a 48-hour vacation for the duration of this agreement.

17. *Forty-Hour Weeks' Pay for Each 15 Days' Unemployment. Maximum of Three Such Payments in Any Calendar Year*

The employer agrees to inaugurate an employee work security plan to operate as follows:

(a) Each eligible employee is guaranteed a forty (40) hour workweek pay for each fifteen (15) days that said employee is unemployed due to the failure of the employer to offer work. The fifteen (15) days referred to are cumulative and may or may not be consecutive.

(b) An eligible employee shall be any employee entitled to receive vacation pay and all other benefits that operate under the union health and welfare plan.

(c) A maximum of three 40-hour weeks' pay only will be allowed in any one calendar year except during the year ending December 31, 1947, a maximum of two 40-hour week's pay will be allowed.

(d) An audit will be made the week ending nearest to December 15, each year to determine the number of days accrued to the benefit of each employer and all accruals will be paid on the following pay day to each employee who benefits.

(e) It will be the responsibility of each employee to account for each day that said employee is unemployed due to lack of work and to maintain a record of such daily unemployment properly approved by their supervisor.

NOTE:—This is a 2-year agreement.

18. *Minimum Number of Weeks Per Year Guaranteed. Seasonal Variation in Number of Hours and Days Worked Per Week. Minimum Weekly Guarantee Applicable to Seasonal Employees for Period of Employment*

ARTICLE V

Subject to the provisions of article VI [below], all men who were employed by the employer November 1, 1948, except employees hired under article II-B shall be guaranteed the opportunity to work in accordance with article II-A and C.

ARTICLE II

A. Except as hereinafter specified, the normal working day shall not comprise more than eight (8) hours, and working week shall not comprise more than forty (40) hours, or more than five (5) days, for thirteen (13) weeks during the winter period, and forty-eight (48) hours, or more than six (6) days for thirty-four (34) weeks during the summer period.

B. The employer may hire a group of men for work during the summer season of thirty-four (34) weeks, or thirty (30) weeks, or any other period of time that he may find necessary for the proper upkeep of the cemetery. These men will be entitled to the same number of hours per week during this season as other employees but in no case shall their period of work extend beyond the summer season. These men shall not be required to work longer hours per day or week than other employees. Each man shall receive the scale of pay to which his rating entitles him.

C. *Exceptions:*

1. The working day for truck drivers shall not exceed nine (9) hours per day and five (5) days per week during the winter period, and nine (9) hours per day and six (6) days per week during the summer period.

(a) No manual labor shall be required of the men on duty on Memorial Day other than that required for burials.

(b) The daily schedule will be formulated by the employer after consultation with the stewards in each division as already established.

2. Due to the inability of some of the men eligible for winter work to handle the work efficiently during that period, their working hours will consist of thirty-eight (38) weeks in all, divided into four (4) weeks at forty (40) hours per week, and thirty-four (34) weeks at forty-eight (48) hours per week during the summer period.

ARTICLE VI

The employer shall have the right to lay off men from time to time, when their services are not required, subject to the guarantee of article V.

19. *Guarantee of 70 Percent of Normal Working Time in Year. Time Lost Because of Conditions Beyond Control of Company or Employee's Failure To Perform Available Work Deducted From Normal Working Time*

The company undertakes to guarantee every employee a certain minimum annual wage based on the following conditions:

Employee must have not less than one (1) full year continuous service with the company before January 1 of any calendar year before becoming eligible for the annual guarantee.

Work stoppage due to fires or damage to plant or from other causes including strikes by this or other union, shortages of raw material or any other causes beyond the company's control must be considered as time lost which the company is not expected to make up.

The company guarantees 70 percent of a full year's normal working time. The term "full year's normal working time" is understood to mean 2,080 hours. Annual earnings shall be at rates prevailing under the standard wage schedule with the exception that if work stoppage occurs due to causes in paragraph [above] of this section, the 70 percent guarantee shall be figured on a full year's normal working time less the time lost due to causes beyond the company's control.

Time taken off by the employee when work is available under normal work schedule shall be considered as hours worked.

It is agreed that "absenteeism" as defined in paragraph C, section 4, is an example whereby an employee does not avail himself of all the normal working hours offered by the company.

20. *Guarantee of 230 Days' Work During Year*

The company guarantees to the employees who are working for the company on [date], a total of two hundred thirty (230) days' work, beginning [date] to [date], except in case of emergency.

**21. *Full Employment Guaranteed for 10 Months of Year. Work Sharing During Remaining 2 Months and Reduction in Guaranteed Period of Employment Subject to Arbitration***

The employers guarantee full employment for a period of 10 months in each year of this agreement, except as herein specifically provided. During the months of July and August in each year, any employer which desires to institute an equal division of work among its employees, shall first submit the question to arbitration in the manner set forth in this agreement. This provision for an equal division of work during July and August shall also apply to members having only one employee. During the guaranteed period of employment, if and when a member of the association finds himself overmanned with employees, and desires to reduce the guaranteed period of employment for that reason, it is agreed that he may and shall submit such issue for arbitration in the manner set forth in this agreement.

**22. *Guaranteed Minimum Number of Months Per Year for Marine Engineers. Reduction in Minimum if Navigation Season Less Than 7 Months. Cancellation of Guarantee in Event of Marine Disaster, Condemnation, or Sale of Vessel***

Chief engineers shall be paid for twelve (12) months and first, second, and, when carried, third assistant and junior third assistant engineers shall be paid for ten (10) months (306 days' pay), except that if the actual navigating period of the vessel or boat is less than seven (7) months the officers will be paid for time worked only at the regular monthly rate with a minimum of five (5) months.

It is understood and agreed that the company has the right to require chief engineers to work twelve (12) calendar months in any one (1) year without extra compensation, if it so desires, and it may also, if it so desires, require first, second, third assistant and junior third assistant engineers to work twelve (12) months in any contract year, and if it does so, will pay them at the regular monthly rate only for the time so worked over ten (10) months. It is agreed that this does not affect vacations as specified in [paragraph] below.

It is understood and agreed that the season of operations is to start approximately the first Monday of March of each year, the actual starting date to be determined by the company. In the event the season starts at a later date officers affected will be given two (2) weeks' notice of the actual starting date. It is also understood and agreed that the season of operations is to end not later than December 24 of each year. The purpose of this paragraph is to give first, second, and, when carried, third assistant and junior third assistant engineers thirty (30) days' vacation with pay while the vessel is not in operation in lieu of any and all other leave, vacations or vacation allowances; subject, however, to the exceptions specified in section 8 of article VII hereof. If any of the aforementioned officers work nine (9) months or less but more than seven (7) months, they will receive the guaranteed ten (10) months' pay only. If any of the aforementioned officers work less than ten (10) months but more than nine (9) months, they will receive additional compensation, over and above regular compensation for time worked, sufficient to bring the vacation allowance up to thirty (30) days, and if they work over ten (10) months they will receive, in addition to regular compensation therefor as specified in [paragraph] above, a vacation allowance of thirty (30) days' pay. In the case of chief engineers who are required to work a full year, their vacations, vacation allowances and any other leave shall be the subject of adjustment between the company and the

association and the chief engineers, subject, however, to the exceptions specified in section 8 of article VII hereof.

To come under the guaranteed employment in [paragraph] above and receive the vacation pay benefits in [paragraph] above, officers must be shown as regularly assigned officers on the pay roll on March 15 of each year and must also be shown as regularly assigned officers on the pay roll on the final lay-up date of each year. However, first, second and, when carried, third assistant and junior third assistant engineers who sign on after March 15 and are shown as regularly assigned officers on the pay roll on the final lay-up date of each year shall be entitled to regular pay for the time actually worked only plus a pro rata proportion of the vacation benefit of thirty (30) days' pay in [paragraph] above, to be calculated on the basis of a fraction consisting of the nearest number of months from the date of signing on to the final lay-up date as a numerator and the numeral 10 as a denominator.

If service of the vessel covered by this agreement is discontinued at any time during the life of this agreement for one or more of the following reasons enumerated herein, the tenure of employment of members of the association on such vessel shall terminate immediately upon written or telegraphic notice by the company :

- (1) Marine disaster, total or constructive total loss
- (2) Condemnation by Bureau of Marine Inspection and Navigation
- (3) Sale of vessel to public or private persons, commandeering or taking over by governmental authorities

**23. *Designers and Foremen To Be Employed for Terms of 6 Months and 1 Year, Respectively***

(a) Designers shall be employed for 6-month periods beginning on May 1 or November 1.

(b) Foremen and foreladies shall be employed for 1-year periods beginning on June 1 or December 1, with the option to the employer to terminate said employment at the expiration of 6 months upon 2 weeks' prior notice in writing to the worker.

(c) The term of employment of any worker engaged within the aforementioned 6-month period to replace a former worker whose employment had been terminated shall, nevertheless, expire at the end of the unexpired term of the said 6-month period and if the worker is thereafter continued in employment, the term thereof shall be deemed renewed in the manner provided for in subdivision "b" [above] of this paragraph.

NOTE.—This is a 2-year agreement.

**24. *Employer To Set Aside Specified Proportion of Wholesale Value of Product as Labor's Share. Employees To Receive Basic Amount Weekly and Monthly Adjustment After Providing for Reserve Fund. Designated Number of Employees Exempt From Lay-Off. Other Employees With Specified Qualifications May Participate in Plan but Are Subject to Lay-Off.***

**A.—Definition, Gross Amount, Determination Thereof**

The parties hereto agree that the capital, management, and labor interests in the business of the company, shall constitute a true partnership insofar as sharing the proceeds of production. The parties further agree that thirty-six (36) percent of the wholesale "added value" of the shoes packed during the term of this agreement plus payment for vacations and holidays as hereinafter set forth shall be a fair reward for the labor interest as herein set forth. The words "added value" shall mean the wholesale price of shoes packed after payment for

raw materials deducted from said price; said raw materials being described in the attached schedule B.

In determining the added value, the cost of the raw material now on \_\_\_\_\_ shall be computed on the \_\_\_\_\_ method except in the event that prices fall below the \_\_\_\_\_ base price. In that event the value of the inventory will be adjusted to market by means of a reserve. If in subsequent years, the raw material prices rise, the reserve will be adjusted downward so that as prices rise to the \_\_\_\_\_ base, the reserve will be extinguished \* \* \*.

In determining the wholesale price of the shoes packed during the term of this agreement, the prevailing wholesale price at the time of packing shall be used, except that allowances shall be made for damaged shoes, and which said allowance shall be determined in the manner established by the usual custom. In addition thereto, management agrees that all sample and trial shoes produced shall be credited at the highest wholesale added value price prevailing in the month when the sample or trial is completed.

The management further agrees to consult the executive board of the union upon any contemplated changes in the wholesale price-list of shoes before instituting the same. Any management agrees that it will endeavor to reflect the prevailing market cost in the pricing of its product.

The management further agrees that it will continue to bear the cost of any loss of production by new employees and that it will credit to the percentage fund such cost as computed by the time study engineer or such other person duly authorized by the union and the management to compute such cost. Both parties recognize that in making payment for the loss of production by new employees, the same was due to abnormal conditions of employment resulting from the war period and postwar era.

It being understood that the percentage arrived at for added value was based on direct labor cost for the years 1926 to 1941 inclusive, when all cost of loss of production by new employees was included in said cost.

The management further agrees that it will continue to credit the percentage fund as well as make payment to the said cutters in accordance with the present plan of "cutters' bonus" as has existed since the instituting of the same. In other words, the percentage fund shall be credited a like amount as paid to the cutters but the said fund shall not be charged for any damaged shoes.

Both parties recognize that in instituting the plan of "added value" instead and in place of the heretofore existing share production plan, there may be a change in the ratio of the amounts paid to the capital, management, and labor interests in the business of the \_\_\_\_\_ company. And consequently either party may upon 10 days' notice to the other request a reconsideration of the percentages paid to their respective interests. Any adjustment made in such percentage shall be retroactive to the commencement of the quarter in which the said notice was given, such quarterly periods commencing on the first days of May, August, November, and February following the date of this agreement.

The management further agrees to give free access to the necessary books and records of the management and full cooperation once during each calendar year to an auditor or auditors selected by the union to check the wholesale added value of the shoes packed during the life of this agreement and the earnings paid out of the workers' share production fund. The management further agrees to forward to the union each month during the term of this agreement its most accurate estimate of the status of the said workers' share production fund.

#### B. Drawing Accounts and Classification of Membership

In order to effect an orderly distribution of the union members' share of the receipts of the company, the parties hereto agree that a drawing account system

as hereinafter more fully set forth, shall be employed. The percentages of the wholesale added value of the shoes, plus vacations and holidays, reimbursement of the cost of loss of production of new employees, and cutters' bonus as more fully hereinbefore set forth, shall be credited to the aforementioned drawing account by management.

That furthermore all payments made, except as provided in the section of this contract designated "overtime" shall be charged to the aforementioned drawing account, which said payments have been classified under the heading "direct labor" "labor wage adjustments" on the books of the company. This group of employees, as hereinafter more fully set forth, shall constitute the "labor interest" hereinabove referred to.

This said labor interest shall consist of the following classifications of membership and the rights, interests, and benefits of each classification:

The class A membership shall consist of those workers whose service record began with the company prior to [date], and such workers who have attained a class A rating since said time, except those workers who, because of a disqualification as hereinafter more fully set forth, were unable to attain the said class A membership. The class A workers shall constitute a permanent labor force and shall not be subject to lay-offs. The class A workers are to share exclusively in whatever production that can be secured by the management until such time as increased production necessitates additional workers, as hereinafter enumerated.

The total membership of class A workers is limited to 595, including those class A members and workers who attain a class A membership while on leave of absence; it being understood that care must be taken that the rights of all workers who are on leave of absence are preserved when promotions to class A memberships are made.

The class B membership shall consist of all those workers except those hereinafter or hereinbefore classified as otherwise, who have been employed at the company, ——— plant, for a period of at least 2 years. These said class B members shall immediately begin to participate in the share production plan at the commencement of the first month period after the second anniversary of their employment, and they shall be entitled to all the rights, interests, and benefits of the class A membership, except that they may be subject to lay-off in accordance with the terms of this contract.

The class C membership shall consist of all workers who had not reached the age of 45 years at the time of their commencing employment at the ——— company, ——— plant, such members, of course, being members in good standing in the ——— union \* \* \* but who shall have served less than 2 years.

The class D membership shall consist of those workers who are 45 years of age or more at the commencement of their employment with the company and who have not previously earned a higher classification as hereinbefore set forth.

The class DB membership shall consist of those class D members who have completed 2 years of employment with the company and who are eligible to the share production plan. The same is hereinbefore explained in reference to class B members. However, such class DB members shall at no time be eligible for promotion to class A membership.

The class HA membership shall consist of those workers who were previously classified as class A members but who, because of their physical or mental impediment, were unable to perform the minimum of work provided in the various factory schedules and consequently were taken out of the share production plan. Such members are to be paid on an hourly basis. Otherwise, they shall have the same rights and benefits of the class A membership with respect to lay-offs.

The class HB membership shall consist of those workers who were previously classified as class B but who possessed some physical or mental impediment and could not perform the minimum amount of work provided in the various factory schedules and consequently were taken out of the share production plan. Such members shall be paid on an hourly basis.

Class B members shall be promoted to class A membership according to seniority upon vacancy occurring in the class A membership hereinbefore set forth and agreed upon as being limited to 595, due to death, resignation, discharge, or permanent termination of employment. Provided, however, if there are no members in the class B membership, then the class C members shall be promoted to class A membership according to seniority upon vacancies occurring in the class A membership hereinabove set forth and agreed upon as being limited to 595 members, including those class A members on leave of absence, due to death, resignation, discharge, or permanent termination of employment; provided further, however, that such class C members shall have at least two (2) years' service record at the ——— plant of the ——— company.

All classes A, B, and DB employees are to equally share in production in accordance with the present existing agreement with the management.

All classes B and DB members may be laid off when production needs are not sufficient to maintain class A members working at least 40 hours per week. In the event of necessity of lay-off, there shall be no discrimination between class C and class D members, except on a basis of seniority rights. That furthermore in the event of a further lay-off, there shall be no discrimination between a class B employee and a class DB employee, also, except on the basis of seniority rights.

Classes HA, HB, C, and D members are wage earners and work for a stipulated amount per hour, the total of their wages being paid out of the gross share before any balance is allocated to the accounts of classes A, B, and DB.

Earnings of classes A, B, and DB members are to be allocated to the individual account of each of said members, that member being paid in cash any balance to his or her credit after providing for a reserve fund of thirty-five (35) percent of his or her annual estimated income which said reserve includes provision for sick leave as hereinafter more fully set forth. However, the amount of the reserve fund may be decreased or increased by agreement between the executive board of the union and management.

The adjustments in said individual accounts shall be made at the end of each month and when the reserve in each individual account exceeds thirty-five (35) percent of the annual estimated income, or any other amount as agreed upon by and between the executive board of the union and management, the excess shall be paid on or before the fifteenth day of the second month following (except that the excess for the month of March 1948, shall not be due and payable until May 15, 1948), permission being granted to management to include said excess in the regular weekly drawing, provided, however, that in increasing the amount of the reserve upon agreement between the executive board of the union and management the amount to be paid in excess of the thirty-five (35) percent until the agreed reserve amount shall be reached shall be determined by the executive board of the union.

It is agreed between the parties hereto that all workers employed at an hourly wage shall be designated "employees." After a production worker has served a period of two (2) years and shall become eligible for admission to classes A, B, or DB in accordance with the foregoing, he shall be given the privilege of so associating himself with the share production workers and upon his acceptance he shall be designated "associate." In the event he shall have refused the privilege of becoming a share production worker, he shall then remain an "employee"

at an hourly wage rate. Furthermore, upon the completion of the said service period of two (2) years, the said worker shall be offered the privilege as aforesaid by the business agent of the union and a representative of management, they agreeing to fully explain and define the share production plan.

Management further agrees to pay interest on the balance in the individual reserve accounts of the said classes A, B, and DB members at the same rate as is currently being paid by banks on savings deposit accounts (currently agreed at 1 percent per annum) except, however, such computations shall be made at the end of the month in accordance with the adjustments made on the individual account of each member \* \* \*.

It is agreed that during the period of this contract, changes may be made in the differential base rates upon mutual agreement by and between management and the executive board of the union.

It is agreed for the purpose of calculating the drawing account of each individual member of the union, a yearly differential rate of 2,080, or  $40 \times 52$ , multiplied by the present average hourly drawing, shall be the basis of calculation. However, adjustments in individual differential rates may be made during the period of this agreement, but such individual adjustments shall not be effective or paid until approved by the executive board of the union; provided, however, that when production department members are called to do maintenance work, they shall receive compensation at a rate agreed upon by and between the management and the executive board of the union; \* \* \*.

#### C.—Stabilized Annual Income

For the purpose of stabilizing annual earnings of the employees of the company in the union's jurisdiction, it is agreed that each class A, B, and DB members shall receive at least one drawing for each week that this agreement is effective, and that the amount of such drawing will be at least one fifty-second of the member's yearly differential rate except as that differential rate may be changed in accordance with the provision permitting adjustments of the individual rates and except as the multiplier can be changed in accordance with the provision hereinafter relating to "overdrafts." However, for the purpose of establishing in all departments uniformity of drawing for absence, due to illness, the union agrees that each class A, B, and DB member shall be entitled during the term of this contract to 5 days of absence with drawings for recognized cause.

#### D.—Reserve and Overdraft

The parties agree that it is highly advisable to establish a reserve in the worker's fund of each individual class A, B, and DB member, in such instances as hereinbefore set forth, in order to guard against the disruptance of drawing schedules due to adverse business conditions and both parties agree to promote the accumulation and maintenance of such reserve accordingly. Commencing March 1, 1948, this reserve shall consist of thirty-five (35) percent of the annual estimated income, the same being computed by multiplying the present average hourly drawing by two thousand eighty (2,080); except that such a reserve may be increased or decreased upon agreement by and between the executive board of the union and the management. The said thirty-five (35) percent individual reserve account or such other reserve account as shall be agreed upon by and between the executive board of the union and management shall include drawing for five (5) sick days. However, management shall continue to pay the regular weekly drawing including weeks with holidays, vacations, and five (5) days sick leave, if by doing so the individual reserve is not reduced below five (5) percent of the annual estimated income, but no monthly or adjusted compensation payments will be had if by so doing the said reserve is reduced to a sum less than thirty-five (35) percent of the annual estimated income; provided

further, however, if an individual class A, B, or DB member should require additional drawing from the said reserve by reason of his or her absence from her daily employment due to illness, such additional amounts may be made to him or her upon agreement by and between the executive board of the union and the management; but, in no event, shall his or her reserve account be less than fifteen (15) percent of his or her estimated annual income.

When it is apparent that due to adverse business conditions the said reserve account shall be depleted if no change is made, the drawing account rates shall be revised by agreement between the management and the executive board of the union to a point where the reserve account will at no time be less than five (5) percent of the annual estimated income, except as hereinafter stated, management will pay a premium for vacation and holidays.

*25. Employer To Pay Sum Equal to 10 Percent of Straight-Time Wages Into Guaranteed Annual Wage Reserve. Employer's Liability Limited to Amount in Reserve Fund. Unexpended Amounts in Reserve Fund Reverts to Employer at End of Work Year. Plan Continued as Long as Company and Union Maintain Contractual Relations*

This guaranteed annual employment plan is instituted by the company and the union, after 10 years of uninterrupted friendly and cooperative relations, in recognition of the dignity of labor and of the fundamental justice of providing the qualified workers, in advance, with the security of assurance of income-producing time balancing income-consuming time, thereby placing those workers upon a basis of annual employment and sustaining and continuing the cooperation between the company and the union.

The company and the union are united in the belief that this plan will operate to the best interests of both the company and the workers and, mutually pledge their best efforts toward its fair and effective operation, realizing that the progressive policies herein provided can succeed, to the greatest benefit of all concerned, only through cooperative thought and action of the highest type to make possible year-round, sustained employment and production in a traditionally seasonal industry. The union recognizes the multiplied difficulties of the company in providing year-round employment. The company recognizes that such employment is impossible, except for production by loyal and interested workers, and that the regularization of production hereby required will create a difficult and ever-changing task upon all departments of the company, managerial and executive as well as manufacturing, and will require sustained coordination between all departments. Both declare their confidence in this plan and their determination that it be made a significant step forward toward freeing the workers from the instability of daily, hourly, and seasonal employment, and from the entire garment industry and of all workers employed in the industry by stabilized employment, continuous production and increased understanding, respect, responsibility, and cooperation between employer and employee and employer and union.

Wherever used in this agreement, certain specific terms are interpreted as hereinafter set out.

"Company" means [name of company].

"Union" means [name of union].

"Plan" means the guarantee of annual employment plan.

"Pay-roll week" means forty (40) hours not to exceed 9 hours in any one day (the ninth hour in any day to be paid for at the rate of time and a half), during each week, Thursday to the following Wednesday, both included, but Saturday excepted.

"Guaranteed annual wage reserve" means a special reserve so set up in the accounts and statement of the company at the time of preparing its fiscal statement for the preceding fiscal year, annually, and so maintained, less only benefits paid therefrom by the company to qualified workers throughout the ensuing fiscal year.

"Fiscal year" means the fiscal year of the company, namely, July 1 through June 30 of each year.

"Work year" means the same period as fiscal year.

"Eligible worker" means every worker covered by the union contract, who has been in continuous and regular service of the company for not less than the period from the beginning of the first workweek in January through the last week in June of the fiscal year immediately preceding the guaranteed period, and hereinafter referred to as group one, and every worker covered by the union contract who has been in continuous and regular service of the company for not less than the period from the beginning of the first week in July through the last workweek in December of the fiscal year immediately preceding the guaranteed period, and hereinafter referred to as group two.

"Determined rate of pay" means that hourly rate of each eligible worker determined as provided herein.

Subject to the terms and conditions hereinafter set out, the company hereby guarantees as follows:

1. To provide not less than fifty (50) pay-roll weeks of employment during the work year for all workers in group one, who have been continuously employed by the company for less than 1 year.

2. To provide not less than fifty-one (51) pay-roll weeks of employment during the work year for all workers in group one who have been continuously employed by the company for 1 year or more and less than 5 years. One week of vacation time paid or unpaid, is included as a part of this guaranteed time.

3. To provide not less than fifty-two (52) pay-roll weeks of employment during the work year for all workers in group one who have been continuously employed by the company for 5 years or more. Two weeks of vacation time, paid or unpaid, are included as a part of this guaranteed time.

4. To provide not less than the remaining pay-roll weeks of the work year, beginning with the first workweek in January, annually, for all workers in group two.

5. All holidays on which no work is performed and for which wages are paid under the company-union contract, and all days on which, by company-union agreement, no work is performed, shall be included as a part of this guaranteed time as a part of the week in which they occur.

6. Time lost due to sickness, injury, voluntary absence, or suspension of manufacturing operations by reason of epidemic, fire, tornado, flood, jury service, court attendance or military service is included as part of this guaranteed time.

7. Time lost by reason of extreme emergency making it impossible for the company to operate its plant or any part of its plant may be included as a part of this guaranteed time.

8. Time so lost shall not be considered as an interpretation of continuous and regular employment in determining any worker's eligibility to receive payments under this plan.

9. In the event the presently existing straight-time workweek maximum of forty (40) hours hereafter shall be changed by Federal or State legislation, the guarantee herein provided shall be adjusted, concurrently therewith, so that the guaranteed number of hours in each pay-roll week and each week of employ-

ment hereby guaranteed shall be the number of hours per week prescribed by such legislation as the maximum for which straight-time is to be paid.

In order to qualify to receive any unemployment payment under this plan, the employee must—(1) Be a production worker covered by the company-union contract. (2) Be an eligible worker with his or her determined rate of pay.

For group one the determined rate of unemployment pay hereunder shall be the worker's average straight-time hourly earnings (excluding overtime) for the month of May, immediately preceding the then current work year multiplied by forty (40) hours in the normal workweek.

For group two the determined rate of unemployment pay hereunder shall be the worker's average straight-time hourly earnings (excluding overtime) for the month of December, of the then current work year multiplied by forty (40) hours in the normal workweek.

This determined rate shall remain unchanged throughout the work year for which it is determined. However, if no work is available in any worker's regular department, that worker may be employed in another department at a lower rate of pay than that received during the month in which such rate is determined. In that event his or her rate of pay shall be adjusted by being based on the average earnings of all workers in said other department for said month (excluding overtime) multiplied by forty (40) hours in the normal workweek, but in no event shall the worker be paid less than ninety (90) percent of the worker's determined rate of pay.

In the event of any unauthorized strike, an agreement of the company and the union or a decision through arbitration shall determine the nature and extent of any forfeiture of the rights of any worker or workers hereunder.

Separation from service by resignation by a worker or discharge for just cause of a worker by the company shall forfeit and terminate all rights hereunder of said worker as of the date of such resignation or discharge, unless said employee shall be rehired within twenty (20) regular working days from the date of separation from service.

Forthwith, upon the certification by a certified public accountant of the company's annual statement for the fiscal year ending [date], and annually thereafter, the company shall set up and shall maintain, thereafter, throughout the then current fiscal year, as a separate entry in its statement and accounts, an item styled and designated "special reserve as guarantee for annual employment plan," said item and reserves to be in a sum and amount equal to ten (10) percent of the total straight-time wages, less wages paid for vacations and holidays, of all production workers covered by the company-union contract during the fiscal year ending [date] and annually thereafter. The certificate of said accountant as to the correctness of said reserve under the terms of this plan shall be furnished to the union.

The special reserve herein provided, shall be maintained intact throughout the ensuing work year, except as reduced by payments made therefrom under the company's obligation under this plan. At the end of the work year, annually, all and any part of said special reserve remaining so unexpended shall revert to the company, free from all obligation under this plan and all further liability of the company under the plan for said work year shall end, except as to all claims that may have been asserted hereunder prior to the end of the work year and which has not been settled or disposed of prior thereto. A new special reserve, as herein provided, shall be set up for the next ensuing work year.

The right of a qualified worker to receive payments hereunder shall accrue upon the inability or failure of the company to fulfill its guarantee hereunder and shall continue so long as said inability or failure continues and so long as any

balance for the payment of the same remains in the guaranteed annual wage reserve for the year then current.

In the event that payments hereunder become due and payable payments shall be made from the special reserve fund as follows :

a. Each qualified worker shall receive his or her determined rate of pay, less one-fortieth (1/40) for each hour of employment provided or offered by the company during the pay-roll week for which payment is being made.

b. Payment shall be made on the weekly pay day of the company, namely, Friday of each week, at the office of the company.

c. Such payment shall be subject to all deductions and withholdings required by law or authorized by the worker receiving the same.

d. No worker qualified to receive such payment shall have any priority over any other worker so qualified.

The maximum possible liability of the company at any time during any one work year under this plan shall equal but never exceed the amount of the special reserve determined and set up for said work year, less any and all payments made therefrom during said year under said plan.

This plan shall continue during such time as the company and the union maintain contractual relations.

In the event, however, that during the continuance of this plan, State or Federal legislation be enacted guaranteeing annual employment and requiring the payment of taxes, contributions or assessments therefor by the company, then this plan shall cease with the effective date of such legislation.

This plan is the result of mutual agreement, is based upon the considerations and obligations herein set out and is made an integral part of the contract executed contemporaneously herewith between the company and the union and is declared to be contractual in its nature and interpretations.

*26. Association Agreement: Unemployment Benefits Paid to Union Members from "Fair Income Fund" Administered by Union and Financed by Employer Contribution Equal to 3½ Percent of Pay Roll*

The parties further agree that there shall be created by the union a fund to be known as, "The fair income fund" and that the individual manufacturers, members of the association, shall and will contribute to said fund through the association a sum equal to 3½ percent of their respective gross weekly pay rolls of the workers covered by this agreement except that the contribution of manufacturers, members of the association, so far as contractor employees are concerned, shall be made on the basis of 2½ percent of the entire bill of contractors (not merely pay roll of contractors) to the manufacturer. These contributions shall be made to the fund by each employer weekly concurrently with each weekly pay-roll date. The contributions, when so made by the manufacturer member of the association, shall be deposited in a special fund created for that purpose and shall be used solely for the purpose of supplementing the income of employee members of the union and working in the city of ——— directly or indirectly for members of the ——— association who have lost time as a result of lay-offs due to lack of employment. No employer or any individual manufacturer will have any right, title, or interest in the fund; nor will any employee have any right, title, or interest in the fund which will be administered solely by the union, according to rules and regulations (a copy of which rules and regulations have been submitted to the association contemporaneously herewith) established by the union for that purpose and awards shall be made only to individuals who have been employed as union members in union shops for a period of not less than 6 months. No changes in the aforesaid rules or regulations shall

be made during the continuance of this agreement unless the same shall have been first submitted to and approved by the association. If the union and the association are unable to agree upon such changes, then the matter shall be submitted for arbitration in the same manner as provided herein for the settlement of other disputes or differences.

For the purpose of checking on the fact that the fund has been used for the purposes of its creation, the joint board shall maintain complete, adequate and separate records of books of accounts for the fair income fund and an account shall be submitted to the association at the end of each 6-month period showing the receipts and disbursements of the fund and at least once a year an account certified by the certified public accountant agreed to by both parties, shall be submitted to the association. For the information of the association a list of all benefit claim payments shall be furnished weekly to the association.

A committee known as the fair income fund advisory committee shall be appointed by both sides. The committee shall consist of six members, three to be appointed by the association and three to be appointed by the union. Any dispute that may arise with respect to the fair income fund shall be submitted to the advisory committee. The decision of a majority of the advisory committee shall be final and binding. In the event the advisory committee is unable to agree, the matter shall be submitted to arbitration in the same manner as is provided herein for the settlement of other disputes and differences.

**NOTE.**—As a result of wage renegotiations, the parties agreed upon the following modifications to the clause cited above:

The benefits payable to employees under the fair income fund shall be increased so as to provide for a maximum of five checks instead of four during the first year of this agreement in accordance with present eligibility rules, and during the second year of this agreement payments to employees will be further increased to provide for a maximum of one check for 3 weeks of unemployment instead of one check for 4 weeks of unemployment. An examination of the resources of the fund having revealed that the improvement in benefits mentioned above is consonant with prudent management in the light of experience, such increased benefits are to be provided. Should it occur that the trustees of the fund conclude that such increased benefits as previously enumerated would constitute an undue burden upon the fund for the second year, then the trustees are authorized to make provision for such contingency. This protection may be provided by an increased payment by the employers of one-half of 1 percent if the association decides to accept this means and only if they so decide. Should the association decide not to increase their payments by a maximum of said one-half of 1 percent, then the trustees are authorized to reduce by an amount in excess of one-half of 1 percent of the pay roll the amount which would otherwise be available for merit rating refund to individual employers.

The basis of contributions to the health and welfare fund and the fair income fund shall be the employers' pay roll with the following exceptions:

- a. Employers
- b. Office help
- c. Salesmen
- d. Pattern makers and designers
- e. Foremen.

A committee of the association and the union will meet in order to determine means by which the exclusion of foremen will not be abused.

*Guarantee of Weekly Hours or Wages*

In a number of industries, principally meat packing, trucking, and laundry and dry cleaning, the agreements provide some form of weekly guarantee, either of the workweek or minimum weekly wage. Any employee called to work on the first day of the workweek is guaranteed a minimum amount of work or a specified minimum weekly wage, regardless of the number of hours actually worked. The guarantee varies from 36 to 40 hours, or more, and in some cases includes overtime hours and pay. No guarantee is made that the employee will be given an opportunity to work every week or any minimum number of weeks during the year. A guaranteed workweek is not a guarantee of employment. However, in a nonseasonal industry such as public transportation, employees with long service are virtually assured the equivalent of full-time employment or wages by reason of the weekly guarantee.

Provision is sometimes made for reduction of the number of guaranteed hours during weeks in which operations are curtailed because of conditions beyond the control of the employer. Another qualification in several agreements makes the guarantee inapplicable if the employee is laid off in the early part of the workweek (usually the first or second day) and not recalled later in the week.

*27. Weekly Rated Employees Paid for Full Week; Hourly Rated Employees Guaranteed 40 hours*

Weekly rated employees shall be paid for a full week; hourly rated employees shall be guaranteed forty (40) hours' pay. All steady employees shall be guaranteed eight (8) hours, forty (40) hours a week.

*28. Guaranteed Workweek of 48 Hours Includes 8 Hours at Premium Rate*

The minimum weekly wage for a 48-hour week shall be \$66.30 per week. Said minimum weekly wage is computed on the basis of \$1.275 per hour for the first 40 hours of time worked in any one week, and \$1.9125 (\$1.91¼) per hour for the following 8 hours worked in any one week. Each employer guarantees a 48-hour minimum week to his chauffeurs. All work in excess of 48 hours in any one week shall be paid at the rate of \$2.07 per hour.

The 48-hour guaranteed week shall not include Saturday work. All Saturday work shall be paid on the basis of \$2.07 per hour, except during a week in which a holiday falls and, in such week, the rate of \$2.07 per hour for Saturday work shall commence after 40 hours during such week, and such rate shall not be paid if the work worked on such Saturday is within the 40 hours.

*29. Public Transportation Agreement: Guaranteed Workweek of 36 Hours to Extra Men; Guarantee Reduced in Proportion to Failure To Report for Assignment*

Extra men who answer all roll calls, or assignments, shall be guaranteed 36 hours' pay per pay-roll week at the prevailing rates.

If a man fails to answer a roll call on any one day or days, the guaranteed amount shall be reduced only in the proportion that the roll calls which he fails to answer shall bear to the total number of roll calls during the week.

30. *Guaranteed Workweek of 36 Hours for Female Employees and 40 Hours for Male Employees*

The company guarantees a minimum of 36 hours per week for all female employees and a minimum of 40 hours per week for all male employees during normal operation of the plant. This guarantee shall not apply to any employee laid off before the commencement of the second workday of the week. If however, any employees having been laid off shall be recalled to work in their regular order, said guarantee shall apply. This provision is subject to reopening on 60-days' written notice.

31. *Guarantee of 36 Hours Per Week. Reduction to 32 Hours in Emergencies Beyond Control of Employer*

All regularly employed employees shall receive a guaranteed time of thirty-six (36) hours per week, except that in case work is not available the employer shall have the right to reduce the working force, and when the lay-off takes place not later than the fourth day of a workweek, the guaranteed time is not effective for those being laid off; provided further, that for holiday weeks time paid for as holiday pay shall be considered as time worked so far as this guarantee is concerned, and that in weeks during which operations may be prevented by weather conditions or similar emergencies beyond the control of the employer, the guaranteed time shall be thirty-two (32) hours. No week shall be considered an emergency week until and unless the employer shall submit to the union or its authorized representative evidence establishing to a reasonable certainty that any reduction or suspension of operations was in fact due to such causes.

32. *Minimum Weekly Guarantee If Employee Works Beyond First Day of Week. Reduction of Guarantee Negotiated Jointly in Emergency Conditions*

There shall be established a thirty-six (36) hour minimum guarantee workweek for all employees included in this agreement who work beyond the first working day of any such week. This clause shall apply to regular employees. If other emergency condition (including shortage of raw materials or supplies) arises, the amount of the guaranteed time to be waived for such week shall be decided by the company and the union grievance committee on a basis fair to all parties, as to any department affected thereby. This guarantee shall not apply to any employee who is absent during such week, but an employee who is excused from work for personal reasons shall have his guaranteed time reduced by the number of hours which he has been so excused.

(a) There shall be established equal distribution of working hours available in each department as far as possible.

(b) An employee who is tardy or is excused from work for part of a day for all personal reasons shall have his 36-hour guarantee reduced by the number of hours of work which he missed by such absence. Employees absent for personal reasons must notify department supervisor by telephone in order to be excused.

(c) The application of the 36-hour guarantee shall be the same in holiday weeks as in all others.

In the event conditions in any department warrant the transferring of employees in order to obtain their guaranteed time of 36 hours, the company shall have the right to transfer such employees, and should an employee refuse such transfer, he shall lose such guaranteed time for the current week as was offered him in the department to which transfer was proposed.

(a) Employees who shall be required to work in departments other than their own, while the whole of the department is not so required, during a week in which guarantee is paid shall receive the 36-hour guarantee in their own department plus the hours worked in the department where the extra work is performed.

**33. *Minimum Weekly Guarantee Inapplicable if Employee Laid Off Before Third Day of Workweek. Guarantee Applicable if Employee Recalled After Lay-Off During Same Week***

The company agrees to guarantee a minimum of thirty-six (36) hours per week for all regular employees, provided, however, that in order to receive guaranteed time it is necessary that employee work full gang or department time.

It is agreed that the company shall have the right to lay off any employee up to and including the close of the second workday of any workweek and in that event the guarantee of thirty-six (36) hours shall not be applicable and the employee will be paid only for hours actually worked. Employees recalled to work after a lay-off during the same workweek (not replacement) in their respective departments, will be guaranteed the thirty-six (36) hours for that workweek.

The thirty-six (36) hour guarantee will not be in effect in any workweek that the manufacturing and processing in any of the plants is closed down; however, in such weeks that the manufacturing and processing is closed down in any of the plants, and if any employee is retained beyond the second workday of any such workweek for purposes other than manufacturing and processing, then such employee shall be entitled to the thirty-six (36) hour guarantee for such workweek.

Employees who are called to work will be provided with a minimum of four (4) hours of work or pay in lieu thereof.

An employee who is tardy or excused from work for personal reasons, shall have the thirty-six (36) hour guarantee reduced by the number of hours of work which the employee missed by such tardiness or absence. Any employee employed after the first day of the pay-roll week (not replacement) shall be guaranteed that portion of the thirty-six (36) hours which the gang or department has not yet worked in that particular workweek.

The thirty-six (36) hour guarantee shall not be applicable to casual employees.

For the purpose of the thirty-six (36) hour guarantee, change-of-clothes time and tool-sharpening time as hereinabove provided shall be considered as working time and a part of the guarantee time.

**34. *Minimum Workweek: Pro Rata Guarantee to Workers Employed After First of Workweek***

The company shall guarantee a minimum workweek of thirty-six (36) hours per week for all regular employees included in this agreement who work upon the first working day of the week, and are available for work during the balance of the week, except the two cattle drivers who shall be guaranteed a minimum workweek of forty (40) hours. An employee who is employed after the first of the pay-roll week shall be guaranteed that fraction of 36 hours which the number of days remaining of the pay roll is of 6, except in the instance of the two cattle drivers who shall be guaranteed that fraction of 40 hours which the number of days remaining of the pay roll is of 6.

**35. *Guaranteed Weekly Wage Plan May Be Instituted by Employer With Consent of Employees Affected. Entire Plant To Operate on Guaranteed Plan if 70 Percent of Employees Elect To Do So. Weekly Payment of Time and One-Half for Overtime Hours in Excess of 10 Per Day or 48 Per Week. Annual Payment of Time and One-Half for Hours in Excess of Average of 45 Hours Per Week***

A guaranteed-weekly-wage basis of pay may be instituted by the employer with a consent of the employees affected thereby, according to the following:

(a) Employees who are placed on the guaranteed-weekly-wage basis shall be paid a full week's wages each week they are so employed, provided they are available for work.

(b) An employee on the guaranteed-weekly-wage basis shall be paid each week 45 times the hourly rate of wage for his or her classification of work, regardless of the number of hours actually worked during the week; provided said employee is available for work throughout the week and the plant is being operated on a normal basis. Guaranteed-weekly-wage employees who are employed only part time through no fault of the employer or because of interference with the business, break-down of machinery (exclusive of lay-offs due to normal lack of work), shall be paid on the basis of actual hours worked at the rate of one-fourty-fifth of the weekly wage for each hour worked during the week. Any week so computed shall not be considered in determining the bonus.

(c) On the basis of the foregoing, all employees on the guaranteed-weekly-wage basis shall receive a cash bonus of one and one-half times the regular hourly rate of wage for all hours worked in excess of an average forty-five (45) hours each week.

(d) All employees working in excess of forty-eight (48) hours in any one week or ten (10) hours in any one day shall receive time and one-half for all the hours above forty-eight (48) worked in any one week or ten (10) hours in any one day and shall receive cash payment the pay day of the week the overtime was worked.

(e) In the event a guaranteed-weekly-wage employee is discharged for drunkenness, dishonesty, or wilful neglect of assigned duties, such employee shall forfeit any and all accrued bonuses. A guaranteed-weekly-wage employee who voluntarily terminates his employment with the employer for good cause shall be paid the regular straight-time hourly rate of wage for all hours worked in excess of the average of forty-five (45) hours per week in lieu of accrued bonuses.

(f) In the event an employee who is receiving more than the regular hourly rate of pay specified in this contract is placed on the guaranteed-weekly-wage basis, such employee's guaranteed weekly wage shall be figured on the basis of his present hourly rate of wage.

(g) No employee employed on the basis of weekly wages shall be put on an hourly basis of pay in order to defeat the purpose of this contract. Employees placed on the guaranteed-weekly-wage basis shall not be transferred to the hourly basis except at the expiration of a bonus period.

(h) Bonus periods shall end on January 1 of each year and earned bonuses shall be paid within 2 weeks of the expiration of each bonus period.

(i) When seventy (70) percent of the total number of employees in any one plant make their choice of working on the weekly wage basis, then such plant shall operate on a weekly wage basis.

(j) The average number of employees on the pay roll the previous 12 months shall be used in determining the total number of employees.

(k) Part-time or casual employee shall work on an hourly basis.

### *Eligibility Requirements*

Some guarantee plans cover all "regular" or "permanent" employees. Others limit the guarantee to a fixed total number of employees designated as the "basic crew" or restrict coverage to a few designated classifications, or even to one classification. If the guarantee applies to a small number of key employees, the plan is merely a contractual arrangement for employees who, in any case, would be fairly regularly employed.

Although a few agreements, particularly in retail-trade establishments, include part-time employees in the guarantee plan, such em-

ployees are usually excluded, as are also casual and seasonal employees.

Guaranteed employment is often limited to employees who have a specified minimum length of service, frequently 1 year, but sometimes as much as 10 years. Under some plans, the number of weeks guaranteed per year is graduated according to seniority.

A few plans specify that employees who are ineligible for guaranteed annual employment, because of lack of seniority or other reasons, are to be guaranteed a minimum number of hours for each week during which they are called to work.

**36. *All Workers Guaranteed Annual Employment***

All workers shall be guaranteed 52 weeks' work during the life of this agreement.

**37. *All Employees on Annual Basis Unless Specifically Excepted by Written Notice From Company to Union***

Each ——— employee of the company, unless specifically excepted by notice in writing by the company to the union, will be employed on an annual basis and shall receive the regular weekly rate of pay provided for him in a work schedule established for his department as it may be amended from time to time in pursuance to the procedures established in this agreement.

**38. *Weekly Guarantee to Regular Employees with Seniority***

Guaranteed workweeks apply only to regular employees who have established seniority.

**39. *Regular Full-Time Employees Eligible for Guaranteed Annual Employment***

The company agrees to guarantee employment of not less than 40 hours per week for 52 weeks of each year to employees covered by this agreement, who are ready and available and able to work, and who are regular full-time employees of the company \* \* \*.

**40. *Fifty-Week Guarantee for All Employees Employed at Time of Signing Agreement***

The employer agrees to provide a minimum number of hours per week as above mentioned in clause (b) for a period of fifty (50) weeks in the contract year, at the weekly rate specified, for all employees employed at the signing of this agreement. This provision shall at all times be effective except in the event of impossibility to secure manufacturing materials, and fire, flood, or other Act of God.

**41. *Regular Part-Time Employees Included in Employment Guarantee***

Regular full-time workers shall be guaranteed 44 hours' work weekly for 52 consecutive weeks per year.

Regular part-time workers shall be guaranteed employment for at least three full days weekly or for at least 3 nights and a Saturday weekly for 52 consecutive weeks per year.

The employer may employ extra workers for Saturdays only or for a period in advance of holidays only or for an emergency only. Such workers shall not be

deemed to be permanent or regular workers but merely extras, and, at the termination of the particular period for which they may be employed, they need not be reemployed.

NOTE.—This agreement covers retail shoe stores.

#### 42. *Guaranteed Workweek Not Applicable to Part-Time or Seasonal Employees*

The company agrees that any employee, other than a part-time or seasonal employee, who is scheduled to work on the first day of his workweek, will be guaranteed pay at straight-time for 40 hours that week, provided he reports for work and is in condition to work \* \* \*.

#### 43. *Annual Guarantee for Basic Crew. Arbitration of Disputes Regarding Reduction in Basic Crew. Employer Not Obligated To Replace Employees Who Leave. Liquidation of Business Cancels Obligation To Maintain Basic Crew*

The employer and the union agree that it has been the traditional policy of the trade to maintain basic crews which assure its regular full-time employees of continuity of employment for fifty-two (52) weeks a year. The employer and the union hereby recognize the principle of the basic crew. The principle, however, was subject to change in the past where there was a discontinuance of a department, a liquidation, a change in the character of the business, a change necessitating an efficient operation of said business, or a financial loss which worked a hardship to the employer, or the occurrence of any unforeseen event which worked a hardship to the employer. For the purpose of continuing the practices of the trade, the employers agree that the present number of their employees as of the date of the execution of this agreement shall constitute the number of basic crew. The number of the basic crew shall be separated into three (3) categories: (1) Office; (2) errand, shipping and sales; and (3) buyers and managers.

Nothing herein contained shall prevent the employer in the future to seek a reduction in the number of basic crew. Should any employer desire to reduce the number of the basic crew, he shall make such request to the union in writing. Should the union fail to grant such reduction within one (1) week after written receipt thereof, the matter shall be submitted to arbitration in accordance with the provisions of this agreement. The arbitrator shall take into consideration all the factors that have been set forth herein in deciding reduction in basic crew.

The employer shall have no obligation to continue his basic crew if he liquidates his business in accordance with paragraph "29" of this agreement. [Par. 29 gives employer right to liquidate business after giving 3 weeks' prior notice to union and discussing question of severance pay.]

The employer shall have no obligation to replace an employee on the basic crew who leaves the employ of the employer. Any employee replacing a person on the basic crew shall not become part of the basic crew until twelve (12) weeks have elapsed from the date of said employee's replacement.

#### 44. *Guarantee Limited to Basic Crew of 500 Permanent Employees*

The employer agrees to a guarantee of the equivalent of forty-five (45) weeks or eighteen hundred (1,800) hours of employment, exclusive of overtime, for each of the permanent employees, the number of which has been hereinbefore established at 500, for the period of [date], to [date], and similarly for each succeeding contract year. It is understood that the forty (40) hour vacation becomes a part of the eighteen hundred (1,800) hours.

**45. *Guaranteed Annual Employment for All Regular Union Employees in Specified Division***

The company agrees to guarantee forty (40) hours' work per week, fifty (50) weeks per year to all regular union employees in the \_\_\_\_\_ Division to a minimum of four (4) lines or a minimum of one-hundred and fifty (150) female employees.

This guarantee will not be effective in the event of a strike by the members of this union or any other union or a stoppage of work as a result of a labor dispute or in the event of a major catastrophe at this plant which would cause operations to cease.

NOTE.—This agreement requires all employees to join the union within 30 days from the date of employment.

**46. *Guarantee Limited to Steady Employees in Designated Classification***

Steady bartenders shall receive a guarantee of employment at not less than minimum rate at least forty-eight (48) weeks out of the year.

**47. *Guarantee Applicable Only to Employees With at Least 1 Year's Service***

Employee must have not less than one full year continuous service with the company before January 1 of any calendar year before becoming eligible to the annual guarantee.

**48. *Ten Years' Service Required***

During the life of this agreement all employees with ten (10) years or more seniority on [date], and on [date] of each succeeding year so long as this agreement continues, shall be guaranteed 50 weeks of work of 40 hours per week during the following 12 months' period.

**49. *Amount of Guaranteed Employment Graduated According to Employees' Length of Service***

Employees with from three (3) to seven (7) years of service shall be guaranteed 26 full weeks' employment per calendar year. Employees with from seven (7) to ten (10) years of service shall be guaranteed 39 full weeks' employment per calendar year. Employees with from ten (10) years' service or more shall be guaranteed 52 full weeks' employment per calendar year. The benefits contained above are not applicable if the employer is prevented from so doing by virtue of any event or act beyond his control and also are not applicable to any employee who is discharged by the employer, or leaves of his own account. In considering weeks worked, absence from work shall not have any benefits accrue or apply to the employee, where such absence is voluntary, and seniority shall apply on this basis throughout the contract.

**50. *Union To Receive List of Employees Covered by Guarantee***

A schedule shall be submitted to the union listing the names of employees who are guaranteed work.

***Effect of Absences, Holidays, and Vacations on Guaranteed Time***

Even if not specified, it usually may be implied that employees covered by an employment guarantee must be willing and able to perform work which is made available to them. Under some guarantee plans, time lost because of the employee's absence when work is avail-

able is deducted from the total hours guaranteed. In others, refusal to report for work invalidates the guarantee for that particular week. In a few cases, time lost because of sickness or accident is not deducted from guaranteed time.

When employees are paid for holidays not worked, the holiday hours are usually counted as part of the guaranteed time, and the same is usually true of paid vacation time. Other types of paid, unworked time, such as daily call-in guarantees and clothes-changing periods, may also be credited against guaranteed time.

*51. Weekly Guarantee Reduced by Tardiness and Absence for All Personal Reasons*

An employee who is tardy or is absent or excused from work for a part of a day, for all personal reasons shall have his thirty-six (36) hour guarantee reduced by the number of hours of work he lost by such tardiness or absence.

*52. Weekly Guarantee Under Annual Employment Plan Inapplicable if Employee Absent One-half Day or More; Absences of Less Than One-half Day Deducted from Guaranteed Time*

Employer agrees and guarantees to pay for a minimum of 40 hours of pay per week for each regular employee 52 weeks per year. This provision shall not be effective in those cases where an employee is absent for one-half day or more or has refused work in some other department during the workweek. Any absence for less than one-half day shall be deducted from the total hours guaranteed.

This provision shall also not be effective in those cases where the plant or any department is closed or operations terminate on account of a break-down, fire, accident, strike, or any other causes beyond the control of employer and shall likewise not be effective for the workweek in which a regular employee is called back after one working day or more in that workweek has passed.

*53. Weekly Guarantee Forfeited by Refusal To Report for Work*

In order to receive the guaranteed pay check each week the employee must be available for work for each day of the workweek (regular), Monday through Friday, unless otherwise notified by his supervisor. If an employee refuses to report for work during the regular workweek, he shall invalidate his guarantee of 40 straight-time hours for that week in which the voluntary absence occurs.

*54. Weekly Guarantee Under Annual Employment Plan Reduced from 40 to 32 Hours During Weeks in Which a Holiday Occurs*

The company agrees to operate its plant on not less than forty (40) hours of work per week for fifty-two (52) weeks in a year, except weeks in which a holiday occurs, in which week there shall be not less than thirty-two (32) hours of work, and this guarantee of work is further subject to the inability of the company to carry on operations due to causes beyond its control, such as, but not limited to, fires, floods, power, or water failure, etc., which shall release the company from the work guarantee for the period of the company's inability to perform.

*55. Paid Holidays Counted As Part of Guaranteed Weekly Minimum*

All the regularly employed employees shall receive a guaranteed time of 36 hours per week; providing the employee works all of the hours made available to him in his department and is also willing to accept extra fill-in work around the

plant that is made available to him. Paid holidays shall be counted in determining guaranteed time of 36 hours a week.

**56. *Guarantee Not Reduced by Holidays Except for Paid, Unworked Holidays. Daily Overtime Not Counted As Part of Guaranteed Weekly Hours***

All regular employees shall be guaranteed a minimum of thirty-six (36) hours' work, or pay in lieu of work, per week, provided they have reported for work on Monday at the usual time, and had been available when needed from Monday to Saturday inclusive. Daily overtime will not be counted to make up the thirty-six (36) hour guarantee. The thirty-six (36) hours' guarantee will be the same in holiday weeks as all other except as provided for in section III-H.

Section III-H. The weekly guarantee of thirty-six (36) hours shall be reduced by the number of hours of holiday pay for work not performed paid to each employee.

**57. *Thirty-Six-Hour Weekly Guarantee Reduced to 31 Hours Plus Holiday Pay in Holiday Weeks***

There shall continue a 36-hour minimum guaranteed workweek for all employees included in this agreement employed beyond the first working day of any such week, except in cases where a holiday occurs in such week, in which event such minimum guarantee shall aggregate 31 hours, plus the holiday pay defined in hours of work and overtime paragraph 4.

**58. *Holiday and Sunday Pay, Call Out, Recall and Clothes-Changing Time Counted As Part of Guaranteed Minimum***

The parties understand and agree that the foregoing guarantee provisions are based on pay and not on hours of work and that the company has fully complied with the provisions of this guarantee when an eligible employee has been paid a sum of money equal to his regular rate of pay for thirty-six (36) hours, including compensation paid to him in excess of his straight-time regular rate of pay for hours of productive work by operation of paragraphs A (1), (2), and (4), and C of section 1 (Holiday and Sunday pay) of article IV, sections 4 (Call out guarantee) and 5 (Recall guarantee) of article IV, and of paragraph 1 (Clothes-changing time) of article VIII of this agreement, and including compensation paid by operation of section 2 (c) (1) (Pay for holidays not worked) of this article.

**59. *Time Lost Because of Sickness or Accident Not Deducted from Annual Wage***

All members of the association employed at the beginning of this period are hired on an annual basis and shall receive an annual salary payable in equal weekly installments as set forth in section I of this agreement and any member employed after January 1 shall be hired on a pro rata basis for the balance of the contract year. A member shall not be paid for time not worked during any absence for reasons of his own except bona fide sickness or bone fide accident which disabled him from working.

**60. *Guarantee of 48 Weeks' Employment Includes 2 Weeks' Paid Vacation***

An employee who establishes three (3) years' or more continuous employment as hereinafter defined, shall be entitled to two (2) weeks' vacation with eighty (80) hours' pay in advance; and, in addition thereto, the employer shall warrant not less than forty-eight (48) weeks' employment, including the aforementioned two (2) weeks' vacation with pay, during each year following the date of this agreement, so long as this agreement remains in full force and effect and this provision remains without modification.

61. *Sick Leave and Vacation Deducted from 2,108 Hours' Work Per Year Required of Salaried Employees*

All regular full time employees receiving a monthly salary as specified in section II hereof shall perform during the period [date], to and including [date], 2,108 hours of work, said hours to be allocated in the discretion of the [employer], except that no employees shall be required to work in excess of fifty (50) hours in any workweek, nor be required to perform services on more than six (6) consecutive days in any workweek. The [employer] shall exercise its discretion to allocate working hours reasonably and shall rotate Saturday work equitably among qualified employees. At least forty (40) hours' work a week shall be furnished to all of said regular full-time employees unless weather conditions or other causes beyond the [employer's] control intervene. When a regular full-time employee has completed 2,108 hours of work within the contract period, no further work may be required of said employee.

When a regular full-time employee has worked in excess of 44 hours in any workweek the excess hours shall be credited against the total number hours required in section one hereof at one and one-half (1½) times, the excess hours worked. In the event the [employer] or the employees desire to take the time off it shall be at times mutually agreeable to the [employer] and the employees. In the event the employee or the [employer] wishes to allow the time to accumulate he shall be paid on this basis at the end of the contract year \* \* \*. Actual sick leave granted under this paragraph shall be applied to reduce the number of hours of work required of each regular full-time employee within the contract period.

The amount of vacation hours shall be applied to reduce the total number of hours of work required of each regular full-time employee within the contract period.

NOTE.—This agreement covers cemetery employees.

### *Escape Provisions*

Some guaranteed employment plans obligate the employer to fulfill the terms of the guarantee during the term of the agreement, regardless of developments. Often, however, the employer is relieved of his obligations and the commitment is terminated or modified under certain conditions, while the whole agreement remains effective. The conditions specified frequently include emergencies and major catastrophes such as floods, storms, and other Acts of God, as well as fire, explosion, strikes, and similar conditions beyond the employer's control.

Some broad escape clauses virtually invalidate the employment guarantee. For example, the employer may reserve the right to terminate or modify the plan at any time, or may stipulate that the plan does not curtail the right to lay off employees for lack of work. Continuation may be made contingent upon maintenance of sales of the employer's product at a specified level. Some agreements permit arbitration of the employer's request for relief if it is denied by the union; others make the union's decision final. Some agreements allow the employer to petition for relief if business conditions warrant.

Occasionally, dismissal wages are provided in lieu of payment of the guaranteed annual wage.

A few contracts limit the total payments which the employer may be required to make in any one year as a result of the employment guarantee.

So far as individual employees are concerned, the employment guarantee is terminated by discharge for cause, resignation, and, in some instances, by strike participation.

*62. Termination or Modification of Guaranteed Employment Plan at Discretion of Employer*

The employer has established certain plans for the benefit of the employees, such as guaranteed employment, pension and benefit, and profit sharing, because the employer believes it to be sound business practice and desirable protection for its employees. While it is the expressed hope of the employer that it will be able to continue these plans, it is understood that nothing in this agreement is to be construed to change or modify the various provisions of the plans in reference to their withdrawal, termination, alteration, or amendment.

*63. Annual Employment Guarantee Not To Invalidate Management Right To Release Employees Because of Lack of Work or Other Legitimate Reasons*

The company agrees to guarantee employment of not less than forty (40) hours per week for fifty-two (52) weeks of each year to employees covered by this agreement, who are ready and available and able to work, and who are regular full-time employees of the company, provided nothing in this section shall be construed to prevent the company from releasing employees because of lack of work or for other proper and legitimate reasons, as provided for in article I, section 9 [Rights of management, including "The determination of the number of men it will employ or retain in each classification, and the right to hire, suspend, discharge, discipline, promote, demote, or transfer, and to release employees because of lack of work or for other proper and legitimate reasons \* \* \*"].

*64. Annual Guarantee Contingent on Maintenance of Sales at Specified Volume*

The employer agrees to provide 1,920 hours of work to each employee working for the company on [date], during the year beginning [date], and terminating [date], provided that the volume of company sales of the products manufactured by the employer are not less than eighty (80) percent of the average sales of the year beginning [date], and ending [date], paid holidays and paid vacations to be considered as hours actually worked. Failure for any reasons on the part of any or all employees to report for work unless specifically instructed by the employer not to report, shall be considered as hours worked for the purpose of this guarantee.

*65. Impartial Chairman May Relieve Company of Employment Guarantee Upon Proof of Economic Hardship. Union May Later Apply for Reinstatement of Guarantee*

Anything contained in this agreement to the contrary notwithstanding, it is agreed that upon a showing of economic hardship for any cause whatsoever, rendering curtailment of operations necessary for relief from economic hardship for the employer, the employer shall be relieved of the necessity to continue the employment or the guarantee of employment of such workers as may be regarded

"excess workers," and on application to the impartial chairman such relief shall be afforded to the employer as is indicated by the proof, upon the understanding, however, that at any time thereafter the union may apply for reinstatement on the ground that the hardship had passed. Hearings shall be held by the impartial chairman on 2 days' notice, unless the parties agree on a shorter notice, and the award of the impartial chairman shall be final and conclusive on employer and employees and must be rendered within 2 days after the hearing.

*66. Annual Employment Guarantee Not Subject to Arbitration*

Regular full-time workers shall be guaranteed 44 hours weekly for 52 consecutive weeks per year. This provision shall not be subject to arbitration.

*67. Employer Not To Apply to State Mediation Board for Lay-Off Because of Insufficiency of Business During Term of Agreement*

The employers guarantee work to said members of the union for a minimum of not less than 5 days per week during 21 weeks of the year from the date of the signing of this agreement, 1 week for a minimum of not less than 4 days, and the employers further guarantee a minimum of not less than 3 days per week during the remaining period of thirty (30) days of said year at a wage scale proportionate to the minimum weekly wage scale agreed to herein.

It is understood and agreed by and between the employers of the union herein that no employer will apply to the New York State Board of Mediation for a lay-off because of insufficiency of business during the term of this contract.

NOTE.—The New York State Board of Mediation is the arbitration agency under the contract.

*68. Employer's Liability Under Guaranteed Annual Wage Plan Not To Exceed Specified Amount*

All male employees, who have a service record of 1 year or more shall, during their continuance on the pay roll, receive a minimum pay on a weekly basis of not less than twenty-five dollars (\$25) per week throughout the period of this agreement, and also all female employees, who have a service record of 1 year or more shall, during their continuance on the pay roll, receive a minimum pay on a weekly basis of not less than twenty dollars (\$20) per week throughout the period of this agreement; provided, however, that in the application of the annual minimum the cost to the employer shall not exceed twelve thousand dollars (\$12,000) per year. This twelve thousand dollars (\$12,000) shall be applied during the period when the workers ordinarily earn less than twenty-five dollars (\$25) and twenty dollars (\$20) per week respectively. On such occasions, the employer shall add to the workers' actual weekly earnings the difference between the amount earned and the weekly minimum as hereinabove set forth. The above method shall be continued until the entire \$12,000 has been exhausted. Be it further understood that any employees who fail to report for work when notified to do so, shall have deducted from their weekly minimum, an amount equivalent to the amount earned by the workers in their department. Such deductions shall be applied only during slack periods when application for the weekly minimum is made.

*69. Annual Wage Guarantee May Be Canceled for Any of Nine Specified Causes*

This annual wage guarantee may be rescinded in the event of (1) fires; (2) floods; (3) wars; (4) riots; (5) revolutions; (6) general strikes; (7) garnishments; (8) wage assignments, or (9) other legal processes.

**70. *Guarantee Subject to Revocation Because of Slack Business, Fire, Flood, Epidemic, Weather Conditions, Act of God, or Other Conditions Beyond Control of Company***

During the period of this agreement the company guarantees 40 hours of work and pay per week to all regular employees within the bargaining unit covered by this agreement and eligible for membership in the union, said 40 hours to be performed within a period not exceeding five (5) days; except in cases where a holiday occurs in a workweek in which event the company guarantees an aggregate of 32 hours during such week, said 32 hours to be performed within a period not exceeding 4 days. Work on emergency jobs not attached to a regular shift is not included within these guaranteed hours.

Anything to the contrary in this section notwithstanding, however, there shall be no guaranteed hours of work and pay where in the judgment of the company it is not practical to operate the stockyards because of fire, flood, epidemic, weather conditions, Act of God, or other conditions beyond the company's control; nor when in the company's judgment it is necessary because of slack business or inability of the company to find employment for all regular men. Should this latter occur in the operation department, the company will reduce the required number of regular men to the capacity of extras as may be necessary to meet the existing conditions and provided that when the regular men are reduced to the capacity of extras, the extra board shall be reduced by a corresponding number according to seniority and vacancies on the extra board (not to exceed 20); employees that voluntarily lay off, are sick or do not report for work for any other reason beyond the control of the company, shall have his guaranteed workweek reduced by the number of hours lost, provided this is not used to avoid any of the provisions of article VI, section 7. [This section permits employees to make-up time lost by absence during their regular working hours.] It is recognized that the extra board consisted of not more than ten (10) men on July 16, 1948, and the company agrees that in originally bringing the number of this extra board up in excess of ten (10) (not to exceed 20) the company will do so through the addition of new employees; and it is further agreed that in the event lay-offs in the future should reduce the number of employees in the bargaining unit covered by this contract to as low as 200, then in that event the extra board shall be reduced to not more than ten (10) men.

Nothing in this section shall in any manner limit or modify the provisions with respect to the authority of management provided in sections 1 and 2 of article III (Management of business and direction of working forces; and establishment of rules and regulations), and in case of conflict between this section and the provisions of sections 1 and 2 of article III, the latter shall control.

**71. *Prolonged Shut-Down Because of Act of God, Fire, Explosion, or Governmental Regulations Cancels Guarantee***

It is understood that this guarantee of regular work does not apply in the event a prolonged shut-down is caused by an Act of God, lightning, fire, explosion or governmental regulation.

**72. *Company Liability Under Guaranteed Annual Wage Plan Not To Continue More Than 2 Weeks After Disaster***

In the event of fire, flood, tornado or explosion which would make it impossible to operate the plant, the company will not be liable for payments under the annual wage plan for any time in excess of two full weeks' pay of 40 hours each at his base rate of pay, beyond the date on which the disaster occurs. In addi-

tion, the employee would receive any credits that may have accrued to him in the bank account prior to the date of the disaster.

**73. *Guarantee Forfeited by Failure To Accept Available Work, Voluntary Quit, or Discharge; Strike Participants Forfeit Guarantee for the Current Year***

The corporation guarantees to every employee, who has completed 5 years' continuous service in the employ of the corporation on [date], a minimum employment of 2,080 hours for each yearly period beginning [date] and continuing each year thereafter during the life of this contract. All hours worked by said employee, both straight time and overtime, shall be credited against the 2,080 hours. If the corporation does not provide work for any part of the 2,080 hours the employee shall be paid for the unworked hours at his straight-time hourly rate.

An employee failing to accept other work assigned by the corporation when his own job is not working, or discontinued because of production requirements, shall not be entitled to the guarantee herein provided. An employee who voluntarily leaves the employ of the corporation, or who is discharged for cause, shall not be entitled to the guarantee. In the event of an employee's failure to take advantage of available work hours such hours shall be deducted from the guarantee of 2,080 hours. In the event of a strike the corporation shall be relieved of its guarantee for the current 1 year period as to the employees striking.

**74. *Joint Determination of Waiver of Guaranteed Time in Event of Emergency***

If emergency conditions arise, the amount of guaranteed time to be waived shall be decided by the company and the union grievance committee on a basis fair to all parties as to any department affected thereby.

NOTE.—This agreement provides for a weekly guarantee.

TRANSFER TO OTHER WORK

Another safeguard designed to prevent undue burden upon the employer is the right to transfer employees in the event no work is available in their regular jobs. Such right of transfer, however, is usually governed by the contractual seniority rules. Many of the guarantee plans require employees to accept temporary transfer to other jobs if insufficient work is available on their regular jobs to provide the minimum guaranteed time. Guaranteed time may be reduced by any hours lost owing to the employee's refusal to accept available work; the guarantee may be canceled entirely for any week in which the employee refuses to accept a transfer. Provisions of this nature are sometimes qualified by safeguards against loss of earnings caused by such transfers. If the employee is transferred to a lower-rated job than he normally fills, he may continue to receive the rate of pay for his former job, either indefinitely or for a designated period.

**75. *Time Lost By Employee's Refusal To Accept Transfer Deducted From Guaranteed Weekly Hours***

If the company finds it necessary to transfer employees from one department to another in order to provide guaranteed time of thirty-six (36) hours, then any employee refusing such a transfer shall have his guaranteed time reduced by the number of hours lost by such refusal.

**76. *Minimum Weekly Guarantee Forfeited by Refusal To Accept Transfer to Available Work***

In the event conditions in any department warrant the transferring of employees in order to obtain their guaranteed time of thirty-six (36) hours, should any employee refuse such transfer he or she shall lose the right to such guaranteed time for the current week.

**77. *Employee Not To Suffer Reduction in Pay if Shifted to Other Work***

Each employee of the company with ten (10) years or more of continuous service shall be guaranteed pay for at least fifty (50) forty- (40) hours weeks within the year covered by this agreement, unless laid off for discipline or discharged for cause, provided he accepts at his regular rate any work available should his regular job cease. This guarantee shall not apply in case of a complete cessation of productive factory operations at any time other than Saturdays, Sundays, holidays, and vacations. Any man retained on the pay roll through the operation of the 50 weeks of pay guarantee may be used on any work so long as there is no reduction in pay.

**78. *Wage Differential To Be Paid for 6 Months After Transfer. Limitation on Amount of Differential.***

It is further agreed that should a decrease in work, due to changing conditions in any plant or department, require a reduction in personnel, employees not under the guaranteed work plan will be laid off first. Should further reductions be necessary, it is agreed that employees with the least seniority under the guaranteed work plan may be transferred to other departments or plants where their services are required at existing rates for the job to which they are transferred. It is further agreed that should such transfers become necessary, such employees will be paid a relocation wage differential equivalent to the difference between their former rate and their new rate for a period of six (6) months following their transfer. In no case shall the wage differential payment exceed thirty (30) percent of the employee's average monthly wage during the last twelve (12) months in his regular employment.

***Employment Stabilization Programs Without Specific Guarantee of Employment***

Employers are often reluctant to commit themselves to a definite guarantee of work for their employees but sometimes pledge in general terms to make every effort to stabilize employment. Some contracts further require the employer to study the problem of guaranteed employment and to report the results to the union. Other agreements require joint labor-management conferences to work out methods of eliminating or alleviating irregular employment. In a few cases, the union reserves the right to reopen negotiations for an employment guarantee, if the employer makes a practice of repeatedly laying off and recalling employees. (For additional clauses, see Bulletin 908-10, Union-Management Cooperation, Plant Efficiency, and Technological Change, p. 21.)

**79. *Five-Year Employees Transferred from Hourly to Weekly Pay Roll on Salary Plan***

The company and the union mutually agree that a stabilized working force is an important factor in the continued success of an enterprise and its employees.

To this end the company will place certain of its present hourly workers on the weekly pay roll. It is also mutually agreed that should this plan prove unsatisfactory to the union or the company it may be withdrawn at the end of the contract year by either party. The salary plan is as follows:

(a) Employees covered by this agreement who have completed five (5) years of consecutive service with the company shall be transferred from the hourly pay roll to the weekly pay roll and shall be paid in accordance with the schedule in the attached appendix.

(b) The annual base salary for each classification shall be determined by multiplying the hourly rate for the classification by two thousand eighty (2,080) hours (forty (40) hours per week times fifty-two (52) weeks). One fifty-second ( $1/52$ ) of this total will be paid each eligible employee each pay period.

(c) Employees in this group will also receive overtime payments and any additional pay for work performed in higher classifications than their regular rates each pay period.

(d) Employees on a salary basis are entitled sick leave (not to include the first day of each illness) and holidays without deductions from their base pay. In case of permanent or semipermanent illness or when continuous sick leave of more than ninety (90) days is involved, the company will review and make such adjustment in each individual case as is in conformity with its general policies covering sick leave for those of its employees on permanent monthly pay roll.

(e) Salaried employees covered by this agreement will be given two (2) weeks' notice before lay-off and there will be no lay-off from the salaried group until all hourly wage earners covered by this agreement have been previously terminated.

(f) Employees absent from work due to illness must present satisfactory evidence from a qualified physician concerning the illness. This physician may be the employee's own doctor or the company's medical department. It shall be the mutual responsibility of the company and the union to see that such evidence is forthcoming.

(g) Inasmuch as the success of this undertaking is dependent upon the integrity of the individual employee, it is mutually agreed between the company and the union that unexcused absences in this group will not be tolerated. There shall be a deduction from the base salary for all unauthorized absences. The amount of deduction shall be the hourly rate of pay times the number of hours of absence. Continued unauthorized absences by any employee on the weekly pay roll may result in discharge.

(h) Should it become necessary for the company to operate any of the departments covered by this contract at less than forty (40) hours per week for a protracted period, it is mutually understood that the union and the company will meet and revise the salary plan in keeping with conditions at that time.

#### **80. *Company Pledges To Try To Stabilize Employment***

The corporation will continue to exert its best efforts in an endeavor to stabilize employment.

#### **81. *Company To Attempt To Provide 52 Weeks' Work Per Year; Company and Union Each To Undertake Study of Problem***

The company recognizes the desirability of stabilizing employment on an annual basis and to that end will, to the extent practicable, attempt to give employees fifty-two (52) weeks' work per year, including the vacation period. It is understood and agreed by the company and the union that the foregoing sentence con-

stitutes a statement of policy only and is not intended to and does not impose any contractual obligation whatsoever upon the company.

It is agreed that the company and the union will each undertake a study of this problem. The company further agrees to furnish the union with its conclusions based upon its study and the facts and figures upon which such conclusions are based, unless such information should be considered by the company to be confidential.

*82. Company To Study Problem of Stabilizing Employment and Report Results to Union*

The company will continue to study the problem of stabilized employment and will report the results of their studies to the union.

*83. Company and Union To Confer Periodically for Purpose of Stabilizing Employment*

The company and the union agree that every possible effort will be made to level employment so that the greatest amount of work throughout the year will go to the employees and that conferences shall be held from time to time between the company and the union to bring about such continuous employment.

*84. Guaranteed-Employment Provision To Be Inserted in Contract if Company Repeatedly Lays Off and Recalls Employees*

The company agrees that in the event that they either lay off any group of employees under the bargaining unit repeatedly except after a full workweek, or continually recall employees after lay-off and again lay them off within a period of a few days, the contract shall be reopened and a clause inserted guaranteeing a forty (40) hour workweek to all employees within the bargaining unit for the duration of this contract.

*85. Annual Wage To Be Negotiated in Event a National Annual Wage Is Established*

Should a national annual wage be established within the life of agreement, the company and the union will negotiate an annual wage agreement.

*86. Association Agreement: Individual Employers May Negotiate Guarantee With Union, Provided Minimum Straight-Time Wages Paid*

The union may enter into agreement for a guaranteed yearly wage or a guaranteed yearly work period with any individual members of the association who themselves choose to enter into such an agreement. Nothing in this contract shall be construed to prohibit the union or any association member from entering into such an agreement; provided that the minimum straight-time wages specified in any such agreement must conform to the minimum straight-time wages specified in this contract.

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