

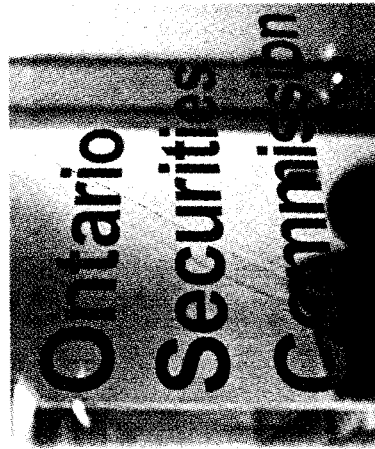
» TORONTO STAR «

BUSINESS & Careers

SECTION B
THURSDAY
SEPTEMBER 15, 2011
thestar.com

REVERSE TAKEOVERS

OSC chair urges government action, B2



MARKET WATCH

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0.72%

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Loblaws staff offered buyouts, 'buydowns'

Chain's deal with union provides for flexible contract to cut costs

DANA FLAVELLE
BUSINESS REPORTER

Canada's largest supermarket chain has begun offering buyouts and "buy downs" to employees across Ontario as it implements the terms of a new more flexible union contract in its conventional stores. Loblaws Cos. Ltd., which operates

nearly 1,000 stores under 22 different names across the country, said the deal was negotiated last fall and is being rolled out across a group of stores in Ontario.

The new contract covers 10,000 employees working at 60 stores that operate under the names Loblaws, Loblaws Great Food, Zehrs and Zehrs Great Food and are represented by the United Food and Commercial Workers Union Locals 1000a, 175 and 633, a company spokesperson said.

Loblaws has up to five years to con-

vert the stores to the new deal. The company, which earned \$681 million on \$31 billion in sales last year, has been under pressure to cut costs to compete with a growing number of non-union rivals. The new Loblaws contract differs from the old one in a number of areas, including wages, benefits, retirement benefits and sick days, according to the UFCW Local 1000a website.

Under the new contract, for example, Sunday work is no longer voluntary and doesn't pay a premi-

um. Also, employees who work overtime will be given time off instead of overtime pay, according to the union.

Full time employees who opt to take a buyout or take early retirement will be eligible for a lump sum worth up to \$75,000 while part-time employees can get up to \$15,000, according to the union.

Employees can also take a "buy down," which allows them to accept a lump sum payment while agreeing to continue working in the stores under the new terms and

conditions.

The firm advised the union last Friday it would convert eight of its Loblaws stores in the Greater Toronto Area to the new contract by Dec. 1, the union's website says.

The GTA stores are in Pickering, Mississauga, Markham and Toronto. They follow stores in Ottawa, Kingston and Lindsay, which converted in June, and most Zehrs and Zehrs Great Food stores.

Calls to Local 1000a president Pearl Sawyer were not returned by press time.