



HIGHLIGHTS OF THE NEW UPS NATIONAL MASTER AGREEMENT

Non-economic Language

Harassment

Harassment has taken many forms. We heard from our members around the country that there was not one single thing that led to harassment, but rather a combination of discipline, threats and intimidation based on technology, 9.5 requests, retaliation for grievance filing and inadequate staffing of centers.

This tentative agreement addresses the underlying issues of harassment in several ways:

ARTICLE 6:

No employee will be discharged based solely on information received from GPS or any successor system unless the person **intentionally** defrauds the company. This is a change – last contract the company was prohibited from discharging anyone on a first offense based on GPS. Now it is a prohibition against discharge regardless of whether it is a first offense or not, except in cases of intentional fraud.

The company must confirm information obtained from GPS by direct observation or other corroborating evidence. Otherwise, the GPS information will not be used for discharge.

In addition, the language was strengthened to define dishonesty as an **intentional** act to defraud the company.

The company admitted fault in misusing technology in the past and committed to meet with the union at the union's request if the problem continues or arises again in the future to make sure that the issue is addressed at the first sign of a problem.

ARTICLE 12

The company can no longer discipline employees for any work performed by another employee using an electronic device under their name.

This protects employees from the possibility of being disciplined for something they did not do.

9.5 (ARTICLE 37)

New language makes it easier to get on the 9.5 list, provides access to 9.5 penalty pay on the first week of the violation after going on the 9.5 list, provides protections for cover drivers, provides protections against retaliation for filing

9.5 grievances, prohibits the company from piling on work at the end of the week, and allows the union to address inadequate staffing.

Any week in which a driver has worked more than 9.5 hours three times, the driver may opt in to the 9.5 list. The 9.5 protections will take effect on the first work day of the following work week (except in November and December). The driver will remain on the list for five months (excluding November and December).

All drivers with four years of seniority as a full-time package car driver will be eligible for 9.5 protections. In addition, cover drivers will be eligible for 9.5 protections provided the driver covers a route for a full week, or is assigned to cover a route for a full week but is prevented from completing the assignment due to reassignment by the employer.

The company is contractually forbidden from assigning excessive overtime on the two remaining days within a workweek after adhering to the 9.5 language as retaliation for opting onto the 9.5 list. This language prevents the company from following the 9.5 language for three days and then piling on work for the remaining two days of the week.

The union will now be able to review the adequacy of staffing in a center where there are deadlocked 9.5 grievances. If the union and the company cannot agree on whether inadequate staffing caused the problem, it can be referred to arbitration. The arbitrator will have the authority to award back wages to any employees adversely affected, including those who did not work, but should have been called in to work in order to adequately staff the center. This is the first time in the history of the National Master UPS Agreement that UPS has agreed to language allowing the union to challenge the adequacy of staffing in their centers.

RETALIATION (ARTICLE 37)

Language explicitly prohibits the company from retaliating against employees for exercising their rights under this agreement, which includes retaliation for filing a grievance. The language further sets out relevant factors in determining if the employee has been retaliated against.

SUREPOST – (ARTICLE 26)

New language sets guidelines for the size and weight of packages, puts more packages back on UPS trucks and protects Teamster work and jobs.

Surepost packages are limited to 10 pounds in weight and less than 3 cubic feet in size.

Surepost is limited as an offering for business to residential only. It cannot be used for business-to-business shipments.

The company is contractually obligated not to diminish the bargaining unit because of Surepost.

The agreement requires that the company continue to implement technology that identifies when both Surepost and ground packages are being delivered to the same address so that Teamsters can deliver both packages. The new language also obligates the company to explore expanding the technology to identify when Surepost and ground packages are going to addresses in close proximity so that they can both be delivered by Teamsters. It also requires that the company work to develop and implement technology that will identify oversized or overweight packages sent by Surepost so that they will be put on a package car.

UPS has agreed that if their competitors stop using a service similar to Surepost either nationwide or in any service area, UPS will discontinue Surepost on the same basis.

The company has also agreed that if there is a dispute on the expansion of Surepost, the union and the company will take the matter to arbitration. As a remedy, if the arbitrator finds that UPS has expanded Surepost beyond the scope of what is set out in the contract without obtaining the union's consent, the arbitrator may require UPS to terminate the expanded service.

PROTECTIONS FOR THOSE IN MILITARY SERVICE (ARTICLE 15)

Those UPS employees who have been serving our country in the military will now continue to accrue vacation to be used upon their return. This means that when they come back, they will have vacation available to use immediately upon their return.

Safety and Health

ARTICLE 14

An employee on TAW (temporary alternative work) due to an on-the-job injury will be paid at the employee's regular rate of pay. This ensures the proper pay rate and does not leave anything open to interpretation.

The employer cannot force a permanently disabled full-time employee to accept a part-time job as an ADA accommodation. The employee will have the choice to accept a part-time accommodation.

ARTICLE 16

Increases the time that a person who loses their license can work inside from one year to two years.

Makes it easier for an employee to return to work after completing a drug or alcohol rehabilitation program. The company must now make all reasonable efforts to conduct return-to-work testing and exams within five days of completion of a rehabilitation program.

ARTICLE 4

Spells out the right of shop stewards to investigate and process grievances during work time that have to deal with safety issues.

ARTICLE 18

The Local Union has the right to appoint the safety and health committee members. The company has no right to decide who sits on our committees.

New language prohibits bargaining unit members from performing safety observations on fellow bargaining unit members unless it is for the purpose of promoting a safe work environment. Under no circumstance can the results of a Safety Committee observation be used in any level of discipline, nor reference any individual bargaining unit member.

ARTICLE 17

Penalty pay now applies for vacation pay shortages.

ARTICLE 38, CHANGE OF OPERATIONS

Company will have to provide more detailed information and within a timely manner when proposing a change of operations (7 days).

ARTICLE 40, AIR OPERATION

Drop-box language

The company may not expand the use of part-

timers to pick up drop boxes and must maintain the ratio of drop boxes picked up by regular full-time package drivers, full-time air/combo drivers and part-time drivers within 2 percentage points for the term of the agreement. The size and dimensions of the drop boxes may not be increased without the consent of the union.

Part-time employees bidding into a full-time air driver job after August 1, 2013 will now have red-circle protection of their (higher) part-time wage, until such time as the full-time air progression passes that rate. A part-time employee shall not lose the red-circle protection as a result of transferring from one full-time air driver job to another full-time air driver job.

ARTICLE 43, PREMIUM SERVICES

The tentative agreement clarifies the threshold for payment of holiday pay, re-routing, and extensions. It provides a trigger point for payment of traffic delays and an understanding that delay pay cases will not be unreasonably denied.

The language further clarifies a premium rate of pay for work performed by sleeper team drivers on their scheduled day off, and the rate of pay of any subsequent days worked thereafter within a scheduled workweek as a seventh (7th) day of work. Work performed between a run at the home domicile will be paid at the applicable one and one-half (1 ½) rate of pay.

Subsistence pay will be increased to \$35 (up from \$25) for each one thousand (1000) miles traveled.

The fuel/wash negotiated language defines the allowance for fueling both at UPS and non-UPS facilities.

Mileage increases will reflect the hourly general wage increases.

CSI

A time limit on the employer issuing discipline has been added to local addenda that previously had no limits.

Strong "just cause" language for discipline has been added to the Locals covered by the Local 407 Addenda.

Improved language on the UPS CSI Supplemental Article 11 short-haul provision that requires UPS CSI to turn subcontracted short-haul runs into bargaining unit work when criteria is met.

Language that provides that the NMUPSA provision on vacation accrual while in active military leave will apply to all CSI employees.

While on Temporary Alternate Leave

(TAW), UPS CSI employees will receive their regular rate of pay.

NMUPSA Article 34 changes that will benefit UPS CSI directly:

- UPS CSI employees in company health plans will move to the TeamCare plan as described in the NMUPSA. For the first time, all CSI employees will have retiree medical coverage.
- All UPS CSI will have Long Term Disability (LTD) under Article 34.
- UPS CSI employees in company pension plans will receive a 7-percent increase to their pension accrual rate, retroactive to the implementation of that plan (December 2004).
- UPS CSI full-time and part time will receive the same GWI as the package employees.

Economics

Over the term of the five year agreement, based on a 46 hour workweek with wages compounded from the first general wage increase through the last, a full-time driver **will earn over \$25,000 more** over the course of this new Agreement than they did during the current Agreement.

Health Insurance

No increase in premiums for health insurance for full-time and part-time employees. UPS Teamsters will continue to receive their health insurance without paying for premiums.

Effective 1/1/2014, those in the UPS health insurance plan will move to the TeamCare plan, which is jointly trusted by employers and the union.

Part-time employees will continue to be eligible for health insurance after 12 months. Their dependents will now also be covered after 12 months (down from 18 months).

Retiree Health Insurance

Current retirees who are under the UPS plan received letters from UPS in December 2012 informing them of substantial increases in their health insurance premiums. The company indicated that beginning in August 2013, their rates would increase more than five times what they are paying now, to upwards of \$750 per month for family coverage. The rates were projected to increase by 10 percent per year and by the end of the contract, retirees could have been paying more than \$1,200 per month for family coverage.

The union has negotiated much smaller increases, resulting in incremental increases that will cap at \$150/month for an individual and \$300/month for a family by the end of the contract, which is less than half of what the company had planned to impose on retirees.

General Wage Increases

Full time wage increases:

Starting August 2013: 70 cents

Starting August 2014: 70 cents

Starting August 2015: 70 cents

Starting August 2016: 80 cents

(to be split with 40 cents on August 1 and additional 40 cents on February 1)

Starting August 2017: \$1.00

(to be split with 50 cents on August 1 and an additional 50 cents on February 1)

The full-time starting wage will increase to \$18.75 (it is currently \$16.10).

Employees entering a package car driving, feeder or other full time job on August 1, 2013 will have a 48 month progression.

Those currently in progression will continue with the 36 month progression.

Part-time wage increases

Part-time employees will receive the same general wage increases as full-time employees (.70, .70, .70, .80, 1.00 – with the last two years split).

The start rate for part-time employees will increase to \$11 for preloaders/ sorters and \$10 for all others which is an increase of \$1.50.

Part-timers currently in progression will receive the GWI and make no less than what they would be entitled to after new pay-rates go into effect on August 1, 2013.

Pension

For full-time employees in the UPS/IBT pension plan, the following enhancements will be implemented:

Effective 1/1/2014:

- After 35 years and any age, retirement benefits will be \$3,700 per month (up from \$3,500)
- 30 or more years and any age will increase to \$3,200 per month plus \$100/yr of service up to \$3700 (up from \$3,000)

Effective 1/1/2017:

- 35 years, any age will be \$3,900 per month
- 30 years at any age will be \$3,400 per month plus \$100/yr of service up to \$3,900.

Pension – part-time

For people in the UPS part-time pension plan, retirement benefits any age after 35 years of service will increase to \$2,100 per month (up from \$1,925)

- After 30 years of service at any age will increase to \$1,800 per month (up from \$1,650)
- After 25 years at 60 years of age increases to \$1,500 per month (up from \$1,375)
- Retirement at any age with 25 years of service increases to \$1,250 per month (up from \$1,125)

Part-timers in the UPS plan will now need to work only 375 hours a year in order to become a participant in the plan. A part-timer must work 750 hours a year in order to receive full vesting credit, but a part-timer will become a participant in the plan after reaching age 21 and completing a 12 month period during which they work 375 hours.

22.3 JOBS, ARTICLE 22

- Provides for an additional 2,350 full-time jobs during the first three years of the contract.
- Protects the current 22.3 jobs.

Long Term Disability

Long term disability benefits will increase. The \$600 cap will increase to \$700 on January 1, 2014 and to \$800 on January 1, 2017.