

National Master United Parcel Service Agreement

For the Period:

December , 2007 through July 31, 2013

covering:

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. ____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement. **United Parcel Service Cartage Services Inc. ("CSI") and UPS Latin America, Inc. is also a party to this Agreement as specified in the Freight Pickup & Delivery Supplemental Agreement ("P & D Supplement") and Challenge Air Cargo Supplement, respectively.**

Article I

Parties to the Agreement

Section 2. Employees Covered

Employees covered by this Agreement shall be construed to mean, where already recognized, feeder drivers, package drivers, sorters, loaders, unloaders, porters, office clerical, clerks, mechanics, maintenance personnel (building maintenance), car washers, United Parcel Service employees in the Employer's air operation, and to the extent allowed by law, employees in the export and import operations performing load and unload duties, and other employees of the Employer for whom a signatory Local Union is or may become the bargaining representative. **Employees of CSI and UPS Latin America, Inc. are also covered by this Agreement as specified in the P & D Supplement and the Challenge Air Cargo Supplement, respectively.**

Article 3.

Recognition, Union Shop and Checkoff

Section 1. Recognition

(b) When the Employer needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

If employees are hired through an employment agency, the Employer shall pay the employment agency fee, if any, due from the employee. However, if the Union has been given equal opportunity to furnish employees, as provided herein, and if the employee is retained through the probationary period, this fee need not be paid until the thirty-first (31st) day of employment, except as otherwise provided in the Local Union Supplements, Riders and Addenda.

Business agents and/or a steward shall be permitted to attend new employee orientations in the right-to-work states. **In states without right-to-work laws, Business Agents shall be permitted to attend new employee orientations to talk about the benefits of Union membership.** The Employer agrees to provide the Local Union at least one week's notice of the date, time, and location of such orientation. The sole purpose of the business agent's or steward's attendance shall be to encourage new employees to

join the Union. The steward shall remain on the clock for up to fifteen (15) minutes for that purpose if the orientation is held during his or her normal working hours at his or her normal place of work.

Section 2. Union Shop and Dues

(a) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union in good standing as a condition of employment. In order to assist the Local Unions in maintaining current and accurate membership records, the Employer will furnish the appropriate Local Union a list of new employees. The Employer agrees to notify the Local Union when a new employee attains seniority. This notification will be made in conjunction with the new employee listing. The list will include the name, address, social security number, date of hire, hub or center to which assigned, shift, and classification or position hired into. **The Employer shall also notify the Local Union when the employee is promoted from part-time to full-time.** The list will be provided on a monthly basis. All present employees who are not members of the Local Union and all employees who are hired hereafter, shall become and remain members in good standing of the Local Union as a condition of employment on and after the thirty-first (31st) day following the beginning of their employment, or on and after the thirty-first (31st) day following the effective date of this subsection, or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union, as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be offered to such employees on the same basis as all other members, and further that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provision of the National Labor Relations Act, but not retroactively.

Section 4. Work Assignments

The Employer agrees to respect the jurisdictional rules of the Union and, except as otherwise provided in this Master Agreement, Supplements, Riders, or Addenda, shall not direct or require their employees or persons, other than employees in the bargaining units here involved, to perform work which is recognized as the work of the employees in said units. This is not to interfere with bona fide agreements with bona fide unions. **The Employer further agrees not to combine into a single job work presently performed by members of one Teamster Local Union with work presently performed by members of another Teamster Local Union.**

Section 6.

Employees shall have the option of participating in the Employer's electronic funds transfer (EFT), the Employer's check card payment system, or a paper payroll check system. **New employees, defined as employees who are not on the payroll on the date of ratification, shall designate either EFT or a check card, unless prohibited by applicable State law.** New employees shall make this election during orientation. Recognizing the mutual benefits and advantages of these systems over a paper payroll check, the Union agrees to encourage all employees to select either EFT or a check card as a method of payment. No bargaining unit employee currently performing work in the payroll department will be laid off or suffer a loss of their current payroll type position as a result of this Section.

Section 7. Supervisors Working

(a) The Employer agrees that the function of supervisors is the supervision of Employees and not the performance of the work of the employees they supervise. Accordingly, the Employer agrees that

supervisors or other employees of the Employer who are not members of the bargaining unit shall not perform any bargaining unit work, except to train employees or demonstrate safety, or as otherwise provided in the applicable Supplement, Rider or Addendum. **However, in the case of Acts of God, supervisors shall comply with the procedures in subsections (b) and (c) and may only perform bargaining unit work until bargaining unit employees are available.** The Employer shall make every reasonable effort to maintain a sufficient workforce to staff its operations with bargaining unit employees. The Employer also agrees that supervisors or other employees of the employer who are not members of the bargaining unit shall not perform bargaining unit work in preparing the work areas before the start of the Employer's hub, preload or reload operation, nor shall the Employer send any bargaining unit employee home and then have such employee's work performed by a supervisor or other employees of the Employer who is not a member of the bargaining unit.

(b) When additional employees are necessary to complete the Employer's operations on any shift or within any classification, the supervisor shall exhaust all established local practices to first use bargaining unit employees including where applicable, double shifting, early call-in, and overtime.

(c) If there is no established local practice, the following shall apply with regard to inside work. Within each building, each operation will maintain appropriate list(s), by seniority, of those part-time employees requesting coverage work. It will be the employees' responsibility to sign up on the appropriate list. The Company shall post such lists and employees who are interested in adding their names to the lists shall do so on the first working day of each month. It will be the employee's responsibility to make sure his/her contact information is correct. Employees who are unavailable to work on three (3) separate occasions within a calendar month shall have their names removed from the coverage list. Those employees shall be eligible to re-sign the list the following month. When coverage work is available, the Company will use the appropriate list to fill the required positions, and such employees will work as assigned. The employee must be qualified for the available work and double shift employees shall have seniority among themselves. No employee is allowed to work more than two (2) shifts in any twenty-four (24) hour period. Local call verification practices and procedures shall remain in place.

Nothing contained in this Section shall change existing practices or procedures covering full-time work.

(d) If it is determined at any step of the grievance and/or arbitration procedure that this Section, or a "supervisor working" provision in a Supplement, Rider or Addendum, has been violated, the aggrieved employee will be paid as follows: (i) if the actual hours worked by the supervisor amounts to two (2) hours or less, the aggrieved employee will be paid for the actual hours worked by the supervisor at the rate of ~~one and one-half (1 1/2)~~ **double** times the employee's rate of pay at the time of the incident; or (ii) if the supervisor works more than two (2) hours, the aggrieved employee shall be paid four (4) hours at straight time or actual hours worked at ~~one and one-half (1 1/2)~~ **double** times the employee's rate of pay at the time of the incident, whichever is greater. If no aggrieved employee can be identified, the payment will be made to the grievant. Such remedy shall be in addition to any other remedies sought by the Union in the appropriate grievance procedure.

ARTICLE 4 STEWARDS

The Employer recognizes the right of the Local Union to designate Job Stewards and alternates from the Employer's seniority list. The authority of Job Stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

(a) The investigation and presentation of grievances with the Employer or the designated company representative in accordance with the provisions of the collective bargaining agreement:

(b) The collection of dues when authorized by appropriate Local Union action; and

(c) The transmission of such messages and information, which shall originate with, and are authorized by the Local Union or its officers, provided such messages and information:

(1) have been reduced to writing; or

(2) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Job Stewards and alternates have no authority to take strike action or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer recognizes these limitations upon the authorized Job Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper, nondiscriminatory discipline, including discharge. However, in the event the Job Steward or the designated alternate has led, or instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement he/she may be singled out for more serious discipline, up to and including discharge. Stewards and/or alternate stewards shall not be subject to discipline for performing any of the duties within the scope of their authority as defined in this Section, in the manner permitted by this Section.

Recognizing the importance of the role of the Union Steward in resolving problems or disputes between the Employer and its employees, the Employer reaffirms its commitment to the active involvement of union stewards in such processes in accordance with the terms of this Article.

The Job Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Employer's operation. Upon notification to his or her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. The Employer will make a reasonable effort to insure that its operations are not interrupted by the steward's engaging in such activity. The Employer shall not use interruption of its operation as a subterfuge for denying such right to the steward.

Where mutually agreed to by the Local Union and Employer, stewards may investigate off the property or other than during their regular schedule, without loss of time or pay. Stewards will be paid for time spent in meetings under this Article which occur during the steward's regular working hours. Stewards shall also be paid for time spent in meetings which occur outside his or her working hours, or on days off, by mutual consent. Such time spent during the Job Steward's or the designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the Job Steward or the designated alternate.

The Employer recognizes the employee's right to be given requested representation by a Steward, or the designated alternate, at such time as the employee reasonably contemplates disciplinary action. The Employer also recognizes the steward's right to be given requested representation by another Steward, or the designated alternate, at such time as the Steward reasonably contemplates disciplinary action. When requested by the Union or the employee, there shall be a steward present whenever the Employer meets with an employee concerning grievances or discipline or investigatory interviews.

In such cases, the meeting shall not be continued until the steward or alternate steward is present.

If an employee does not wish to have a Union Steward in any meeting where the employee has a right to Union representation under this Article, the employee shall sign a waiver of Union representation, a copy of which shall be furnished to the Union upon its request.

If requested by the Local Union, the designated Stewards will be provided with copies of all warning, suspension and discharge letters. **If a Supplement has no provision allowing a Local Union to request documents/information with regard to pending grievances, the following shall be incorporated into the Supplement: “The Employer shall, upon written request, provide the Local Union or the steward designated by the Local Union, with documents/information that is reasonably related (based on NLRA standards) to the pending grievance.”**

Job Stewards, or designated alternates, shall be allowed to wear an identifying steward’s badge, provided by the Union, at all times while on the Employer’s premises.

Article 6

Section 4

(8) No employee shall be discharged on a first offense if such discharge is based solely upon information received from GPS or any successor system unless he/she engages in dishonesty (defined for the purposes of this paragraph as any act or omission by an employee where he/she intends to defraud the Company). The degree of discipline dealing with off-area offenses shall not be changed because of the use of GPS.

Article 7

Local and Area Grievance Machinery

Except in cases involving cardinal infractions under the applicable Supplement, Rider or Addendum, an employee to be discharged or suspended shall be allowed to remain on the job, without loss of pay unless and until the discharge or suspension is sustained under the grievance procedure. Notwithstanding the foregoing, any superior provisions in Supplements, Riders or Addenda shall prevail. The Union agrees it will not unreasonably delay the processing of such cases.

If the Employer and the Union cannot agree locally on whether an arbitration case involving any suspension or discharge should be postponed, the issue shall be submitted for resolution to the Employer’s Vice-President of Labor Relations and the Parcel and Small Package Division Director, or their designees.

Provisions relating to local, state and area grievance machinery are set forth in the applicable Supplements, Riders or Addenda to this Agreement. **Supplements shall provide for regular, scheduled meetings each quarter for the arbitration of points of order arising from discharge and suspension grievances, except those involving timeliness or discipline pursuant to Articles 16, 18, or 35 of this Agreement. These meetings may be cancelled by written mutual agreement.** The procedures set forth in the local, state and area grievance procedure may be invoked only by the authorized Union representative of the Employer.

All monetary grievance settlements shall be submitted by separate check payable to the grievant or grievant(s) and a copy of the same sent to the Local Union for their records. Such settlements shall be paid within ten (10) working days of the settlement. In addition, any monetary awards based on panel decisions will be made within ten (10) business days of receipt by the Company of the written panel decision.

Authorized representatives of the Union may file grievances alleging violation of this Agreement, under local grievance procedure, or as provided herein. Time limitations regarding the processing of grievances, if not set forth in the respective Supplemental Agreements, Riders or Addenda, must appear in the Rules of Procedures of the various grievance committees and shall apply equally to the Employer, the Union and the employer.

Implementation Procedures for Article 8
[Contract language is unchanged]

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT
RULES OF PROCEDURE
NATIONAL GRIEVANCE COMMITTEE

ARTICLE II. NATIONAL GRIEVANCE COMMITTEE

Section 1. Function of Committee

(C) The National Grievance Committee does not have jurisdiction to continue to act as a “designee” in order to hear lower panel deadlocks. IBT Director of Parcel and Small Package Division and UPS Vice President of Labor Relations, or their designees, will meet three (3) times a year in conjunction with the Western Region Panel to hear Western Region and Northern California Supplemental deadlocks. If the cases remain deadlocked they shall then be subject to arbitration in accordance with the Northern California or Western Region Supplement, as applicable. After two (2) years, this special procedure may be cancelled by the IBT Director of Parcel and Small Package Division or the UPS Vice President of Labor Relations.

Article III. NATIONAL GRIEVANCE COMMITTEE MEETINGS

Section 1. Time and Place

The National Grievance Committee shall meet ~~quarterly~~ **three times** per year, if there are matters for it to consider, or at more frequent intervals upon call of either the Employer or Union Chairman. The meetings shall be at such time and place designated by the Co-Chairmen.

ARTICLE VI. ARBITRATION

In the case of a deadlock, either party shall have the right to refer any unresolved case to arbitration **in accordance with Article 8 of the National Master United Parcel Service Agreement.**

Article 10
Loss and Damage

Section 1.

No employee shall make any reimbursement or have monies deducted from his/her pay for loss or damage to parcels except as provided in this Section.

No employee shall be disciplined or required to make reimbursement for lost or damaged parcels unless the Employer demonstrates that the employee, without justification or mitigation, violated pertinent established rules or policies, the observance of which would have prevented the loss or damage. In no event shall a driver be subject to reimbursement for loss or damage to a Driver Release parcel valued at one hundred dollars (\$100.00) or less. **The Employer will provide each driver a current list of all Driver Release Areas and all Non Driver Release Areas within that driver's area upon request.**

An employee who is charged for loss or damage by the Employer shall not be subject to both discipline and reimbursement. The Employer will clearly notify the employee and the Union of its intent to either discipline or seek reimbursement. No employee shall be subject to discipline or reimbursement unless the Employer brings the loss or damage to the employee's attention within fifteen (15) business days after receiving a written shipper notice of claim.

When an employee is subject to discipline, the employee shall not make any reimbursement for such loss or damage. When an employee is subject to reimbursement, the employee shall not be subject to discipline for such loss or damage.

Any employee who is found to be responsible for two (2) reimbursements in a twelve (12) month period may receive a warning letter in addition to being responsible for reimbursement should a third (3rd) loss occur in the same twelve (12) month period.

No action shall be taken by the Employer under this Section until the grievance procedure is invoked and concluded. In such grievance hearings the Employer shall present its case first.

If an employee is held liable for reimbursement for loss or damage under Article 10, Section 1 in regard to any package, he/she will be held liable for the value of the package, the amount paid by the Employer to the customer, or the insured value of the package, whichever is least.

Reimbursement schedules shall be reasonable and fair, based upon the circumstances of each case.

This Article is not to be construed as permitting charges for loss or damage to equipment, ~~or~~ **Nor is this Article to be construed as permitting charges** for any **loss or** damage to merchandise as a result of a vehicular accident under any circumstances.

Section 2.

Employees handling money shall account for and remit the same to the Employer at the completion of each day's work. An employee's cash turn-in may be verified or audited by the Employer. If the Employer fails to verify and deposit an employee's cash turn-in, when requested, no deduction or disciplinary action shall be taken. Upon request by the Local Union, the Employer and the Local Union shall meet to review any problems relating to transportation of cash via feeders or cashier's check rules.

To ensure that the employee will not be held accountable when the Employer verifies and deposits or fails to verify and/or deposit the employee's cash turn-in the employee and Employer will sign a document, to be maintained by the Employer, showing whether the employee requested verification and deposit and whether the employee's cash turn-in has either been verified and deposited or not verified and/or deposited.

In cases of proven bona fide error (in addition or subtraction) of the cash turn-in, the employee will be responsible for making proper restitution for such shortage.

In such cases of bona fide error, the Employer and an employee, with the participation of the Local Union and where permitted by applicable law, shall execute a written document providing for an agreed upon amount and schedule of reimbursement and/or deduction. A copy of any such agreement will be provided to the Local Union.

The Employer will incorporate into the DIAD for packages shipped using Worldship and Maxiship within sixty (60) days of ratification (as well as other shipping systems when it is technologically feasible) a function that will prompt the driver when a specific type of fund is to be collected for each C.O.D. delivery (e.g., certified funds, cashiers check, money orders). The Employer will notify the Union prior to the installation of the prompts or as the system is expanded. If the driver collects an improper check, the Employer shall inform the driver of that acceptance.

The Employer shall make a reasonable effort to collect for losses due to bad checks, **to include a driver follow-up, and an attempt by the Manager or his designee to meet with the consignee and a letter to the consignee requesting payment, when appropriate. Should a driver who has been held liable for restitution choose to pursue legal recourse against the consignee, the Employer will provide any necessary documents to aid the driver in processing a claim through the courts.** The employee shall not be held liable for restitution or disciplined if he/she accepts an irregular check if a reasonable person would have accepted the check. No employee shall be subject to restitution or discipline unless the Employer brings the bad check to the employee's attention within fifteen (15) business days after receiving a written shipper notice of claim.

No action shall be taken by the Employer under this Section until the grievance procedure is invoked and concluded. In such grievance hearings the Employer shall present its case first.

Reimbursement schedules shall be reasonable and fair, based upon the circumstances of each case.

The Employer will not post or make available for viewing in the work place any employee's social security number or home telephone number. In areas where bidding systems require both a signature and a phone number, an employee will have the option of providing his/her phone number privately to the person controlling the bid.

Section 3.

The Employer shall reimburse employees for loss of personal money or personal property in a holdup **or vehicular accident** while on duty, up to a maximum of two hundred dollars (\$200.00) per employee, provided the employee promptly reports such holdup **or vehicular accident** to the Employer and the police, and cooperates in the investigation of such holdup **or vehicular accident**. Employees shall be paid for all time involved. However, reimbursement for cash loss shall be limited to one hundred dollars (\$100.00).

Article 12 Polygraph / Timeclocks

No applicant for employment and no employee will be required to take any form of a lie detector test as a condition of employment.

Upon request, an employee or the Union may inspect the record of an employee's time recorded on the DIAD or other device for previous days' work. An employee will be permitted to examine the operation record for the current pay period for the purpose of ascertaining his/her hours worked. **If an employee has an issue with his/her hours worked for a particular day, the Employer will provide the employee, upon written request, with a print out of his/her hours worked.**

The Employer shall not alter the information from the DIAD board, or information recorded through the use of any other technology, so as to diminish an employee's compensable time, without the employee's knowledge. Further, the Employer shall post for an employee's review, a copy of the PTE edits for each day. No supervisor shall use a DIAD, or any other information recorded through the use of any other technology, under the name of an hourly employee unless the employee is present. This includes for the purpose of training and demonstration.

The Employer agrees to provide forms for the employee to record his/her starting and ending times. When requested by the Union, time clocks will be left in place for employees to record their work hours for their own personal use.

Article 14 Compensation Claims

Section 1.

When an injury is reported the reference number will be given to the employee and when requested, a copy of the injury report will be furnished to the employee within two (2) working days of such request. A copy of the injury report will also be furnished to the Local Union if requested by a Local Union official.

The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. No employee will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, without his/her consent.

The Employer shall provide the Union Co-chair of the National Safety and Health Committee with current summaries of the essential functions of all positions covered by this Agreement. The Union shall have the right to challenge any such summary through the applicable grievance procedure. Any employee who is adversely affected by any such summary shall have the right to challenge such summary through the applicable grievance procedure.

Any such decisions or settlements rendered through the grievance procedure, including but not limited to, at arbitration, shall be based solely upon, and applicable to, the facts present in that individual case and shall have no precedential effect beyond that case. This stipulation is limited to cases involving or referencing essential job functions.

The Employer shall provide Worker's Compensation protection for all employees even though not required by state law or the equivalent thereof if the injury arose out of or in the course of employment.

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. Upon receiving an employee's timely report of injury, the Employer shall not pressure an employee to continue to work. When, because of such pressure, an employee spends time in a clinic after his or

her normal finish time, the time spent shall be the subject of a pay claim through the grievance procedure.

An employee who has returned to regular duties after sustaining a compensable injury, and who is required by the Worker's Compensation doctor to receive additional medical treatment during the employee's regularly scheduled working hours, shall receive the employee's regular hourly rate of pay for such time.

The Employer agrees to provide any employee injured locally immediate transportation, at the time of injury, from the job to the nearest appropriate medical facility and return to the job, or to the employee's home, if required. In such cases, no representative of the Employer shall be permitted to accompany the injured worker while he/she is receiving medical treatment and/or being examined by the medical provider, without the employee's consent. In the event that any employee sustains an occupational illness or injury while on a run away from the home terminal, the Employer shall obtain medical treatment for the employee, if necessary, and, thereafter, will provide transportation by bus, train, plane or automobile to the employee's home terminal, if and when directed by a doctor.

In the event of a fatality, arising in the course of employment while away from the home terminal, the Employer shall return the deceased to the home of the deceased at the point of domicile.

Section 2. Temporary Alternate Work

The Company may continue a modified work program on a nondiscriminatory basis. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury. Employees shall be provided their guaranteed hours **with a start time no more than two (2) hours earlier or two (2) hours later than their normal start time** for the duration of TAW, provided the work is available. **The Company will make reasonable efforts to ensure that the assignment is within this window.** These guaranteed hours will be reduced as medical restrictions dictate. **Pay rates for TAW assignments will be as per the appropriate Supplement, Rider, Addendum, or area practice.**

The Employer will develop a list of possible TAW assignments by location. It is understood that this list may not be all-inclusive and management maintains the right to determine the availability and designation of all TAW assignments. **The Employer shall provide the names and assignments of employees on TAW upon the Local Union's request.**

In areas that have existing TAW programs providing better employee benefits and protections than guaranteed by this Article, such protections and benefits will not be diminished by this Article.

Any such program that has been, or is in effect, as of the effective date of this Agreement, shall be reduced to writing, a copy of which must be submitted to the National Safety and Health Committee and the affected Local Union. If either party wants to include non-work related injuries or illnesses under the TAW program the parties will meet and agree upon such amendment. The Employer shall also meet with the Local Union upon request to discuss any changes the Local Union may propose in the TAW program. Any unresolved issues will be referred to the National Safety and Health Grievance Committee for resolution.

Paid for Time

All employees covered by this Agreement shall be paid for all time spent in service of the Employer. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the employee is effectively released from duty. All time lost due to delays as a result of overloads or certificate violations involving federal, state or city regulations, which occur through no fault of the driver, shall be paid for by the Employer.

The Employer will not allow employees to work prior to their start time without appropriate compensation.

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. If the employee does not receive his/her vacation check, the Employer will make all reasonable efforts to provide the check the following day including delivery by Saturday or Next Day Air. Other shortages involving more than thirty dollars (\$30.00) for full-time employees, and fifteen dollars (\$15.00) for part-time employees, will be corrected and the payment will be made available to the employee at his/her reporting location on his/her second scheduled workday after reporting the shortage. If the Employer fails to make the payment available on the employee's second scheduled workday and the shortage was the result of the Employer's error, the employee will be paid an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her regular hourly rate for every full pay period in which the shortage is not paid after the second (2nd) scheduled work day, until corrected.

Errors of less than thirty dollars (\$30.00) for full-time employees or fifteen dollars (\$15.00) for part-time employees and overages will be corrected in the following weekly paycheck.

Any grievance settlement not paid within ten (10) working days of the settlement shall entitle the grievant (s) to a penalty payment as outlined above. The ten (10) working day period shall begin to run when the Labor Department representative agrees to the settlement, or is notified by the Union or management team of the settlement. The Employer shall pay a maximum of one penalty payment for a multi-grievant grievance, which shall be subject to the additional penalties set forth above for untimely payment, until corrected.

When an employee notifies the Employer in writing of any ongoing overpayment, the employee's increasing liability will cease five (5) working days after the date of the written notification. The notification shall be provided to the employee's immediate supervisor or manager.

All employees must receive their vacation pay in a separate check before taking vacation. Vacation checks for an employee, who is taking a properly scheduled vacation in accordance with the applicable Supplement, Rider or Addendum, will be at the operating center on Monday of the week prior to the employee's vacation week(s). This is to ensure that the employee receives his/her pay prior to taking his/her vacation. The employee will be shown his/her check upon request, but will not receive the check until the regular scheduled pay day.

All green checks will be taxed at the employee's regular withholding tax rate.

Paycheck stubs will show the year-to-date vacation, sick and personal leave balances.

Preamble

The Employer and the Union agree that the safety of the employees and the general public is of utmost importance.

The Employer and the Union have developed the following Sections and Subsections of this Agreement to respond to that mutual concern for safety. The contract language responds to a variety of areas related to safety, health, ergonomics, climatic conditions as well as federal, state and local laws dedicated to providing a safe and healthy workplace.

To address safety and health issues, the Employer and the Union have developed the following:

- A. A National UPS/IBT Safety and Health Committee;
- B. A National UPS/IBT Safety and Health Grievance Committee to respond to safety, health, ergonomic and climatic issues and concerns; and
- C. A Safety and Health Committee, chaired by the UPS Director of Health and Safety and the IBT Director of Safety and Health, will be formed to address present and future safety and health **issues and solutions**; and
- D. Local area joint labor/management committees comprised of bargaining unit members and management to address job related safety and health concerns through the Comprehensive Health and Safety Process (CHSP).

Notwithstanding the employee's right to contact federal, state or local agencies, it is the recommendation of the committee that issues and concerns, regarding this Agreement, should first be brought before the National Safety and Health Committee.

Union requests to access Company vehicles and/or facilities for the purpose of investigating safety and health issues shall proceed as follows:

Upon request of a Local Union, and with the approval of the UPS/IBT National Health and Safety co-chairs, representatives of the Union, accompanied by Company representatives, will be provided reasonable and necessary access to the Company's vehicles and/or facilities for the purpose of investigating safety and health issues.

Should the UPS/IBT National Health and Safety co-chairs not reach agreement on an access request, the matter shall be referred to the Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for resolution.

Section 6. Building Heat

Centers will be heated, where practical.

On a facility-by-facility basis, the Employer will evaluate whether additional ventilation or heat is needed for purposes of safety and health. This will include clerical work areas outside of office structures in the UPS facilities. **Should clerical employees have concerns with respect to these two (2) issues, they shall be addressed by the appropriate local CHSP Committee. Should the local CHSP Committee not satisfactorily address the issue, a grievance may be filed and would be sent directly to the National Safety and Health Grievance Committee.**

Section 14. Package Cars

All new package cars, P-32 and larger, added to the fleet shall be equipped with package compartment venting. Upon ratification of this Agreement, the Climatic Conditions Committee shall meet to evaluate and, if needed, recommend appropriate method(s) for venting the package compartments. The installation of cab compartment fans will be determined by individual districts.

All requests for door handle shields coverings will be complied with in a timely manner.

When requested, package cars larger than a P-32 will have grab handles located on the curb side of the package car and mounted on the inside, and will be equipped with mounting brackets to secure hand carts. The Employer will make every effort to require all new package car designs to have lower cab entry steps.

Gear shift extensions shall be addressed on a case-by-case basis.

All new package cars placed into service shall be equipped with power steering.

The Employer will replace package cars at a rate no less than the percent replaced over the duration of the prior contract that expired July 31, 2002—**2008**. The Union will be notified if the Employer cannot meet this schedule because of volume downturns.

A package car will be equipped with a hand cart at the driver's request.

Section 19. Qualification on Equipment

19.1 Clerical Areas (New Section)

Any issues that may arise with regard to anti-fatigue mats for clerical areas shall be referred to the appropriate local CHSP Committee for investigation. Should the local CHSP Committee not satisfactorily address the issue, a grievance may be filed and would be sent directly to the National Safety and Health Grievance Committee.

Article 20

Examination and Identification Fees

Section 4. Disqualified Driver – Alternative Work

Except as provided for in Article 16, a driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or part-time inside employee at such work until he/she can return to his/her driving job unless otherwise provided for in the Supplements, Riders or Addenda. While performing the inside work, the driver will be paid the highest part-time rate as an employee with equivalent seniority or current area practice. If no full-time inside position is available, the Employer will meet with the Local Union to develop a full-time position, if possible out of available work.

In addition to those already covered by this section, disqualified drivers who are actively pursuing a waiver or exemption with the DOT may work inside pursuant to this section if there is a reasonable expectation that his or her waiver/exemption will be granted.

Article 22

Part-Time Employees

Section 1

No part-time employee shall drive except:

- (a) when no full-time employee or combination full-time employee is on the premises;
- (b) to avoid delay in the work; or,
- (c) as provided for in Article 40 Air Operation.

Section 2

The number of permanent full-time inside jobs in each Local Union area as of April 30, 1979, shall be guaranteed from replacement by part-time employees. In addition, the number of permanent full-time inside jobs created after April 30, 1979, under the provisions of Section 3 will also be guaranteed from replacement by part-time employees. The exception to the above will be in cases of bona fide agreements prior to the ratification of this Agreement.

Section 3

The parties agree that providing part-time employees the opportunity to become full-time employees is a priority of this Agreement. Accordingly, the Employer commits that during the life of this Agreement, it will offer part-time employees the opportunity to fill at least twenty thousand (20,000) permanent full-time job openings throughout its operations covered by this Agreement.

~~This commitment shall include the obligation to create at least ten thousand (10,000) new full time jobs from existing part time jobs during the life of this Agreement throughout its operations covered by this Agreement; two thousand five hundred (2500) jobs during each year beginning in the third year of this Agreement. The Employer shall, wherever possible, reschedule part-time employees to make additional full time jobs or combination full time jobs. No part time employee shall be laid off or suffer a loss of a job as a result of creating a full time job under this Article or Article 40.~~

~~The Employer's obligation under this Article and Article 40 of this Agreement to create full time jobs from part time jobs shall be satisfied by the creation of 10,000 full time jobs during the life of this Agreement notwithstanding any other provisions in this Agreement, any Supplement, Rider or Addendum.~~

~~In order to enable the Union to enforce and monitor this provision, the Employer shall provide a quarterly report to the Parcel and Small Package Trade Division Director containing the location of each job created under this Section during the previous quarter and the identity of the jobs combined to create the positions.~~

~~Part time employees shall be selected for full time openings in accordance with the procedures contained in the applicable Supplement, Rider or Addendum.~~

The number of full-time jobs created under Article 22, Section 3 of the 1997-2002 **and the 2002-2008 Agreements** shall not be reduced. **Within sixty (60) days of the ratification of this Agreement the Employer shall provide the International Teamsters Union a report detailing and identifying the full-time jobs which will need to be maintained pursuant to this paragraph.**

Section 4

Part-time employees shall be given the opportunity to fill full-time jobs before hiring from the outside on a six-for-one basis (six (6) part-time to every one (1) outside hire).

The following will be incorporated into the job selection procedures in the applicable Supplement, Rider or Addendum:

The Employer will fill all vacancies and permanent new jobs for part-time employees from the part-time selection list in all months except November and December.

Part-time employees with six (6) months or more seniority shall have the right to place their name on the list of employees waiting to be moved to a preferred job within their building. Such preferred jobs shall include, but not be limited to: Preload, Sorter, Clerical, Irregular Train, Designated Responder, Carwasher, Loader and Unloader. Employees do not have the right to select any specific unit, load or workstation unless a prior past practice has been established.

Part-time employees with less than six (6) months seniority shall have the right to bid a preferred job prior to the Employer hiring from off-the-street.

A maximum of twenty-five percent (25%) of the employees on a shift shall be allowed to change shifts in any one (1) calendar year. The employee obtaining the new position shall remain on that shift for at least six (6) months.

Section 5. Wages

(a) Part time Employees

All part-time employees who have attained seniority as of August 1, 2002 **2008** will receive the following general wage increases **for each contract year. In each of the years, the increase shall be paid in two (2) equal installments. The first-half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for each year will be as follows:**

<u>2008</u>	<u>seventy cents (\$0.70)</u>
<u>2009</u>	<u>seventy-five cents (\$0.75)</u>
<u>2010</u>	<u>seventy-five cents (\$0.75)</u>
<u>2011</u>	<u>eighty-five cents (\$0.85)</u>
<u>2012</u>	<u>ninety-five cents (\$0.95)</u>

August 1, 2002	seventy-five cents per hour (\$0.75)
August 1, 2003	seventy-five cents per hour (\$0.75)
August 1, 2004	eighty cents per hour (\$0.80)
August 1, 2005	eighty cents per hour (\$0.80)
August 1, 2006	ninety cents per hour (\$0.90)
August 1, 2007	one dollar per hour (\$1.00)

In addition to the general wage increases above, part-time employees who attained seniority as of August 1, 2002 and were not red-circled in or before 1982 shall receive the following increases:

August 1, 2002	ten cents per hour (\$0.10)
August 1, 2003	fifteen cents per hour (\$0.15)

August 1, 2004	fifteen cents per hour (\$0.15)
August 1, 2005	twenty cents per hour (\$0.20)
August 1, 2006	twenty cents per hour (\$0.20)
August 1, 2007	twenty cents per hour (\$0.20)

Part-time employees still in progression on ~~the effective date of this Master Agreement~~ **August 1, 2008** shall receive the above contractual increases and will be paid no less than what they are entitled to in accordance with the wage schedules in Article 22, Section 5 (b) below. **Between the date of ratification and August 1, 2008 part-time employees will continue to be paid in accordance with the progression contained in the prior Agreement. The progression set forth in (b) below shall be applied effective August 1, 2008.**

(b) Newly hired part-time employees

All part-time employees, who are hired or reach seniority after August 1, ~~2002~~ **2008** will be paid according to the following wage schedules:

	Hourly Rate	
	Preloader Sorter	All Others
Start	\$9.50	\$ 8.50
Start plus ninety (90) calendar days	\$10.00 <u>\$10.50</u>	\$ 9.00 <u>\$9.50</u>
Seniority plus one (1) year	\$10.50 <u>\$11.00</u>	\$ 9.50
		<u>\$10.00</u>
Seniority plus two (2) years	\$11.00 <u>\$11.50</u>	\$10.00
		<u>\$10.50</u>
Seniority plus three (3) years	\$11.50 <u>\$12.00</u>	\$10.50
		<u>\$11.00</u>
Seniority plus four (4) years	\$12.25 <u>\$12.87</u>	\$11.25
		<u>\$11.87</u>

Employees working high volume direct or low volume direct shall receive the preloader/sorter rates.

(c) The wage rates and increases provided in (a) and (b) shall be a minimum.

(d) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3-1/2) hour guarantee.

Section 6. Part-Time Employee Transfer

Part-time employees who wish to transfer to another location for educational purposes may submit a written request to the Employer. If approved, the transfer shall be allowed subject to the following conditions:

- A. A part-time opening exists at the desired location.
- B. Employees must have attained seniority and been employed by the Employer for at least one (1) year.
- C. Job Classification Seniority shall be end-tailed.
- D. Company seniority shall be retained for the purpose of number of weeks of vacation, and number of holidays in accordance with the applicable Supplement at the new location.

E. Any expenses, including moving expenses associated with an approved transfer, shall be the responsibility of the employee.

Section 7 – Benefit Entitlements

Part-time employees hired after August 1, 2008 will receive holidays, personal days and option days provided by any applicable Supplement, Rider, or Addendum no earlier than after one (1) year of active employment. This provision supersedes any provision on the same subject in any Supplement, Rider, or Addendum to the extent the provision makes holidays, personal days or option days available earlier than after one (1) year of service.

Section 8 – Part-Time UPS Cartage Service Inc. (CSI) Employees

Part-time CSI employees shall continue to be paid in accordance with the appropriate Addenda. To the extent a part-time CSI employee has completed (or subsequently completes) any progression set forth in the applicable Addendum, he shall thereafter be entitled to the general wage increases set forth in Section 5(a) above.

ARTICLE 26 COMPETITION

Section 1. The Union recognizes that the Employer is in direct competition with the United States Postal Service and other firms engaging in the distribution of express letter, parcel express, parcel delivery, and freight, both air and surface. In order to meet that competition and thereby protect and, if possible, increase the number of bargaining unit jobs, it is agreed that any provisions in this Agreement to the contrary notwithstanding, the Employer:

(a) may use substitute means of transportation (such as airplane, helicopter, ship or T.O.F.C.) in its operations; provided, however, that no feeder driver **with more than three (3) years of seniority in the feeder driver classification** in the employ of the Employer, as of August 1, 1997, will be laid off or displaced from a feeder classification as a result of a run being placed on the rail. However, the Employer shall not be required to remove loads from the rail to provide work for employees whose ground loads were eliminated or temporarily discontinued. Any claimed abuse of this Section by any of the Local Unions shall be subject to immediate review by the National Grievance Committee.

Merchandise that has been tendered by United Parcel Service to the railroad and moved by T.O.F.C. will not subsequently be moved by the railroad, on the ground, to its final destination. Any exception to the above language will be in cases of an emergency or cases where the railroad must ground the merchandise early to meet the Company's service commitment. In these cases, every effort will be made to use UPS employees.

In order to expand the work opportunities for members of the bargaining unit, the Employer will consider removing additional loads from the railroad or the other substitute means of transportation specified in this Article. When the Employer removes loads on other than a temporary basis, it shall notify the Union of the number of new runs to be created as a result of moving such loads on the ground. The Employer and Union shall agree on the most expeditious method to obtain additional personnel and/or equipment, if necessary, for the new runs to be operated by bargaining unit members. If the equipment or employees are not available, the Employer may use subcontractors for a reasonable start-up period, not to exceed thirty (30) days. The subcontracting can exceed thirty (30) days with the Union's agreement if there are problems

obtaining additional personnel or equipment. Agreement under this paragraph will not be unreasonably denied by the Union. All feeder positions created as a result of returning loads to the ground shall be counted toward the Employer's obligation to create full time jobs under Article 22.3 of this Agreement.

Bargaining unit employees will move scheduled T.O.F.C. loads from the rail yards to UPS locations except during peak season.

During peak season, the Employer will make every reasonable effort, **in accordance with the appropriate Supplement, Rider or Addendum**, to use current UPS employees and hire a sufficient number of employees to handle peak volume. After doing so, the Employer may use alternate means of transporting packages during peak season and will utilize union carriers whenever possible. Plans to utilize outside carriers will be reviewed and agreed with the Local Union. Such agreement will not be unreasonably withheld.

(b) may drop loaded or empty trailers at locations designated by it, its customers or consignees for customer or consignee loading or unloading. It is understood that customers and consignees will not move trailers for loading and/or unloading other than on their premises. It is further understood that dropping and picking up these trailers shall be done by members of the bargaining unit.

(c) All loading and unloading of dropped shipments at UPS locations will be done by UPS **bargaining unit employees**.

Section 2. A Joint UPS/IBT Competition Committee shall be created with an equal number of Employer and Union representatives. The Committee shall meet upon written request by either party for the purpose of discussing and evaluating proposals which, if adopted by the Committee, could create additional bargaining unit jobs, enable the Employer to more effectively compete with other companies, implement new services and products, or change existing services. Nothing within this provision or Agreement shall require the Employer to offer or maintain any particular service or product.

Section 3. Notwithstanding any other provisions of the Agreement or any Supplement, Rider or Addendum, only the Local Union with jurisdiction in the geographic area in which a subcontracted feeder movement originates or the Teamsters United Parcel Service National Negotiating Committee in its own name shall have the right to file or pursue a grievance alleging that the movement is a contractual violation.

Article 33 Cost-of-Living (COLA)

All seniority employees who have completed their appropriate wage progression schedule shall be covered by the provisions of a cost-of-living allowance, as set forth in this Agreement.

Employees who have not completed their appropriate wage progression on the effective date of a COLA increase, shall receive the adjustment on a prospective basis on the date they complete their wage progression schedules.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series using 1982-1984 Expenditure Patterns), All Items (1982-84= 100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Index".

Effective August 1, ~~2003-2009~~, and every August 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for May ~~2003~~ **2009** (published June ~~2003~~ **2009**) and every May thereafter, and the base Index for May ~~2002~~ **2008** (published June ~~2002~~ **2008**) and every May thereafter, as follows:

For every 0.2 point increase in the Index, over and above the base (prior year's) Index plus 3.0% there will be a 1 cent increase in the hourly wage rates payable on August 1, ~~2003~~ **2009**, and every August 1 thereafter. These increases shall only be payable if they equal five (\$.05) cents in a year.

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages, subject to the threshold set forth above.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

Article 34 Health & Welfare and Pension

Section 1 Health & Welfare and Pension Provisions

(a) **Except as set forth in this Section,** Health & Welfare and/or pension contributions shall be increased by **forty dollars (\$40.00) per week on August 1, 2008 and on each subsequent August 1st during the life of the contract.** ~~twenty six dollars (\$26.00) per week on August 1, 2002; and twenty four dollars (\$24.00) per week on August 1, 2003; and twenty four dollars (\$24.00) per week on August 1, 2004; and twenty four dollars (\$24.00) per week on August 1, 2005 and twenty four dollars (\$24.00) per week on August 1, 2006; and twenty eight dollars (\$28.00) per week on August 1, 2007.~~ Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committees, subject to the approval of the Joint National Negotiating Committee. In those Supplements, Riders or Addenda, where some of the employees are covered by a Teamster Health and Welfare Plan and some of the employees are covered by the Company Health and Welfare Plan, the amount of money allocated to the Company Health and Welfare Plan shall be the same as the amount allocated to the Teamster Health and Welfare Plan in the Supplement, Rider or Addendum. The applicable Supplement, Rider or Addendum will reflect the appropriate agreed-to increases to the Teamster Pension Plans in those Supplements, Riders or Addenda where all the employees are in the Company Health and Welfare Plan and/or covered by Section (f) of

this Article. **Except as set forth in Section (f) below,** These increases shall be allocated as follows: ~~twenty-five cents (\$0.25)~~ **thirty-five cents (\$0.35)** per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase each year will be paid into pension.

The Employer's contribution increases to the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty-two dollars (\$22.00) per week effective August 1, 2008 and fourteen dollars(\$14.00) per week effective on each August 1 thereafter during the life of this contract.

It is the intent of the Employer and the Union that Health & Welfare and Pension monies will be allocated in a manner to keep wage increases uniform. The increases accrued under this Article on August 1st, of each year, can only be allocated to health & welfare and/or pension **except as provided within this Article.** Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

If, in accordance with a duly adopted funding improvement plan or rehabilitation plan, an IBT Pension Fund is required to issue a schedule pursuant to ERISA Section 305 (added by the Pension Protection Act of 2006) that requires contributions in excess of those contained within this Article, the Union and the Employer shall promptly meet to negotiate changes in the Agreement to generate sufficient savings to cover the cost of the increased contributions. Agreement shall not be unreasonably withheld. Once completed, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all IBT Health and Welfare Funds and all IBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless **stated to the contrary in this Article or** changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider, and Addendum **or this Article.**

(e) All contractual provisions relating to health & welfare and pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda.

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters Supplemental Agreement and in the Northern California Supplement Agreement shall continue in full force and effect during the life of this Agreement. **The increase in the Northern California Supplemental agreement shall be allocated as follows: fifty cents (\$0.50) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase set forth in Section 1.(a) each year will be paid into pension.**

(g) The Employer shall not be required to contribute to any jointly trustee health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 2002~~8~~ an

amount greater than the amount it contributed on July 31, 2002~~8~~ plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that national health care legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(i) UPS Part-time Pension Plan

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars (\$55) for each year of past and future Credited Service to a maximum of 35 years of Credited Service. **The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on August 1, 2008, he shall receive the sixty dollars (\$60) benefit formula for the entire 2008 plan year.**

For example, the ~~The~~ total monthly **service pension** benefit will be equal to the following provided the employee meets the Credited Service requirement.

\$1,925 for retirement at any age after 35 years of part-time Credited Service
\$1,650 for retirement at any age after 30 years of part-time Credited Service
\$1,375 for retirement at age 60 with 25 years of part-time Credited Service
\$1,125 for retirement at any age with 25 years of part-time Credited Service
(based on \$45.00 per year of Credited Service)

Part-time employees will receive one (1) year of Credited Service for 750 or more paid hours. (Six months of part-time Credited Service will be granted for 375 to 500 hours worked in a calendar year, and 9 months of part-time Credited Service will be granted for 501 to 749 hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.

The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

The UPS Pension Plan will be governed by the terms of the Plan document.

Effective August 1, 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were 21 but were denied Credited Service solely because the UPS Pension Plan required that an employee be age 25 or older to participate in the UPS Pension Plan.

For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.

(j) Long-Term Disability

(1) Full-time seniority employees will become eligible for long-term disability (LTD) after six (6) months of employment for non-occupational illnesses or injuries that last longer than twenty-six (26) weeks.

(2) Long-term disability benefits will equal sixty percent (60%) of the employee's base weekly pay to a maximum of ~~six~~ **five** hundred dollars (~~\$500~~**600**) per week for up to five (5) years. Long-term disability

benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later.

(3) Average weekly base pay is computed by averaging paid hours (maximum of 40 hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.

(4) The definition of disability, termination of eligibility, offsets, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.

(5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee's eligibility for LTD.

(6) In those situations where a Teamster Health and Welfare Fund provides a short term disability benefit, the employee receiving such benefit shall provide the UPS National LTD Plan sixty (60) days advance notice of the estimated termination date of the short term disability. If such notice is not provided, the UPS National LTD Plan shall have the right to delay the commencement of LTD payments.

(7) Any employee receiving LTD benefits pursuant to this plan shall be entitled to receive health care coverage in accordance with the SPD for up to twelve (12) months only.

(k) Part-time Retiree Coverage

(1) Effective August 1, 2002 the Employer will provide health insurance coverage to all part-time employees, not covered by a Union plan, who retire on or after that date.

(2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the UPS Pension Plan; (iii) be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.

(3) A retiree's legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age 65.

(4) Coverage and benefit levels shall be as specified in the Summary Plan Description.

(5) Eligibility for coverage for retiree and spouse begins on the first day after the employee's active coverage ends.

(6) The retired part-time employee will be required to make a contribution equal to the amount required by a retired full-time employee in the same Local Union. If there is no established rate the contribution will be \$200 per month.

(l) Jointly Trusteed UPS/IBT Full Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter “UPS/IBT Plan”) to be created for employees who under the prior Agreement participated in the Central States Southeast and Southwest Areas Pension Fund (“CS Plan”) and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union will establish a new, single employer, jointly trustee and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c)(5) for full-time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

<u>Calendar Year Beginning</u>	<u>Monthly Benefit</u>
<u>January 1, 2008</u>	<u>\$132.00</u>
<u>January 1, 2009</u>	<u>\$132.00</u>
<u>January 1, 2010</u>	<u>\$135.50</u>
<u>January 1, 2011</u>	<u>\$147.00</u>
<u>January 1, 2012</u>	<u>\$158.50</u>
<u>January 1, 2013</u>	<u>\$170.00</u>

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the

employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be \$2000 per month if less than age 57 when benefits commence and \$2500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be \$3000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be \$3500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

<u>Years of Service</u>	<u>Age</u>	<u>Monthly Service Pension</u>
<u>35 years</u>	<u>Any age</u>	<u>\$3,500</u>
<u>30 or more years</u>	<u>Any age</u>	<u>\$3,000 plus \$100/yr of service for years over 30 up to \$3,500</u>
<u>25 years</u>	<u>Any Age up to age 57</u>	<u>\$2,000</u>
<u>25 Years</u>	<u>57 or older</u>	<u>\$2,500 plus \$100/yr of service for years over 25 up to \$3500 maximum</u>

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

Section 2—Part-Time Medical Coverage

Part time employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.

(a) Notwithstanding Section 1(d) above, effective January 1, 2008 health and welfare coverage for all part-time employees on the payroll at that time and those hired thereafter will be provided

pursuant to the terms of an Employer sponsored nationwide health care plan, namely, the UPS National Health Plan for Part-Time Employees. (A copy of the Summary Plan Description will be provided.) Features of the plan will include a prescription card. This paragraph shall supersede any provisions on the same subject in any Supplement, Rider, or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full-time medical benefits.

(b) Notwithstanding Section 1(d) above or any contrary provision in any Supplement, Rider, or Addendum, (i) individual health coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and (ii) spousal or dependant coverage will be made available to these part-time employees eighteen (18) months after their initial date of employment.

Section 3 CSI Health Coverage

Any part-time CSI employee who is a participant in a Company sponsored health & welfare plan shall be covered by the UPS health plan set forth in Section 2 above, effective January 1, 2008.

Section 4 Re-allocations of Contributions/Wages

The Teamsters UPS National Negotiating Committee may re-allocate designated increases in Health & Welfare and/or pension contributions (HWPC) and/or general wage increases (GWI) provided in this Agreement in accordance with the following rules:

1. Thirty-five cents (\$0.35) of any GWI may be re-allocated as an increased contribution to a Teamster Pension or Health & Welfare Fund. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the same Pension or Health & Welfare Fund.
2. Twenty-five cents (\$0.25) of a HWPC may be re-allocated as a GWI. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the same Pension or Health & Welfare Fund.
3. Once a re-allocation becomes effective, it may not be changed.
4. A specified HWPC cannot be re-allocated to a GWI if the pension fund has been certified as being in endangered or critical status (as defined in ERISA section 305 (b)(1) or (b)(2)).
5. The Employer must be notified of any re-allocation, in writing, at least thirty (30) days prior to the effective date of the GWI or HWPC.

Section 5 Substitute Health Plan

In the event the Central States Southeast and Southwest Areas Health and Welfare Fund does not maintain the benefit coverage and retiree contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this Agreement, the Union and Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the

contribution payable by the Employer pursuant to Article 34 Section 1 (a) shall be paid to the new plan.

Article 36 Nondiscrimination

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, **sexual orientation**, national origin, ~~handicap~~ **physical disability**, veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law, nor will they limit, segregate or classify employees in any way to deprive any individual employees of employment opportunities because of race, color, religion, sex, national origin, ~~handicap~~ **physical disability**, veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabilities Act.

Article 37 Management-Employee Relations

Section 1.

(a) The parties agree that the principle of a fair day's work for a fair day's pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. The Employer will treat employees with dignity and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

(b) It is the policy of the Employer to cooperate with a package car driver who desires to be relieved of overtime, subject to the understanding that such package car driver will complete his/her assignment, and subject to the provisions below. ~~Any package car driver who desires to be relieved from overtime on a particular day or days shall submit a request in writing at least twenty four (24) hours in advance.~~

An employee who desires to be relieved from overtime on a particular day must make a written request on a form furnished by the Employer. Such a request must be submitted no later than the start of his/her shift on the fifth (5th) calendar day preceding the day being requested. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the employee's next working day. Such request shall be granted or denied in accordance with the terms of this sub-section. If a request is denied on the above referenced form, the employee shall receive a two (2) hour penalty payment at his/her straight time rate if the request should have been granted at this time based on the criteria set forth in this sub-section. This two (2) hour payment shall also apply if the Employer approves the request and later informs the employee he/she cannot be relieved of overtime, provided the request continues to meet the criteria set forth in this sub-section.

In addition, if an employee's request is granted but the Employer fails to adjust the driver's dispatch so as to provide an amount of work that can reasonably be completed within eight (8) hours which then causes the driver to work in excess of eight and one-half (8.5) hours to complete

his/her route, the driver shall be entitled to a two (2) hour penalty payment at his/her straight time rate. No penalty shall be due if the employee exceeds the eight and one-half (8.5) hour threshold as a result of events beyond the Employer's control.

The Center Manager and the Steward shall process such requests based on seniority. The Employer shall allow a minimum of ten percent (10%) of the package car drivers worked in any Center off on a daily basis. No package car driver will be granted more than two (2) requests per month. It is understood that to accomplish the above the Employer may need to provide an earlier start time. It is further understood that the Employer is not obligated to let more than one (1) driver in a loop off at one time. **This subsection applies regardless of whether the driver has opted in or out pursuant to the provisions of subsection c below.** Such requests shall not be submitted during the months of November and December.

(c) The Employer shall make a reasonable effort to reduce package car drivers' workdays below nine and one-half (9.5) hours per day where requested. If a review indicates that progress is not being made in the reduction of assigned hours of work, the following language shall apply, except in the months of November and December:

Such requests may only be made for the five (5) month periods beginning on each January 1 and June 1 of each year. No later than thirty (30) days prior to each January 1st and June 1st, each package center will post a "9.5 opt-in/opt-out list" for the applicable five (5) month period. Each full-time seniority driver in the center must make an election to opt-in or opt-out of the 9.5 language in this subsection no later than ten (10) days prior to the applicable five (5) month period. Those full-time drivers who choose to opt-out of the 9.5 language in this subsection will have no right to file a grievance alleging excessive overtime either under this subsection or under an excessive overtime provision in the Supplement, Rider, or Addendum.

Drivers **who choose to opt-in on the 9.5 list** shall have the right to file a grievance if the Employer has continually worked a driver more than nine and one-half (9.5) hours per day for any three (3) days in a workweek. If a grievance under this provision (or a grievance under any excessive overtime provision of a Supplement, Rider or Addendum) cannot be resolved at the local level, **including Supplemental Panels, where applicable,** the Union may docket the grievance to be heard by the "9.5 Committee." This Committee shall be composed of two (2) Union and two (2) Employer representatives. The 9.5 Committee shall have the authority to direct the Employer to adjust the driver's work schedule. Deadlocked cases shall be referred to the Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for final and binding resolution.

The Employer's Vice President and the Union's Co-Chair shall have the discretion to grant the grievant ~~double~~ **triple** time pay for hours worked in excess of nine and one-half (9.5) hours per day and/or to order the Employer to adjust the driver's work schedule. In the event the Employer's Vice President and the Union's Co-Chair cannot resolve a grievance, either party may refer the matter to arbitration in accordance with Article 8. In the event the position of the Union is sustained, the arbitrator shall have the authority to impose any remedy set forth in this Section.

The 9.5 Committee shall also have the authority to adopt guidelines to ensure that this Section is implemented in such a way as to balance the Employer's need to protect the integrity of its operations with an employee's legitimate need to avoid excessive overtime.

(d) No employee shall be disciplined for exceeding personal time based on data received from the DIAD/IVIS or other information technology.

Section 1.

(a) The Employer agrees that prior to any change in its operation that will result in a change of domicile, and/or possible layoff of seniority employees, it shall notify the affected Local Union(s) in writing and then meet jointly with them to inform them of the **proposed** changes and to resolve questions raised in connection with the **proposed** change. **During this joint meeting the Employer and the Union shall reduce to writing all agreed upon issues and both parties shall sign the written document in acknowledgement of such agreement. The parties shall also reduce to writing all unresolved issues, if any, and they shall be referred directly to the appropriate Regional Change of Operations Committee.** This meeting shall be completed where practical at least forty-five (45) days prior to the **proposed** change. The change may not be implemented until the forty-five (45) days' notice is provided and the meeting is completed unless the operational change is dictated by emergency conditions. The Union shall not unreasonably delay the scheduling or completion of the requested meeting. **Any unresolved issues reflected in Section (c) below, which have been reduced to writing, will be resolved pursuant to that Section.**

~~In all locations where the Employer implements "satellite" facilities, the Employer shall meet with the affected Local Union(s) and discuss the issues covered by this Article.~~

(b) Any agreed to change of operations reached by the Local Union(s) and the Employer shall be reduced to writing and filed with the Joint National Change of Operations Committee. It is understood that a regional area representative of the affected region(s) shall sit on the Joint National Change of Operations Committee.

(c) A Joint Change of Operations Committee will be established in each Regional area and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application, health and welfare, and pension coverage and layoff questions for employees who are involved in the change. All affected parties will ~~make reasonable efforts to~~ convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

If the Regional Joint Change of Operations Committee is unable to resolve the issues, such issues shall be referred to the Joint National Change of Operations Committee for resolution. ~~If no resolution is reached, outstanding issues shall be referred to the National Grievance Committee for resolution.~~ **If the issues reflected in this Section are not resolved by the Joint National Change of Operations Committee, they shall be submitted to an expedited arbitration using the arbitrators on the National Panel for that area.**

The Committee which decides the issues, as described above, shall retain jurisdiction for a period of twelve (12) months following the change of operations decision. The decision of the Committee shall be final and binding.

Unless specifically covered in individual Supplements, Riders or Addenda, the following shall apply:

(1) Whenever a center is closed and the work is transferred to or absorbed by another center, the affected employees will be entitled to follow their work and their seniority shall be dovetailed at the new center.

(2) Whenever a center or hub is partially closed and the work of package drivers and all other regular employees, part-time and full-time, excluding feeder drivers, is transferred to or absorbed by another center, the affected employees may either follow their work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center and displace the least senior

employee in their respective classifications. If any of the employees whose work is transferred elects not to follow his/her work, then he or she shall have the same rights as the remaining employees on the seniority list from which the work was transferred to bid the work being transferred. Those employees who follow the work shall have their seniority dovetailed in the new center.

(3) In a Change of Operations affecting feeder drivers, the following language will apply: Whenever a center is partially closed and the feeder work is transferred to or absorbed by another center, all feeder drivers, in seniority order, will have the option of following the available work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center, and take whatever jobs become open as a result of other employees following the work or taking a layoff. If a senior feeder driver elects to take a job which has been transferred out, the displaced employee(s) will fill the vacated job(s) by seniority until the next bid.

(d). The language contained in Section 1(a) shall be applicable to the Employer's implementation of "satellite" facilities, provided, however: (1) the issues subject to discussion shall not be limited by paragraph (c) of this Section and, (2) in the event the issues cannot be resolved by the Employer and the Local Union, or, subsequently, in accordance with the established local area practice, the open issues may be referred to the Vice-President of Labor Relations and the Parcel and Small Package Division Director, or their designees. If no resolution is reached, all outstanding disputes shall be submitted to an expedited arbitration to determine if the Employer has violated any provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement. The expedited arbitration will be handled by one of the arbitrators on the National Panel for that area.

Article 39 Trailer Repair Shop

Section 4. Health and Welfare

All trailer repair shop employees shall be covered under the health and welfare plan in effect in the Area Supplemental Agreement, Rider or Addendum **consistent with Article 34 of the Agreement.**

Section 5. Pension

The Employer shall make pension contributions to the fund designated by the Local Union in the same amounts negotiated and provided for in the Supplemental Agreement, Rider or Addendum in effect in that area, **consistent with Article 34 of this Agreement.**

Section 13. Trailer Conditioners, Inc.

(1) Upon ratification, the Agreement Between Southern Region of Teamsters and Trailer Conditioners, Inc. ("TCI Agreement") shall become a Supplement to the National Master United Parcel Service Agreement (NMA). Article 1, Section 2 and Article 2, Section 1 shall apply to the job classifications described in Article 1 of the TCI Agreement. No other provision of the existing or any future NMA shall apply to the employees covered by the TCI Agreement except as provided in Paragraph 3 below or as otherwise mutually agreed in writing by the parties.

(2) The TCI Agreement shall become a Supplement to the NMA upon ratification of this Agreement. This Supplement shall remain in full force and effect for the duration of this NMA. This Supplement to the successor NMA will be subject to cancellation or termination on July 31, 2013 provided that the notice provisions of the NMA are followed.

(3) Full-time employees of Trailer Conditioners, Inc. (TCI) who were participants in the Central States Southeast and Southwest Areas Pension Fund (CS Plan) as of December 26, 2007 and all future full-time employees who would have been covered by the CS Plan absent this agreement, shall be covered by the UPS/IBT Full-Time Pension Fund as set forth in Article 34, Section 1(l) of the National Master Agreement (effective January 1, 2008) and the related Plan Documents and Trust Agreement except the benefit formula set forth in Article 34, Section 1 (l)(2) and (l)(6). The benefit formula and monthly benefit for TCI employees will continue at the level set forth in the TCI Agreement. As of December 26, 2007, TCI will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan. The provisions of Article 21, Section 1 of the TCI Agreement shall become null and void upon ratification of this Agreement.

(4) All provisions in the TCI Agreement shall remain in effect through July 31, 2013 except the following shall apply with regard to wages. At the point the TCI employees receive their final general wage increase in 2013 their wage rate shall be equal to the hourly wage rate received by Trailer Repair employees pursuant to Article 39, Section 3. This equalization shall be accomplished in equal steps based on the increases received throughout the five (5) years of this Agreement.

Article 40 Air Operation

Section 6. Wages

All hourly wages for employees covered under Article 40 will be determined in accordance with this Section, Article 22 and Article 41 where specified.

a. Part-time air drivers including exception air drivers will be paid as follows:

Start	\$11.50
Seniority	\$12.50
Seniority Date plus 12 months	\$13.00
Seniority Date plus 18 months	\$13.50
Seniority Date plus 24 months	Top Rate

1. **Effective August 1, 2008, the prior \$20.62** twenty-four (24) month (top) rate will change on August 1st **and February 1st** of each year of the Agreement **to reflect the agreed upon general wage increases.** as follows:

August 1, 2002	\$16.25
August 1, 2003	\$17.00
August 1, 2004	\$17.80
August 1, 2005	\$18.60
August 1, 2006	\$19.50
August 1, 2007	\$20.50

2. ~~All part time bid air drivers in progression on August 1, 2002 will be slotted into the new progression in paragraph a. above. Seniority part-time employees entering a part-time air driver job after August 1, 2002~~ **the effective date of this Agreement** will begin at the seniority rate.

Part-time employees who are awarded a scheduled part time air driver job shall receive progression credit in accordance with the following: for each four (4) days on which exception air work was performed in the two (2) years immediately prior to the bid award, one (1) month of progression credit

shall be granted. In addition, if a bid part-time air driver is displaced, he will retain his/her progression credit under paragraph a. for any air exception work. ~~Seniority part-time employees entering a part-time air driver job after August 1, 2002 will begin at the seniority rate.~~

b. Full-time air drivers will be paid as follows:

Start	\$13.50
Seniority	\$14.50
Seniority Date plus 12 months	\$15.00
Seniority Date plus 18 months	\$15.50
Seniority Date plus 24 months	Top rate

1. **Effective August 1, 2008, the prior \$22.62** twenty-four (24) month (top) rate will change on August 1st **and February 1st** of each year of the Agreement **to reflect the agreed upon general wage increases.** as follows:

August 1, 2002	\$18.25
August 1, 2003	\$19.00
August 1, 2004	\$19.80
August 1, 2005	\$20.60
August 1, 2006	\$21.50
August 1, 2007	\$22.50

2. All full-time air drivers in progression on ~~August 1, 2002~~ **the effective date of this Agreement** will be slotted into the full-time progression in paragraph b. above. Seniority full-time employees entering a full-time air driver job will be slotted based on their Company seniority.

c. All new hire full-time or part-time air drivers will be placed in the applicable progression in paragraphs a. or b. above.

d. All current full-time or part-time air drivers who are out of progression shall receive the general wage increases provided for **in accordance with the split dates provided in** Article 41 ~~on each contract anniversary date~~, or the Top Rate provided in paragraphs a. or b. above, whichever is greater.

e. Employees in existing or newly created less-than-eight hour combination jobs shall be paid the part-time air rate in accordance with paragraph a. above for air driver work and their normal part-time wages for the hours worked in other classifications in accordance with Article 22.

f. Employees who are in existing full-time combination jobs or who hereafter enter a full-time combination job shall be paid the appropriate full-time air rate for air driver work and appropriate inside part-time rate for the hours worked in other classifications. If an employee has no established inside rate, that employee will be paid the appropriate part-time rate in accordance with his Company seniority.

g. Employees on the exception air driver list shall continue to be slotted into the part-time air driver progression in paragraph a. above based upon the length of time the employee has been performing air exception work. Seniority employees who begin performing air exception work will start at the seniority rate. New part-time employees signing up to perform air exception work will receive the start rate in paragraph a) above until they gain seniority.

h. Part-time air hub and gateway employees and air walkers shall be paid at the all other rate of pay as shown in Article 22. However, if a part-time employee is awarded an air walker job he/she shall continue to receive his/her inside rate in accordance with Article 22. Full-time air hub and gateway jobs shall be paid in accordance with Article 41, Section 3 unless there is an existing agreement under Article 40, Section 3 expressly providing a pay rate for such a classification.

i. Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

**ARTICLE 41
FULL-TIME EMPLOYEES**

Section 1. Full-time Wage Increases

All full-time employees who have attained seniority as of August 1, 2002 ~~2002~~ **2008** will receive the following general wage increases **for each contract year. In each of the years, the increase shall be paid in two (2) equal installments. The first-half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for the year will be as follows:**

2008	seventy cents (\$0.70)
2009	seventy-five cents (\$0.75)
2010	seventy-five cents (\$0.75)
2011	eighty-five cents (\$0.85)
2012	ninety –five cents (\$0.95)

August 1, 2002	Seventy five cents per hour (\$.75)
August 1, 2003	Seventy five cents per hour (\$.75)
August 1, 2004	Eighty cents per hour (\$.80)
August 1, 2005	Eighty cents per hour (\$.80)
August 1, 2006	Ninety cents per hour (\$.90)
August 1, 2007	One dollar per hour (\$1.00)

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases. They will be paid no less than what they are entitled to in accordance with Article 41, Section 2 below.

Section 2. Full-time Wage Progression

a. All Supplements, Riders or Addenda will contain the following wage progression schedule to cover all full-time employees, except apprentices, who are in the progression as of August 1, 2002 ~~2002~~ **2008**. ~~or who enter a full time job after August 1,2002 other than package, feeder, air or one covered by Section 3 below.~~ **This two (2) year progression will also remain in effect from the date this Agreement becomes effective until August 1, 2008 for those employees entering during this period a full-time job other than package, feeder, air or one covered by Section 3 below.**

The rate in effect on July 31, 2002 will be used to calculate the progression rates for the life of this Agreement.

	Rate in Effect on July 31, 2002
Start	70%
Seniority	75%
Seniority Date plus one (1) year	80%
Seniority Date plus eighteen (18) months	90%
Seniority Date plus two (2) years	Top Rate

Part-time employees on the payroll as of July 31, 2002, who subsequently are promoted to full-time employment under this progression, will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

When a part-time employee bids to a full-time classification under this progression where the top rate of the full-time classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

b. No employee shall be required to complete a full-time progression more than one time even if he or she transfers between full-time jobs except as set forth in this paragraph. The sole exception is when an employee is awarded a package car or feeder driver job and has not previously held a full-time job which includes driving duties. In such event, the employee will have a break-in rate equal to the employee's current wage rate until six (6) months from the date the employee entered the job. The employee will then go to the prevailing top rate. A part-time air driver who has completed the Article 40 progression, bids a full-time inside job and then a driver job within two (2) years shall have the same break-in period.

c. The progression for employees entering a package car driving, ~~or~~ feeder, **or other full-time job (other than an air driver or a job covered by Section 3 below)** position after August 1, ~~2002~~ **2008** shall be as follows:

Start	\$14.70	\$16.10
Seniority	\$15.75	\$17.25
Twelve (12) months	\$16.80	\$18.45
Twenty-four (24) months	\$18.90	\$20.75
Thirty- six (36) (30) months	(current top rate)	Top Rate

Part-time employees on the payroll as of July 31, ~~2002~~ **2008** who subsequently are promoted to full-time employment as a ~~package or feeder driver~~ **under this paragraph** will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

If a part-time employee bids to a ~~feeder or package car driver~~ **full-time** position and the top rate of the classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

This Sub-section shall supersede any provision to the contrary in any Supplement, Rider or Addendum.

Article 41 Section 2 (c) of the prior Agreement shall remain in effect for all employees in that progression as of the date of the ratification and those who enter the progression between the date of ratification and August 1, 2008.

Section 3. Full-time Inside Wages

The top pay rates for full-time inside only jobs created under Article 22, Section 3 under the prior or the current Agreement shall be as follows:

August 1, 2002	\$18.25
August 1, 2003	\$19.00
August 1, 2004	\$19.80
August 1, 2005	\$20.60

August 1, 2006 ————— \$21.50
 August 1, 2007 ————— \$22.50

These rates **in this Section** shall not apply to any full-time inside jobs guaranteed in Article 22, Section 2 created prior to August 1, 1997.

Part-time employees whose rates are higher than those set forth ~~above~~ **below** who bid into a full-time inside job covered by this Section shall be paid their current inside wage rate plus the general wage increases.

Other part-time employees who bid into a full-time inside job covered by this Section will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. **A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full-time inside job to another full-time inside job.**

Start	\$13.50 <u>14.00</u>
Seniority	\$14.50 <u>15.00</u>
Seniority plus one year	\$15.00 <u>15.50</u>
Seniority plus 18 months	\$15.50 <u>16.00</u>
Seniority plus 24 months	Top Rate <u>\$16.50</u>
<u>Seniority plus 36 months</u>	<u>Top Rate</u>

The Top Rate shall be \$22.62 plus the general wage increases provided in Section 1 above.

The twenty four (24) month (top) rate will change ~~August 1st of each year of the Agreement as follows:~~

August 1, 2002 ————— \$18.25
 August 1, 2003 ————— \$19.00
 August 1, 2004 ————— \$19.80
 August 1, 2005 ————— \$20.60
 August 1, 2006 ————— \$21.50
 August 1, 2007 ————— \$22.50

For those employees who are currently in the above progression as of **the date of ratification or who enter a job covered by this Section prior to** August 1, 2002 2008, **Article 41, Section 3 of the prior Agreement shall continue to apply. When the progression is completed, the employee shall be placed at the then current top rate and shall thereafter be eligible to receive the general wage increases beginning on the next date specified in Article 41, Section 1.** ~~shall be slotted into the above progression or continue at their red circled rate until the new progression exceeds that rate.~~

Full-time employees who bid into a full-time inside job covered by this Section will be paid in accordance with their full-time seniority date. Full-time employees with ~~two (2)~~ **three (3)** or more years of **full-time** seniority who bid into a full-time inside job will be paid the top current rate of the classification.

Section 4 – Full-Time UPS CSI Employees

Full-time CSI employees shall continue to be paid in accordance with the appropriate Addenda. The applicable wage increases for CSI full-time employees shall be as set forth in the Supplement.

**Article 43
Premium Services**

Section 2. Sleeper Team Operations

(11) All new hires will be paid in accordance with the progression set forth in Article 41, Section 2 as applied to the mileage rates set forth below. Employees entering a job paid on mileage between the date of ratification and August 1, 2008 will continue to be paid in accordance with the provisions of the prior Agreement.

All employees entering after August 1, 2008, a job classification paid on a mileage rate, who have not yet completed a full-time progression, shall be paid a progression rate equal to the following:

	Mileage Rate in Effect On August 1, 2002
Start	70%
Seniority Date plus one year	80%
Seniority Date plus two years	90%
Seniority Date plus three years	Top Rate

(12) Hourly work performed at the beginning or the end of a mileage run shall be paid at the applicable hourly feeder one and one-half (1.5) rate of pay or the applicable premium rate of pay in the driver's Supplemental Agreement.

Section 3. Mileage Rates

Premium Service drivers will be paid the cents per mile shown below for all miles driven. Sleeper teams will receive a two (2) cents per mile premium on the appropriate mileage rate and will equally divide the appropriate rate.

Single	Double	Triple
August 1, 2002	54.52 cents	55.72 cents
August 1, 2003	56.24 cents	57.47 cents
August 1, 2004	58.07 cents	59.34 cents
August 1, 2005	59.89 cents	61.21 cents
August 1, 2006	61.95 cents	63.31 cents
August 1, 2007	64.24 cents	65.65 cents

The mileage rates set forth below shall be effective for each of the specified contract years. In each of the years, the increase in the mileage rate shall be paid in two (2) equal installments. The first-half of the increase shall become effective on August 1 of the specified year. The second-half of the increase shall become effective on February 1 of the following calendar year. The total increases for each year will result in the following mileage rates.

	Single	Double	Triple
2008	0.6614	0.6758	0.6902
2009	0.6784	0.6932	0.7080
2010	0.6966	0.7118	0.7270
2011	0.7160	0.7316	0.7472
2012	0.7364	0.7526	0.7686

Article 45 Duration

Section 1

This Agreement shall be in full force and effect from ~~August 1, 2002~~ **ratification of this Agreement** to and including July 31, ~~2008~~ **2013** and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

Section 2

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, ~~2008~~ **2013** or July 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3

Revisions agreed upon or ordered shall be effective as of ~~August 1, 2002~~, **the ratification of this Agreement** unless otherwise specifically provided. The Employer or the National Negotiating Committee shall be permitted all legal or economic recourse to support their requests for revisions if the parties fail to agree therein.

Section 4

In the event of an inadvertent failure by either party to give notice set forth in Sections 1 and 2 of the Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this _____ day of _____, 2002, ~~2007~~ to be effective as of ~~August 1, 2002~~, **ratification of this Agreement**, except as to those areas where it has been otherwise agreed between the parties:

IN WITNESS WHEREOF the undersigned do duly execute the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT and Supplemental Agreements, Riders and/or Addenda.

Memorandum of Understanding

Teamsters United Parcel Service Negotiating Committee (Union) and United Parcel Service Inc. agree that pursuant to the past paragraph of Article 34, Section 1(a), the maximum amount of a general wage increase that will be reallocated to a pension contribution is thirty-five cents (\$0.35). The parties will not implement any reallocation of GWI to pension contributions in excess of thirty-five cents (\$0.35) without mutual agreement by the parties and subject to it being ratified by the affected employees.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation) and Teamsters United Parcel Service National Negotiating Committee agree that under Article 26 the Employer may not subcontract feeder movements to outside trucking contractors solely because it is less expensive.

The parties further agree that this Memorandum of Understanding does not apply to the 2002 Memorandum of Understanding regarding the intent of Article 1, Section 4.

Memorandum of Understanding

Teamster United Parcel Service Negotiating Committee (Union) and United Parcel Service Inc. agree that it was their mutual intent that if a part-time employee completes his assigned duties and leaves work in less than three-and-one-half hours he shall be considered to have forfeited the right to his daily three-and-one-half hour guarantee. This shall not effect an employee's right to a minimum three (3) hour daily guarantee.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation), as a demonstration of its commitment to maintaining jointly administered Teamster pension benefit plans, and to enhance the long term stability of pension coverage for its employees represented by Teamster Local Unions, agrees that for a period of ten (10) years from the effective date of the National Master Agreement, it will not solicit any signatory Local Union to change pension plans, either by proposing such change during future negotiations of the National Master Agreement or by encouraging its employees to advocate withdrawal from participation in their current pension plan.