

SOUTHERN REGION OF TEAMSTERS AND UNITED PARCEL SERVICE, INC. SUPPLEMENTAL AGREEMENT

For the Period Beginning August 1, 2013 through July 31, 2018
covering:

The parties reserve the right to correct inadvertent errors and omissions.
Where no reference is made to a specific Article or Section thereof, such Article and Section are to continue as in the current Master Agreement, as applied and interpreted during the life of such Agreement. Additions and new language are **bold and underlined**.

ARTICLE 46 – ACQUISITION OF SENIORITY

SECTION 1 – PROBATIONARY PERIOD – N/C

SECTION 2 – SEASONAL EMPLOYEES

No seasonal employee shall be hired prior to October ~~4th~~ **15th** of each Calendar year.

Any employee hired after October ~~4th~~ **15th thru January 15th of each calendar year** shall not accrue days towards seniority ~~in the months of October, November and December.~~

Seasonal employees, when hired, shall be notified they are seasonal by signing a seasonal-employee notice.

~~The Employer and the Local Union will meet to review the possibility of utilizing present part-time employees to perform seasonal work for the months of October, November and December.~~

Prior to peak season, the opportunity to perform driver helper work during peak season will be offered to seniority part-time employees, providing that this driver helper work will not interfere with their regularly scheduled duties. This will be done by posting an interest list by the second (2nd) Monday in September for seniority employees to sign signifying their intent to be available for driver helper work for the duration of peak season. After the above process, the Employer may hire employees to perform this work.

SECTION 3 – SUPERVISORS WORKING – N/C

SECTION 4 – EMPLOYMENT OPPORTUNITIES – N/C

ARTICLE 47 – STEWARDS

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 representative 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. **This shall include the steward's right to represent an employee in connection with any grievance concerning safety issues.** 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. 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 in this Section.

Where mutually agreed to by the Local Union and the 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 at the meetings which occur outside his or her working hours, or on days off, by mutual consent. Such time spent during the Job

A-SOU

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 present in any meeting where the employee has the right to Union representation under this Article, the employee shall sign a waiver of Union representation in the presence of the Union Steward. A copy of the waiver 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. 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.

In cases of voluntary resignation, the employee has the right to have a steward present, or if the steward is not available, another hourly paid employee can witness the resignation. If an employee who is voluntarily resigning does not wish to have a steward or other employee present the employee shall sign a waiver statement to this effect in the presence of a Union steward or another hourly paid employee.

ARTICLE 48 – SENIORITY

SECTION 1 thru 4 N/C

SECTION 5 – REDUCTION IN FORCE - FULL-TIME EMPLOYEES (OTHER THAN FEEDER DRIVERS)

(A) and (B) – N/C

1. – N/C

2. Any other junior full-time employee in another classification or part-time work.

If the employee elects to perform part-time work he/she ~~must~~ **may** displace two (2) part-time employees if available.

In any case, the employee must be qualified to perform the work have more seniority than the displaced employee, and if it is a temporary layoff be available for his/her next regularly scheduled job.

When an employee works two (2) part-time shifts, he/she shall receive the appropriate guarantee of at least three and one-half (3-1/2) hour's work per shift and will have a guarantee of eight (8) hours work for the day. If only one (1) shift is available the employee will be guaranteed four (4) hours of work.

An employee on a layoff (lasting less than seven (7) days) shall receive their regular wages and benefits. An employee on a layoff (lasting more than seven (7) days) shall receive appropriate wages and benefits for the job performed based on their seniority. However the Employer shall continue to make contributions to their regular health, welfare and pension.

At the conclusion of the layoff, the laid off employees shall be returned to work in seniority order within their classification.

(C) – (F) – N/C

SECTION 6 - PACKAGE DRIVERS - JOB SELECTION

(A) ~~Unassigned Delivery Bid~~ Routes: **All routes shall be bid.** There shall be a minimum of ~~one (1)~~ **two (2) training unassigned** delivery routes and a maximum of ~~fifteen (15%)~~ **ten percent (10%) unassigned training** delivery routes in each package center. **The purpose of the training routes, is to train probationary package car drivers and temporary cover drivers.** ~~These unassigned delivery routes shall also serve as the center's training routes.~~ The **unassigned training** delivery routes shall be designated by the Employer and listed as such on the center bid list. Should there be a need to change these **unassigned training** delivery routes the Employer will notify the Local Union. ~~All of the remaining eighty five (85%) percent of the delivery routes will be bid by center.~~ **Package drivers wishing to bid unassigned may do so. Unassigned Package car drivers not holding a bid route will may be removed from the unassigned delivery routes to cover for vacations, options, personal holidays, sick days, and other absences of the regular bid drivers, or to cover overflow work.**

~~When more than one (1) unassigned driver is moved to cover vacancies,~~ Seniority will be considered when making work assignments **for drivers not holding a bid route.** Prior to ~~an~~ **a unassigned driver not holding a bid route** being forced to move, management will meet with the driver and Union steward to review that all reasonable efforts have been exhausted to have the open vacancy covered. When business allows, the Company will cross-train ~~unassigned~~ **drivers not holding a bid route.**

Disputes arising from the above-mentioned paragraph shall be handled by the Business Agent and the District Labor Manager. Any disputes still not resolved by the above-mentioned process will be brought directly before the S.R.A.P.G.C. Co-Chairs for resolution.

A-SOU

The fifteen percent (15%) unassigned delivery routes shall be determined by using the following formula:

Number of routes	Number of Unassigned routes
1-10	1
11-17	2
18-23	3
24-30	4
31-37	5
38-43	6
44-50	7
51-57	8

Should the annual vacation and option schedule for a center justify the need for additional full-time package drivers, the Employer agrees to bid and hire if necessary additional permanent full-time drivers for this need.

(B) The Employer shall designate delivery routes in all centers and they will be bid, by center, as stated in Section 6 (a) on ~~March 1st of each odd year of the agreement~~ **the first Monday in February of 2015 and the first Monday in February of the last year of this agreement.** Qualified package drivers will bid all the ~~designated~~ routes in their center. Package drivers will be on their bid area no later than May 1st of each bid year.

Following the completion of these bids the following procedures shall apply.

(C) Vacancies and new positions - Qualified package drivers with six (6) months of seniority or more may bid on any permanent vacancies in all months except December, and permanent new jobs, as defined by the Employer, in all months except November and December. The successful bidder must remain on the awarded bid for a minimum of six (6) months before being eligible to bid again on vacancies and new positions. ~~In each Center, the Employer will have the right to maintain up to fifteen percent (15%) unassigned routes as determined by the chart in Section 6(a). In the event that no package drivers select such unassigned positions the least senior package drivers may be required to fill them.~~

(D) All bids shall **be posted and** contain a description of the delivery route and the delivery loop or loops contained in that route ~~and shall identify the base line of the delivery loop or loops.~~ **The geographical description will include the North, South, East, and West boundaries and where applicable border street names, number breaks, and odd and even designation(s) if necessary.** The driver will work within the delivery route but it is understood that daily adjustments may be made as necessary. A driver may be required to perform work in adjacent delivery routes as long as seventy percent (70%) of the work performed is within their defined bid route. A driver may also be required to perform work on the way to and from their delivery route.

Should there be a permanent change of more than thirty percent (30%) of the delivery stops in a package car driver's bid route, the driver affected may elect to displace a junior package driver. A permanent change in a route is defined as occurring over a thirty (30) consecutive working day period. Employee moves of this nature shall be limited to four (4) moves with the Company filling the fourth (4th). If no unassigned driver accepts the opening, the Employer will assign it to the junior unassigned driver.

(E) – (K) - N/C

SECTION 7 – FEEDER DRIVERS – JOB SELECTION

Paragraph 1 and 2 - N/C

(A) – (C) - N/C

(D) - N/C

1 – 7 (a), (b). - N/C

(c) Or if the employee elects to perform part-time work, he/she ~~must may~~ displace two (2) part-time employees (the junior employee per shift) provided he/she is qualified and has more overall Company seniority. **An employee on a layoff (lasting less than seven (7) days) shall receive their regular wages and benefits. An employee on layoff (lasting more than seven (7) days) shall receive appropriate wages and benefits for the job performed based on their seniority. However, the Employer shall continue to make contributions to their regular Health, Welfare, Pension.**

(d) - N/C

8. thru 10 - N/C

(E) – (H) - N/C

SECTION 8 – FULL-TIME EMPLOYEES INSIDE EMPLOYEES - JOB SELECTION - N/C

SECTION 9 – OPENING AND CLOSING OF CENTERS OR HUBS - N/C

SECTION 10 – 22.3 COMBINATION EMPLOYEES

Seniority Rosters/Postings

(A) - N/C

(B) The Employer shall designate starting times and sorts by classification and there will be a one (1) time bid on March 1, ~~2010~~ **2014**. Qualified employees by classification shall bid within their classification by seniority. Employees must be pre-qualified on their own time.

(C)– (I) - N/C

A-SOU

ARTICLE 49 - PART-TIME EMPLOYEES

SECTION 1 – SECTION 6 - N/C

SECTION 7 – PART TIME COVER DRIVER

The Employer will post a Temporary Cover Driver (TCD) trainee list and will state the number of employees needed for this training. No new list will be posted until the number on the original list has been satisfied.

(A) Seniority part-time employees may work as coverage drivers ~~as replacements of full-time employees only to cover vacation and/or absences.~~ They may cover vacations in excess of those filled by full-time vacation coverage drivers and may fill absences in excess of those covered by full-time ~~unassigned employees non-bid drivers.~~ All TCD(s) will be offered package car driver (PCD) work prior to using seasonal package drivers. Additionally, during the peak season period, when a PCD(s) is absent, said route(s) will not be abolished and helper(s) utilization increased to avoid using a TCD(s) to cover said absence(s). No coverage drivers may be used if full-time employees are on layoff. Part-time coverage drivers may not be used to supplement the work force, only as temporary replacements.

Disputes arising from the above-mentioned paragraph shall be handled by the Business Agent and the District Labor Manager. Any disputes still not resolved by the above-mentioned process will be brought directly before the S.R.A.P.G.C. Co-Chairs for resolution.

(B) – (I) - N/C

(J) As of January 1, 2008 ~~thru December 31, 2013~~, for each two hundred (200) reports that an individual TCD is paid in a calendar year, the Employer will add one (1) PCD in that center for each occurrence.

(K) As of January 1, 2014, for each one hundred fifty-six (156) TCD reports that an individual works during the calendar year, the Employer will add one (1) PCD in that center for each occurrence.

Once a TCD has accrued the above-mentioned criteria, the Employer will award the bid to the senior individual(s) as outlined in Article 48, Section 1(E). If the individual(s) had been previously qualified, then their seniority date will be one (1) day after the above-mentioned criteria has been met. If the individual(s) has not been previously qualified, then the Company will schedule the individual(s) to attend an orientation class. Once their orientation has been completed, the individual(s) will be placed into their driving probationary period and offered driving work prior to any TCD(s). Once they have completed their probationary period, their seniority date will be one (1) day after the above-mentioned criteria has been met.

The above seniority dates will not supersede another senior employee who is in the process of upgrading to a PCD position when the one hundred and fifty-six (156) reports occurs. If this occurs, the senior employee will have a seniority date one (1) day earlier than the junior employee upgraded as a result of the one hundred fifty-six (156) reports.

~~Beginning with the period January 1, 2008,~~ The Employer shall provide to the Local Union a ~~quarterly~~ report for the period of January 1, through April 30 and every ~~quarter~~ four (4) months thereafter indicating the names of the TCD(s) and the number of days ~~worked~~ paid to by the TCD(s). The report will be provided within two (2) weeks of each ending period.

ARTICLES 50 thru 58 - N/C

ARTICLE 59 – WAGES

See Article 41 of the National Master UPS Agreement for Wage Increases

PART-TIME EMPLOYEES

(a) Present Part-Time Employees - See Article 41 of the National Master UPS Agreement for Wage Increases

(b) Newly Hired Part-time Employees – See Article 22 for Part-Time Wage Progression

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

Part-time employees hired prior to July 2, 1982 shall be red circled at their current rates of pay and shall receive contractual wage increases as stated in (a) above.

Driver Helpers Only ~~(Oct. – Dec.)~~ (October 15th through January 15th).....\$ 8.50 per hour

Inspection lane employees and shifters shall receive twenty-five cents (.25) per hour over and above the “All Other” pay rate based on their seniority when successfully bidding to these positions and shall receive all negotiated increases. Inspection lane employees may not work beyond the end of their fourth (4th) hour.

ARTICLE 60 – HOLIDAYS

SECTION 1 – HOLIDAYS - N/C

SECTION 2

When a holiday falls during the regular vacation of an employee entitled to holiday pay, he/she shall receive an extra day’s pay for such holiday.

A-SOU

Pay for unworked holidays shall not be used in computing overtime pay in the regular workweek. Time worked in excess of thirty-two (32) hours in any week which a holiday occurs **or twenty-four (24) hours if a second holiday occurs in any week** shall be paid for at the rate of time and one-half (1-1/2) where the holiday falls within the employee's scheduled workweek, and such overtime shall be paid after thirty (30) hours **in any week in which a holiday occurs or twenty (20) hours if a second holiday occurs in any week** for those employees on a workweek of four (4) ten (10) hour days. Time and one-half (1-1/2) shall be paid after the fortieth (40th) hour, where the holiday falls outside the employee's scheduled workweek. When any of the above-mentioned holidays falls on Sunday, the day observed by decree or proclamation shall be considered as a legal holiday and work performed shall be paid at the holiday rate.

SECTION 3 thru 6 - N/C**ARTICLE 61 and 62 - N/C****ARTICLE 63 - REVIEW OF OVERTIME HOURS**

The Employer shall continue its efforts to reduce overtime where requested. If the review does not indicate that the progress is being made in the reduction of assigned hours of work, **(i.e. the package driver has worked more than 9.5 hours on three (3) days in a workweek)**, the following language shall apply:

(A) 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.

An employee who desires to be relieved from overtime on a particular day must make a written request in writing 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 requests 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 requests 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 is not obligated to let more than one (1) driver in a loop off at one time.~~ This sub-section applies regardless of whether the driver has opted in or out pursuant to the provisions of sub-section (B) below. Such requests shall not be submitted during the months of November and December.

(B) The Employer shall make a reasonable effort to reduce package car drivers' workdays below 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 1 and June 1, 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 sub-section 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 sub-section will have no right to file a grievance alleging excessive overtime either under this sub-section or under an excessive overtime provision in the Supplement, Rider or Addendum.~~

The affected regular package driver may make such a request to be added to the "9.5 Opt-In List" effective on the first day of his/her workweek after making the request. The driver shall notify the manager and steward of his/her desire to be added to the List. The request must be made within the time limit for filing a grievance in the applicable Supplement, Rider or Addendum. Once the driver has signed the List, he/she shall remain on the List for five (5) months, except for the period of time specified in the prior paragraph.

Employees within the full time driver classification shall be eligible for the protection of this Section provided: (1) the employee covers a route for a full week; or (2) the employee bids or is assigned to cover a route for a full week but is prevented from completing that bid or assignment due to reassignment by the Employer; or (3) an employee with four (4) years of seniority as a full time package driver.

Drivers who choose to opt-in on the 9.5 list shall have the

A-SOU

right to file a grievance if the Employer has continually worked a driver more than 9.5 hours per day for any three (3) days in a workweek. **The Employer will not assign excessive overtime on the two (2) remaining days within the workweek to a driver on the 9.5 List.**

If a driver is paid a penalty under this subsection more than three (3) times in a single five (5) month opt-in period, then the District Labor Manager and Business Agent will meet with the Center Manager, the steward and the driver to ensure future compliance under this subsection. If any further penalty is paid on this employee during the five (5) month period, a meeting shall be scheduled with the above parties and the Co-Chairs of the applicable Supplemental panel to determine what actions are necessary to ensure compliance.

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 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 triple time pay for hours worked in excess of 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.

If there is a deadlocked grievance by the "9.5 Committee" the Co-Chairs of the National Negotiating Committee may require a review of the adequacy of the Company's staffing in the Center in which the grievance was filed. In the event the parties cannot resolve a dispute over whether excessive overtime in violation of this Section resulted from inadequate staffing in the Center or other causes such as temporary unavailability of drivers, either may refer the matter to arbitration in accordance with Article 8. If the position of the Union is sustained, the arbitrator shall have the authority to award any remedy set forth in this Section including back wages at the appropriate rate of pay to the employee(s) adversely affected, as well as appropriate progression credit. The back wages shall be equal to what the employee(s) would have earned as a package driver at the applicable daily guarantee versus what he/she actually earned.

In addition, the Union Chair of the National Negotiations Committee may, at any time, request a meeting with the Employer's President of Labor Relations to review the adequacy of the Company's staffing at any Center having excessive 9.5 grievances deadlocked at the local level panel. If the dispute cannot be resolved, either party may refer the matter to arbitration in accordance with Article 8, Section 7. The next arbitrator in rotation on the Eastern Panel shall be assigned the case. The arbitrator shall have the authority to award any remedy specified in the paragraph above.

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.

ARTICLE 64 thru 65 – N/C

ARTICLE 66 - MANAGEMENT - EMPLOYEE RELATIONS

SECTION 1

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 shall not retaliate against employees for exercising rights under this Agreement. In considering any grievance alleging retaliation for exercising their rights under the Agreement, the severity and timing of the Employer's action that modifies an employee's work assignment or reprimand employees shall be relevant factors to a determination of motivation.** 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.

SECTION 2 and 3 – N/C

ARTICLE 67 – N/C

ARTICLE 68 — HEALTH AND WELFARE

FULL-TIME EMPLOYEES

The Employer's contribution increases to the Central States Southeast and Southwest Areas Health and Welfare Fund (CSH&W Fund) shall be increased **as outlined in Article 34**

A-SOU

Section 1(a)(i) and (ii)(1) to twenty two dollars (\$22.00) per week effective August 1, 2008, 2013 and fourteen dollars (\$14.00) effective each August 1 thereafter during the life of this agreement.

By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate health and welfare trust agreements necessary for the administration of such fund, and to designate the Employer Trustee under such agreement hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such trustees within the scope of their authority. If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions for a period of four (4) weeks. If an employee is injured on the job, the Employer shall continue to pay the required contributions until such employee returns to work; however, such contributions shall not be paid for a period of more than twelve (12) months.

If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient moneys to pay the required contributions into the Health and Welfare Fund during the period of absence.

There shall be no deductions from equipment rental of owner-operators by virtue of the contributions made to the Health and Welfare Fund, regardless of whether the equipment rental is at the minimum rate or more, and regardless of the manner of computation of owner-driver compensation. Contributions to the Health and Welfare Fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks into some other Health and Welfare Fund. Employees who work either temporarily or in cases of emergency under the terms of this contract shall not be covered by the provisions of this paragraph.

Employers presently making payments to the Central States, Southeast, and Southwest Areas Health and Welfare Funds and Employers who may subsequently begin to make payments to such funds, shall continue to make such payments for the life of this Agreement.

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 the Employer shall meet to determine and agree if there is a substitute multi-employer plan which will provide comparable coverage. If mutual agreement is reached to provide a suitable plan, the contribution payable by the Employer pursuant to Article 34 Section 1(a) shall be paid to the new plan.

PART-TIME EMPLOYEES

(a) ~~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 healthcare 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. For those part-time employees who have received health and welfare benefits from the Company Health & Welfare Plan, benefits on and after January 1, 2014 will be provided by the Central States Health & Welfare Fund (CSH&W Fund), under the terms set forth in Article 34 of the National Master Agreement. The Company will continue to provide health and welfare benefit coverage under the existing plan through December 31, 2013.~~

(b) Part-time employees covered by a Teamster Health & Welfare Fund will continue to be covered by those funds.

(c) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the CSH&W Fund.

(d) Current retirees who are receiving benefits through a UPS sponsored plan shall receive coverage on and after January 1, 2014 under the terms of the Memorandum Concerning UPS Sponsored Plans attached to the National Master Agreement.

~~(b)~~ **(e) Notwithstanding any contrary provision in this Supplement or any Rider or Addendum, individual health care coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and spousal or dependent coverage will also be made available to these part-time employees eighteen (18) twelve (12) months after their initial date of employment.**

ARTICLE 69 – PENSION

SECTION 1 – JOINTLY TRUSTEE 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 have participated in the CS Plan absent this Agreement who have one (1) hour of service in Covered Employment on or after January 1, 2008.

A-SOU

(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 benefits 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 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-five (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 twenty (20) years of credited service. Benefit payments may begin as early as Early Retirement Age (age 50 with 5 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>
January 1, 2013	\$170.00
<u>January 1, 2014</u>	<u>\$170.00</u>
<u>January 1, 2015</u>	<u>\$170.00</u>
<u>January 1, 2016</u>	<u>\$170.00</u>
<u>January 1, 2017</u>	<u>\$170.00</u>
<u>January 1, 2018</u>	<u>\$175.00</u>

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one (1) 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 five (5) years of vesting credit or has reached Normal Retirement Age while an employee. One (1) 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 (1) 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 (1) week of service credit if he has one (1) hour of service in Covered Employment in that week. For service pension 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 the calendar year, he shall receive one (1) 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 (25) years of service regardless of age, which shall be \$2,000 per month if less than age 57 when benefits commence and \$2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be \$3,000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years of service retirement shall be \$3,500 per month regardless of the age of the retiring employee. The Plan Document shall specify the amounts for the twenty (20) year service pension, eligibility criteria and how the benefits are calculated.

<u>Years of Service Pension Credit</u>	<u>Age</u>	<u>Monthly Service Pension</u>
35 Years	Any Age	\$3,500
30 or More Years	Any Age	\$3,000 plus \$100/yr of service for years over 30 up to \$3,500
25 Years	Any Age Up To 57	\$2,000
25 Years	57 or Older	\$2,500 plus \$100/yr of service for years over 25 up to \$3,500 maximum

Effective January 1, 2014, the following enhancements will be implemented:

A-SOU

<u>35 Years</u>	<u>Any Age</u>	<u>\$3,700</u>
<u>30 or More Years</u>	<u>Any Age</u>	<u>\$3,200 plus \$100/yr of service</u> <u>For years over 30 up to \$3,700</u>

Effective January 1, 2017, the following enhancements will be implemented:

<u>35 Years</u>	<u>Any Age</u>	<u>\$3,900</u>
<u>30 or More Years</u>	<u>Any Age</u>	<u>\$3,400 plus \$100/yr of service</u> <u>For years over 30 up to \$3,900</u>

The USP/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.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall ensure that the employee is credited with up to 190 hours of pension credit or four (4) weeks of service pension credit (depending on the absence). If an employee is injured on the job, the Employer shall ensure that the employee receives pension credit until such employee returns to work; however, such pension credit shall not exceed 1801 hours of service or 40 weeks of service pension credit (depending on the length of the absence).

SECTION 2

Effective January 1, 1977, the Employer shall provide Pension Benefit Coverage to part-time employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law. Effective August 1, 2002 the Company and Union agree that the part-time employees covered under the United Parcel Service Plan will receive the following improvement to the plan.

(1) The UPS Pension Plan covering only part-time employees working in areas where part-time employees are not covered by Teamsters Pension Plans, will be improved to provide monthly benefits for a part-time employee with seven hundred and fifty (750) paid hours of credit service per year.

The total monthly service pension benefit will be equal to the following provided the employee meets the credit service requirements:

<u>\$2,100.00</u>	\$1,925.00 for retirement at any age after 35 years of credited service.
<u>\$1,800.00</u>	\$1,650.00 for retirement at any age after 30 years of credited service.
<u>\$1,500.00</u>	\$1,375.00 for retirement at age 60 with 25 years of credited service.
<u>\$1,250.00</u>	\$1,125.00 for retirement at any age with 25 years of credited service.

The monthly benefit formula under the UPS Pension Plan will be listed in Article 34 Section 1 (g) (i) of the National Master United Parcel Service Agreement.

\$55.00 times part-time Credited Service years subject to a maximum 35 years service limit.

The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for the purpose of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60.00) for each year of future Credited Service to a maximum of thirty-five (35) years of Credited Service. If a participant is in Covered Employment on August 1, 2008 he/she shall receive the sixty dollar (\$60.00) benefit formula for the entire 2008 plan year.

(2) 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.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits.

(4) Contributions to pension funds will be made in accordance with Article 34 of the National Master Agreement.

ARTICLE 70 – MECHANICS

Mechanical department employees shall have classification seniority within their Center and applications and provisions for seniority shall be as stated below.

SECTION 1 – STARTING TIMES - N/C

SECTION 2 – OVERTIME - N/C

SECTION 3 – TOOL INSURANCE - N/C

SECTION 4 – LAYOFF

Automotive and maintenance mechanics that suffer a layoff that exceeds seven (7) working days in their current position ~~must~~ **may** displace two (2) part-time employees if the work is

A-SOU

available. The affected employee will be paid the rate of pay for the job performed based on his/her seniority for the entire time he/she is on layoff.

The employee must return to his/her position when the work becomes available.

An employee may elect to take a layoff versus displacing part-time employees.

ARTICLE 71 and 72 – N/C

A-SOU

A-SOU