

**NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT
and
WESTERN REGION
Supplemental Agreement
and
HAWAII TEAMSTERS
and
ALLIED WORKERS, LOCAL 996
Supplemental Agreement**



**For The Period:
December 19, 2007 through July 31, 2013**

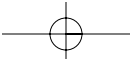
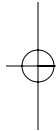
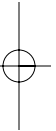


**United Parcel Service and
Hawaii Teamsters and
Allied Workers, Local 996
Supplemental Agreement to the
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT**

For The Period December 19, 2007

thru July 31, 2013





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AGREEMENT

THIS AGREEMENT made and entered into by and between UPS, hereinafter referred to as the“Employer” and the HAWAII TEAMSTERS AND ALLIED WORKERS UNION, LOCAL 996, hereinafter referred to as the “Union”.

WITNESSETH:

SECTION 1 – COVERAGE

REFER TO ARTICLE 1, SECTION 1 AND 2 OF THE NATIONAL MASTER UPS AGREEMENT.

SECTION 2 – SUCCESSORS AND ASSIGNS

2.01 This agreement shall be binding on both parties, their successors and assigns. In the event of sale or transfer of the business or any part thereof the Employer agrees that the acceptance of this agreement shall be obtained from the purchaser and the Union will be furnished with evidence of such acceptance in writing at the time of the sale.

SECTION 3 – UNION RECOGNITION

3.01 The union is hereby recognized as the sole and exclusive collective bargaining agent for all employees covered by this agreement.

SECTION 4 – UNION SECURITY

4.01 As a condition of employment after thirty (30) days from the effective date of this agreement, or after thirty (30) days from the date the employee is hired, whichever is later, all employees covered by this agreement shall be required to become and remain members of the Union in good standing.

4.02 If any employee fails or refuses to pay or tender his dues to the union by the tenth (10th) day of each month and the Union notifies the Employer in writing of such failure or refusal, then such employee shall be discharged unless he has paid such dues within ten (10) calendar days after the Employer receives the notice.

SECTION 5 – DEDUCTION OF UNION DUES FROM WAGES

5.01 REFER TO ARTICLE 3, SECTION 2 OF THE NATIONAL MASTER UPS AGREEMENT.

5.02 In requesting deductions for “assessments,” the union shall restrict such request to assessments assessed on all members of the union employed by the Employer on a uniform basis as an incident of membership in the union.

5.03 Deductions for Union dues will not be made oftener than once a month. If an employee does not have the amount of a monthly deduction due him on any payroll from which deductions are made for other employees, the deduction shall be made from the next succeeding payroll on which he has the amount of the deduction due.

5.04 Deductions required by law, garnishments, and deductions for payment of indebtedness to the Employer shall have priority over deductions for Union initiation fees, dues and assessments.

5.05 Deductions will be promptly transmitted to the Union by check payable to its order. Upon issuance and transmission of a check to the Union, the Employer’s responsibility shall cease with respect to deductions covered thereby. The Employer shall not be bound in any manner to see to the application of the proceeds of any check, to investigate the authority of any Union officer to certify the amount of dues to be deducted or to accept or collect any check. The Union hereby undertakes to indemnify and hold the Employer harmless from all claims against it for or on account of any deduction made from the wages of any employee.

SECTION 6 – HIRING

6.01 When new employees are to be hired, the Union and other sources of labor shall be notified and given the same opportunity to refer applicants. However, the Employer shall have the right to hire or reject any applicant.

SECTION 7 – NOTIFICATION TO THE UNION

7.01 REFER TO ARTICLE 3, SECTION 2 OF THE NATIONAL MASTER UPS AGREEMENT

SECTION 8 – RIGHT OF ACCESS TO EMPLOYER'S PREMISES

8.01 REFER TO ARTICLE 24 OF THE NATIONAL MASTER UPS AGREEMENT.

SECTION 9 – LEAVE OF ABSENCE FOR UNION BUSINESS

9.01 REFER TO ARTICLE 16, SECTION 1 OF THE NATIONAL MASTER UPS AGREEMENT

SECTION 10 – BULLETIN BOARD

10.01 The Employer will provide space for a bulletin board conveniently located on its premises for the Union's use in posting official Union notices. All notices posted shall be signed by an authorized representative of the Union.

SECTION 11 – NO STRIKES OR LOCKOUTS

11.01 The Union and the Employer agree that during the terms of this agreement there shall be no lockout by the Employer nor any strike, sit down, refusal to work, stoppage of work, slowdown, retardation of production or picketing of the Employer on the part of the Union or its representatives or on the part of any employee covered by this agreement.

SECTION 12 – GRIEVANCE

12.01 Any and all controversies which may arise between the Union and the Employer will be settled in accordance with Article 28, Section 1 of the Western Region Supplemental Agreement.

12.02 Stuart M. Cowan, Louis Chang, Michael Nauyokas, and Walter Ikeda are hereby appointed as a panel of arbitrators. One arbitrator shall be chosen as follows: each party shall strike a name

or names from the panel and the remaining arbitrator shall serve in the case.

SECTION 13 – DISCHARGE AND SUSPENSION

13.01 Any case pertaining to a discharge or suspension shall be handled in accordance with Article 28, Section 2 of the Western Supplemental Agreement.

SECTION 14 – DISCRIMINATION

14.01 The Employer shall not employ unfair labor practices or discriminate against any employee because of his Union membership, union activity, race, color, religion, sex, age, national origin, marital status, or handicap. As used herein, “handicap” is an impairment which is ratable within the meaning the American Medical Association Guides to the Evaluation of Permanent Impairment.

14.02 The Union and the Employer further agree to cooperate in the establishment and implementation of affirmative action programs and equal employment opportunity compliance efforts.

14.03 All references to “employee” or “his” in this agreement are intended to and do refer to both males and females.

SECTION 15 – STEWARDS

15.01 REFER TO ARTICLE 4 OF THE NATIONAL MASTER UPS AGREEMENT.

SECTION 16 – SENIORITY

16.01 Seniority rights for employees shall prevail in the following circumstances:

- (a) Posting and promotion to the extent set forth in paragraph 16.05 below.
- (b) Layoffs.
- (c) Recalls after Layoff.

16 02 Trial Period.

(a) – PROBATIONARY PERIOD (FULL-TIME)

A new full-time employee shall attain seniority when he/she has worked thirty (30) days within a one hundred twenty (120) consecutive day period. A new full-time employee hired into the package car classification may have up to an additional ten (10) working days at the beginning of his/her probationary period, which may result in a total probationary period of up to forty (40) worked days within a one hundred twenty (120) consecutive day period, provided that all such additional time is spent in classroom training. Prior to attaining seniority, as defined in the Section, the employee, other than those employees attempting to transfer from part-time to full-time positions, shall be considered a probationary employee and may be discharged without such discharge being subject to the grievance procedure. However, the Employer shall not discharge or otherwise discipline a probationary employee for purposes of evading the terms of this provision or to discriminate against Union members. Upon completion of the probationary period, the employee shall be given a seniority date as of his/her first day worked within such one hundred twenty (120) day period.

Notification will be made to all Local Unions within seven (7) days of employment of all new hires. Information will include name, address, social security number, last employer, classification hired into, and date of hire.

(b) – TRIAL PERIOD (PACKAGE DRIVER)

Employees transferring from part-time to full-time who are attempting to qualify as a package car driver shall have a thirty (30) working day trial period to qualify and may have up to an additional ten (10) working days at the beginning of his/her trial period, which may result in a total trial period of up to forty (40) working days, provided that all such additional time is spent in classroom training.

(c) – PROBATIONARY PERIOD (PART-TIME)

A new part-time employee shall attain seniority when he/she has worked seventy (70) days within a six (6) consecutive month period. Prior to attaining seniority, as defined in this Section, the employee shall be considered a probationary employee and may be discharged without such discharge being subject to the grievance procedure. However, the Employer shall not discharge or otherwise discipline a probationary employee for purposes of evading the terms of this provision or discriminate against Union members. Upon completion of the probationary period, the employee shall be given a seniority date as of his/her first day worked within such six (6) month period.

Notification will be made to all Local Unions within seven (7) days of employment of all new hires. Information will include name, address, social security number, last employer, classification hired into, and date of hire.

16.03 Termination of Seniority. Company seniority shall be terminated and the Employer-Employee relationship shall be severed by the following conditions:

- (a) Discharge
- (b) Voluntary quit
- (c) Layoff of three (3) years

16.04 Posting of Seniority List. Within thirty (30) days after the signing of this Agreement the Employer shall post in a conspicuous place a list of employees arranged according to their seniority. Claims for corrections to such lists must be made to the Employer within thirty (30) days after posting and after such time the lists shall be regarded as correct. Copies of such list shall be forwarded to the Union at the same time as they are posted.

16.05 Posting and Promotions. In order to afford employees an opportunity to apply for promotion to permanent full-time job vacancies in higher rated jobs covered by this Agreement, notice of such vacancies shall be posted on the Employer's bulletin board for

a period of five (5) working days before the vacancy is filled on a permanent basis. This shall not be construed to preclude temporary transfers and/or hires to fill such vacancies when deemed necessary by the Employer. A copy of the posted notice shall be sent to the Union. All employees of the Employer will be considered in filling such vacancies, but any employee who fails to apply for the vacancy may not claim to be aggrieved when the vacancy is filled. Package car drivers in the Oahu building shall be able to bid once per year on new jobs or vacancies within the Oahu building. Drivers will carry their seniority with them and dovetail into the new center seniority list.

16.06 Any part-time employee, with six (6) months or more seniority who becomes a full-time employee shall carry over one half (1/2) of their Company seniority for the purpose of qualifying for fringe benefits only.

16.07 Reduction in Force and Recall. When it becomes necessary to reduce the work force, the last man hired shall be laid off first, and when the force is again increased the men are to returned to work in the reverse order in which they were laid off, provided, however, the employees are competent in their jobs and can satisfactorily perform the work required.

16.08 In recalling the laid off employee, the Employer shall notify him at the address last given the Employer by the employee. Within seventy-two (72) hours after receipt at such address of the Employer's letter, unless by mutual agreement, the employee must notify the recall office of his intention to return to work. Such employee must also return to work within two (2) weeks of receipt at such address of the Employer's letter, unless by mutual agreement. Failure of the employee to comply with either of these conditions shall be considered as automatic termination of his employment. Prior to the return to work of such recalled employee, casual or part-time employees may be used without violation of seniority.

16.09 Should the volume of work decrease, such as with driver load days the Employer will give the option to work starting with the most senior employee working his way down the seniority list to the least senior employee.

SECTION 17 – EQUIPMENT ACCIDENTS, REPORTS

17.01 Accidents. Any employee involved in any accident shall immediately report said accident and any physical injury sustained. When required by his Employer, the employee shall make out an accident report in writing on forms furnished by the Employer and shall turn in all available names and addresses of witnesses to the accident. Such reports shall be presented in compliance with present policy, a copy of which shall be included in the Employer rules. Failure to comply with this provision shall subject such Employee to disciplinary action by the Employer.

17.02 Reports. Employees shall immediately report all defects of equipment at such times as directed by the Employer at the beginning or end of their shift. Such reports shall be made on a suitable form furnished by the Employer and shall be made in multiple copies, one copy to be retained by the employee. The Employer shall not ask or require any employee to take out equipment that has been reported by any other employee as being in an unsafe operating condition until same has been approved as being safe by the mechanical supervisor.

17.03 Appearance in Court. When an employee is required by the Employer to appear in any court or before any attorney-at-law for the purpose of testifying because of any accident he may have been involved in during working hours, such employee shall be reimbursed in full by the Employer for all time spent computed at his current hourly rate of pay, or the daily minimum whichever is greater, because of such appearance.

SECTION 18 – HOURS AND OVERTIME

18.01 For the purpose of computing weekly overtime, the work-week shall be Monday through Friday.

18.02 Work performed by an employee which is defined hereunder as overtime shall be compensated for at one and one-half (1-1/2) times the straight time rate.

18.03 Work performed by any employee in excess of eight (8) straight time hours (exclusive of meal periods) in any one (1) day

shall constitute overtime. Work performed by an employee in excess of forty (40) straight time hours (excluding meal periods) in any one (1) week shall constitute overtime.

18.04 In computing the aforementioned forty (40) hours, time off on an employee's scheduled workday for holidays, sick leave, and waiting period for sick leave shall be computed as time worked provided, however, that upon occasion of absence from work because of sickness or injury, the employee presents a certificate from his attending physician or other evidence satisfactory to the Employer that his absence is due to such sickness or injury.

18.05 Work performed by an employee on Saturday shall constitute overtime.

18.06 Sunday work shall be paid at one and one-half (1-1/2) times the regular hourly rate unless it is the seventh (7th) consecutive day worked, in which case it shall be paid at two (2) times the regular hourly rate. A paid holiday shall be considered a day worked.

18.07 No overtime shall be paid unless the work performed is at the request of or on the order of the Employer.

18.08 Whenever two (2) or more overtime or premium rates are applicable to the same hour or hours worked, there shall be no pyramiding or adding together of such rates and only the higher of the applicable rates shall apply.

SECTION 19 – MINIMUM TIME

19.01 An employee ordered to report to work during his regular workweek, Monday to Friday, and who so reports at the specified time shall receive a minimum of eight (8) hours work or if eight (8) hours work is not furnished, a minimum of eight (8) hours pay at the straight time rate, unless the employee quits, voluntarily lays off or is suspended or discharged prior to the completion of eight (8) hours work.

19.02 An employee ordered to report to work on Saturday and who so reports at the specified time shall receive a minimum of four (4)

hour work or if four (4) hours work is not furnished, a minimum of four (4) hours pay at the overtime rate, unless the employee quits, voluntarily lays off or is suspended or discharged prior to the completion of four (4) hours work.

SECTION 20 – SCHEDULING WORK

20.01 Start times shall be posted on the prior Friday of the week for which the starting times shall be effective. Employees who are ordered to report for work prior to said scheduled starting times shall receive time and one-half (1-1/2) for all hours worked prior to their regular starting time. Employees who are ordered to report for work later than their scheduled starting time shall receive time and one-half (1-1/2) for the number of hours equal to the number of hours called into work after their scheduled start time.

20.02 If the Employer secures new work for the next day at a time too late to comply with the preceding paragraph, he may call employees to perform such work at any time provided, however, the acceptance of such work shall be at the employee's option and if the call to work occurs when the employee is unable to report to work at his regular starting time he shall nevertheless be paid from the regular-starting time. Such employee is expected to report to work within a reasonable time after receiving the call and accepting the work. However, if such late call to work is the result of another employee's inability to perform his work, pay in such instance will commence when the employee reports to the Employer's premises and clocks in.

20.03 Any employee who is called to work after his regular starting time because of another employee's inability to perform his work shall receive a minimum of six (6) hours work or if six (6) hours work is not furnished, a minimum of six (6) hours pay at the straight time rate.

20.04 The night shift is a regular work shift, the majority of the working hours falling between 3:30 p.m. and 5:00 a.m. Night shift premium of ten cents (\$.10) per hour shall be added to the regular straight time rates for employees who are required to perform night shift work. It is not to apply to watchmen and janitors.

SECTION 21 – CALL BACK

21.01 If an employee is called back or otherwise required to return to work after completing his work and clocking out for the day he shall be paid at the overtime rate for all hours worked, however he shall have a minimum pay guarantee for such call-back of four (4) two (2) hours at the straight time rate of pay, unless the employee quits, lays off, requests off or is suspended or discharged prior to completing his assignment.

SECTION 22 – MEAL PERIOD

22.01 A meal period of at least one-half (1/2) hour's duration shall be afforded to each employee covered by this agreement.

22.02 If an employee is required by the Employer to work more than five (5) consecutive hours without being given an opportunity to eat, he shall be paid at the overtime rate for all time worked in excess of the first five (5) hours until such time as the employee is given the opportunity to eat.

SECTION 23 – PAYDAY

23.01 The Employer shall establish a weekly pay day. All employees covered by this agreement shall be paid in full each week. For accounting purposes, the Employer may defer payment of not more than seven (7) calendar days of earnings dating from the close of the preceding pay period.

23.02 Employees shall be paid on the regular payday upon checking out for that day except in cases when an employee voluntarily leaves work prior to his scheduled quitting time and in situations beyond the control of the Employer.

SECTION 24 – DISQUALIFIED DRIVER- ALTERNATIVE WORK

24.01 Except as provided for in Article 16, a driver who is judged medically unfit 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, Rider 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.

SECTION 25 – TEMPORARY TRANSFER

25.01 Any employee covered by this agreement may be temporarily transferred to other classifications or may be used for relief of employees under other classifications.

25.02 If temporarily transferred to a higher paid classification covered by this agreement, the employee shall receive the rate applicable to the higher classification for all work performed in said higher classification but for not less than one (1) hour.

25.03 If an employee is temporarily transferred to a lower paid classification covered by this agreement, such employee shall continue to receive his regular rate of pay unless such transfer is made permanent provided, however, that a transfer to a lower paid classification made at the request of the employee shall not be deemed a temporary transfer irrespective of the duration of such transfer and shall be paid for at the rate applicable to the work being performed. If an employee accepts work in a lower classification rather than taking a layoff, such acceptance shall be deemed to be a transfer made at the request of the employee.

25.04 Available package car work will be offered to the most senior qualified part-time employee. Currently and former air drivers shall have seniority over other part-time employees qualified to drive. Cover drivers will work as replacements for full-time package drivers only for the purpose of covering vacations, holidays, jury duty, option days, option week, funeral leave, sick days and leaves of absence.

The rate of pay for the cover driver who performs regular package work shall be as follows:

START	\$13.91
12 MONTHS	\$14.90
18 MONTHS	\$15.90
24 MONTHS	\$17.88

When a driver attains the 24 month rate, he shall receive \$17.88 per hour. Regular package car work will be defined as recognized established full-time daily delivery and pick-up work.

Cover drivers may be used as temporary replacements only and are not to supplement the work force.

Current and former next day air drivers shall be given first consideration for regular full-time package delivery positions until all employees of the attached seniority list have been offered said position.

If a cover driver is used for any reason other than as a replacement for full-time package drivers for the reasons listed in this section (excluding October, November and December) and a total of thirty (30) days are worked out of a ninety (90) day period, the Company shall add a permanent regular full-time package car job.

Cover drivers that are used outside the parameters of the above-stated language shall be guaranteed eight (8) hours pay at the package driver's top rate of pay. Cover drivers who work an unscheduled single day(s) shall be considered outside the parameters of this agreement and shall be guaranteed eight (8) hours pay at the package driver's top rate of pay, except in cases where a regular package car driver fails to complete his work day.

Part-time employees working as cover drivers shall be credited from the first day of working as a cover driver for the purposes of wage progression, when promoted to full time driver.

	EMPLOYMENT DATE	CENTER DATE
1. Gregory Alonzo (9681)	01-03-94	10-24-94
2. Trina Chung (9680)	08-01-95	11-12-96
3. Ionatana Ala (9681)	09-08-98	04-03-01

SECTION 26 – WAGES

26.01 Classification and Minimum Hourly Wage Schedule

SECTION 27 – VACATIONS

27.01 Regular full-time employees will be entitled to vacation with pay in accordance with the following schedule:

1 year but less than 5 years	2 weeks (80) hours
5 years but less than 10 years	3 weeks (120) hours
10 years but less than 20 years	4 weeks (160) hours
20 years but less than 25 years	5 weeks (200) hours
25 years or more	6 weeks (240) hours

27.02 Each employee must have worked a minimum of 1200 hours during his anniversary year to qualify for a vacation. An employee who worked less than 1200 straight time hours during his anniversary year shall receive vacation in proportion to the number of straight time hours worked.

27.03 Vacation pay shall be computed on the employee's current straight time rate or the straight time pay rate of the classification worked at for at least sixty percent (60%) of the time during the employee's anniversary year, whichever is higher.

Effective August 1, 2003, vacation pay for full-time employees for each week of vacation shall be one-fifty-second (1/52) of the gross annual earnings of the employee during the twelve (12) month period immediately prior to the employee's employment anniversary date. One-fifty-second (1/52) shall be defined as all monies paid to an employee for an anniversary year, excluding unused sick pay, pay in lieu of unused vacations or personal days. Effective August 1, 2002, ten cents (\$.10) per hour of the newly negotiated pension contribution rate shall be deducted from each full-time employee's hourly contribution and retained by the Company for the life of this agreement.

A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of vacation eligibility.

Vacation days will be pro-rated.

27.04 It shall be at the Employer's sole discretion to determine the period during which any employee may take his vacation, but the expressed preference of the employee by the company seniority will be given due consideration.

27.05 If an employee is called back to work during his vacation period, he shall receive his vacation days lost at a later date. Work performed by an employee when he is recalled to work during his vacation period shall be paid for at the overtime rate.

27.06 If an employee becomes sick during his vacation period, such employee will be eligible for sick leave pay, in compliance with Section 29 (Sick Leave) of this agreement. Vacation days lost due to sickness shall be taken at the end of the scheduled vacation period or shall be rescheduled for another time by mutual agreement.

SECTION 28 – HOLIDAYS

28.01 Employees shall receive eight (8) hours pay, to be based on the higher of either (a) the regular straight time rate or (b) the classification worked in the majority of hours during the past two (2) periods, for the following holidays falling Monday through Saturday, provided the employee works his scheduled workday immediately before and immediately after the holiday.

- | | |
|------------------|------------------------|
| New Years | Labor Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Day after Thanksgiving |
| Christmas Day | |

28.02 Effective January 1, 1991, the name holiday of Presidents Day, Discovers Day, and the Employee's Birthday shall be combined with two (2) floating holidays to make up an optional week. This optional may be treated as 1.) an additional week of vacation, 2.) the employee may elect to receive pay in lieu of, or 3.) may be taken in individual days.

All full weeks of vacation and option weeks are to be selected in sen-

riority order. Employees who elect to take option days one at a time will then select in seniority order. During this process the employee may elect to carry their option day(s) for the vacation year. Employees requesting individual day(s) shall submit, in writing, their request at least three (3) working days prior to the day(s) requested. The Employer shall notify the employee no later than twenty-four (24) hours from the date of the employee's request. These day(s) will be granted on a first come first serve basis. Once an employee makes an optional day selection and it is approved, the approval may not be withdrawn by the Employer. When an excessive number of employees have chosen the same optional day, the Company may limit the number of employees off based upon operational needs. Any unused days will be paid out at the end of the year.

28.03 Whenever any of the above-listed holidays falls on a Sunday, the following Monday shall be considered the holiday. Whenever any of the above holidays falls on a Saturday, the previous Friday shall be considered the holiday.

28.04 Any Temporary seasonal employee hired between October 1 and December 31 shall not be entitled to any of the above-listed pay holidays which occur during such employee's first sixty (60) calendar days of employment. If such temporary seasonal employee works on any of the above-listed holidays, then such employee shall receive two and one-half (2-1/2) one and one-half (1-1/2) times his regular straight time rate of pay.

28.05 An employee shall not lose holiday pay because of his failure to work his scheduled workday immediately before and immediately after the holiday as provided above if such failure to work is due to his being 1.) on vacation, 2.) unable to work by reason of a compensable industrial accident, 3.) on annual military or National Guard leave which does not extend beyond two (2) weeks, or 4.) on sick leave which is not caused by his own misconduct and which is evidenced by a medical certificate or such other evidence a may be acceptable to the Employer. It is provided, however, that an employee shall not receive both holiday pay and sick benefits for the same day, and provided, further, that the employee shall be entitled to only the difference between holiday pay and industrial compensation, military, or National Guard pay for the same day.

28.06 If required to work on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day or on a scheduled option week, the employee shall receive, in addition to any holiday pay herein before provided, two (2) times his straight time rate for all hours worked provided, however, that if an employee is working with air cargo or is hauling containers he shall receive, in addition to any holiday pay herein before provided, one and one-half (1-1/2) times his straight time rate for all hours worked.

28.07 Whenever any of the above-listed holidays fall during an employee's vacation period, such employee shall receive an extra day of vacation with pay or pay in lieu thereof by mutual agreement.

28.08 Holidays (except those falling on Saturday) falling on an employee's regularly scheduled workday which are not worked will be considered days worked for the purpose of computing overtime.

SECTION 29 – SICK LEAVE

29.01 An employee covered by this agreement who has been in the employment of the Employer for a continuous period of one (1) year or more shall be entitled to sick leave as follows:

29.02 Whenever sickness or injury NOT covered by the State Workers' Compensation Act causes absence from work the employee shall be entitled to sick leave commencing with the first day of not more than eight (8) working days of eight (8) hours each in any one (1) year of employment, with pay computed on the higher of either (a) the employee's regular straight time rate, or (b) the classification worked in the majority of hours during the past two (2) pay periods.

29.03 Employees shall accrue a maximum of eight (8) days per year for sick leave. Any of the unused sick leave days shall be credited in the following manner.

(a) Within thirty (30) days after the end of each anniversary year

of continuous service, each employee shall be paid for the days of unused sick leave which he has earned. Pay for such days of unused sick leave shall be at the employee's working rate of pay in effect on the first day of the month in which the employee completes such year of Company service.

- (b) The employee may choose to accumulate any of his unused sick leave days each completed year of service not to exceed sixty (60) maximum days of accumulation. These accumulated sick days can be used only for Bona Fide sickness or they may sell back their accumulated days to be paid at the employee's current rate of pay.
- (c) Current unused sick leave days may be utilized as part of an employee's vacation time provided, however, that the employee notifies the Company at least thirty (30) days prior to taking the scheduled vacation. The Employer has the right to determine whether the current unused sick leave days can be used in conjunction with the employee's normal vacation schedule. Should a work schedule conflict, the Employer has the right to reschedule those days for vacation purposes at another point of time. It is further understood that the Employer shall notify the employee no later than seventy-two (72) hours after the employee's request whether the time off is approved.

29.04 An employee absent from work because of illness or injury shall notify the Employer one (1) hour prior to the scheduled time on the first (1st) day of absence. The waiting period shall be effective as of the date of notification.

29.05 In order to receive sick benefits, the employee is required to present a certificate from a physician who shall be licensed to practice in the State of Hawaii. Other evidence may be acceptable to the Employer that the absence from work was caused by such illness or injury. However, it shall be at the sole discretion of the Employer to determine whether such other evidence is acceptable.

29.06 The Employer shall not require an employee to present a physician's certificate for one (1) day unpaid absences due to sick-

ness or injury except when such absences fall on the day before or after a paid holiday, as provided in the holiday provisions of this agreement.

29.07 The Employer will provide each employee who qualifies for sick pay a Temporary Disability Plan which shall become effective after the employee exhausts any sick leave days to which he is entitled herein.

However, if an employee has less than five (5) days sick leave entitlement at the start of a disability period, such employee shall not receive any TDI benefits until seven (7) calendar days have elapsed. Except as modified by the preceding, TDI benefits under this section shall be in accordance with Part II of the State of Hawaii Temporary Disability Insurance law. During the first year of employment the Employer will provide any pay for a Temporary Disability Insurance Plan in accordance with the State of Hawaii Temporary Disability law.

29.08 If a holiday falls while an employee is off on sick leave, he shall not be charged with sick leave for that day but shall receive holiday pay, in accordance with 29.06 above.

29.09 No employee whose illness or injury is caused by his own misconduct shall be entitled to the benefits of this section.

29.10 In the event an employee receives weekly compensation from the Union, a jointly administered group insurance plan or a plan to which the Employer contributes, daily sick benefits due him under this section shall be reduced by the amount of any such insurance compensation during the time he receives such insurance compensation, and his total sick leave allowance shall be reduced only by the exact amount of the daily sick benefit used.

29.11 If Federal or Hawaii legislation shall provide for benefits, under whatever name, to employees who are disabled by non-occupational sickness and accident or similar disability, then the foregoing sickness plan shall be deemed amended so as to eliminate duplication of benefits.

SECTION 30 – INDUSTRIAL ACCIDENT COMPENSATION

30.01 Whenever injury or illness which is covered by the State Worker's Compensation Act causes absence from work, the employee shall be entitled to all compensation due him under the Act. In addition thereto, the Employer will supplement the compensation paid under the Act so that employees will receive the equivalent of forty (40) hours pay at his regular straight time rate for the first seven (7) calendar days of each disability provided, however, that such supplemental compensation shall not exceed eighty (80) straight time hours in any one (1) year of service. After the initial seven (7) calendar days of each disability, the employee will receive compensation in accordance with the provisions of the Act.

30.2 No supplemental compensation shall be paid under this section where the injury or illness was caused by the employee's carelessness, negligence or violation of working rules.

SECTION 31 – MEDICAL, DENTAL AND PRESCRIPTION DRUG AND VISION CARE PLANS

31.01 The Employer will establish and keep in force a UPS Health and Welfare for active full time employees and retirees who are members of Teamsters Local #996. The employee covered as well as the nature and amount of said benefits will be outlined in the summary plan description.

SECTION 32 – JURY SERVICE

32.01 Any employee who serves on a federal or state jury shall received full pay during the period of such service up to a maximum of ninety (90) days of jury service in any one (1) twelve (12) month period. The Employer will make up the difference, if any, between the amount paid him by the government (including mileage) and the straight time amount he would have earned had he worked. It is understood that the employee will submit to the Employer proper certificate from court officials indicating the time so spent and the amount of jury pay.

SECTION 33 – EXAMINATIONS

33.01 Physicals or mental examinations required by a governmental body or the Employer shall be promptly complied with by all employees provided, however, the Employer shall pay for all such examinations. The Employer reserves the right to select its own medical examiner or physician and the Union may, if in their opinion they think an injustice has been done an employee, have said employee reexamined at the Union's expense.

SECTION 34 – FUNERAL LEAVE

34.01 In the event of a death of a member of the employee's family, seniority full-time employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite. Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided below. In no event will total compensation time off exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight-time hourly rate for each day lost from work for those employees whose regular scheduled workweek is five (5) days, and ten (10) times the straight-time hourly rate for those employees whose regular scheduled workweek is four (4) days.

A regular part-time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite.

"Members of the employee's family" means spouse, child, or step-child, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law.

An employee shall be allowed one (1) day off to attend the funeral of a sister-in-law or brother-in-law. Reimbursement for this day shall be the same as outlined above.

Better conditions contained in Supplements, Riders or Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

SECTION 35 – UNIFORMS

35.01 REFER TO ARTICLE 42 OF THE NATIONAL MASTER UPS AGREEMENT.

SECTION 36 – STOP-WORK MEETINGS

36.01 At the request of the Union, made at least one (1) week in advance, one (1) stop-work meeting during each calendar quarter or not more than two (2) hours duration shall be arranged for the employees covered by this agreement. No such meeting shall be scheduled between October 1 and December 31. The date and hour of the stop-work meetings shall be scheduled by the Employer. The Employer shall schedule only such work during such meetings as deems necessary to furnish minimum service to its customers and to perform required duties.

36.02 If employees attending the meeting are required to return to work thereafter, they shall return promptly.

36.03 Employees shall not receive any compensation or credit for overtime pay purposed for hours not worked.

SECTION 37 – PENSION PLANS/SAVINGS

37.01 The Employer shall continue to contribute to the Hawaii Truckers-Teamsters' Pension Plan, effective August 1, 2008, seven dollars and twenty-five cents (\$7.25) per compensable hour (excluding overtime) earned by each employee covered by this agreement up to but not in excess of forty (40) hours in any one work-week per employee. The Employer contribution will be increased to seven dollars and ninety cents (\$7.90) effective August 1, 2009, eight dollars and fifty-five cents (\$8.55) effective August 2010, nine dollars and twenty cents (\$9.20) effective August 1, 2011 and nine dollars and eighty-five cents (\$9.85) effective August 1, 2012.

37.02 The Employer and the Union agree that if the Hawaii Truckers-Teamsters' Pension Plan explores an early retirement options which involves combining years of service and age to equal eighty (80) or eighty-four (84) during the life of this agreement, the Employer and the Union will meet and attempt to agree upon a side

letter and subsequent incorporate the agreed upon language in this Section. The early retirement option would be funded from the existing contribution rates above. The percentage used to fund the early retirement option will not be used in the base rate calculation.

SECTION 38 – TEAMSTERS-TRUCKERS’ OPPORTUNITY PROGRAM

38.01 Effective April 1, 1973, the Employer shall contribute, at monthly intervals, five cents (\$.05) per compensable straight time hour earned by each employee covered by this agreement to the Teamsters-Truckers’ Opportunity Program. Effective April 1, 1979, and for the duration of this agreement, the Employer will cease all contributions to the Teamsters-Truckers Opportunity Program.

SECTION 39 – SEPARATION ALLOWANCES

39.01 A regular full-time employee who has completed one (1) or more years of continuous service and who is permanently terminated from employment for reasons clearly beyond his own control due to a permanent reduction in the work force shall receive a separation allowance to be computed as follows:

- (a) If his period of continuous service since his last date of hire is in excess of one (1) year but less than six (6) years, the separation allowance shall be twenty (20) hours of pay at the straight time rate for each completed year of service.
- (b) If his period of continuous service since his last date of hire is in excess of five (5) years, the separation allowance shall be forty (40) hours of pay for each such completed year of service in excess of five (5) years.
- (c) In the event an employee is laid off in excess of sixty (60) continuous calendar days for reasons other than a transportation labor dispute, such employee shall have the right to terminate his employment and receive the appropriate separation allowance immediately upon such termination.

(d) In no event will any employee accrue or be paid a separation allowance in excess of 1000 hours straight time pay.

39.02 The acceptance of any payment provided for under this section constitutes a waiver by the permanently laid off employee or any right of recall. In the event such permanently laid off employee is subsequently rehired by the Employer, he shall be considered a new employee.

SECTION 40 – FEDERAL CREDIT UNION DEDUCTIONS

40.01 The Employer will make payroll deductions to the Hawaii Teamsters' Federal Credit Union for employees who voluntarily request such deductions in writing.

SECTION 41 – PICKET LINE

41.01 It shall not be a violation of this agreement and shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute or refuses to go through or work behind any lawful primary picket line, including the lawful primary picket line of this Union, and including lawful primary picket lines at the Employer's place of business.

SECTION 42 – SUPERANNATED EMPLOYEES

42.01 Any employee whose earning capacity is limited because of advanced age or other handicap that may interfere with his regular duties may be employed in suitable work at a wage rate agreed upon by the Employer and the Union.

SECTION 43 – SUBCONTRACTING

43.01 REFER TO ARTICLE 32 OF THE NATIONAL MASTER UPS AGREEMENT.

SECTION 44 – SUPERVISORS

44.01 No supervisors will perform any work covered by the bargaining unit except for training purposes and in emergencies.

SECTION 45 – MODIFICATION OF AGREEMENT

45.01 No provision or term of this agreement may be amended, modified, altered or waived except by written document executed by the parties hereto.

SECTION 46 – DOCUMENT CONTAINS ENTIRE AGREEMENT

46.01 This document contains the entire agreement of the parties and neither party has made any representations to the other which are not contained herein.

SECTION 47 – DURATION

47.01 This agreement shall remain in full force and effect from December 19, 2007 to and including July 31, 2013. It shall be deemed renewed from year to year thereafter unless either party shall give written notice to the other of its desire to change its provisions. Such written notice shall be given at least sixty (60) calendar days and not more than ninety (90) calendar days prior to the last day of its original term or the last day of any yearly extended term, as the case may be.

47.02 Notices served under this section shall be in writing and be accompanied by the proposals of the notifying party.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed this 18th day of November 2008.

HAWAII TEAMSTERS AND ALLIED WORKERS, Local 996	UNITED PARCEL SERVICE Hawaii Negotiating Committee
Ron Kozuma – Chair	Mark Aaron – Chair
Michael A. Chambrella, ESQ, Co-Chair	Gary Medeiros, Co-Chair
Nathan Tai	Ed Shinoda, Co-Chair
Jason Ellerbee	Lance Hiorkawa
Mark Komomua	Thomas Kiyabu
Guy Nakamura	Alan Sugimoto
Wayne Lee	Ben Dorado
Sonny Caycayon	
Kaumo Hewlen	

s/Ron Kozuma

s/Mark Aaron

For the Union Date

For the Employer Date

EXHIBIT "B"

**ASSIGNMENT OF WAGES TO COVER
UNION DUES, ASSESSMENTS
AND INITIATION FEE**

TO:

I hereby assign to HAWAII TEAMSTERS AND ALLIED WORKERS, LOCAL 996, and authorize and direct you to deduct out of my wages the Union initiation fees, or reinstatement fee and monthly dues as certified to you in writing by the Union, and I authorize the payment to the Union the amount so deducted.

This assignment shall be irrevocable until one (1) year from the date below, or until the termination date of the applicable collective bargaining agreement (within the meaning of the Labor Management Relations Act of 1947), whichever occurs sooner, and shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective bargaining agreement, whichever shall be shorter unless at least ten (10) days and not more than twenty (20) days before the expiration of each period of one (1) year, or each applicable collective bargaining agreement, whichever occurs sooner, I give written notice to the Employer of my desire to revoke this assignment, or unless the same shall be automatically canceled when my employment ends, or when I cease to be employed in a capacity represented by the bargaining unit.

There shall be no obligation on the part of the Employer to make any deduction beyond the original term of the collective bargaining agreement existing at the date of this assignment, unless the agreement is extended or a new agreement has been negotiated containing an authorization for Union deductions as provided in the agreement existing at the date of this assignment.

Date

Employee

Receipt of the foregoing assignment is acknowledged:

Date

UNITED PARCEL SERVICE

By _____

May 7, 1998

HAWAII TEAMSTERS AND ALLIED WORKERS, LOCAL 996
1817 Hart Street
Honolulu, Hawaii 96819-3205

PART-TIME EMPLOYEES

Gentlemen:

As part of a settlement of the collective bargaining agreement effective December 19, 2007, through July 31, 2013, between UPS and HAWAII TEAMSTERS AND ALLIED WORKERS, LOCAL 996, covering production employee, it is understood and agreed that the following provisions shall be in effect for regular part-time employees:

1. Minimum time (Section 19). A regular part-time employee ordered to report to work and who so reports at the specified time shall receive a minimum of three and one-half (3-1/2) hours work.
2. Shift Premium (Section 20). The provisions of Section 20, Shift Premium, shall not be applicable to part-time employees.
3. Scheduling of Work (Section 20). The workweek shall consist of any five (5) consecutive "shift days." Whatever day of the week any one of the five (5) consecutive "shift days" falls, including Saturday and Sunday, no overtime will be paid. Overtime will be paid, however, on the sixth (6th) and seventh (7th) "shift days".

A regular part-time employee who is order to report shall be advised by posted notice or otherwise not later than the end of his preceding workday of his starting time for the next workday. Otherwise he shall be notified not later than 9:00 p.m. on the preceding day. If the Employer secures new work for the next day at a time too late to comply with the preced-

ing paragraph, he may call employees to perform such work at any time provided, however, the acceptance of such work shall be at the employee's option.

If work scheduled for the next day is canceled by a customer, employees affected may be notified without penalty not to report to work not later than 9:00 p.m. of the day preceding the day upon which work is to be performed.

4. Vacations (Section 27). Any regular part-time employee covered by this agreement who has been in the employment of the Employer for a continuous period of one (1) year but less than five (5) years shall be entitled to a vacation of two (2) weeks with pay computed on the basis of the average number of hours worked per week during the year the vacation was earned or a minimum of seventeen and one-half (17-1/2) per week.

Any regular part-time employee covered by this agreement who has been in the employment of the Employer for a continuous period of five (5) years but less than ten (10) years shall be entitled to a vacation of three (3) weeks with pay computed on the basis of the average number of hours worked per week during the year the vacation was earned.

Any regular part-time employee covered by this agreement who has been in the employment of the Employer for a continuous period of ten (10) years but less than twenty (20) years shall be entitled to a vacation of four (4) weeks with pay computed on the basis of the average number of hours worked per week during the year the vacation was earned.

Any regular part-time employee covered by this agreement who has been in the employment of the Employer for a continuous period of twenty (20) years but less than twenty-five (25) years shall be entitled to a vacation of five (5) weeks with pay computed on the basis of the average number of hours worked per week during the year the vacation was earned.

Any regular part-time employee covered by this agreement who has been in the employment of the Employer for a continuous period of twenty-five (25) years or more shall be entitled to a vacation of six (6) weeks with pay computed on the basis of the average number of hours worked per week during the year the vacation was earned.

Previous year vacation time taken shall be included in the computation of number of hours worked for the ensuing vacation.

5. Holidays (Section 28). Provisions and benefits for holidays as stated in Section 28 of the agreement shall be applicable to regular part-time employees who normally had been scheduled to work on such holidays except that the number of hours of holiday pay due shall be four (4) hours.
6. Sick Leave (Section 29). The provisions of Section 29 shall be applicable to regular part-time employees except that sick leave benefits will be computed on the average number of hours worked per day during the year sick leave benefits were earned with a minimum of three and one-half hours (3-1/2).

It is also agreed and understood that all hours of earned sick leave benefits will be credited as hours worked for the purpose of computing sick leave benefits and vacation pay. Previous year sick leave time taken shall be included in the computation of numbers of hours worked for the ensuing sick leave benefits.

7. Medical Plan (Section 31). See National Master Article 34, Section 2 – Part-Time Medical Coverage.
8. Industrial Accident (Section 30). Section 30 of the agreement shall be applicable to regular part-time employees except that the Employer will supplement the compensation paid under the State Worker's Compensation Act so that the employee will receive the equivalent of his regular scheduled workday of up to eight (8) hours each at his regular straight time rate

for the first seven (7) calendar days each disability. Such supplemental compensation shall not exceed two (2) calendar weeks pay in any one (1) year of service. The benefit will be paid for injury or illness incurred only while working for the Employer.

9. Jury Service (Section 32). Section 32 of the agreement is applicable to regular part-time employees except that the straight time amount the employee "would have earned had he worked" will be the same as the number of hour worked on the last previous workday but shall not exceed eight (8) hours. Payment will be made only for those days the employee would be regularly scheduled to work.
10. Funeral Leave (Section 34). Section 34 of the agreement is applicable to regular part-time employees. Payment will be made only for those days the employee would be regular scheduled to work.
11. Pension Plan/Savings (Section 37).
 - 11.01 Regular part-time employees shall be covered by the Employer's existing pension plan.
 - 11.02 Savings – Effective August 1, 1997, United Parcel Service shall make contributions at the rate of forty cents (\$.40) per compensable hour into the Pacific Coast benefits Trust (herein "Trust") on behalf of all employees covered under this rider on whose behalf UPS was obligated to make contributions in the Trust immediately prior to August 1, 1997. With respect to employees whose first hour of employment (or reemployment) with UPS is on or after August 1, 1997, UPS shall make contributions a the rate of forty cents (\$.40) per compensable hour into the Pacific Coast Benefits Trust Fund on behalf of each such employee beginning on the earlier of the employee's achievement of seniority or the employee's completion of 600 hours of employment (or reemployment) within twelve (12) consecutive calendar months, such contributions to be made retroactively for all

compensable hours in the twelve (12) consecutive months immediately preceding achievement of seniority or the completion of 600 hours of employment (or reemployment) as the case may be. Provided, however that UPS shall not contribute for more than 173 hours in any calendar month for each covered employee. The total amount due for each calendar month shall be remitted in a lump sum not later than the tenth day of the following month. UPS acknowledged that it has received a true copy of the Trust document and shall be considered a party thereto. It is understood and agreed that UPS accepts the terms and conditions of this Trust and agrees that the Employer Trustees named pursuant to the Trust are its representatives and consents to be bound by the actions and determinations of the Trustees. UPS further agrees to abide by such rules as may be established by the Trustees of said Trust to facilitate the audit of hours for which contributions are due, the prompt and orderly collection of contributions, and the accurate recording of such hours.

Holidays, sick pay and vacation time paid for but not worked shall be considered as time worked for this savings section and with regards to pension contributions, but no payments shall be made of overtime hours, unused sick pay benefits or pro-rated payments made in cases of separation except retirement from the Company.

The Employer shall not be obligated to make payments into the Trust Funds of amounts in excess of those which are deductible from the gross income by the Employer under Section 404 of the Internal Revenue Code.

The total amount due for each calendar month shall be remitted in a lump sum no later than the 20th day of the following month.

12. Part- time Employees – Wages.

(A) Present Part-time Employees

All part-time employees who have attained seniority as of August 1, 1997 will receive the following general wage increases:

Refer to Article 22, Section 5 Wages of the National Master United Parcel Service Agreement.

Part-time employees shall receive one dollar (\$1.00) per hour above their regular wage rate for all hours or portions of the hour while operating package cars on property.

Employees moving vehicles, (package cars or tugs on public roads) shall receive \$1.50 per hour above his regular wage rate for all hours or portions of the hour when moving such vehicles has been assigned to him.

- 13. All other provisions of the agreement, unless specifically stated otherwise, apply to regular part time employees. A regular part time employee is defined as any employee who is not regularly scheduled to work more than thirty (30) hours per week.

Please indicate your understanding and acceptance of the foregoing by signing and returning four (4) copies of this letter to the undersigned.

Understood & Agreed:

Very truly

HAWAII TEAMSTERS
& ALLIED UNION, Local 996

UNITED PARCEL
SERVICE WORKERS

By its _____

By its _____

_____ 1998

Hawaii Teamsters and Allied Workers, Local 996
1817 Hart Street
Honolulu, Hawaii 96819-3205

Gentlemen:

In conjunction with the collective bargaining agreement executed simultaneously with this letter, it is understood and agreed as follows:

1. Due to the stringent scheduling requirements of the Employer's customer, all drivers are required to notify the Employer of their absence from work at least one (1) hour prior to the employee's normal starting time each day of absence (notwithstanding the provision of Section 16.03 (d) and Section 29.04). In the event no such report is received, the Employer will presume that the employee has resigned without notice.
2. The Employer's existing practice of work opportunity shall continue on the basis that company seniority shall govern. In all instances, employees must be qualified to perform the required work in order to claim work opportunity on the basis of seniority.
3. The Employer and the Union recognize the safety hazards involved in lifting heavy and/or unusually shaped items. The parties agree the Federal safety standards applicable to handling such items shall be adhered to. Refer to Article 44 of the National Master United Parcel Service Agreement.
4. **GENERAL STATEMENT OF INTENT ON NOTIFICATION OF OVERTIME WORK**

The Employer and the Union recognize that on certain occasions overtime work is unavoidable and that such work must be performed upon demand by the Employer's customers. It is

recognized by the parties that employees on certain occasions will have urgent personal commitments that would be difficult to postpone.

The parties therefore agree that employee with such personal commitments will inform the dispatcher of such commitments as soon as possible but no later than the start of the workday and the Employer will make every effort to schedule such Employees workday to preclude overtime work.

It is further agreed that the Employer will have the right to assign overtime work in the normal manner if there are not enough employees to perform the required overtime work.

Please indicate your understanding and acceptance of the foregoing by signing and returning four (4) copies of this letter to the undersigned.

Very truly yours,

UNITED PARCEL SERVICE

By its _____

Understood and Agreed:

HAWAII TEAMSTERS AND ALLIED WORKERS
LOCAL 996

By its _____

LETTER OF UNDERSTANDING
NATIONAL AIR AGREEMENT

Hawaii Teamsters and Allied Workers, Local 996
1817 Hart Street
Honolulu, Hawaii 96819-3205

Gentlemen:

This letter is confirm our understanding that the language contained in Article 40 of the National Master UPS Agreement, entitled Air Operations is not intended to change our method of operation in Hawaii. It is our intention to continue to operate our business under the terms described in our agreement with your local union, dated December 19, 2007 though July 31, 2013.

It is also understood that all Package Driver wages would be paid in accordance with Section 26.

Very truly yours,

UNITED PARCEL SERVICES, INC.

By: _____

Understood and Agreed:

HAWAII TEAMSTERS AND ALLIED WORKERS
Local 996

By: _____

Date Signed:

