UNITED PARCEL SERVICE The Central Region of Teamsters 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**.

The following Articles and/or Sections of this Central Region of Teamsters Supplement shall supersede or be additions to the corresponding Articles and/or Sections of the National Master United Parcel Service Agreement.

ARTICLE 1-PROBATIONARY EMPLOYEES-SEASONAL EMPLOYEES

Section 1

(b) Seasonal Employees: Time worked from November 1st through the Friday of the second full week of January of the following year December 31st of each year shall not accrue toward seniority. This period may be extended upon approval from the Local Union. Any employee who is retained after December 31st, the Friday of the second full week of January, or recalled within sixty (60) days after the Friday of the second full week of January, December 31st, must work thirty (30) in a ninety (90) consecutive day period commencing with the first (1st) day worked after the Friday of the second full week of January, December 31st, and his/her seniority shall revert back to the first (1st) day of his/her ninety (90) day qualification period. However, those employees hired prior to November 1st who are retained or recalled within sixty (60) days after the Friday of the second full week in January December 31st will retain credit for the number of days worked prior to November 1st.

These days retained will count toward the thirty (30) days worked in a ninety (90) consecutive day period commencing with the first (1st) day worked after **the Friday of the second full week in January** December 31st and they shall be rehired on a six-for-one basis, as outlined elsewhere in this

Agreement, and shall be placed on the seniority list with credit back to the first (1st) day worked after the Friday of the second full week of January. December 31st. An employee filling a permanent new job or job vacancy shall gain seniority under the thirty (30) working days in ninety (90) calendar days seniority provision. This provision will not affect the Company's obligation to bid permanent full-time job vacancies pursuant to Article 3, Section 8 of the Central Region Supplement or any applicable language in any Local Rider or Addendum. Seasonal and probationary employees will not receive any of the benefits of this Agreement other than wages spelled out in this Agreement. Any employee put to work during the seasonal period shall be paid the appropriate seasonal rate of pay.

ARTICLE 3-SENIORITY

Section 3

(e) Unless otherwise prohibited by State or Federal law, an employee's seniority shall be broken when he/she has reached maximum medical improvement from an on or off the job injury or illness if at that time they still cannot perform the essential functions of their job. The Employer must give written notice to the employee and the Local Union if subsection (e) is applied. This provision shall not affect an employee's rights under Article 14.3 of the National Master UPS Agreement.

Section 19 – Single Day Vacation Coverage Drivers

(A) Seniority part-time employees may work as coverage drivers as replacements for full-time employees to cover full-

(R) Company 1

time package work as outlined in this section and under the single vacation day option as outlined in Article 16. No coverage drivers may be used if full-time employees are on layoff in that building. It is understood, in order to make service on packages and in lieu of a supervisor performing bargaining unit work, these coverage drivers may be utilized on days where no single day vacations are scheduled after all other options have been exhausted. A log shall be retained of such coverage and furnished to the Local Union and/or steward upon request.

(B) The pay rate for part-time coverage work shall start at \$16.10 \$18.75. Coverage employees who have worked one full year and worked nine hundred (900) straight time hours in that year or any year following as a coverage employee will be paid \$18.45 \$19.50. (The parties agree to meet and review the 900 hour provision prior to the end of the second contract year.)

ARTICLE 5-GRIEVANCES

Section 2

(a) The UPS Joint Area Committee shall be composed of United Parcel Service representatives from the following Local Unions: 7, 17, 20, 40, 41, 89, 90, 92, 100, 120, 135, 164, 200, 215, 236, 238, 243, 245, 332, 337, 339, 344, 346, 348, 377, 406, 407, 413, 421, 455, 486, 554, 580, 637, 638, 651, 688, 696, 749, 795, 823, 908, 957, and 964.

Section 3

Following due and proper notice given to the parties to appear and present their case, it is agreed that they are empowered to hear and decide the deadlocked case even if only one (1) of the parties submits it to them, or, if one (1) of the parties fails to appear at the hearing to present evidence. They shall have the authority to apply the provisions of this Agreement and to render a decision on any grievance coming before them, but shall not have the authority to amend or modify this Agreement or establish new terms and conditions under this Agreement. Their decision shall be final and binding on all parties and employees involved. If they are unable to agree, the grievance shall be submitted to the United Parcel Service President of Labor Relations or his designee and the I.B.T. National Package Director or his designee for resolution. It is understood either party shall be permitted all legal and economic recourse, including the right of the Union to strike and the right of the Employer to lock out. Prior to any legal or strike/economic recourse, the Union shall have approval from the I.B.T. National Package Director.

ARTICLE 8-PAY PERIODS

Section 2

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. Other shortages or overages involving more than thirty dollars (\$30.00) forty dollars (\$40.00) for full-time employees, and fifteen dollars (\$15.00) twenty dollars (\$20.00) for part-time employees, will be corrected the next workday. All other errors will be corrected on the following paycheck. National Master Article 17 penalty language shall apply.

ARTICLE 11-PART-TIME EMPLOYEES

Section 5

In situations of emergency and/or volume fluctuations, in order to provide customer commitment, part-time employees by agreement with the local union, will be allowed to work as driver helpers outside the months of November and December: through Friday of the second full week of January. Part-time air drivers shall be permitted to work additional hours only after their air commitments are completed. Part-time helper needs during the seasonal period, November and December through Friday of the second full week of January shall be filled from outside sources after exhausting all part-time seniority employees who have expressed an intent for such work. The guarantee shall only apply to their regular part-time assignment. Seniority shall prevail for existing part-time employees, however, helpers must meet the same requirements as applicants for that job. Overtime shall be paid after forty (40) straighttime hours at the applicable rate. Overtime shall not be pyramided. Existing part-time employees who work as helpers shall not be scheduled in excess of eight (8) hours total per day.

ARTICLE 12-HOURS OF WORK

Section 1

The Employer shall continue its efforts to reduce overtime where requested. If the review does not indicate that progress is being made in the reduction of assigned hours of work, the following language shall apply: An employee shall have the right to file a grievance if the Employer has continuously caused him/her to work over nine and one half (9 1/2) hours per day. If the grievance cannot be resolved at the District Local Union level, it will go directly to the Conference level of the grievance procedure. This procedure will not apply in the peak season of November and December.

ARTICLE 14 -HEALTH & WELFARE AND PENSIONS

Section 1

Contribution increases to benefit plans covering members of Local Unions <u>92</u>, <u>135</u>, 344, <u>135</u>, <u>348</u>, <u>638</u>, and 688 shall be made in accordance with Article 34 of the National Master Agreement.

(a) The Employer's contribution increases to the Central

States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty two dollars (\$22.00) twenty dollars (\$20.00) per week effective August 1, 2008 2013, twenty dollars (\$20.00) per week effective August 1, 2014, twenty dollars (\$20.00) per week effective August 1, 2015. The contribution increases for August 1, 2016 and August 1, 2017 are TBD based on Central States costs. and fourteen dollars (\$14.00) per week effective on each August 1 thereafter during the life of this contract.

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

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

- (1) Effective January 1, 2008 the Employer and the Union will established a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c)(5) for full-time employees who under the prior Agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.
- (2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-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 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

Calendar Year Beginning	Monthly Benefit
January 1, 2008 2014	\$132.00 \$170.00
January 1, 2009 2015	\$132.00 \$170.00
January 1, 2010 2016	\$135.50 \$170.00
January 1, 2011 2017	\$147.00 \$170.00
January 1, 2012 2018	\$158.50 \$175.00
January 1, 2013	\$170.00

(3) Eligible employees become participants on the first day of

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

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in

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

- (5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.
- (6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of fulltime service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be \$2000 per month if less than age 57 when benefits commence and \$2500 per month if at least age 57 when benefits commence. The benefit for thirty (30) year service retirement shall be \$3000 (\$3,200 effective 1/1/14 and \$3,400 effective 1/1/17) per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be \$3500 (\$3,700 effective 1/1/14 and \$3,900 effective 1/1/17) per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

Years of service Age Monthly Service Pension Pension Credit

35 years Any age \$3,500-

\$3,700 effective January 1,

\$3,900 effective January 1,

2017

30 or more years Any age \$3,000 plus \$100/yr of service

for years over 30 up to \$3,500 \$3,200 plus \$100/yr of service

for years over 30 up to \$3,700 effective January 1, 2014

\$3,400 plus \$100/yr of service for years over 30 up to \$3,900 effective January 1, 2017

25 years Any Age \$2,000

up to age

57

25 years 57 or \$2,500 plus \$100/yr older

of service for years over 25 up

to \$3,500 maximum

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

- (7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or
- lump sum disability benefit (based on age and years of service).
- (8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

Section 2 Part-Time Pension

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars (\$55.00) for each year of past and future Credited Service to a maximum of thirty-five (35) years of Credited Service. The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60.00) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on August 1, 2008, he shall receive the sixty dollars (\$60.00) benefit formula for the entire 2008 plan year.

The total monthly service pension benefit will be equal to the following provided the employee meets the Credited Service requirement.

\$1,925 \$2,100 for retirement at any age after 35 years of parttime Credited Service

\$1,650 \$1,800 for retirement at any age after 30 years of parttime Credited Service

\$1,375 \$1,500 for retirement at age 60 with 25 years of parttime Credited Service

\$1,125 \$1,250 for retirement at any age with 25 years of parttime Credited Service (based on \$45.00 \$50.00 per year of Credited Service)

- (2) Part-time employees will receive one (1) year of Credited Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credited Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.
- (3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.
- (4) The UPS Pension Plan will be governed by the terms of the Plan document.
- (5) Effective August 1. 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but were denied Credited Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.
- (6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.
- (7) The Company will amend the UPS Pension Plan to allow an employee with an hour of service in covered employment on or after August 1, 2013 to become a participant on the January 1 or July 1 (whichever is earlier), after reaching age 21 and completing a 12 month period of employment beginning on their hire date, or any subsequent calendar year, in which they earned at least 375

hours of service. In addition, in order to receive any retroactive benefit service as a result of the change, the employee's primary job as of August 1, 2013 must be a part-time position. The Pension Plan will also be amended to reduce the number of hours of service required to earn a vesting year from 750 to 375. This paragraph does not change how benefit service is accrued.

The Employer shall provide pension benefit coverage to parttime employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law.

Section 4 Part-Time Medical Coverage

(a) If there are any part-time employees covered by a Teamster Health and Welfare Fund they will continue to be covered by those funds.

(b) Effective January 1, 2008 health and welfare coverage for all part time employees covered by Employer sponsored health and welfare plans on the payroll at that date and those hired thereafter will be provided pursuant to the terms of an Employer sponsored nationwide health care plan, namely, the UPS National Health Plan for Part Time Employees. (A copy of the Summary Plan Description will be provided.) Features of the plan will include a prescription card.

- (b) Effective January 1, 200813 health and welfare coverage for all part-time employees on the payroll at that time and those hired thereafter who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through the CSH&W Fund regardless of the employee's work location. Weekly payments for the covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to the CSH&W Plan to provide the medical coverage, will be provided pursuant to the terms of an Employer sponsored nationwide health care plan, namely, the UPS National Health Plan for Part Time Employees. (A copy of the Summary Plan Description will be provided.) Features of the plan will include a prescription card.
- (c) Notwithstanding any contrary provision in this Supplement or any Rider or Addendum, individual health coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and (ii) spousal or dependant coverage will also be made available to these part-time employees eighteen (18) twelve (12) months after their initial date of employment.
- (d) 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.

Section 6

All retirees who are covered by the UPS Health and Welfare Plan including those who are retired under the 1973-1976 Agreement shall receive health and welfare coverage from the Employer equal to the benefits paid retirees covered under the Central States Health and Welfare Plan.

[Retirees who are covered by the UPS Health and Welfare Plan including those who retired under the 1973-1976 Agreement shall receive benefits after January 1, 2014 under the terms of the Memorandum Concerning UPS Sponsored Plans, attached to the National Master 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 Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the contribution payable by the Employer pursuant to Article 34, Section 1 (a) shall be paid to the new plan.

Section 10

In all Central States covered areas the UPS Health and Welfare Plan covering full time employees, pursuant to the applicable SPD's in effect as of the date of ratification of this Agreement, shall remain in effect throughout the life of this Agreement for all active employees.

ARTICLE 15-HOLIDAYS

Section 1

Effective May 1, 1980, all seniority employees (including parttime employees) shall receive two (2) optional holidays as provided above. (Note: One (1) of the optional holidays is in lieu of the negotiated sick day, effective the same date.) All employees hired after July 31, 1997, shall receive two (2) optional holidays on his/her second (2^{nd}) anniversary and each subsequent year. No employee may earn more than two (2) optional holidays in a calendar year. The date of the optional holiday is to be determined by mutual agreement between the employee and the Employer except that there shall be no optional holiday during the period Thanksgiving through December 25th. An employee must make his/her request for the optional holiday a minimum of eight (8) days in advance. The Company will respond within twenty-four (24) hours with approval or disapproval. The Company will not unreasonably deny the request. The Company will allow a minimum of one (1) optional holiday per day in each center. Optional holidays not taken shall be paid to the employee at the end of their anniversary year for those hired after July 31, 1997 and May $1^{\underline{St}}$ for those hired prior to July 31, 1997.

ARTICLE 16-VACATIONS

The application of the seventeen percent (17%) per center shall be applied as follows:

No. of	No. of
Employees	Vacations Per Week
1-8	1
9-14	2
15-20	3
21-26	4
	5
	6
	7
	8
	9
	10
	11
	12
	13
00-00	

In areas where employees have a problem getting summer vacations because of the seventeen percent (17%) limitation, **either of** the following procedure may be adopted with the approval of the local union.

- (1) Vacation selection (including the option week) shall be in two (2) segments. During the first segment all employees in seniority order shall be allowed to select one (1) week during the summer months of June, July and August. The selection shall take place with 50% of the seniority list selecting the 1st week of November and the remainder of the seniority list selecting in the 2nd week of November.
- (2) Vacation selection (including the option week) shall be in two (2) segments. During the first (1st) segment, employees in seniority order will be allowed to select the following number of weeks.

Single Vacation Day(s) Option:

Full-time employees that have earned at least three (3) weeks of vacation, will have the option of declaring that he/she will be able to split **up to two (2) weeks of regular vacation** the option week of vacation into five (5) or ten (10) single days. Single vacation days may also be taken in blocks of two (2) days, or three (3) days.

The employee must declare this option at the time of vacation selection.

No single vacation day(s) will be taken during the period of Thanksgiving through December 25th.

Seniority shall prevail for selection of single vacation day(s).

Approval of vacation days will be at the discretion of the employer. The Company shall not unreasonably deny the request. Single vacation day(s) selected during the calendar year must be selected, in writing, a minimum of eight (8) working days prior to the requested date(s). The Company must approve or deny the requests within one (1) working day

of the request. Single vacation days may be granted by mutual agreement outside of the eight (8) working day request provision outlined above. The Company will allow a minimum of one (1) single vacation day in each work classification for areas with twenty-five (25) employees or less; minimum of two (2) for areas with 26-70 employees and a minimum of three (3) employees for areas with 71 or more employees, provided there is coverage for the single vacation days. These days shall be paid for the first five days that the employee does not work, provided they were scheduled to work on these days and provided there is coverage for the single vacation days.

Single vacation days will be paid at <u>nine (9) ten (10)</u> hours per day. Any days not used will be paid off at the end of the year.

Single vacation days shall not count toward the percentages of employees allowed off per week in this Article.

Employees may not request vacation day(s) in any week they are not previously scheduled to work.

ARTICLE 17-DISCHARGE OR SUSPENSIONS

The Employer shall not discharge nor suspend any employee without just cause. No employee shall be suspended or discharged without first being given (1) warning letter of a complaint and also be given a local level hearing except for the following offenses

- (a) dishonesty
- (b) drinking of, or under the influence of alcoholic beverage or narcotics during the workday **pursuant to National** Master Article 35
- (c) personal possession or use of drugs, marijuana or L. S. D. during the workday **pursuant to National Master Article 35**
- (d) serious accidents pursuant to National Master Article 18, Section 3. gross negligence, resulting in a serious accident. A serious accident is defined as one in which there is a fatality, a bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or \$4400.00 or more in damages
- (e) the carrying of unauthorized passengers while on the job
- (f) failure to report an accident that the driver had or should have had knowledge of
- (g) an avoidable runaway accident
- (h) failure to turn in all monies collected on that day; or
- (i) other serious offenses, the Company and the Union agree that there are offenses where an employee may be suspended in lieu of discharge. **Within this subsection, when issues**

related to service, safety or methods occur, the decision to remove an employee from service will not occur until the Union is notified by the District Labor Manager or his/her Labor designee of the Company's decision to either suspend or discharge.

With the above exceptions, no employee who is discharged or suspended shall suffer any loss of pay or benefits until the grievance procedure has been completed. The Employer liability will stop:

- (a) if the discharge is sustained;
- (b) if the Union fails to follow the procedure;

In an effort to expedite the resolution of a discharge or suspension grievance filed by an employee, the Union shall make itself available for a hearing within ten (10) days of a request by the Employer.

If the grievance is deadlocked at the local hearing, the Local or State Committee shall hear the case at the next scheduled meeting.

If the grievance is deadlocked, the JAC shall hear the case at the next scheduled or special JAC.

If the JAC does not resolve the case, it shall be submitted to the last step of the CRT procedure. The warning letter, as herein provided, shall be given to the employee with a copy of said letter to the appropriate local union within ten (10) days of knowledge of said complaint and shall not remain in effect for a period of more than nine (9) months from date of said warning letter.

Discharge or suspension must be by proper written notice to the employee as per current practice. and the local union. The proper written notice will also be given to the Local Union and may be transmitted electronically. Any employee may request an investigation of his/her discharge or suspension.