

# MIAMI AIR CARGO TENTATIVE AGREEMENT

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

*covering:*

The parties reserve the right to correct inadvertent errors and omissions.

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

## Article I

### Union Recognition and Scope of the Agreement

Preamble:

UPS Latin America Inc. (hereinafter the "Company") recognizes the Teamsters United Parcel Service National Negotiating Committee and its affiliated Local 769 (hereinafter the "Union"), as the collective bargaining representative of those employees of the Company in the craft or class of Fleet Service Employees, specifically those employees in the job classifications of Cargo Handler, Cargo Handler Lead Employees (previously referred to as "supervisors"), **Driver – Cargo Handler, Custom Agent – Cargo Agent**, Mail Coordinators, Duty Manager, Cargo Agent, Cargo Agent Lead Employees (previously referred to as "supervisors"), UPS Air Express, Cargo Agent and UPS Messenger. The Company and Union agree that it is their intent that covered employees will continue to be those in the previously certified craft or class of Fleet Service Employees.

In addition, it is agreed that:

A. Upon ratification, this Agreement shall become a Supplement to the National Master United Parcel Service Agreement (NMA). Article 1, Section 2 and Article 2, Section 1 shall apply to the job classifications described in the Preamble above. No other provision of the existing or any future NMA shall apply to the employees described in the Preamble except as specifically otherwise provided in this Agreement or as otherwise mutually agreed in writing by the parties.

B. Other than the continued contractual recognition of the certification of the craft or class of Fleet Service Employees, the Company and Union agree not to raise or assert coverage by the Railway Labor Act, 45 U.S.C. §151, et seq. in any future proceeding, administrative or otherwise.

C. This Agreement is entered into in order to promote safety, efficiency, and economy of operations, to provide for orderly collective bargaining relations between the Company and the Union, to provide a means for the prompt and equitable disposition of grievances, and to provide a method for the establishment of fair wages, hours of service, and working conditions for the Employees covered herein under. In making this Agreement it is recognized to be the duty of the Union, Employees and the Company to cooperate fully for the advancement of the purposes of this Agreement. Unless otherwise specified, all references to days shall be calendar days.

D. This Agreement shall supersede all existing or previously executed Agreements by and between the Company and the Union or any other labor organization or individual with respect to the rates of pay, rules or working conditions specifically covered by the provisions of this Agreement in accordance with the provisions of the Railway Labor Act, as amended. Any and all subsequent agreements between the parties shall be reduced in writing, signed by their authorized representatives, and become a part of this Agreement.

## Article III

### Hours of Service

A. All time worked in any continuous tour of duty including overtime shall be considered as work performed on the day and on the work shift within which the tour of duty is started.

B. The starting time of a regular scheduled shift (including overtime continuous with the regular shift) will determine the shift premium paid on that shift. Overtime not continuous with the shift will have shift premium pay determined, if applicable, by the starting time of the overtime period.

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C. The Company will not schedule an employee for less than ~~nine (9)~~ **ten (10)** consecutive hours of rest between his or her shifts. When an employee has less than ~~nine (9)~~ **ten (10)** consecutive hours of rest between his or her shifts, the Company will either relieve him or her of duty with pay for such portion of his or her shift so as to give him or her the ~~nine (9)~~ **ten (10)** consecutive hour rest period, or compensate him or her at a time and one-half rate for those hours his or her minimum rest period were shortened. This provision shall not apply if insufficient rest is a result of the employee's bids at a periodic shift bid so as to create the insufficient rest or if the reason is due to a voluntary decision of the employee (for example a voluntary overtime shift, or any action initiated by the employee).

### Article VI

#### Grievances/System Board of Adjustment, No Strike-No Lockout

##### Section B. System Board of Adjustment

1. There is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and any amendment or additions thereto and which are properly submitted to it, which Board shall be known as *the Company System Board of Adjustment*, hereinafter referred to as "the Board."

##### 2. Composition of the Board

(a) The Board shall consist of four (4) members, two (2) of whom shall be selected and appointed by the Company and two (2) of whom shall be selected and appointed by the Union, and such appointees shall be known as "Board Members." In addition, the Company and the Union shall each designate an alternate, and in the event of unavailability of a Board Member, such alternate shall serve in place of the absent Board Member. It is understood that the Company will not select a Management person from the operation in which the grievance originated. The Union will not select an Official ~~who represents employees at the UPS Air Cargo facility from TLU 769~~, but shall be **selected from the a Local Union that is a signatory to the UPS Southern Region Supplemental or UPS Freight Agreements.**

(b) The two (2) Board Members appointed by the Company and the two (2) Board Members appointed by the Union and their alternates shall serve for one (1) year from the date of their appointment and thereafter until their successors have been duly appointed. Vacancies shall be filled within thirty (30) days in the same manner as provided herein for the selection and appointment of the original Board Members and the original alternates.

(c) The terms of office of Chairman and Vice Chairman shall be for one (1) calendar year. Thereafter, from year to year, the Board shall designate one (1) member to act as Chairman and one (1) member to act as Vice Chairman for one (1) year terms or until his or her successor has been duly selected. Such terms of office shall commence on January 1<sup>st</sup> of each year.

(d) The office of the Chairman shall be filled and filled alternatively by the parties. A Union representative shall serve as Chairman and a Company representative shall serve as Vice Chairman in even years, and vice versa, in odd years. The Vice Chairman shall act as Chairman in his or her absence.

(e) The Board shall meet once every two (2) months at **a mutually determined location** ~~Company headquarters (unless a different place for the meeting is jointly agreed upon by the Board)~~, during the months of January, March, May, July and September and November for each year provided that at such times there are cases filed with the Board for consideration. The meetings shall continue in session until all matters before it have been considered unless otherwise mutually agreed upon in writing or unless two (2) members terminate the meeting. In case where there are off the payroll discharges, the Board will meet sooner than the two (2) month schedule.

(f) Members of the Board who are employees of the Company shall suffer no loss of pay while attending to Board meetings.

### Article VI

#### Grievances/System Board of Adjustment, No Strike-No Lockout

##### Section A. Grievances/System Board of Adjustment:

##### 1. Grievances

(a) The parties agree that an alternative dispute resolution mechanism (ADRM) shall be established which shall consist of the procedures set forth below. The ADRM shall consist of a grievance procedure with strict time limits, as hereinafter set forth; selection of an arbitrator to hear and decide unresolved disputes pursuant to rules of the National Mediation Board, hearing conducted by the arbitrator which are noticed in advance, transcribed and conducted in English with the same assistance of translators if necessary; and awards by the arbitrator which are final and binding upon all parties to the dispute.

(b) Grievances arising under the ADRM shall be processed as follows:

(1) The affected employee shall verbally present the grievance to the *Company* within ten (10) working days of the event giving rise to the grievance. **Working days for the purpose of filing a grievance shall be defined as the employees scheduled work week.**

### Article VII

#### Seniority Layoff & Recall

##### Section A. Seniority

A. Seniority is defined as length of continuous bargaining unit employment with the Company since the employee's last date of hire including the probationary period and all time the employee is on an approved leave or layoff as provided by this contract.

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Seniority rights, as created by this Agreement, exist only to the extent expressed herein, and shall be negotiable beyond the terms of this Agreement. Seniority shall not prohibit the Company from discontinuing its operation, in whole or in part. It also will not prohibit the Company from discontinuing a job classification if the work no longer exists in the classification or rearranging duties within a classification.

B. The parties recognize the right and need of the Company to have and maintain at all times, the best qualified work force. Seniority shall be applied as set forth in this Agreement provided the employees involved have the qualifications and ability to satisfactorily perform the work involved. "Qualifications and ability" means, able to perform the work in an efficient manner based on experience, job knowledge, training, and skill. **It is agreed when the company is moving employees from one work area to another work area the most junior qualified employee will be moved first unless a more senior employee is identified by the lead employee to be moved. The company will consider seniority in the assignment of forklift responsibilities within a work area when more senior employees are scheduled to start later than junior employees. In cases when an employee is loading or unloading a vehicle such work should be completed prior to employee reassignment to forklift responsibilities.**

### Section C. Overtime and Seniority

The employer will, ~~whenever possible,~~ notify the employees on the clock at least one (1) half (1/2) hour prior to quitting time of ~~possible~~ known overtime.

## Article VII Seniority Layoff & Recall

### Section A. Seniority

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B. The parties recognize the right and need of the Company to have and maintain at all times, the best qualified work force. Seniority shall be applied as set forth in this Agreement provided the employees involved have the qualifications and ability to satisfactorily perform the work involved. "Qualifications and ability" means, able to perform the work in an efficient manner based on experience, job knowledge, training, and skill.

C. Seniority and the employment relationship shall be terminated automatically when an employee:

1. voluntarily quits
2. is discharged for just cause and not reinstated under the grievance machinery.
3. fails to notify the Company of his or her intent to return to work upon recall from layoff within seven (7) days, or failure to return to work upon recall from layoff within fourteen (14) days after being notified to report to work unless prior arrangements have been made with the Company. Such notification to return to work will be given by registered mail (delivery or attempted delivery) or telegram addressed to such employee at his or her last address filed with the Company. It shall be the responsibility of each employee to have his or her correct address and telephone number on file with the Company.
4. is absent for three (3) consecutive working days without properly notifying the Company within that time. Notice may be by telephone. This provision shall not be construed in any way to modify the Company's right to discipline employees for unexcused absence.
5. fails to report to work as scheduled at the end of a leave of absence.
6. engages in gainful employment while on approved leave of absence.
7. is laid off or absent for any reason for a period of ~~twenty-four (24)~~ thirty-six (36) months or the amount of his or her seniority as of his or her last day of work, whichever period is shorter.

## Article VIII Wages – Holidays

### Section B.

1. All employees hired after the date of ratification will be paid in accordance with the following:

<del>\$9.50</del>	<u>\$11.00</u>	Start
<del>\$11.00</del>	<u>\$12.00</u>	Seniority
<del>\$13.70</del>	<u>\$14.70</u>	Seniority plus 12 months
<del>\$16.30</del>	<u>\$17.30</u>	Seniority plus 24 months
<del>\$18.90</del>	<u>\$19.90</u>	Seniority plus 36 months
<del>\$21.50</del>	<u>\$22.50</u>	Seniority plus 48 months

**After twelve (12) months at the \$22.50 rate the employee shall be eligible for the subsequent general wage increases.**

2. All employees on the payroll ~~on the date of ratification shall be paid in accordance with~~ **who have attained seniority as of August 1, 2013 will receive the general wage increases per the provisions of Article 41 Section 1 of the UPS NMA. The following schedule regardless of their job description. The**

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appropriate rate will be determined based on the hourly wage rate received by the employee as of August 1, 2006. There shall be no retroactive application of these pay rates.

Hourly Base Rate	Aug 1-06	Aug 1-07	Aug 1-08	Aug 1-09	Aug 1-10	Aug 1-11
<del>\$8.50</del> - <del>\$9.00</del>	\$10.00	\$11.50	\$14.00	\$16.50	\$19.00	\$21.50
<del>\$12.00</del> - <del>\$12.99</del>	\$13.50	\$15.00	\$16.50	\$17.50	\$19.50	\$21.50
<del>\$13.00</del> - <del>\$13.99</del>	\$14.50	\$15.50	\$16.75	\$18.00	\$19.50	\$21.50
<del>\$14.00</del> - <del>\$14.99</del>	\$15.50	\$16.50	\$17.50	\$18.50	\$19.50	\$21.50
<del>\$15.00</del> - <del>\$15.99</del>	\$16.50	\$17.00	\$18.00	\$19.00	\$20.00	\$21.50
<del>\$16.00</del> - <del>\$16.99</del>	\$17.50	\$18.00	\$19.00	\$20.00	\$21.00	\$21.50
<del>\$17.00</del> - <del>\$17.99</del>	\$18.50	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00

~~The general wage increases due on August 1, 2012 and each successive August 1, shall be that provided in Article 41, Section 1 of the NMA in effect at that time.~~

### 3. Differentials

- Lead - \$1.50
- Palletizing Pallet Control/Cargo Auditor** - \$1.00 (one clerk per shift)
- Dangerous good Document clerk - \$.50 (one clerk per shift)
- PPQ Document - \$.50
- Night - \$.60
- Driver - \$1.00
- Customs Agent \$1.50**
- Ramp Pallet Control/Auditor \$1.00**
- Cooler Cargo Auditor \$.50**

### Section C-Holidays

1. The following named holidays, or the days observed as such, shall be recognized as legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day, and New Year's Eve Day, provided the employees comply with qualifications set forth hereinafter. Seniority employees shall receive eight (8) hour straight time pay for the above designated holidays. One of the qualifications is that seniority employees must complete the regularly scheduled work days which immediately precedes and follows the holiday, except in cases of proven illness, or unless the absence is mutually agreed to.

2. All seniority employees on the payroll on September 1, 2000; who have met the hours and years of service requirements listed below shall receive ~~two (2) personal holidays to be used by November 30, 2000, nine (9) personal holidays on January 1, 2001, and~~ nine (9) personal holidays on January 1<sup>st</sup> of each subsequent years during the term of this agreement. Personal holidays awarded on each January 1<sup>st</sup> are to be used by the subsequent November 15<sup>th</sup> of each year. Unused personal holidays will be paid at eight (8) hours at the employee's straight time hourly rate for each unused day on the second pay period of each December. An employee must be on the payroll to receive this benefit.

3. In order for employees on the payroll ~~on September 1,~~

2000; to receive the nine (9) personal holidays on January 1; 2002 and subsequent each calendar years of this agreement, the employee must have worked at least ~~1,250 straight time hours~~ one hundred and fifty six (156) reports in the previous calendar year.

4. Effective October 1, 2000, newly hired employees are not entitled to holiday pay for personal holidays and named holidays falling within the first year of their employment. After completion of one year of employment, the employee who meets the qualifications stated above will receive pay for future named holidays. They will also receive nine (9) personal holidays on the following and each subsequent January 1<sup>st</sup>, to be used by each subsequent November 15<sup>th</sup>, provided the employee worked at least ~~1,250 hours~~ one hundred and fifty-six (156) reports in the previous calendar year. They shall be paid eight (8) hours at straight time hourly rate for each unused personal holiday. An employee must be on the payroll to receive this benefit.

5. Personal holidays shall be awarded by seniority in the order requested and the following procedure shall apply: Any employee desiring a personal holiday will make a request in writing on a form furnished by the Company. Such request must be submitted no later than the start of his/her shift on the seventh (7<sup>th</sup>) calendar day preceding the day requested. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the next working day.

6. No personal holiday may be taken after November 15 or before December 31 of any year.

7. Any employee who is out due to sickness or injury shall have the right, after the third day of absence due to such sickness or injury, to be paid for any personal holidays to which they are entitled up to the number of days off due to sickness or injury. Employees may elect to be paid up to two (2) days of their personal holidays for up to two (2) single days of illness. A written request for payment must be made the day following the absence. It is understood for these days to be paid the employee must provide medical documentation to support the absence. If these two (2) days of illness are paid as personal holidays they will not be counted towards management determination of an unacceptable attendance record.

### Article XIX Pensions

When the company implements a 401K Plan the employees covered by this Bargaining Agreement will be allowed to participate in the same manner and guidelines as all other employees. The Company will pay the annual administrative fees associated with the maintenance of this plan.

The Company will provide pension benefit coverage to eligible employees under the terms and conditions contained in the UPS Pension Plan.

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**The service pension multiplier shall be increased from fifty dollars (\$50.00) to fifty-five (\$55.00) effective January 1, 2014.**

**Effective January 1, 2014 the accrual rate shall be increased to sixty dollars (\$60.00) for future accrual purposes.**

The employer agrees to provide enrollment opportunities in the UPS/Teamsters National 401(k) tax deferred savings plan for eligible employees.

1. The employer shall withhold from an employee's earnings, amounts mutually agreed to between the employer and the employee. Such monies shall be deposited into a 401(k) account in the employees name in compliance with the Internal Revenue Code and E.R.I.S.A. Such deposits will be made in time period which is current practice for deposits made for other Teamsters employees.

2. To the extent participation information is available to other Teamster members such information shall be available to the employees covered by this Agreement.

### **Article X Vacations**

A. Full time employees will be granted paid vacation time based upon the length of their active service. An employee must **have worked one hundred and fifty-six (156) reports** ~~twelve hundred and fifty (1250) straight time hours~~ in the preceding year to earn their vacation. Vacation will be accrued from January 1<sup>st</sup> to December 31<sup>st</sup> and taken the following year. Each employee who meets the eligibility rules stated above, shall be entitled to a vacation with pay as follows:

<u>Active Service</u>	<u>Weeks Earned</u>
One (1) year	One (1) week
Two (2) years	Two (2) weeks
Five (5) years	Three (3) weeks
Fifteen (15) years	Four (4) weeks

~~B. All seniority employees on the payroll on September 30, 2000 will continue to accrue vacations under the prior system up to December 31, 2000. Employees hired during calendar year 2000 and having seniority by September 30, 2000 will receive two (2) weeks vacation for the calendar year 2002 providing they work 1250 straight time hours during the prior calendar year.~~

~~BE.~~ All new employees, hired after October 1, 2000, will not begin to accrue vacation until January 1<sup>st</sup> following their hire date.

~~CD.~~ Vacation time is not cumulative, and must be taken dur-

ing the calendar year following December 31<sup>st</sup>. If vacation is not taken by the end of the year, the employee will be paid in lieu of vacation.

~~DE.~~ Vacation pay shall be at the rate of pay which the employee would normally have received for the regular straight time during the period of their vacation at forty (40) hours for each vacation week.

~~EF.~~ Vacation will be approved by the Company taking into consideration the desires and seniority, classification, area and shift of the employee and the Company's operational requirements. The Company reserves the right to restrict vacations during high volume periods. Vacation requests will be submitted by November 30<sup>th</sup> and approved and posted by the following January 1<sup>st</sup>.

~~FG.~~ When an employee splits their vacation period, an employee may not exercise their seniority on the second part of their vacation time over any employee who has not picked their vacation.

~~GH.~~ An employee who does not request a vacation will be assigned to an open vacation period.

~~HI.~~ When a named holiday falls during an employees paid vacation, the employee will be paid an additional eight (8) straight time hours as holiday pay for the named holiday.

### **Article XI Uniforms**

The Company will continue its policy of providing uniforms ~~laundry service~~ (8 shirts / 7 pants) for those employees required to wear uniforms. **Exchanged uniforms will be inspected by the company and if a uniform is issued it will be new.**

~~Cargo agents will receive \$26.00 monthly for maintenance of uniforms~~

**The Company will continue to provide jackets, vests, and gloves for the employees working in the cooler area. Jackets, vests, and gloves will be exchanged as needed.**

### **Article XVI Management Rights**

~~E. Without limiting the foregoing, it is agreed and understood that nothing in this Agreement confers upon employees covered hereunder, any right to any particular work or function, whether performed currently, in the past, or in the future. It shall not be a violation or modification of this Agreement for the Company (1) to cease any or all operations or services performed by employees covered by this Agreement; or (2) to subcontract any or all such work. The Union agrees that the Company has and retain the right to take such actions at any time. It is the intent of the Company to provide the maximum~~

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possible working opportunities for all employees. In the event the Company decides to subcontract any work whatsoever, it will notify the Union in advance to give the Union an opportunity to discuss such subcontracting. It is agreed that the Company will only make subcontracting decisions that are based upon economic considerations. Any dispute arising from this article is subject to the grievance procedure.

In the event the Company decides to subcontract any work whatsoever, it will notify the union in advance to give the union an opportunity to discuss such subcontracting. The company agrees it will make all reasonable efforts to use existing personnel within their guaranteed workweek before subcontracting any bargaining unit work. The employer may not subcontract work in any classification if any employee who normally performs such work is on lay-off. In addition the Employer may subcontract work in order to meet service needs if it does not possess the facility, equipment or personnel to perform such work.

Any dispute, arising from this article is subject to the grievance procedure.

### Article XVI Management Rights

G. The Company shall not discharge or suspend any employee without just and proper cause. The Employer recognizes the concept of progressive discipline and will apply it in situations where appropriate. All disciplinary action including suspensions and discharges shall be subject to the grievance provisions of this agreement.

The reason for discharge or other disciplinary action must be given to the employee within ten (10) working days of knowing said incident occurred. In cases of suspension or discharge the Company will notify the Union Business Agent of the disciplinary suspension or discharge. The employee will receive a copy of the disciplinary notice issued to him or her. Working days for the purpose of issuing discipline will be defined as days the employee reports to work.

The company shall have the sole right to discharge or otherwise discipline any employee without issuing a prior warning notice for the following categories including but not limited to: theft, dishonesty, failure to report an accident or any property damage, gross insubordination, , recklessness, negligence, possession of a weapon while on the job or on company premises or other locations where the company does business, use of or possession of drugs or alcohol while on duty or on company property or any location where the company does business, fighting while on the job or on the Company's premises, falsification of records, and other serious offenses.

Discipline for minor offenses will consist of: First written notice; Second written notice; Suspension (not to exceed five (5) days); or Final warning notice, Termination.

### Article XVIII Health and Welfare

A. ~~The employer agrees to provide health coverage under the UPS Health Program Network for eligible employees and their eligible dependents.~~

1. ~~Plan benefits shall be maintained at levels no less than those in effect as of the date of ratification and shall remain in effect throughout the term of this Agreement.~~

B. ~~Upon request the employer will provide to all covered employees summary plan documents describing benefits.~~

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

B. 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.

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

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