



UPS Freight Contract *Update*

November 14, 2018

Next Steps for UPS Freight Teamsters

As UPS Freight members are called back to work after voting to approve the company's Last, Best and Final Offer, local unions are asked to be vigilant to make sure the company abides by the contract.

The UPS Freight contract includes a seniority system and local unions should work to insure that the recall process is fair and in accordance with the contract. The company should recall workers by seniority, classification and qualification.

If there are problems, local unions should file grievances.

Workers who are not recalled this week should file for unemployment assistance. If workers are not called back this week, they should also consider applying at other Teamster-represented freight companies, including ABF, YRC, Holland, New Penn and Reddaway.

In the meantime, all UPS Freight members should contact the company to tell management they are willing to come back to work.

Results: Of the 10,773 eligible voters, 9,002 members voted—an 83.6 percent turnout. The vote was 77 percent to 23 percent to accept the company's final offer.

Though the company did not meet all of the union's demands in its Last, Best and Final Offer, the new national UPS Freight agreement contains several changes and improvements over the previous agreement.

Subcontracting: The company will significantly reduce the amount of road contracting it currently does. It is expected that the new agreement will result in at least an 18 to 20 percent reduction in the volume of subcontracting over five years, with immediate reductions during the first year and continuing through July 31, 2023.

Wage Increases: For employees on the local cartage seniority list who have completed their progression, annual wage increases range from 40 cents to 50 cents per year for a total of \$2.20 in wage increases over the life of the contract. For casuals in local cartage and clerical, the total wage increases are \$1.95 over five years. For road drivers, the increase is a quarter-cent-per-mile per year. Wage progressions for new hires have

been raised and protections put in place so that existing employees would move to the higher progressions if the new progression is greater than their existing progression plus their general wage increases. **After members initially rejected the tentative agreement, the company agreed to a change allowing road drivers to maintain their applicable local/road driver hourly rate when performing dock work if they are not otherwise entitled to the Article 44 (d) \$37.61 rate. The company also agreed that pickup and delivery drivers will receive their applicable driver rate of pay when performing dock work.**

Pension Multiplier Increases: The agreement contains an increase in the pension multiplier. Starting January 1, 2019, full-time and casual employees will earn a monthly accrued benefit equal to their benefit as of December 31, 2018, plus \$110 per year times years of service for years going forward. The current rate is \$105 per year. Starting January 1, 2021, the \$110 goes to \$115 per year. This means that a worker who starts in 2021 will have a monthly pension of \$3,450 per month after 30 years of service (\$115 x 30). Furthermore, this is a well-funded plan that is stable financially. **After members initially rejected the tentative agreement, the company agreed to reduce the 1,800-hour qualifier for a full year of pension credit to the prior 1,500-hour level.**

In addition, the 182 reports qualifier for full vacation benefits has been reduced to the prior 156-day level.

No Increase for Health Care Premium Co-Pays: The contractual co-pay premium rates from the last contract have been maintained for the life of the new agreement. In other words, there will be **no** increases in premium co-pays despite the fact that the cost for health care has increased substantially.

Increased Paid Leave for Casuals: After five years of service, casual employees will receive paid jury duty and bereavement leave. Also, all casual employees will receive two discretionary days off after one year of service per year. Also, casual employees will receive one week of vacation time after one year of service and two weeks of vacation after five years.

Penalty Pay: For the first time, the union was successful in negotiating penalty pay provisions for various circumstances. Specifically, penalty pay will apply when errors occur and when the company doesn't respond in a timely manner to grievance settlements and decisions.