

UPS NATIONAL MASTER TENTATIVE AGREEMENT 2023-2028 SUMMARY CHANGES & IMPROVEMENTS



Article 1, Section 1 — Recognition, Union Shop and Checkoff: Stewards will be able to remain on the clock for actual time spent in orientation. This will give stewards more paid time to spend with new employees to educate them on the benefits of joining the union.

Article 3 – Recognition, Union Shop and Checkoff: A Joint Dues Committee will meet and develop an electronic membership and dues checkoff form that will be presented to potential new employees during the application and orientation process.

Article 6, Section 4 — Technological Change: New language prevents the introduction of drones, driverless vehicles, platooning, or shifting for duration of contract without bargaining on such technology with the union. This agreement requires UPS to meet with the Teamsters at least 45 days before any proposed change in technology.

Article 6, Section 5 — Hourly Training: Increases the training premium added to pay for hourly trainers, doubling it from 50 cents to an extra \$1.00 more per hour.

Article 6, Section 6 — Technology and Discipline: New language prevents UPS from issuing any discipline based solely on technology. The Teamsters have stopped the installation of driver-facing cameras and forced UPS to prove to the union that such cameras are disabled. Forward-facing cameras do currently exist, but new language ensures UPS can't use data for discipline. Under this tentative agreement, driver-facing sensors will only be used to train new drivers and cannot be used for discipline. Sensors may not be used as the only reason for disqualifying employees during probationary period.

Article 8 – National Grievance Procedure:

Section 1: Cases involving only national language may now be filed directly to the National Grievance Panel to speed up grievance procedure.

Section 7: Four more arbitrators will be added to the Western Region Panel to speed arbitration process.

Article 10, Section 3 – Loss and Damage: Employees experiencing vandalism or theft to their vehicles parked in designated employee parking lot will be eligible for reimbursement from UPS up to \$500 to offset what insurance does not cover.

Article 12 – Polygraph and Timeclocks: A new UPS payroll system will be developed by January 2026 that will provide employees with access to start and finish times, pay codes, pay amounts, scheduled time off, and the time, date, and nature of any alterations made by management.

Article 15 — Military Clause: New language restores all paid time off for members returning from military duty. Under the current contract, only vacation is restored, not all paid time off.

This would be a big improvement for our military members, who would also have the ability to schedule these paid days off in accordance with their supplemental agreement.

Article 16, Section 4 — Maternity and Paternity Leave:

Requires UPS to provide proper location with privacy and reasonable break time for breastfeeding purposes.

Article 17 — Paid for Time: This increases penalties for UPS for committing payroll errors, not correcting them, or taking too long to try to fix them. All part-timers would receive 4 hours of paid time for an uncorrected payroll error. The penalty paid to part-timers would increase to 5 hours for every pay period after Jan. 1, 2026. Full-timers would receive 8 hours paid immediately when the error is not corrected.

Article 18, Section 8.2 — Non-Driving Employees: All inside employees would be allowed to have their cell phones inside facilities without requirement to have management approval.

Article 18, Section 14 — Package Cars: Traction tape will be installed in all package cars added to fleet in past 14 years.

Article 20, Section 5 — Identification: Requires all UPS management personnel to wear ID badges, not just name tags, and to provide their name upon request.

Article 22, Section 6 — Part-time Employee Transfer: Part-timers would have ability to transfer to another UPS location for non-educational purposes. Part-timers could more easily move to another part of the country for reasons like a better job opportunity for a spouse or to deal with a family illness. This significant gain creates much more flexibility for part-timers.

Article 26, Section 2 — Old Freight Runs: Eliminates reference to UPS Freight and LHD runs.

Article 26, Section 6 — Surepost: New rules will increase the number of packages put back on our cars by reducing size limitations for a Surepost package. New language increases the percentage of Surepost packages to be re-directed to our drivers each year, from 42% to 50% by the end of the contract. These two gains will put millions of packages back onto package cars, creating thousands of new Teamster jobs. UPS would be required to demonstrate the technology that identifies these packages to be re-directed is in proper working order every year.

Article 27 — Emergency Reopening: Requires company to bargain with union over the effects of a Pandemic.

Article 36 — Non-discrimination: Added gender identity, sexual orientation and any other class protected by law.

Article 37, Section 1 — Harassment: Increases the potential monetary penalty for UPS for harassment cases from 3 days' pay to 5 days' pay.

Article 38 – Change of Operations: Job vacancies created by a change of operations will now be offered to Teamsters in all other facilities in the jurisdiction of any given local union before UPS hires off the street. Members transferring would be eligible to have moving expenses paid by the company.

Article 39 – Trailer Repair Shop: Confirms that the expiration coincides with expiration of the National Master Agreement.

Article 43, Section 2 (3) – Sleeper Team Operations: Increases lodging allowance and reimbursement penalties from \$50 to \$100 for each rest period when UPS cannot provide lodging.

Article 43 – Premium Services Guidelines: Requires sleeper team work rules to be developed where sleeper teams are running. Also requires leased equipment to be consistent with contractual requirements. Wage rates for all drivers covered by Article 43 will be governed by this article.

SUBCOMMITTEE HIGHLIGHTS

INSIDE COMMITTEE:

Article 3, Section 7 – Supervisors Working: If any individual supervisor violates the first paragraph of this subsection 3 times in any 9-month rolling period, the penalty shall be increased from triple to quadruple time the employee's rate of pay for the hours specified.

SAFETY AND HEALTH COMMITTEE:

Article 16 – Leave of Absence:

Section 3.3 Alternative Work (Alcohol / Controlled Substances): If a DUI citation later results in a non-conviction, the employee may appeal to the SAP to be released from the aftercare program.

Section 6 FMLA: Employees will retain 2 weeks of vacation time that is not subject to be taken for FMLA, double the amount from the prior contract.

Article 18 – Safety and Health Equipment, Accidents and Reports:

Section 7 Trailer Configuration: UPS must remove seals and allow feeder drivers to inspect loads if they dispute the percentage.

Section 11 Mirrors: The employer must lease and rent vehicles with backup cameras where available.

Section 14 Package Cars (Air Conditioning): All vans, pushbacks, fuel trucks, package cars, shifting units, and 24-foot box vans after January 2024 shall be equipped with A/C. Single fans will be installed in all package cars within 30 days of ratification and a second fan will be installed no later than June 1, 2024. Air-conditioned package cars will first be allocated to Zone 1 which is the hottest areas of the country. All model year 2023 and beyond package cars and vans will be delivered with factory-installed heat shields and air induction vents for

the package compartment. Within 18 months of ratification, all package cars will be retrofitted with heat shields and air induction vents. A Package Car Heat Committee will be established within 10 days of ratification for the purpose of studying methods of venting and insulating the package compartment. A decision must be made by October 2024 or the issue will be submitted to the grievance procedure. The company will replace at least 28,000 package cars and vans during the life of this contract.

Section 16 Noise Abatement: Occupational noise assessment will be conducted at all new or retrofitted automated facilities.

Section 18 Vehicle and Personal Safety Equipment: The National Safety and Health Committee shall meet within 120 days to develop a program for preventing dog bites.

Section 22 Incompatible Package Handling: Irregular, incompatible, or over-70lb packages shall not be comingled with regular packages on a moving belt or slide.

Section 24 Egress: The union will now monitor conditions in and around work areas to prevent issues such as egress.

Section 27 Heat Related Injury and Illness Prevention: A heat illness prevention plan must be established and implemented by UPS. The plan will be available to all employees. This plan includes providing adequate potable drinking water for each shift, a 1-gallon insulated water jug for all drivers, adequate number of ice machines, installation of an additional minimum 18,000 fans in buildings, and minimum 2,500 water fountains.

Article 20 – Examination and Identification Fees: Employees will be paid up to 2 hours straight time for airport badging.

Article 35 – Employee's Bail, License, Substance and Alcohol Testing:

Section 3.13 Disciplinary Action: A positive cause test for cannabis for a non-driving employee will now result in a warning letter plus rehab for first offense, warning letter and rehab for the second offense (outside 5 years from first), and a third offense is dischargeable.

PREMIUM SERVICES COMMITTEE:

Article 26 – Competition: Section 1(a): All service enhancement projects (removing loads from rails) must now be approved by the Premium Services Committee. The definition of temporary has been reduced from 1 year to 6 months. UPS must designate an area for contractors to drop and pick up loads and review this with the local. Outside peak they can only remain on property for 1 hour, or 4 hours during peak.

Section 1(d): New section. The employer may not subcontract feeder work if a qualified feeder driver is on layoff or displaced from the classification.

Section 5 DOT Hours of Service: Package car drivers may volunteer to work over 60 hours in a 70-hour workweek but

will not be forced to do so. Volunteers will be paid double time for all hours worked over 60.

Section 6 Removal of Loads from Rails: Deletes an entire section that previously allowed the subcontracting of our feeder work over the past 5 years after they trained and hired 2,000 sleeper drivers.

Article 43 – Premium Services: Section (1)(a) Job Protection:

After the bidding process is concluded, unfilled sleeper bids will now be offered to all facilities within the local that have feeder drivers displaced, laid off or working out of classification.

Section (1)(b) Job Protection: No sleeper runs will be allowed which do not pull loads a minimum of 550 miles on the initial leg of the run.

Section 2 Sleeper Team Operations: Any subcontracting of new custom contracts must be approved by the union.

Section 4 Joint Premium Service Review Committee: All mileage layover runs, sleeper runs, or mileage turn runs must be approved by the Premium Services Committee.

Article 43 Premium Services Guidelines: Maximum wait time at furthest point for sleeper drivers reduced from 2 hours to 1 hour and no more than a total of 1 hour for the week. Guidelines will be included in the contract for the first time.

9.5 AND HARASSMENT COMMITTEE:

Article 37 – Management Employee Relations:

Section 1(b): Reduces the notice required for an 8-hour request from 5 calendar days to 3 workdays. Doubles the penalty for 8-hour request violation from 2 hours straight time to 2 hours at double time. Requires UPS to adjust driver's dispatch before their start time. The company is required to make further adjustments during the day to ensure the driver completes their day in 8 hours provided the driver notifies them by 1pm.

Section 1(c): For the first time, allows monetary penalties for over-dispatched drivers on the 2 remaining days of the week. Requires elevated meetings within 45 days of filing. Increased penalties for 9.5 violations after the elevated meetings to quadruple time.

Section 2: During scheduled safety training for feeder drivers, a supervisor will only drive for demonstration purposes, and this will not exceed 3 hours per workday.

Section 3: UPS must give drivers a 24-hour notice before a supervisor's ride, including the reason for the ride, and must provide documentation to driver and steward.

AIR COMMITTEE:

Article 40 – Air Operation:

Section 1(d) Air Drivers (Air Driver Guarantee and Overtime): Full-time air drivers will receive time and a-half for a 6th or 7th report.

Section 1(j) Air Drivers (Holiday Work): Part-time bid air drivers will have a 3.5-hour guarantee when working on a holiday.

Section 1(a)5 Air Drivers (Pick up air counters and drop boxes): When feasible, full-time employees will pick up drop boxes, and the size of the drop boxes will not be increased without approval from the union.

Section 6 Wages: Upon ratification, de-ice employees at air hubs and gateways will receive an additional \$1 per hour, pushback will receive an additional \$0.75 per hour and, beginning January 2026, k-loaders will receive an additional \$0.50 per hour for the duration of the shift.

ECONOMIC HIGHLIGHTS (as of July 5)

Article 11 – Weekend Work Schedules (22.4s): New section. Previously classified Article 22.4(b) drivers will be reclassified to Regular Package Car Drivers (RPCDs), placed in seniority according to the language in their supplement and have their pay rate adjusted to Top Rate or applicable Article 41, Section 2.c. progression rate, effective August 1, 2023. They will be covered by Article 37 "9.5" provisions and "8-hour requests," as well as all other rights and benefits as an RPCD. No RPCD will be forced to work any day outside of their regular scheduled workweek. All current RPCDs who currently qualify for 9.5 rights will not have these rights diminished or reduced due to the reclassification of current 22.4s.

Article 29, Section 4 – Martin Luther King Jr. Holiday: New Section. MLK Day will be added as a named holiday in the Supplements, Riders, or Addenda, effective upon ratification of the agreement.

Article 33 – Cost of Living Adjustments (COLA): Existing cost-of-living language will be maintained and the dates within this section will be updated to reflect the duration of the new agreement. No cost-of-living adjustments will be diminished under the new agreement.

Article 40 – Air Operation:

Section 1d(2) Air Driver Guarantee and Overtime: Less-than-8-hour air drivers (part-time air drivers) who have a regular scheduled start time will now have an increased daily guarantee. Daily guarantee will increase to 3.5 hours.

Section 3a Air Hub and Gateway Operations (Workweek): Part-time air gateway Teamsters employed in Anchorage, Alaska, going forward will be paid overtime after 5 hours of work.

Article 41, Section 6 – Mechanic Progression: Progression that is currently 24 months will be reduced to 12 months. Teamsters entering a mechanic job will begin with an 85% start rate. After one year, those members will be bumped to the top rate of pay.

Article 43, Section 2(6) – Sleeper Team Operations (Subsistence Allowance): Each Teamster under this section will now be granted road expenses in the amount of \$45 for each 1,000 miles traveled. This is a \$10 increase from the prior agreement allowance.

Letter of Agreement: UPS and the Teamsters National Negotiating Committee have agreed to convert air gateways in 4 separate locations into bargaining unit work. Currently, the air gateways in Boise, Idaho; Salt Lake City, Utah; Portland, Oregon; and San Antonio, Texas, are vendor-operated gateways. These gateways, as part of this agreement, will now employ Teamsters.

