

Delivery Services

Teamsters Members Ratify UPS Contract But Nix Pact With UPS Freight, TDU Predicts

Members of the International Brotherhood of Teamsters have voted to ratify a five-year labor contract with United Parcel Service Inc., covering 237,000 workers, but the majority of union members have voted against ratification of a tentative UPS Freight contract for 13,000 workers, according to a preliminary vote count announced June 24 by dissident group Teamsters for a Democratic Union.

Although the Teamsters posted many of the ratification vote counts by local on its website, the union had not announced the mail ballot results as of late June 24.

With votes from three local unions still uncounted, TDU said 57 percent of union members voted to accept the labor agreement that IBT leaders endorsed unanimously in May for ratification (88 DLR A-15, 5/7/13). TDU said those locals are likely to vote against the contract offer, but those votes would be insufficient in number to create a majority vote against the offer and would just narrow the win margin.

The UPS labor agreement will not be finalized, however, because union members voted against some 15 regional or local supplements, and the negotiating committees will have to resume bargaining, according to TDU.

Union procedures require the approval of all supplements or riders before the national agreement can go into effect.

UPS Freight Offer Rejected by Wide Margin, TDU Says. Meanwhile, TDU announced that IBT members employed by the UPS Freight division have voted 4,247 to 1,910 in a mail ballot against the deal by 69 percent. The current contract will expire July 31.

TDU attributed members' rejection of the UPS Freight proposal to "a two-tier deal to create a 'line haul' division at essentially non-union pay, inadequate pensions, and inadequate wage increases."

IBT members at UPS Freight have rejected the proposal because they want better wages, better pensions, and better job protection than the tentative contract offered, according to Ken Paff, TDU organizer. They want to end subcontracting and get their long-haul jobs back, he added.

When the tentative agreements were reached, union leaders said the labor deals would meet members' top priority of protecting health care benefits, significantly raise employer contributions to pension and health and welfare benefits, and provide substantial wage increases.

The Teamsters, UPS, and UPS Freight reached tentative five-year agreements on separate national contracts for 250,000 full-time and part-time workers April 25, more than three months in advance of the July 31 expiration of the current contracts (81 DLR A-1, 4/26/13).

The UPS contract is known as the largest collective bargaining agreement in North America.

Health Care Benefits Would Vary by Region. A change in health plans under the UPS supplemental contracts that would affect some regions less favorably than others also was a factor in the votes, Paff told BNA June 24.

Union members at UPS voted for the supplements in regions where health care benefits would not change, including the Mid-Atlantic, Southern, and New England regions, Paff said. In Southern California, the Southwest and Central regions, Pennsylvania, New York, and New Jersey, however, where the health care benefits would be reduced, union members voted against the supplements, he said.

The UPS contract offer would continue health care benefits for full-time and part-time employees with no contribution to the premium.

Effective Jan. 1, 2014, the UPS contract would move 140,000 workers currently in the UPS health care plan into the Teamsters-controlled Central States health care fund, a move the union said would maintain current benefits for UPS employees while increasing the health care funds for IBT-represented workers in all industries. The plan is jointly trusted by employers and the Teamsters.

National negotiations began in late September 2012 with the Teamsters National UPS and UPS Freight negotiating committees vowing to protect employee pensions and health care.

Members have stated "loud and clear that their top priorities are to protect their pensions and health care, to stop the harassment by supervisors and to deal with outsourcing," Ken Hall, co-chairman of the Teamsters national negotiating committees and package division director, said in a statement when negotiations began.

By SUSAN R. HOBBS