

Louisville

and

United Parcel Service
Supplemental Agreement

to the

National Master
United Parcel Service
Agreement

For The Period August 1, 2013 Thru July 31, 2018

PREAMBLE

The purpose of the Agreement is in the mutual interest of the employer and of the employees, to provide for the operation of the services of the Employer under methods which will further, to the fullest extent possible, the safety and the efficiency of the operation, and the continuation of employment under proper compensation and reasonable working conditions. It is recognized by this Agreement to be the duty of the Employer, the Union and the employees, to cooperate both individually and collectively for the advancement of that purpose. This Agreement continues to be recognized as an "existing Agreement" in the accordance with applicable National Master Article language.

Where applicable, all other provisions of the National Master, including the duration and relevant provisions of the Central Region of Teamsters Supplemental Agreement shall apply to Air Operations employees.

ARTICLE I – SENIORITY

Section A.

Air Operations employees shall be identified in accordance with one of the following:

Next Day Air Part-Time
2nd Day Air Part-Time
Container Repair Full-Time
AMDC Full-Time
Dolly Repair Full-Time
Fueling Full-Time
Utility Repair Full-Time
Air Cargo Full-Time
Ground Support Equipment Powered Mechanics Full-Time
Air District Maintenance Full-Time

Section B.

Effective July 31, 1997, all Ground Equipment Support Mechanics and Air District Maintenance employees shall be covered by the Louisville Air Operations Supplement.

Section C.

After obtaining seniority, pre-seniority missorts and attendance occurrences will not be part of the employee's record for disciplinary purposes.

ARTICLE II – WORK WEEK

Section A.

The work week for Air District employees shall be Sunday through Saturday and consist of any five (5) consecutive days in a seven (7) day period, except during the week after **Thanksgiving, New Year's Eve, New Year's Day** and December, and during any week in conjunction with the celebration of a holiday recognized by this Agreement. The work week for part-time employees hired after July 31, 2000, and for full-time employees hired after July 31, 1997 will consist of any combination up to five (5) days in a seven (7) day period. Work performed on an employee's sixth (6th) day will be paid at time and one half, and work performed on an employee's seventh (7th) day will be paid at double time.

Employees who work a four (4) day, ten (10) hour shift workweek will receive time-and-one-half for work performed on their fifth (5th) workday and double time for work performed on their sixth (6th) and seventh (7th) workdays.

Overtime and double-time will only be paid during the established work week.

The normal workday for 2nd Day employees shall have start times between 6:00 a.m. and 5:59 p.m. The normal workday for 1 Day employees shall have start times between 6:00 p.m. and 5:59 a.m. and shall be considered the sort date.

Section B.

Employees with a three (3) hour guarantee will be paid time and one-half for all hours worked over five (5) hours in a twenty-four (24) hour period.

Section C.

Should a need develop in the Air Operation due to a one (1) or two (2) day(s) –a-week imbalance of regularly scheduled work, the Employer may hire employees for such limited work weeks. However, prior to implementation, the Employer will meet with the Local Union to agree on appropriate shifts, benefits and seniority provisions.

Section D.

Part-time employees shall be entitled to a three (3) hour daily guarantee. Employees agreeing to work a double shift on a given day shall be entitled to a three (3) hour guarantee for each shift. This guarantee applies on all holidays worked. This guarantee may be broken by mutual consent provided the employees acknowledge such with the appropriate code on the back of their time card and signs same. Part-time employees arriving to work after their scheduled start time, if put to work, shall forfeit their daily guarantee. For purposes of pay, the holiday shall be defined as the day the holiday is nationally observed.

Section E.

Start times may be adjusted with notification prior to the employees reporting for work, to coincide with the arrival and departure of parcel and/or planes.

Section F.

Full-time employee's start times must be posted by Friday of the preceding work week. Except in December and during any week in conjunction with the celebration of a holiday recognized by this agreement, start times within a week can be changed in conjunction with the operation but cannot vary by more than two (2) hours either way from the scheduled start time of the first (1st) scheduled work day of the work week unless mutually agreed to by both parties.

Section G. (New)

If a full-time 7:00 – 7:30 am Housekeeping/Hub employee's established start time is changed for five (5) consecutive working days or more, one half (1/2) hour up to two (2) hours later, then the employee may use his/her seniority within the same bid start time, work week and classification to take the start time and job assignment of the most junior full-time employee with that initial start time that was changed.

The most junior employee must then move to the assignment and start time left by that employee that has replaced him or her. This will end the process.

Section H. (New)

Six-hour employees, upon request, will be given 24 hours of work in a week with one holiday or 18 hours of work in a week with 2 holidays. This request must be received by the first scheduled work day prior to the week of the holiday. These hours shall include hours worked on the holiday, and may be scheduled on days outside the normal workweek or shift. No individual vacation days may be taken to give employees six (6) work days.

In the event that a sort does not run in the week following the celebration of a holiday recognized by this agreement, six (6) hour employees shall indicate in writing their intent to work 30 hours. This request must be received by the first scheduled work day prior to the week of the holiday. The Company may, at their discretion, schedule a day of work outside the employee's normal workweek or shift. No individual vacation days may be taken to give employees six (6) work days.

The language stated in the two (2) paragraphs above shall not apply to the weeks of Christmas, New Year's, or 4th of July.

ARTICLE III – WORK ASSIGNMENTS

Section A.

For the purposes of daily assignments, employees will work from one of **twenty-seven (27)** lists below, which will be separately maintained for full-time and part-time.

Next Day Air Hub
Second Day Air Hub
Next Day Air Marshalling
Second Day Air Marshalling
Dolly Repair
AM Housekeeping
PM Housekeeping
AMDC
Utility Repair
Next Day Air International
Second Day Air International
Import
Next Day Air Cargo
Second Day Air Cargo
Next Day Air Shift
Second Day Air Shift
Next Day Air Fueling
Second Day Air Fueling
Next Day Air Wing A, B, C, etc.
Second Day Air Wing A, B, C, etc.
Next Day Air Ramp 1, 2, 3, etc.
Second Day Air Ramp 1, 2, 3, etc.
Porter/Helper
H2K Core

Container Repair – ULD

Belt Maintenance, Belt Maintenance Part-time (not to exceed 15% number of full-time)
Ground Support Mechanic Part-time (not to exceed 15% number of full-time)

New equipment or technological change shall be covered under Article 6 Sections 3 and 4 of the National Master Agreement as applicable.

In order to document the parties' past practice of meeting on a case-by-case basis to review and agree, if possible, on any additional maintenance work that can be performed on a non-precedent basis, the following paragraph is added to the Louisville Air Rider:

The Employer and the Union agree to establish a Belt Maintenance Mechanic review committee. This Committee will consist of an equal number of representatives from the Union and UPS. The Committee will meet on a quarterly basis to review the work typically performed by vendors. This would include corporate campaigns, new installations, and modifications to determine to what degree, if any, a portion of any work that is typically performed by the vendors could be offered to Belt Maintenance mechanics. It is understood that only work that does not require additional training, certification, tools or equipment will be considered. This opportunity would set no precedent and does not bind the Company to a claim for this, or other types of work typically performed by a vendor, as belt maintenance mechanic work.

Section B.

Excluding Peak Season (November –December), prime vacation (**July –August**), and Section F of this Article, part-time employees with one (1) year or more seniority will be allowed to move from part-

time job to part-time job on a minimum of 50 percent of available openings, by seniority and written request, to be limited to two (2) moves per year. Six hour jobs will only be filled by current part-time employees from the existing six hour transfer lists and not hired from the outside. **Six-hour transfers will be posted electronically through the BIDX system. Part-time employees will be permitted to select the transfers by seniority. Six-hour transfers will be posted midweek and taken down the following midweek. The transfer will be awarded no later than ten (10) days from the transfer coming down. Six hour and three-hour transfer awards will be posted electronically through the BIDX system.** If the employee is awarded a position and does not accept the position, it will count as an awarded-transfer in reference to the above stated two (2) moves per year. Employees will be allowed five working days to disqualify after assignment to a new position.

The Company shall fill the following part-time jobs: Marshalling, Fueling, PSC, Inbound ramp, AM Housekeeping, GSE Pre-trip, and ULD Control from the existing transfer lists. If the position is not filled after being offered to at least five (5) employees, the Company may fill the position from the outside.

Section C.

Daily extra work, including overtime, shall be offered in seniority order within the lists and work area to those who are qualified, present, and available. If not enough employees volunteer to stay, employees will be required to work in reverse order of seniority.

Double shift opportunities, of less than eight hours, will be open to full time Combination **and part-time** employees, by Company seniority. These employees shall have a three hour guarantee. Provided that an employee completes their bid workweek, the first day of work outside the bid workweek will be paid at the rate of time and one half and everyday thereafter shall be paid at the double time rate. In addition, daily double shifts shall be offered by company seniority. Employees will be put to work according to the agreed to double shift guidelines dated 9/28/04. Overtime and double time will only be paid during the established workweek.

The above language shall not apply to AMDC, GSE or Belt Maintenance.

Section D.

The Company agrees to a one time opportunity for 10% within each mandatory group to be exempt from de-ice. The 10% will be determined by seniority. The offering of this one time opportunity will take place after the current (2007, 2008) deice season is concluded. It is understood that all future vacancies within the mandatory groups will be required to de-ice as part of their bid.

In those instances where the Employer does its own de-icing, it shall use, among other, the dolly, utility and container repair employees. When any of these full-time employees are called into work they shall be guaranteed a minimum of four (4) hours at the applicable rate of pay or such call in. It is understood that if a "call-in" is required to perform this work, qualified full-time employees shall be called in before any part-time employees.

In those instances where the Employer does its own De-icing, the Company shall use the following employees (MANDATORY), first:

Night De-ice Operations

10 Bid De-ice jobs
FT HSK/Hub 7:30 to 3:30
FT 9/11 & 2/4/6 Ramp
FT Wing A Ramp (OPC Drivers)
FT Hub/HSK 12:00 to 8:00

Day De-ice Operations

FT GSE non-powered Employees
FT Container Repair Employees
All of the other de-ice employees will use the new sign up process

If the mandatory list is changed (due to district reassignment, work shift change, etc.) other mandatory areas can/will be added at the discretion of the Company, after discussing with the Union. Employees that work in the mandatory area must/will work in the de-ice operation. Any employees that transfer to these mandatory areas must understand that de-ice is part of job responsibility.

Other FT and PT employees can De-ice/Train on a voluntary basis. However, the De-ice management team will determine which operations will require volunteers.

If a De-ice operation needs additional staffing, the “call-in” list from the other operations will be used to supplement the De-ice operation.

It is understood that Full-time employees will be called in for additional work first; Full-time employees will be guaranteed a minimum of four (4) hours at the applicable rate of pay for such a call in.

Weekend De-icing is voluntary and is limited to employees that work that particular shift. If the operation does not get enough volunteers, the total “call-in” list will be used to staff the operation, beginning with Full-time employees. The total call in list refers to a combination of both night and day de-ice employees.

The Company agrees to two (2) opportunities during the life of this agreement for 10% within each mandatory group to be exempt from de-ice. The 10% will be determined by seniority. The first 10% offering will take place upon successful ratification of the 2013 contract. The second 10% offering will take place prior to the 2015-2016 de-ice season. It is understood that all future vacancies within the mandatory groups will be required to de-ice as part of their bid.

Section E.

All employees operating UPS power equipment must have a valid driver’s license. Employees losing their license will be offered work in a non-driving area until their license is restored.

Section F.

Movement of employees between shifts (Next Day Air and Second Day Air) on a limited basis shall be controlled by the labor manager so as not to interfere with the operation of the business. There shall be no movement in November and December or during the vacation hire period.

Section G.

Paid ten (10) minute rest period provisions shall apply to all Louisville Air Operation employees. The administration of this provision may differ between the Next Day Air Operation and the Second Day Air Operation. **Part-time employees will receive a second ten (10)minute break after their sixth (6th) hour worked during peak season Nov. – Dec.**

ARTICLE IV- FULL TIME POSITIONS

Section A.

The Employer agrees that in filling permanent full-time driver jobs in the **Centennial** building one (1) out of five (5) will be offered by seniority to all Air District Employees provided they meet the same requirements as applicants for the job.

There will be an annual bid posted the 1st week of January and pulled by January 15th for those interested in driving positions. Available jobs during the year shall be filled by seniority from that list.

Section B.

The employee awarded the driving job must complete a thirty (30) working day training period. Employees who fail to qualify will return to their previous job and will not be considered for driving for at least one (1) year. An employee who fails to qualify on their second (2nd) attempt, shall not be allowed to bid for another three (3) years. Employees who disqualify themselves on their first (1st) attempt will not be allowed to bid for two (2) years. Air Operation employees successfully transferring to a driver job in the Kentucky district will be considered as a newly-hired, full-time employee and will be added to the appropriate seniority list. Their seniority date shall be in accordance with the Central Conference of Teamsters Supplemental Agreement.

Section C.

Full-time employees may be awarded two bids per year (including bids within their classification). If an employee is awarded a position and does not accept the position, it will count as an awarded job in reference to the above stated two moves. Also, anyone that is awarded a bid and is disqualified, either by management or themselves, will be considered having an awarded position in reference to the above stated two moves. After the original move and three (3) others by full-time employees, subsequent full-time opening (**except consecutive day jobs and AMDC jobs**) shall be made available in seniority order to the most senior part-time employee desiring to become full-time.

Consecutive day jobs and AMDC jobs will continue the bid process up to two (2) more bids beyond the original move and three (3) others by full-time employees. An employee who disqualifies himself/herself shall not be allowed to bid again for eighteen (18) months. Any disqualification will count as a move in the bid process.

Section D.

If a bid job is vacated, the company will bid the job as it was bid previously, except for legitimate operational needs. The company maintains the right to determine whether the job needs to be filled.

A newly promoted full-time employee must stay in their original bid classification for a six-month period, except in the case of newly created full-time jobs.

Employees bidding a full-time position will be subject to a thirty (30) day qualification period. Full-time employees will have ten (10) working days to disqualify themselves. If an employee is disqualified from a bid job the opening shall go to the next person on the bid sheet.

Any full-time air employee who successfully completes the GSE or Belt Maintenance Skills Inventory shall work under a six (6) month qualifying period. After qualifying the employee will begin an eighteen (18) month progression. All progression increases will be based on the top rate in GSE at the time of the increase. After completing the qualifying period the employee shall go to one hundred percent (100%) of the current GSE rate. For vacation purposes, the employee shall receive credit equal to their company seniority and employees' seniority will end tail on GSE and Air District Maintenance Seniority list.

The annual bid for all GSE and Air District Belt Maintenance mechanics will be posted prior to **October 1** of each year, selected by **October 31**, and assigned by **November 15**.

If a bid job is vacated, the company will bid the job as it was bid previously, except for legitimate operational needs. **When a job is vacated, the Company will post a job for bid the following mid-week. When the employee qualifies for a new job, the opening will be bid in the next week. The bid will be posted until the following mid-week and awarded no later than ten (10) days from the bid coming down.** The company maintains the right to determine whether the job needs to be filled.

Section E.

Part-time air employees successfully transferring to a full-time air jobs will be considered as newly hired full-time employees and will be added to the appropriate seniority list. Their seniority date will be the day of transfer. For vacation purposes, the employee shall receive credit equal to all time worked as a part-time employee and will have the option to take his or her part-time vacation paid or carry their accrued part-time vacation into their full-time classification. The vacation will be granted in accordance with the percentages as per Article VI, Section F, 3. All monies will be paid at the accrued part-time rate.

Section F. - Displaced Employees

In the event an employee becomes displaced because of the elimination of their job, the following will be the manner in which they may exercise seniority: the displaced employee may take the job of a person with less seniority. If two (2) employees are on the same bid job the most junior employee will be bumped. Seniority shall then be honored for premium start time. This will constitute the original

move. Thereafter **three (3)** more moves, if needed, will be allowed. After the original move and **three (3)** others, the displaced employee must displace the most junior person of all classifications.

Elimination of job shall be defined as moving the start time more than two (2) hours or changing work week, or when a job changes by 50% or more. It is understood that the 50% provision does not apply to full-time combination jobs.

Section G.

Commencing with the first (1st) full-time opening in the Louisville utility classification after January 1, 1989, the Employer will make available one (1) out of every (2) full-time utility openings to Air District employees on the basis of qualification. If two (2) or more applicants meet the qualification, the most senior employee of those being considered shall be given the first (1st) opportunity. The Air District employee accepting the utility position shall retain seniority in the Local 89 classification until they gain seniority in the Local 2727 utility classification, employees shall have seniority rights in their previous Local 89 classification.

Section H. – The following Paragraphs Applies to the AMDC Only.

When it becomes necessary to cover an entire schedule shift, overtime will be offered in order of seniority to those present, qualified and available. Present and available employees for the purpose of this Article are those employees whose shift begins or ends not more than one (1) hour from the start time of the needed overtime; qualified is defined as having completed thirty (30) working day qualification period.

When overtime needs for a full shift coverage cannot be met with the above procedures, the most junior present, available and qualified employees will be required to work.

ARTICLE V – HEALTH AND WELFARE

Section A.

(1) For those 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.

(2) Full-time employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.

(3) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the CSH&WFund.

(4) 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.

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

Section B.

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 spousal or dependent coverage will **also** be made available to these part-time employees **twelve (12)** months after their initial date of employment.

Section C.

(The paragraph in the previous contract was deleted.)

Section D.

Notwithstanding any provisions in the National Master Agreement or Central States Supplement, holiday pay will be provided to part-time employees, hired after August 1, 2002, beginning nine (9) months after their seniority date. Part-time employees hired after August 1, 2008 will receive holidays, personal days and option days provided by this Supplement no earlier than after one (1) year of active employment. This provision supersedes any provision on the same subject in this Supplement or any Rider, or Addendum to the extent the provision makes holidays, personal days or option days available earlier than after one (1) year of service.

ARTICLE VI – VACATION

Section A.

This Article shall supersede the corresponding Articles of the National Master United Parcel Service Agreement, the Central Conference of Teamsters of Supplemental Agreement, and any other related supplements.

Section B.

Nothing in this Article is intended to, or should be construed as, giving an individual more or less paid vacation time on an annual basis than what is provided for by the months or years of service described below.

Section C.

Effective December 26, 1990 all employees who meet the eligibility requirements herein set forth shall be entitled to a vacation with pay to be taken, with noted exclusions, during the period December 26 through Thanksgiving week in the year subsequent to the year in which vacation was earned. Vacation eligibility is as follows.

1. Worked less than one (1) calendar year by January 1 (of the subsequent Year).
... One half (1/2) day a month to a maximum of five (5) days.

2. Worked more than one (1) but less than two (2) calendar years by January 1.
... One half (1/2) day a month to a maximum of five (5) days, plus an equal number of days if earned as earned in previous year.
3. Worked more than two (2) calendar years by January 1.
... One (1) day a month to a maximum of ten (10) days.
4. Worked more than eight (8) calendar years by January 7.
... One and one half (1 ½) days a month to a maximum of fifteen (15) days.
5. Worked more than fourteen (14) calendar years by January 7.
... Two (2) days a month to a maximum of twenty (20) days.
6. Worked more than nineteen (19) calendar years by January 7.
... Two and one half (2 ½) days to a maximum of twenty-five (25).
7. Worked more than twenty-four (24) calendar years by January 7.
... Three (3) days a month to a maximum of thirty (30) days.
8. In order to obtain monthly vacation credit an employee must work or be credited with at least fifteen (15) days per month in accordance with Section G5 of this article.
9. No employee may earn or take more than one (1) earned vacation in a calendar year.
10. Full-time employees who displace part-time employees shall have those days counted toward their days worked for a full-time vacation within the calendar year of displacement.

Section D.

In addition to the above schedule any employee hired after ratification must have one year of seniority as of January 1, 1995 and each January 1st thereafter, to receive one (1) additional week of vacation with fifty (50) straight time hours pay. Part-time employees shall receive twenty-five (25) hours for said week (Note this week of vacation is in lieu of previously negotiated optional holidays and sick days). The option week can be selected to be taken in accordance with regular vacation selection. If the employee does not schedule the option week by March 1st, the employee will be paid for the week on the last pay period prior to Christmas in the year of eligibility. The option week is not subject to any pro rate provisions of this Article. An employee must be actively on the payroll at the time this week is scheduled and taken, and/or paid.

Section E.

Each regular part-time employee shall have the option to designate one (1) week of their regularly earned vacation, excluding the option week, to be taken in segments of one (1) day at a time. **Each regular part-time employee that has reached eight (8) years of seniority shall have the option to designate two (2) weeks of their regularly earned vacation, excluding the option week, to be taken in segments of one (1) day at a time.** In addition, at the time of the vacation selection, employees may elect to accept pay in lieu of time off for all but one week of earned vacation.

1. Designation of a week to be taken in one (1) day segments* will be made at the time of vacation selection period of November 15th through March 1.
2. Selection of days of this vacation must be made in writing on an Employer approved form to the immediate supervisor in the first (1st) full week of any month, and in no event shall the request be less than eight (8) working days in advance of the vacation event. Full weeks shall supersede single days.
3. At the total discretion of the Employer such **individual vacation days** request will be subject to Employer approval on the basis of workforce availability. **It is understood that the 10% or 15% off is a total of vacation days, which include individual days, shall be honored.** Approvals also will be on basis of first (1st) request, first approved; and in cases where requests bear the same date awaiting approval, seniority shall prevail. Failure by the Employer to give approval or non approval to the employee in writing within four (4) working days of the receipt by the employer of the employee's written request in accordance with "1" and "2" above will constitute approval of such request.
4. Any such vacation days not requested and taken by December 1 and weeks not taken will be paid to the employee on the last pay period prior to Christmas in December of each year.

Section F.

Regular vacation selection will be by seniority in individual work groups in accordance with the work groups identification in "1" below:

1. Identification
 - Next Day Air Hub Primary Sort Areas
 - Next Day Air Hub Secondary Sort Areas
 - Next Day Air Hub Outbound Belts
 - Next Day Air Hub Small Sort Areas
 - Next Day Air Hub Irregular Drivers North and South
 - Next Day Air Hub PSC
 - Next Day Air Hub Input
 - Next Day Air Ramp
 - Manager Group**
 - Second Day Air Hub Primary Sort Areas
 - Second Day Air Hub Secondary Sort Areas
 - Second Day Air Hub Outbound Belts
 - Second Day Air Hub Small Sort Areas
 - Second Day Air Hub Irregular Drivers North and South
 - Second Day Air Hub PSC
 - Second Day Air Hub Input
 - Second Day Air Ramp
 - Manager Group**
 - Feeder Unload
 - Container Repair Full-time by Shift
 - Dolly Repair Part-time by Shift
 - Dolly Repair Full-time by Shift
 - A.M. Housekeeping
 - P.M. Housekeeping
 - AMDC Part-time Shift

AMDC Full-time Shift
 Fueling Part-time by Shift
 Fueling Full-time by Shift
 Marshalling Part-time by Shift
 Marshalling Full-time by Shift
 Utility Repair Part-time by Shift
 Utility Repair Full-time by Shift
 Next Day Air International by Shift
 Second Day Air International by Shift
 Import by Shift
 Air Cargo by Shift
 Next Day Air Shift Building Set-up
 Next Day Air Shift Building Pull
 Second Day Air Shift Building Set-up
 Second Day Air Shift Building Pull
 Next Day Air Wing A, B, C, etc.
 Second Day Air Wing A, B, C, etc.

2. Additional groups may be designated for the purpose of vacation selection upon mutual agreement between the Employer and the Union prior to the November 15 posting date of any year.
3. A minimum of fifteen percent (15%) of the employees in each work group will be allowed to be scheduled off each day of the week during the months of May, June, July, and August. For the remaining months, a minimum of 10 percent (10%) of the employees by work group will be allowed to be scheduled off (in accordance with the designated vacation period). An employee may request the use of a single vacation day or option day in which they have accrued, up to the start time of the day of request as long as the Company is below the percentage of people off in accordance with this paragraph.
4. The application of the fifteen percent (15%) per work group will be applied as follows:

Number of Employees	Number of Vacations per Day/Week
1-10	1
11-16	2
17-23	3
24-30	4
31-36	5
37-43	6

5. The Application of ten percent (10%) per work group will be applied as follows:

Number of Employees	Number of Vacations per Day/Week
1-14	1
15-20	2
21-30	3
31-40	4

6. Vacation schedules shall be posted in each work group by November 15th of each year for the following year's vacation period. Vacation selection shall be by seniority within each work group.

The posted vacation schedule shall show the weeks available for vacation and the number of employees in each group who may be on vacation during each week. There shall be no vacation from the first (1st) Monday after Thanksgiving to December 25th.

7. Vacation shall be selected by December 15th. If all earned vacation weeks have not been selected or designated in the time allotted, the open weeks will be assigned by seniority to the eligible employees. Employees with 3 weeks or more earned vacation may designate vacation to be given on a first come; first served basis provided the employee gives 3 weeks notice, and provided the vacation time is available. There shall be no penalty pay associated with this selection.
8. An employee voluntarily transferring work groups to exercising a vacation selection may carry the initial vacation selection if vacation time is available in the new work group. If not available, the employee will have to select from weeks as available in accordance with this Article.

Section G.

Vacation compensation shall be as follows:

1. Vacation pay for full-time employees shall be computed by multiplying forty-five (45) times the employee's straight time rate. Part-time employee vacation pay shall be computed by multiplying twenty (20) times the employee's straight time rate.
2. If a holiday falls during the employee's vacation, they shall be paid an extra day's pay for the holiday in addition to their regular pay.
3. On the payday immediately preceding the employee's vacation, they shall be paid their vacation pay at their then current hourly rate.
4. Vacation pay, except days designated to be taken one (1) day at a time, will be made on separate checks.
5. Employee's time off due to illness or off-the-job injuries shall count toward vacation up to for (4) weeks. Employee's time off for on-the-job injury shall count toward vacation for one (1) year.
6. Seniority employees with more than one (1) year of service who resign or whose services are terminated, except for dishonesty, shall be (prorate) paid for the number of days/weeks vacation (as set forth in this Article for their then complete years of service).

Section H.

The Employer has the right to hire vacation replacements. Vacation replacements hired in May, June, July, and August shall not gain seniority unless they have worked after Labor Day. It is understood that the Company will notify the Local Union when it intends to implement the vacation replacement language. Employees hired after April 30, 1997 will have their date of hire as their seniority date after meeting all pre-seniority requirements. This provision will not lead to the changing of any seniority dates from April 1997 to present, except in cases of inadvertent errors, in accordance with the provision in article 3 Section 4 of the CRT/UPS Supplement addressing the protesting of seniority date accuracy.

Employees worked after Labor Day shall have their time worked prior to Labor Day counted toward the acquisition of seniority provided for elsewhere in this Agreement.

The total number of vacation hires in May, June, July and August cannot exceed a number that is equal to fifteen percent (15%) of the employees being covered on the payroll as of May 1. Should the number exceed fifteen percent (15%), the earliest hired in excess of fifteen percent (15%) during this period shall be considered regular hires, and be subject to normal seniority provisions in this Agreement.

The Employer shall require employees hired as vacation replacements to sign a “vacation replacement” form, and the Employer shall notify the Union of vacation replacement hiring.

In cases of full-time vacation replacements, part-time employees may work as full-time vacation replacements under the terms of this provision and still retain their seniority as part-time employees.

Section I.

If a situation develops where employees have a problem getting summer vacation because of the fifteen percent (15%) limitation, the following procedure may be adopted with the approval of the Local Union.

1. Vacation selection, including the first week, shall be in two segments. During the first (1st) segment, employees in seniority order will be allowed to select the following number of weeks.

Number of Weeks Vacation	1 st Round
5	3
4	2
3	2
2	2

2. After completion of the initial selection segment, all employees in seniority order will select whatever remaining weeks they have earned.

Section J.

Cartage **and** AMDC employees shall be allowed to take vacation between Monday after Thanksgiving through Christmas up to 15%, provided the Worldport hub is adequately staffed for peak season.

ARTICLE VII – WAGES

Section A. – Part Time Employees

SEE NATIONAL WITH FOLLOWING ADDITION

The Employer may provide additional benefits, higher hourly wage rates or bonuses in order to attract or retain part-time employees. The additional benefits wages or bonuses may be structured to apply to any specific shift or operation.

Section B. – Full-Time Employees

SEE NATIONAL

(Three paragraphs in the previous contract were deleted.)

ARTICLE VIII – SIX HOUR JOBS

1. Prior to the expiration of this agreement the employer shall create an additional fifty (50) full-time jobs from part-time work. Ten (10) of the above mentioned fifty (50) jobs will be bid for each of the five (5) years of this agreement.

These jobs shall count toward the Employer's obligation to maintain full time jobs under Article 22.3 of the NMA.

2. Hub/Porter full-time combination jobs, where applicable, will be considered day time opportunities.
3. Six (6) hour employees will receive overtime after six-and-one-half (6 ½) hours work.
4. Six (6) hour employees will receive six and one-half (6-1/2) hours per option day.
5. Six (6) hour employees will receive thirty-eight and one-half (38.5) hours per option week. Vacation will be paid at thirty (30) hours per week.
6. Six (6) hour employees will receive two (2) ten (10) minute breaks.
7. Six (6) hour employees will receive health care coverage equal to full-time employees.
8. Six (6) hour employees shall receive a sick and accident benefit not to exceed one hundred and seventy five dollars (\$175) per week.
9. Six (6) hour employees shall receive a life insurance benefit of thirty thousand dollars (\$30,000.00) plus thirty thousand (\$30,000.00) accidental death benefit.

Six (6) hour employees shall remain in the Company health plan.

10. Six (6) hour employees shall accrue credited service in accordance with the following formula: (i) effective August 1, 2002 through December 31, 2007, eighty dollar (\$80.00) per credited year of service in a six (6) hour job and (ii) effective January 1, 2008, eighty-seven dollars (\$87.00) per credited year of service in a six (6) hour job. Accrual and other benefits rules will be in accordance with Addendum A to this contract.

11. In addition, effective for any employee leaving Covered Employment after January 1, 2014, there shall be a service pension benefit at 35, 30 and 25 years of service at any age and a 25 years of service benefit at age 60. The benefit shall be calculated as set forth below. In each case the years of service shall include all years in a three (3) hour and six (6) hour guarantee job.

The 35 year service pension at any age shall be calculated based on \$80 times the number of years

of service in a six (6) job plus the number of years of service in a three (3) hour guarantee job times the service pension accrual rate applicable to the employee when he held the three (3) hour job. The 25 year service pension at age sixty (60) and the 30 year service pension any age shall be calculated using the same formula.

The 25 year service pension at any age shall be calculated based on \$70 times the number of years of service in a six (6) job plus the number of years of service in a three (3) hour guarantee job times the service pension accrual rate applicable to the employee when he held the three (3) hour job.

12. Three (3) hour employees shall only have bump rights if their job is eliminated. Six (6) hour employees shall have bump rights to another six (6) hour or three (3) hour guarantee position if their assigned work days of the week are changed or the job is eliminated. **A three (3) hour employee can only bump into another three (3) hour guarantee position.** The following will be the manner in which they may exercise seniority: the employee may bump a junior employee from a three (3) hour job or a six (6) hour position. The employee may also take an open six (6) hour position if one exists. If the displaced employee bumps to a three (3) hour position or an open six (6) hour position, this shall end the bump process. The original bump will constitute the original move. Thereafter two (2) more moves, if needed will be allowed. After the original move and two (2) others the final displaced employee must bump to a three (3) hour position, the most junior six (6) hour position, or take the open six (6) hour position, the most junior six (6) hour position, or take the open six (6) hour position if one exists. If the most junior six (6) hour employee is bumped he/she will become a three (3) hour employee. Employees in the Fueling, Marshalling and PSC classifications will be limited to moves within their classification. In the event there is no one junior to them the employee can exercise his/her seniority to displace a junior six (6) hour employee in another six (6) hour classification.

ARTICLE IX- MASTER APPLICATION

When applicable, all other provisions of the National Master, including the duration and relevant provisions of Article 40 and other provisions of the Central Region Supplement shall apply to Air Operations Employees.

ADDENDUM TO AIR SUPPLEMENT

Section A.

Notwithstanding Article 34 of the National Master Agreement, the Parties agree that employees who have jobs with a six (6) hour guarantee shall accrue credited service effective August 1, 2002 in accordance with the following formula: eighty dollars (\$80.00) per credited year of service in a six (6) hour job. **Effective January 1, 2008 eighty-seven (\$87.00) per credited year of service in a six (6) hour job.**

Section B.

Employees with a six (6) hour job will receive one (1) year of credited service for seven hundred and fifty (750) or more paid hours. Nine (9) months of service will be credited for five hundred and one (501) to seven hundred and forty-nine (749) hours worked in a calendar year. Six (6) months of service

will be credited for three hundred and seventy-five (375) to five hundred (500) hours worked in a calendar year.

Section C.

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.

Section D.

The improved benefit formula provided pursuant to this Section will be coordinated with the benefit provided under the UPS Pension Plan as outlined in Article 34 of the National Master Agreement.

Section E.

The maximum number of years of service credit which can be accrued under the UPS Pension Plan is thirty-five (35).

Section F.

The UPS Pension Plan will be governed by the terms of the Plan Document and its Amendments.

LETTER OF RECORD

1. The Employer and the Union agree to **maintain the** Employee Parking and Shuttle Committee. This committee will consist of an equal number of representatives from the Union and UPS. The committee will meet on a **monthly basis or upon request** to review any issues that arise in the transportation of employees to and from their work area; **a copy of the minutes of each meeting will be reviewed by the District and Region Labor manager.** If the committee is unable to resolve any issues or concerns, the issue or concern will be subject to the grievance procedure. Any grievance not resolved at the state panel level will be **immediately** submitted to the IBT Director of Parcel and Small Package Division and UPS Vice President of Labor Relations or their designees for resolution. **Stewards will be given a cell phone number to the management team on property that is responsible for shuttle operation to respond to any issues or concerns that occur during the operation.**

Any employee who after badging in at the guard shack, rides the shuttle, if the shuttle is available, and clocks in at their work area, and is late as a result of a shuttle ride time of over 20 minutes, the employee will be paid from their regularly scheduled start time and not charged an occurrence.

Subsequent to ratification of this Agreement, the Company will deploy additional shuttles, which will be heated and air conditioned, to its shuttle system to improve travel time for employees to and from their work areas. Further, within six (6) months of the addition of the new shuttles, the parties will provide the Chairs of the Joint National Negotiating Committee or their designees a report as to the status of the transportation situation at Worldport. The Chairs shall have the authority to agree to any additional remedial steps necessary to remedy outstanding issues, including penalties to ensure compliance.

If dispute cannot be resolved, either party may refer the matter to arbitration in accordance with Article 8, Section 7 of the National Master Agreement. The next arbitrator in rotation on the

Central Panel shall be assigned the case. The arbitrator shall have the authority to award any remedy specified in the paragraph above.

2. It is understood that the practice of having business agents or stewards attending pre-seniority attainment meetings for the purpose of educating new employees about the Union will continue for the life of this agreement. The Union will be notified one (1) week in advance.

3. Full time and Six Hour employees, along with stewards shall have the right to cell phones in accordance with company policy.

4. Within sixty (60) days of ratification, the parties shall meet and reduce to writing any established past practices. Any unresolved issues shall be referred to the IBT Director of Parcel and Small Package Division and UPS Vice President of Labor Relations.

5. All missort discipline shall be removed if an employee achieves a missort frequency of one per ten thousand (1/10,000) for three (3) months or goes without a missort for three (3) months.

6. AMDC employees shall be able to break up 3 weeks of vacation into single days.

7. All seniority employees shall receive double time pay for work performed on holidays as has been practiced in the Air District.

8. AMDC will recognize holidays as calendar dates.

9. The company will notify the Union if it plans to discontinue or modify Metro College or Earn to Learn.

10. The Company will agree to request from the FAA jump seat privileges for AMDC. The Company will make jump seats available if not prevented by FAA.

11. The Company shall be responsible for providing bottled water in the months of June, July, and August for Ramp, Marshalling, Fueling, Grade Lane Shift, and Cartage Shift employees.

12. In the event a new piece of equipment requires a new specialty tool for GSE or Belt Maintainance, the Company agrees to make available such tools for the shop. At the sole discretion of the Employer, the Company may supply such tools for individual mechanics for use for the length of their employment.

13. Effective 90 days after the ratification date of the Louisville Air Rider, pallet work currently performed by the vendor will become bargaining work. This work is defined as the consolidation, loading and unloading of pallets that accumulate outside of our facilities. The transportation of the pallets off site will continue to be done by the vendor.

14. As a result of a runaway involving a tug or dolly which causes personal injury or property damage, the Company may discharge or suspend any employee without a warning letter but he/she will remain on the payroll in accordance with Article 7 of the National Master Agreement. Progressive discipline must be applied if the runaway tug or dolly incident does not result in personal injury or property damage.

15. Effective 90 days after the ratification date of the Louisville Air Rider, the movement of ULD

containers inside the fence line to and from the storage lot will become bargaining unit work. Employees performing this work will need to possess their SIDA certifications. The transportation of containers from the vendor's repair facility to and from the storage lot will continue to be done by the vendor. The unloading of containers by the bargaining unit will continue in accordance with what has been practiced.

DOUBLE SHIFT LETTER OF UNDERSTANDING

Monday through Friday

The facility is broken down to the following areas for double shift opportunities:

- *Wings, A,B,C,**D,E**
- *Core Unload/Thumb, **Building One/ Grade Lane/Wing H/Grade Lane Shift**
- *SEAS
- *Small Sort
- *PSC
- *Revenue Recovery

When a request for double shifters is received from the 2DA or 1DA operations, the positions will be filled by seniority that pertains to particular areas. Request can not be made by job type.

If the request for a particular area is not filled, the remaining positions will be filled by employees from like areas by seniority. For example, Wings A,B,C request 20 double shifters and only 10 employees sign up. The remaining 10 positions will be filled by seniority from the THUMB/CORE UNLOAD.

The like areas below are grouped for the 1st and 2nd choice to backfill a request. The employees will be selected by seniority by group. If the first group is depleted, we will use the second group by seniority and so on.

Like Area Groups

*Wing A,B,C,**D,E*** – 1st Wing A,B,C,**D,E**, 2nd Thumb, Core Unload, 3rd Building One, Grade Lane, Wing H/**Grade Lane Shift**

CORE UNLOAD/Thumb – 1st Wing A,B,C,**D,E**, 2nd Building One, Grade Lane, Wing H/**Grade Lane Shift**

Building One/Grade Lane/Wing H/Grade Lane Shift – 1st Wing A,B,C,**D,E**, Core Unload/Thumb

SEA – SEA (Small and Parcel)

Small Sort – Small Sort

PSC – PSC

Revenue Recovery

****For double shift opportunities, the 2DA Ramp will be considered part of Wings A,B,C,**D,E**

*** For purpose of double shifts from 1DAoperation to 2DA operation only; The 9/11 ramps will be allowed the same opportunity as Wing H employees. The 2/4/6 ramps will be allowed the same opportunity as Wing E employees.

***If Wings A,B,C,**D,E** and the Core Unload/Thumb, Building One, Grade Lane, Wing H, have exhausted all means for double shifters, it will open up first to the seniority in the following groups (PSC, SEAS, Revenue Recovery and Small Sort). If these areas are exhausted it will be open to the district.

***For double shift opportunities, if the small sort, SEA, PSC, or Revenue Recovery can't cover their own double shift needs, these four groups will be considered as a like area work group.

FOR SUNDAYS

The 2DA OPERATION will have the rights to fill the needs of the Sunday sort first. The process for double shifting is identical to the Monday-Friday double shifting guidelines.

***The company will post signs with double shift opportunities in **all** guard facilities. **At the time of the posting, a Company representative will take a picture of the posting that shows a date and time stamp.** The employee will be responsible for checking these double shift lists and signing up for these double shift opportunities on the computer or by the phone. The computer is preferred.

The phone number to call will be:

2DA Sunday Double shift only: 359-1335

2DAMon-Fri Double shift only: 359-7160

2DA Deice: 359-7585

1DA Double shift: **359-7351 or 359-7312**

*** **The Company will post a list with the names of employees on a made/did not make list on a link attached to UPSERS.com after each sort for the corresponding shift offered.**

These numbers are connected to voicemails. Employee should leave their name, **GEMS ID**, and F/T Supervisor name on message. The cut off times for the 2DA operation for Mon- Fri double shift is 1:00. 2DASunday double shift operation cut off time is on Thursday at noon. The cut off times for the 1DA operation Mon-Fri double shift is 01:30. 1DA Sunday double shift operation is 02:00.

For the Company

For the Union

Date

LETTER OF UNDERSTANDING

Upon completion of the Worldport expansion, Porter helpers will only inspect the equipment listed below:

Porter/Helper inspections: UNL-05, DWS, VI Beltflow Conveyor, Rapistan conveyors, Grade Lane conveyor, Vertisorter, Transnorm powerturn beads, Posisorter slave 1 and 2 polychains, nosedock daily pretrip, Rapistan powerturn, irreg. straight, IGC Beltflow conveyor (small sort), Small Sort Collector, Small Sort induct, Small Sort primaries, Small Sort secondaries.

Mechanics will continue to inspect all the equipment that they are currently, including the equipment below which are mechanic only inspections.

Mechanic only: Transnorm powerturn (other than bead inspection), Transnorm merge, irreg merge, irreg powerturn, posisorter, nosedock (other than daily pretrip), Portec, High Voltage Electrical Testing, Axxmann merges, Axxmann powerturns, Axxmann gated conveyors, and Axxmann metering conveyor.

When the Worldport expansion is complete, the following equipment will be added to the Mechanic only inspection list.

Additional "mechanic only" after completion of expansion: LOA/UNL 20, Gappex, irreg merges and irreg curves.

As part of the Worldport expansion at least 25 mechanic jobs will be created.

Amendment to the Cartage LOA

The company agrees to the following amendment to the existing Cartage Letter of Understanding:

If management disqualifies an employee it will not count as a move.

Memorandum of Understanding

The parties agree that with regard to the issue of the classifications of Ground Support Mechanic, Belt Maintenance, AMDC, Dolly Repair, Container Repair, Utility Repair, and the job of Marshalling Pushback, except as outlined in the 22.3 Letter of Understanding dated 9-03-04, being full time employees only, that the following will apply:

The Company and the Union maintain their respective positions on this matter.

The Company will not add part time employees to the above mentioned classifications except as noted in Marshalling above for the life of the agreement unless by mutual agreement.