

**SOUTHWEST
AUTOMOTIVE
ADDENDUM**

BETWEEN

United Parcel Service

AND

**The International Brotherhood
of Teamsters**

Local Unions Nos.

63, 186, 396, 481, 495, 542, 952 and 986

**For The Period
August 1, 2018
through July 31, 2023**

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AUTOMOTIVE WORKERS ADDENDUM

THIS ADDENDUM made and entered into this 1st day August of 2018, by and between UPS, hereinafter referred to as the “COMPANY,” and the following Local Unions, where applicable, 63, 186, 396, 481, 495, 542, 952 and 986 affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS hereinafter referred to as the “UNION.”

WITNESSETH

That in consideration of the premises and of the respective premises of the parties hereto, they do hereby mutually agree as, follows:

SECTION 1 – RECOGNITION OF THE UNION

The Company recognizes the Union as the bargaining agent with regard to wages, hours and working conditions of employment for employees described as follows: lubrication, car washing, car cleaning and car polishing, stock and parts room, tire service and tire repair, shop and yard clean-up (janitors), fuelers and steam rack, and where applicable, automotive mechanics and maintenance mechanics. No employee of the Company shall be discharged or discriminated against because of their membership in the Union.

The work of supervisors will not include assignments of work that is performed by Union members except for the purpose of training and demonstration. Supervisors will not perform Union members work until after all reasonable efforts have been exhausted to have the work covered.

UPS

The top rates of pay for the classification listed below shall be as follows

Classification	Top Rate Effective 08/01/18	Top Rate Effective 08/01/19	Top Rate Effective 08/01/20	Top Rate Effective 08/01/21	Top Rate Effective 08/01/22
Yard/Shop Cleanup (Janitor)	\$36.18	\$36.93	\$37.73	\$38.63	\$39.63
Car Washer	\$36.27	\$37.02	\$37.82	\$38.72	\$39.72
Tire Service	\$36.40	\$37.15	\$37.95	\$38.85	\$39.85
Stock & Parts Room	\$36.32	\$37.07	\$37.87	\$38.77	\$39.77
Lubrication	\$36.43	\$37.18	\$37.98	\$38.88	\$39.88
Steam Rack	\$36.40	\$37.15	\$37.95	\$38.85	\$39.85
Fueler	\$36.27	\$37.02	\$37.82	\$38.72	\$39.72

Employees Hired Prior to November 1, 1976

Classification	Top Rate Effective 08/01/18	Top Rate Effective 08/01/19	Top Rate Effective 08/01/20	Top Rate Effective 08/01/21	Top Rate Effective 08/01/22
Yard/Shop Cleanup (Janitor)	\$36.96	\$37.71	\$38.51	\$39.41	\$40.41
Car Washer	\$37.04	\$37.79	\$38.59	\$39.49	\$40.49
Tire Service	\$37.18	\$37.93	\$38.73	\$39.63	\$40.63
Stock & Parts Room	\$37.09	\$37.84	\$38.64	\$39.54	\$40.54
Lubrication	\$37.20	\$37.95	\$38.75	\$39.65	\$40.65
Steam Rack	\$37.18	\$37.93	\$38.73	\$39.63	\$40.63
Fueler	\$37.04	\$37.79	\$38.59	\$39.49	\$40.49

Existing seniority employee with a seniority date prior to 8/1/1997 who enter the full-time automotive agreement during the life of this agreement only, shall be paid in accordance with the above schedule(s). Part-time employees who are hired into the automotive agreement and who are currently earning more than the progression entry rate shall have their wage rate frozen for the length

of the progression period (thirteen months) and shall be entitled to all negotiated increases thereafter. All other employees, with a seniority date on or after 8/1/1997, hired into the automotive agreement shall be paid the following wage progression effective 8/1/2018.

All current Full-time employees will be paid no less than what they are entitled to in accordance with the wages below:

CLASSIFICATION	Start Rate	Seniority Rate	Seniority Plus 12 Months
Yard/Shop Cleanup (Janitor)	16.50	17.25	18.50
Car Washer	16.50	17.25	18.50
Tire Service	16.50	17.25	18.50
Stock & Parts Room	16.50	17.25	18.50
Lubrication	16.50	17.25	18.50
Steam Rack	16.50	17.25	18.50
Fueler	16.50	17.25	18.50

After completion of the above progression, employees shall receive the nationally negotiated hourly wage increases each succeeding year as described below:

August 1, 2018	Seventy cents (\$.70) per hour
August 1, 2019	Seventy-five cents (\$.75) per hour
August 1, 2020	Eighty cents (\$.80) per hour
August 1, 2021	Ninety cents (\$.90) per hour
August 1, 2022	One dollar (\$1.00) per hour

Full-time employees who enter the automotive agreement as a result of an ADA accommodation shall be paid the pre-8/1/1997 rate if they are at the top rate of their existing classification at the time of the accommodation.

Shifts commencing between 4:00 p.m. and midnight shall be paid twenty cents (20¢) per hour in addition to rates as shown above. Shifts commencing between midnight and 5:30 a.m. shall be paid

twenty-five cents (25¢) per hour in addition to rates shown above. Employees working on a shift commencing at or after 12:00 noon shall be paid the regular rate up to 4:00 p.m., and the bonus rate of twenty cents (20¢) additional per hour for all hours worked after 4:00 p.m. Shifts beginning before 12:00 noon will not be paid a premium rate for time worked after 4:00 p.m.

Working foremen shall receive twenty cents (20¢) per hour above the highest paid classification supervised.

Floor scrubbing, forklift operators, sweeping and vacuum machine operators shall receive five cents (5¢) per hour above the regular yard and clean-up (janitor) rates.

If an employee covered under this Agreement is instructed to operate a tow motor, the employee shall receive five cents (5¢) per hour above the regular yard and clean up (janitor) rate.

All classifications may be used to shift new vehicles and vehicles from one location to another for maintenance purposes. Employees shifting such vehicles shall be paid ten cents (10¢) per hour above their regular rates for the driving time only. This does not apply to cars being shifted for washing and cleaning purposes or for fueling.

Any regular employee reporting for work on any day, as directed, shall receive full pay for the employee's regular hours, unless excused at the employee's request.

If a regular full time employee is required to work a combination job and works in a higher paying classification job for more than one (1) hour, that employee shall be paid the higher rate of pay for the entire shift.

Employees who are requested to do painting shall be paid fifteen cents (15¢) per hour above the current lubrication rate for the time spent painting.

Refer to Exhibit “A,” attached hereto, for a description of certain job classifications.

SECTION 2 – HOURS AND OVERTIME

Employees shall work shifts of eight (8) consecutive hours each day, exclusive of lunch periods, for five (5) consecutive days each week. Employees will be assigned regular shifts and will be given five (5) days advance notice in case it is necessary to permanently change the starting time of any shift. When start times are permanently changed more than two (2) hours, the job shall be rebid, excluding employees assigned to vacation relief.

Overtime for all work performed daily in excess of eight (8) hours a day or forty (40) hours a week shall be paid at the rate of time and one-half (1½).

Sick and funeral leave days taken, as well as holidays falling within an employee’s regular work week, shall be considered as time worked for the purpose of computing overtime.

Time and one-half (1½) shall be paid for work on Sundays, when such work is extra work and does not constitute a part of the normal work week of the employee.

Time and one-half (1½) shall be paid for all hours worked by an employee on the sixth (6th) consecutive work day. Double time (2x) shall be paid for all hours worked by an employee on the seventh (7th) consecutive workday.

An employee called to work in an emergency before or after their regular shift, and having left the premises, shall be guaranteed a minimum of three (3) hours pay at their applicable overtime rate, unless he/she is called to work less than three (3) hours before their regular shift starts. If called in less than three (3) hours before their regular starting time, then the overtime rate would apply only to the time worked prior to the regular starting time. In this case, however, the Employee would be entitled to work his/her regular shift and would be paid the applicable shift rate of pay.

SECTION 3 – HOLIDAYS AND PERSONAL DAYS

The following holidays shall be granted without reduction in pay:

New Year's Day	Memorial Day
July 4th	Labor Day
Thanksgiving Day	Day after Thanksgiving
Christmas Day	December 31st
Four (4) Floating Holidays	

Each seniority employee shall be granted four (4) floating holidays to be taken each calendar year. Employees hired on or after August 1, 2002 shall be eligible for the above-named holidays after one (1) year seniority with the Company.

Floating holidays and personal days shall be selected in the following manner. Floating holidays and personal days scheduled during the vacation selection process shall be guaranteed time off for the employee requesting such days. Those employees not selecting during the vacation selection period may request their floating holidays at any time during the calendar year. Seniority shall prevail when the floating holidays and personal days have been selected at least ten (10) working days prior to the selection dates and time off shall be guaranteed ten (10) working days prior to the dates the floating holidays occur.

Seniority shall prevail when an excessive number of employees have chosen the same day.

The granting of floating and personal holidays may be limited during the month of December.

If the Company decides to shut down its operations in the Southern California area on another day, a floating holiday will be assigned to that day.

When a holiday falls on Sunday, the following Monday will be observed as the same for employees who's first scheduled work day of the work week falls on Monday.

The above holidays will be paid, regardless of what day in the week that they may fall.

Employees absent for more than thirty (30) days due to non-industrial illness or in injury will not be eligible for holiday pay. In case of industrial injury, employees absent for more than ninety (90) days will not be eligible for holiday pay.

Except as described above, an employee, to be eligible for holiday pay, must have monies earned during the week in which the holiday falls.

Employees may elect, on their anniversary date, to receive five (5) personal days off (40 straight time hours) or pay in lieu thereof. These five (5) days will be selected, under seniority procedure, by the employee as part of the employee's vacation selection procedure and need not be taken in conjunction with other vacation weeks. Employees hired after August 1, 2002, shall be eligible for the five (5) personal days described above after completion of two (2) years seniority with the Company.

SECTION 4 – VACATIONS

All employees covered by this Agreement shall be entitled to one (1) week of vacation with pay after one (1) year's of continuous service with the Company; two (2) weeks of vacation with pay after three (3) years' continuous service with the Company; three (3) weeks of vacation with pay after five (5) years' continuous service with the Company; four (4) weeks of vacation with pay after ten (10) years' continuous service with the Company; five (5) weeks of vacation with pay after twenty (20) years' continuous service with the Company; and six (6) weeks of vacation with pay after twenty-five (25) years continuous service with the Company.

Vacation pay for each week of vacation shall be one-fifty-second (1/52) of the gross annual earnings of the employee during the twelve (12) month period immediately prior to the employee's employment anniversary date. 1/52 shall be defined as all monies paid to an employee for an anniversary year, excluding unused sick pay, pay in lieu of unused vacations or personal days. National negotiated monetary bonus shall be governed by the National Negotiating Committee.

A lapse of more than thirty (30) days per year shall break the continuity of employment for the purpose of vacation eligibility.

Vacation days will be prorated.

VACATION SELECTION PROCEDURE-FOR CHOICE OF VACATION: Once a vacation list is posted, the first full week of January is allowed for the top 25% to select in seniority order; the second week of January for the second 25%; the third week of January for the third 25% to select in seniority order, and the fourth 25% to select the fourth week of January. Those not signing up in their scheduled week shall lose their choice of vacation and must take what is left. In those operating centers where there are part-time and full-time employees, the Company will post separate vacation lists.

Earned vacations, for the vacation period scheduled, shall be paid for during the week prior to the date the vacation is taken. If vacation is not taken, such earned vacation monies will be paid on the employee's anniversary date of hire. Vacation pay will be paid on a separate check.

When a holiday falls within an employee's vacation period, he/she shall receive one (1) extra day of vacation or pay in lieu thereof by mutual agreement.

Vacations shall be granted between January 1st and December 31st.

By seniority, a minimum of fifteen percent (15%) of the eligible members in each location shall be allowed time off for earned vacation per week during the months of June, July and August. If the number allowed off for 15% is .5 or greater the Employer will round up to the nearest whole number, anything less will be round down to the nearest whole number.

The Employer shall have the right to hire and use full time relief employees for the months of June through August, inclusive, of any year. Relief employees shall not have such time counted towards attaining seniority. The relief period shall be defined as the Tuesday following Memorial Day through the Friday preceding Labor Day.

Vacation weeks earned during the current vacation period, declared for sellback, shall be paid two (2) weeks after the employee's anniversary date of hire. Vacation pay will be paid on a separate check.

Employees who have earned vacation week(s), not selected during the vacation selection period, may elect to sell back those unscheduled weeks at any time.

After one (1) year of employment, vacation allowances will be prorated on a monthly basis and paid in the event of separation from the Company.

An employee who retires from the Company, and is entitled to receive payment for prorated unused vacation, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused vacation prior to retiring (i.e. the number of prorated unused vacation hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example – 40 hours x \$6.60 per hour = \$264.00.)

SECTION 5 – HEALTH AND INSURANCE COVERAGE

Employees hired on or after October 1, 1993, and their eligible dependents, shall become eligible for this coverage six (6) months after their seniority date.

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 Teamsters Western Region and Local 177 Health Care Plan in accordance with the Letter of Agreement on the Teamsters Western Region and Local 177 Health Care Plan dated September 6, 2013.

For all full-time and part-time employees who receive health and welfare benefits from the Teamsters Western Region and Local 177 Health Care Plan the employer shall make health and welfare contributions for employees who have been injured on the job for a period of one (1) year, and for employees who are ill or have been injured off the job for a period of four (4) weeks, with the Teamsters Western Region and Local 177 Plan covering the remaining weeks up to a maximum of twenty-six (26) weeks.

Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the Teamsters Western Region and Local 177 Health Care Plan.

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.

SECTION 6 – METHODS OF OPERATION

The Company's rules, regulations, practices and methods of operation heretofore in effect shall continue in full force and effect at the option of the Company.

The Union agrees that nothing in this Agreement shall preclude the Company from continuing or establishing any method of compensation which results in paying any employee more than he would receive at the regular basic rate and overtime applying to such type of work.

The Company shall continue the present policy of allowing employees to take rest breaks.

SECTION 7 – SENIORITY

When a reduction of force is necessary, the least senior employee in that classification, within that Local Union's jurisdiction, shall be the first employee laid off, provided the employee(s) retained are qualified to perform the work involved. The last employee laid off as provided for above, will be the first employee rehired, provided that acceptance of the job must be received by the Company within forty-eight (48) hours after notice is sent to the employee.

An employee unable to report for work due to a proven illness or injury shall retain seniority for a period equal to such employee's length of service with a one (1) year maximum.

Job openings in classifications covered by this Agreement will be posted for bid among employees within the facility they work. Rules for bidding shall be as follows:

1. Job openings will be posted including general job description, hours of work and workweek for seventy-two (72) hours. Those desiring to fill said openings shall sign their names on the posted bulletin.
2. The vacancy shall be filled by the most senior bidder, provided the senior bidder can demonstrate his qualifications to perform the work of the vacancy.
3. A successful bidder for an opening may not bid again on subsequent openings for a period of six (6) months following reassignment.
4. Employees may bid the original opening. The opening created by the successful bidder will be bid, provided there are no requests for transfers to be honored. Thereafter, the Company will make assignments to fill subsequent openings.
5. Employees may bid openings within their Local Union area, only.

In the event of a complete building re-alignment, porters covered by this Agreement shall be given the opportunity, in accordance with their seniority, to bid the new defined areas. All porters covered by this agreement shall be given the opportunity, in accordance with their seniority, to bid on all porter positions by classification within the facility, on an annual basis. The bid will include general job description, hours of work, and workweek. It is understood that daily work assignments and coverage for disability, vacation, etc., will not be affected by this paragraph.

It is agreed that needs for vacation relief or permanent openings, under this Agreement, will be filled from members on the layoff list, by seniority. Appropriate notice will be given.

SECTION 8 – TRANSFER REQUESTS

Each location is to be provided with “Request for Transfer” forms for the convenience of those who desire to transfer from one facility to another within their district. The requesting employee will be given a form to complete by his manager. The completed form will state the type of job requested and the new location desired. The form will be forwarded to the personnel office and will be held in

their file for ready reference when openings occur in the various facilities. Employees with good records will be given first consideration to fill openings before new people are placed in new jobs, if such jobs are believed to be regular, and if not filled by an employee who has successfully bid on the job.

A notation will be made on the employee record U6150 when transfers and requests for full time employment are approved and/or disapproved. All such notations shall be signed by the immediate supervisor and the employee involved. A list of such requests shall be maintained in the Company's personnel departments.

SECTION 9 – DISABILITY AND SICK LEAVE

Fifty-six (56) hours of straight-time pay (seven [7] eight [8] hour days) will be allowed for each regular full-time employee who has completed one (1) year seniority with the Company.

Each employee will be allowed seven (7) days (at the daily guaranteed rate of pay) on each succeeding sick leave anniversary date.

On the employee's anniversary date, he/she shall have the option to:

- A. Accumulate any/all sick leave days, to a maximum of sixty (60) days.
- B. Receive pay for any/all accumulated unused sick leave.
- C. Use in conjunction with vacation time earned, as described below:

At the end of each succeeding twelve (12) months, any unused sick pay may be accumulated, paid, or used in five (5) day segments in conjunction with vacation time off at the option of the employee. These five (5) days, forty (40) straight time hours, may be selected under the same procedure by the employee as part of the employees next vacation selection period. When unused sick leave is paid, it shall be paid at the rate of pay at which it was earned.

Sick pay contribution shall be allocated under the following conditions:

1. Sick pay to be allowed for the first (1st) day of any period of absence from work due to a bona fide sickness or disability and shall start when an employee leaves the job because of injury on the job, provided the service of a physician are necessary.
2. An employee unable to work because of sickness or disability must notify the Company one (1) hour or more before the employee is scheduled to report for work, unless conditions make it impossible to give such notification, and sickness shall be deemed to have commenced at the time the Company is so notified, unless notification is impossible.
3. No employee shall be entitled to disability leave pay when the sickness or injury is due to intoxication or the use of narcotics, nor shall it apply in case of injury while working for another employer or while self-employed for profit or compensation.
4. No employee shall be requested to have a medical release, from their physician, unless the employee has been on sick leave five (5) consecutive days or more, or in the event of any personal injury.
5. Sick leave pay may be integrated with Workmen's Compensation or Unemployment Compensation Disability Benefits, when requested. An employee who is receiving such benefits shall be paid the difference between such benefit payments and his straight-time weekly earnings for each week such benefit payments are made.
6. Prorated unused sick leave pay will be paid in cases of separation from the Company after one (1) year employment. An employee who retires from the Company, and is entitled to receive payment for prorated unused sick leave pay, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused sick leave pay prior to retiring (i.e. the number of prorated unused sick leave pay hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example – 40 hours x \$6.60 per hour = \$264.00).

7. A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of sick pay eligibility. Sick pay days will be prorated.

SECTION 10 – PENSION BENEFITS

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund, for the account of each full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For probationary employees hired on or after August 01, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$0.10) (including \$0.01 for PEER/80 for full-time employees) during the probationary period as defined in Article 4 of the WRT/UPS Supplemental Agreement, but in no case for a period longer than the first ninety (90) calendar days from an employee first date of hire. If and when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Article.

Effective on the date indicated below, the Employer shall pay total contributions split between amounts for accrual of benefits and amounts for PEER 80 under the Program for Enhanced Early Retirement (PEER). The contributions require to provide PEER 80 will not be taken into consideration for benefit accrual purposes under the plan. The contributions for PEER 80 must at all times be 16.5% of the basic contributions and cannot be decreased or discontinued at any time.

The following pension contribution rates are applicable to Local Union Nos. 63, 186, 542, 952 and 986.

Effective August 1, 2018, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$11.56 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2019, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$11.96 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year

Effective August 1, 2020, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$12.36 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2021, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$12.76 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2022, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$13.16 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

The following pension contribution rates are applicable to Local Union No. 396, 481 and 495.

Effective August 1, 2018, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$11.71 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2019, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each

employee working under this Agreement an hourly contribution rate of 12.11 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2020, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$12.51 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2021, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$12.91 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2022, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$13.31 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

SECTION 11 – SAVINGS

Effective August 1, 2013, The Company and the Union agree that the contribution at the rate of ten cents (10 cents) per compensable hour into the Pacific Coast Benefits Trust (herein “Trust”) on behalf of all employees covered under this Addendum shall be diverted back to the Company and used by the Union as a partial payment to “buy” the following increased pension benefit;

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

This is done in accordance with the terms and provisions of Article 30 – Health and Welfare and/or Pension of the Western Region of Teamsters/United Parcel Service Supplemental Agreement, and the terms and conditions of the Western Conference of Teamsters Pension Trust Fund.

The existing Pacific Coast Benefit Trust Fund accounts of all employees covered by this Addendum shall continue to exist in accordance with the terms and conditions of the Pacific Coast Benefit Trust Fund, however, these accounts shall have no new contributions as of August 1, 2013.

SECTION 12 – TRUST FUND ACCEPTANCE

Holidays, sick pay and vacation time paid for but not worked shall be considered as time worked for the purpose of Sections 10, 11 and 12, but no payments shall be made for overtime hours, unused sick pay benefits or prorated payments made in cases of separation from the Company.

The Company shall not be obligated to make payments into the Trust Funds of amounts in excess of those which are deductible from gross income by the Company under Section 404 of the Internal Revenue Code.

The total amount due for each calendar month shall be remitted in a lump sum not later than the 20th day of the following month.

The Company agrees to abide by such rules as may be established by the Trustees of the respective Trust Fund to facilitate the prompt and orderly collection of such amount and the accurate reporting of such amounts paid on account of the employee.

Failure to make the payments herein provided within the time specified shall be a breach of this Agreement.

SECTION 13 – TOOL INSURANCE

The Employer shall be responsible for the reasonable value of an employee's tools stolen from the premises of the Employer while such premises are closed for business or when the mechanical depart-

ment is closed for business, or when the tools are secured by being locked up either during normal working hours or when the building is closed, or by reason of fire on the Employer's premises at any time, or for damage to the employee's tools or tool box caused by an unforeseen accident. The employee will pay the first \$25.00 on each such loss. The Union agrees that the Employer has the right to institute reasonable rules for the purpose of providing protection against unwarranted claims under this provision. Those rules shall include, but not be limited to, requirements for tool inventories, audits of tool inventories, restrictions on the removal of tools from the Employer's premises, and proper safeguarding of tools by employees. The employee must keep his tools locked up when he is absent from the mechanical department. The employee must notify the Employer whenever he removes his tools from the Employer's premises.

Auto and maintenance mechanics shall receive an annual "tool allowance" of One Hundred Dollars (\$100.00) payable each year on December 1st, provided the employee has sixteen hundred (1600) paid hours within the previous twelve (12) months.

SECTION 14 – EMPLOYMENT AND DISCHARGE

The Union agrees that the Company's business is of a specialized character which requires different and varied experience from that of other members of the Union. The Company shall have the right to hire any person who is eighteen (18) years of age and who is a citizen of the United States or who has legally declared his intention of becoming a citizen. All such new employees, as well as present employees covered by this agreement, if not already members of the Union, shall become members of the Union on the thirty-first (31st) day of continuous employment or thirty-one (31) days following the execution of this Agreement, whichever is later, and shall become and remain a member in good standing of the Union as a condition of continued employment.

The Employer shall not and the Union shall not discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of race, religion, color, sex, national origin and/or age, as otherwise provided by law. Where the pronouns "he" or "she" or any other pronoun designat-

ing sex are used in this Agreement, it shall be deemed to refer to either/or both sexes.

The Company shall be the sole judge of the competency and qualifications of its employees, and reserves the right to discharge any person in its employ not deemed by it to be satisfactory. However, before the Company discharges a seniority employee, it agrees to notify the Union of its intention and will discuss the grievance with the Union and the employee.

The exception to the above rule will be cases of:

- a. Proven dishonesty;
- b. Drinking of alcoholic beverages while on duty;
- c. Recklessness resulting in a serious accident while on duty;
- d. The carrying of unauthorized passengers;
- e. Unprovoked assault on an employee or a supervisory employee while on duty;
- f. Selling, transporting or use of illegal narcotics while in the employment of the Employer;
- g. Willful, wanton or malicious damage to the Employer's property.

The Union agrees that the Company will be notified not less than seventy-two (72) hours before any employee of the Company, a member of the Union, be taken off the job because of his failure to maintain good standing in the Union.

The Employer recognizes the employee's right to be given requested representation by a steward, or designated alternate, at such time as the "employee" reasonably contemplates disciplinary action, unless specifically waived by the employee, in writing, with a copy to the Union.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing. Reasonable cause is defined as an employee's observable action, appearance or conduct that indicate the need for a fitness-for-duty medical evaluation. Refusal to submit to a reasonable cause drug test is a dischargeable offense.

SECTION 15 – SETTLEMENT OF CONTROVERSIES

(Where applicable) See Western Conference of Teamsters-United Parcel Service Supplemental Agreement (Articles 25, 26, 27 and 28).

SECTION 16 – FAMILY AND MEDICAL LEAVE ACT (FMLA)

All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the past 12 months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one-half (½) of the time provided by the FMLA.

Eligible employees are entitled up to a total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;
3. To care for a spouse, child, or parent of the employee due to a serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will maintain health insurance coverage during the period of the leave. The Em-

ployer may require the employee to substitute accrued paid vacation or other paid for leave for any part of the 12/6 week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

SECTION 17 – MATERNITY/PATERNITY LEAVE

It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties and maternity leave must comply with applicable state and federal laws.

A light duty request, certified in writing by a physician, shall be granted in compliance with state and federal laws, if applicable.

Paternity leave shall be granted in accordance with Article 16, Leave of Absence, Section 6, Family and Medical Leave Act of the National Master with the exception of employees not able to meet the qualifications set out in Section 6, who shall be granted leave not to exceed one (1) week.

Notwithstanding any provision to the contrary in any Supplement, Rider or Addenda, an employee shall be allowed to designate in any vacation year paid time off up to twenty (20) days, to be used in the next vacation year, in accordance with this paragraph. Any paid time off that is provided on a weekly basis can only be banked in weekly increments. The accrued paid time off may be used in the next vacation year to cover any period of time that (1) the employee is determined to be unable to perform her job due to pregnancy (for the fa-

ther, time off is requested due to the birth) and (2) is not covered by the FMLA, existing disability plans or other paid time off. If the accrued time off is not used in that year, it will be paid to the employee within two weeks of the request. If the vacation is not used as part of the leave, and it would have originally been taken in that vacation year, the employee shall also have the option of rescheduling the unused vacation as time off in accordance with local practice.

SECTION 18 – TERM OF ADDENDUM

This ADDENDUM shall become effective August 1, 2018 and remain in effect through July 31, 2023.

All current letters of understanding shall be renewed for the term of the Agreement.

FOR THE COMPANY:

John Veentjer, Company Chairman**
Mary Misloski
Rob Acorn
David Clifford

FOR THE UNION:

Bob Lennox – Local 495**
George Park – Local 495
Sam Stewart – Local 63
Ralph Dominguez – Local 63
Victor Torres – Local 481
George Skrbic – Local 481
Grant Maertz – Local 952
Able Garcia – Local 186

For the Company
John Veentjer

For the Union
Robert M. Lennox

Date:

Date:

**Chairperson

MEMORANDUM AGREEMENT EXHIBIT "A"

DESCRIPTIONS OF CERTAIN JOB CLASSIFICATIONS

In order that there shall be no misunderstanding as to the various classifications of work as shown in the Agreement, the following terms are described:

1. **CAR WASHER**-One whose job it is to do the complete job of watering, dusting, wiping, washing, polishing, oiling and fueling such cars as may be assigned. It includes driving cars to and from their storage locations and to the wash rack.
2. **TIRE SERVICE**-One whose duties are divided between checking and airing tires, tire inspection, changing wheels, changing tires, repairing tubes and making tire road calls. Also keeps tire records. If flat tire occurs and a qualified member of this Agreement is on duty and available, he will be permitted to make road calls and change the tires.
3. **LUBRICATION**-One whose job it is to grease equipment, change oil, change air and oil filters, pack front wheel bearings, pack universal joints, change and flush transmission and rear end gear boxes, check oil, check and service water and lights, wash windows of cabs, check service brake fluid and emergency road service.
4. **STEAM RACK**-One who steams all equipment and parts, steams all vehicles, trailers and other equipment.
5. **FUELER** One who fuels all equipment, checks and services oil and water, and drives vehicles in connection with fueling.
6. **STOCKROOM**-One who receives parts, issues parts and tools, keeps stock and inventory records, keeps stockroom in clean condition and assists Parts Room Manager.
7. **YARD AND SHOP**-One who washes and cleans floors, windows, CLEAN-UP rest rooms and engages in general house-keeping and yard cleanup.

It is agreed that the Company may make changes in the descriptions of those job classifications as conditions warrant.

This Memorandum is an Agreement to the Addendum between UPS, hereinafter referred to as the “Company,” and the following Local Unions, where applicable, 63, 186, 396, 481, 495, 542, 952 and 986 affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the “Union.”

The Company hereby recognizes the Union as the collective bargaining agent for auto mechanics and maintenance mechanics employed by it in connection with its package delivery operations in San Diego County, only. The rates of pay applicable to such employees will be as follows:

CLASSIFICATION	Top Rate Effective 8/1/2018	Top Rate Effective 8/1/2019	Top Rate Effective 8/1/2020	Top Rate Effective 8/1/2021	Top Rate Effective 2/1/2022
Journeyman Auto Mechanics	37.94	38.69	39.49	40.39	41.39
Journeyman Maintenance Mechanics	37.94	38.69	39.49	40.39	41.39

APPRENTICE RATES

Employees who were hired into the Journeyman classifications, described in this Addendum, on or after August 1, 2018, shall be paid in accordance with Article 41 Section 6 of the UPS National Master Agreement.

When a reduction in force is necessary, for Automotive/Maintenance Mechanics, the least senior employee in that classification, within that Local Union's jurisdiction, shall be the first employee laid off, provided the employee(s) retained are qualified to perform the work involved.

Except as provided herein, the other terms and conditions of the Collective Bargaining Addendum will apply to these employees.

FOR THE COMPANY:

John Veentjer

FOR THE UNION

Robert M. Lennox

**SOUTHWEST
UTILITY
ADDENDUM**

BETWEEN

United Parcel Service

AND

**The International Brotherhood
of Teamsters**

Local Unions Nos.

63, 186, 396, 481, 495, 542, 952 and 986

**For The Period
August 1, 2018
through July 31, 2023**

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UTILITY WORKERS ADDENDUM

THIS AGREEMENT made and entered into this 1st day of August 2013, by and between UPS, hereinafter referred to as the "Company," and LOCAL UNIONS NOS. 63, 186, 396, 481, 495, 542, 952 and 986 affiliates of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, hereinafter referred to as the "Union."

WITNESSETH

That in consideration of the premises and of the respective promises of the parties hereto, they do hereby mutually agree as follows:

SECTION 1 – RECOGNITION OF THE UNION

The Company recognizes the Union as the sole collective bargaining agent for utility automotive workers, excluding those in supervisory capacity with authority to hire and discharge.

The Company recognizes that the principles of seniority should be given prime consideration in the everyday operation of the business.

Seniority is defined as the length of an employee's continuous service within the classifications covered by this Addendum, in the location he is domiciled, from the date of hire or his requested transfer.

A temporary employee is one who has been employed by the Company for a period of less than seventy (70) days worked. A new part-time employee shall attain seniority when he/she has worked seventy (70) days within a six (6) consecutive month period. Such employees shall, thirty-one (31) days after their date of employment, pay their regular initiation fee.

The work of supervisors will not include assignments of work that is performed by Union members except for the purpose of training and demonstration. Supervisors will not perform Union members work until after all reasonable efforts have been exhausted to have the work covered.

SECTION 2 – EMPLOYMENT AND DISCHARGE

The Union agrees that the Company's business is of a specialized character which requires different and varied experience from that of other members of the Union. The Company shall have the right to hire any person who is over eighteen (18) years of age and who is a citizen of the United States or who has legally declared his intention of becoming a citizen. All such new employees as well as present employees covered by this Agreement, if not already members of the Union, shall become members of the Union on the thirty-first (31st) day of continuous employment or thirty-one (31) days following the execution of this Agreement, whichever is later, and shall become and remain a member in good standing of the Union as a condition of continued employment.

The Employer shall not and the Union shall not discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of race, religion, color, sex, national origin and/or age, as otherwise provided by law. Where the pronouns 'he' or 'she' or any other pronoun designating sex are used in this Agreement, it shall be deemed to refer to either/ and both sexes.

Part-time employees or full-time ADA employees will exclusively fill all permanent full-time Porter and Carwasher jobs covered by the Automotive Addendum Agreement except in Locals 495 and 481. These jobs will be filled exclusively by Local 495 and 481 employees only.

The Company shall be the sole judge of the competency and qualifications of its employees, and reserves the right to discharge any person in its employ not deemed by it to be satisfactory. However, before the Company discharges a seniority employee, it agrees to notify the Union of its intention and will discuss the grievance with the Union and the employee.

The exception to the above rule will be cases of:

- (a) Proven dishonesty;
- (b) Drinking of alcoholic beverages while on duty;
- (c) Recklessness resulting in a serious accident while on duty;
- (d) The carrying of unauthorized passengers;
- (e) Unprovoked assault on an employee or a supervisory employee while on duty;
- (f) Selling, transporting or use of illegal narcotics while in the employment of the Employer;
- (g) Willful, wanton or malicious damage to the Employer's property.

The Union agrees that the Company will be notified not less than seventy-two (72) hours before any employee of the Company, a member of the Union, be taken off the job because of his failure to maintain good standing in the Union.

The Employer recognizes the employee's right to be given requested representation by a steward, or designated alternate, at such time as the 'employee' reasonably contemplates disciplinary action, unless specifically waived by the employee, in writing, with a copy to the Union.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing. Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicates the need for a fitness-for duty medical evaluation. Refusal to submit to a reasonable cause drug test is a dischargeable offense.

SECTION 3 – SETTLEMENT OF CONTROVERSIES

(Where applicable) See Western Conference of Teamsters-United Parcel Service Supplemental Agreement (Articles 25, 26, 27 and 28).

SECTION 4 – UNION BULLETIN BOARD

The Employer agrees to supply a glass enclosed bulletin board and to provide suitable display space for the Union in each center, hub or place of work. Keys to the Union bulletin boards will be in the custody of the Local Business Agent and the Company. Postings by the Union on such boards are to be confined to official business of the Union.

SECTION 5 – METHOD OF OPERATION

The Company's rules, regulations, practices and methods of operation now in effect shall continue in full force and effect, at the option of the Company.

SECTION 6 – BONDS

Should the Employer require any employee to give bond, cash bond shall not be compulsory and any premium involved shall be paid by the Employer.

The primary obligation to procure the bond shall be on the Employer. If the Employer cannot guarantee for a bond within ninety (90) days, it must so notify the employee in writing. Failure to do so shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his own bonding requirements, standard premiums shall be that premium paid by the Employer for bond applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge, unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

SECTION 7 – UNIFORMS

The Employer agrees that if any employee is required to wear any kind of uniform as a condition of continued employment, such uni-

form shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer. Such uniforms shall be adequate to protect against climatic conditions.

Rain gear will be available for those employees assigned to moving vehicles on the Employer's premises.

The Employer has the right to establish and maintain reasonable standards concerning personal grooming and appearance and wearing of uniforms and accessories.

It is agreed that each employee shall put on the uniform before reporting for duty and shall remove the uniform after being relieved from duty each day. It is agreed that time spent in putting on and taking off the uniform shall not be paid for by the Employer.

SECTION 8 – OVERTIME RATES OF PAY

Employees shall work five (5) consecutive days each week. Employees will be assigned regular shifts and will be given five (5) days advance notice in case it is necessary to permanently change the starting time of any shift. When start times are permanently changed more than two (2) hours, the job shall be rebid, excluding employees assigned to vacation relief.

All hours worked in excess of eight (8) hours per day and forty (40) hours per week shall be overtime hours and paid for at one and one-half (1½) times the regular rate of pay.

Any employee reporting for work on any day as directed shall be guaranteed full pay for his regular hours, unless excused at the employee's request.

(A) All part-time employees who have attained seniority as of August 1, 2018, will receive the following general wage increase for each contract year, but in no case shall an employee receive less than the hourly start rate specified on August 1st, 2018-2022 as set forth in (B) below. The total wage increase for each year will be as follows:

August 1, 2018	Seventy cents (\$.70) per hour
August 1, 2019	Seventy-five cents (\$.75) per hour
August 1, 2020	Eighty cents (\$.80) per hour
August 1, 2021	Ninety cents (\$.90) per hour
August 1, 2022	One dollar (\$1.00) per hour

(B) Newly Hired Part-time Employees:

All part-time employees who are hired or reach seniority after August 1, 2018 will be paid according to the following wage schedules:

	Utility Workers Hourly Rate
August 1, 2018	\$13.00
August 1, 2019	\$14.00
August 1, 2020	\$14.50
August 1, 2021	\$15.00
August 1, 2022	\$15.50

(C) The wage rates and increases provided in (A) and (B) shall be a minimum.

(D) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3½) hour guarantee.

(E) Seniority part-time employees who are receiving an hourly rate higher than set forth above in Section (B), as a result of a Market Rate Adjustment, shall not have their hourly rate reduced due to the implementation of this Article.

SECTION 9 – TIME CLOCKS

A daily time record shall be maintained by the Employer for an employee's review, upon request. The Employer who employs five (5) or more drivers at any hub/center shall have time clocks at such hub/center when requested by the union, in writing.

SECTION 10 – REST BREAKS

Part-time employees working in three-hour locations shall be entitled to a ten (10) minute rest break. Commencing after the fourth

(4th) hour and each hour thereafter, the employee shall be entitled to a five (5) minute break not to exceed that time agreed to under the Labor Agreement for full-time employees.

SECTION 11 – HOLIDAYS AND PERSONAL DAYS

The following holidays shall be granted to seniority employees without reduction in pay:

New Year's Day	Memorial Day
July 4th	Labor Day
Thanksgiving Day	Day after Thanksgiving
Christmas Day	December 31st
Four (4) Floating Holidays	

Each seniority employee shall be granted four (4) floating holidays to be taken each calendar year. Employees hired after July 31, 2002, shall be eligible for these holidays after one (1) years seniority with the company.

Floating holidays and personal days shall be selected in the following manner. Floating holidays and personal days scheduled during the vacation selection process shall be guaranteed time off for the employee requesting such days. Those employees not selecting during the vacation selection period may request their floating holidays or personal days at any time during the calendar year. Seniority shall prevail when the floating holidays and personal days have been selected at least ten (10) working days prior to the selected dates and time off shall be guaranteed ten (10) working days prior to the dates the floating holidays or personal holidays occur. By mutual agreement, floating holidays and personal days may be selected as individual days, blocks of days (two, three or four days) or combined in blocks of five (5) days and selected as full weeks.

Seniority shall prevail when an excessive number of employees have chosen the same day.

The granting of floating and personal holidays may be limited during the month of December.

If the Company decides to shut down its operation in the Southern California area on another day, a floating holiday will be assigned to that day.

Employees absent for more than thirty (30) days due to non-industrial illness or injury will not be eligible for holiday pay. In cases of industrial injury, employees absent for more than ninety (90) days will not be eligible for holiday pay.

Except as described above, an employee, to be eligible for holiday pay, must have monies earned during the week in which the holiday falls.

The holiday pay for all eligible employees shall be four (4) hours maximum.

HOLIDAYS WORKED: Pay shall be one and one-half (1½) times the hourly rate plus the holiday pay except for those employees engaged in the processing of the delivery and pickup of air parcels on the Day after Thanksgiving, and New Years' Eve Day (December 31st), who shall be paid straight-time wages for hours worked, in addition to holiday pay.

Employees may elect, on their anniversary date, to receive five (5) consecutive personal days off (guaranteed hours) or pay in lieu thereof. These five (5) days will be selected, under seniority procedures, by the employee as part of the employee's vacation selection procedure. Employees hired after August 1, 2002, shall be eligible for the five (5) personal days described above after completion of two (2) years seniority with the Company.

SECTION 12 – MATERNITY/PATERNITY/FMLA LEAVE

A. It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties, and maternity leave must comply with applicable State and Federal laws. It is further understood that, pursuant to Section 19B-Family and Medical Leave Act, paternity leave for a male employee whose spouse is pregnant shall be granted with no loss of seniority, for each pregnancy, for a period not to exceed

twelve (12)/six (6) weeks, with the exception of employees not able to meet qualifications set out in Section 19B, who shall be granted leave not to exceed one (1) week, this week shall commence on the date of birth or the day the spouse is released from the hospital subject to the employee's choice.

B. All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one-half ($\frac{1}{2}$) of the time provided by the FMLA.

Eligible employees are entitled up to total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;
3. To care for a spouse, child or parent of the employee due to serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued vacation or other paid for leave for part of the 12/6 week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for the leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practical. The Employer has the right to require medical certification of the need for

the leave under the Act. In addition, the Employer has the right to require a second 2nd opinion at the Employer's expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

SECTION 13 – DISABILITY AND SICK LEAVE

Each employee will be allowed seven (7) days sick leave (four [4] hours daily guarantee or straight-time pay) upon attaining one (1) year's seniority with the Company. Each employee will be allowed seven (7) days sick leave (four [4] hours daily guarantee at straight-time pay) on each succeeding sick leave anniversary date.

Each employee will be allowed seven (7) days (at the daily guaranteed rate of pay) on each succeeding sick leave anniversary date.

On the employee's anniversary date, he/she shall have the option to:

- A. Accumulate any/all sick leave days, to a maximum of thirty (30) days.
- B. Receive pay for any/all accumulated unused sick leave.
- C. Use in conjunction with vacation time, earned, as described below:

At the end of each succeeding twelve (12) months, any unused sick pay may be accumulated, paid, or used in five (5) day segments in conjunction with vacation time off at the option of the employee. These five (5) days, forty (40) straight time hours, may be selected under the same procedure by the employee as part of the employees next vacation selection period. When unused sick leave is paid, it shall be paid at the rate of pay at which it was earned.

Sick pay contribution shall be allocated under the following conditions:

1. Sick pay to be allowed for the first day of any period of absence from work due to a bona fide sickness or disability, and shall start when an employee leaves the job because of injury on the job.

2. An employee unable to work because of sickness or disability must notify the Company one (1) hour or more before the employee is scheduled to report for work, unless conditions make it impossible to give such notification, and sickness shall be deemed to have commenced at the time the Company is so notified, unless notification is impossible.
3. No employee shall be entitled to disability leave pay when the sickness or injury is due to intoxication or the use of narcotics, nor shall it apply in case of injury while working for another employer or while self-employed for profit or compensation.
4. No employee shall be requested to have a medical release, from their physician, unless the employee has been on sick leave five (5) consecutive days or more, or in the event of any personal injury.
5. Prorated unused sick leave pay will be paid in cases of separation from the Company after one (1) year employment. An employee who retires from the Company, and is entitled to receive payment for prorated unused sick leave pay, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused sick leave pay prior to retiring (i.e. the number of prorated unused sick leave pay hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example – 40 hours x \$6.60 per hour = \$264.00).
6. A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of sick pay eligibility. Sick pay days will be prorated.
7. Earned sick pay may be integrated with Workmen's Compensation or Unemployment Compensation Disability Benefits when requested. An employee who is receiving such benefits shall be paid the difference between such benefit payments and his straight-time weekly earnings for each week such benefit payments are made until such sick pay benefits that the employee would be eligible for are exhausted.

SECTION 14 – VACATIONS

All employees covered by this Agreement shall be entitled to one (1) week of vacation with pay after one (1) year's seniority with the Company; two (2) weeks vacation with pay after three (3) years' seniority with the Company; three (3) weeks vacation with pay after five (5) years' seniority with the Company; four (4) weeks vacation with pay after ten (10) years' seniority with the Company; and five (5) weeks of vacation with pay after twenty (20) years seniority with the Company and six (6) weeks of vacation with pay after twenty-five (25) years seniority with the Company,

Vacation pay for each week of vacation shall be one-fifty- second (1/52) of the gross annual earnings of the employee during the twelve (12) month period immediately prior to the employees employment anniversary date. 1/52 shall be defined as all monies paid to an employee for an anniversary year, excluding unused sick pay, pay in lieu of unused vacations or personal days, National negotiated monetary bonus shall be governed by the National Negotiating Committee.

Location seniority to prevail for selection of vacation period which may be taken all at one time or may be split, provided it is earned at that time. All vacation dates are to be determined by mutual agreement between the manager and the employee.

A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of vacation eligibility. Vacation days will be prorated.

VACATION SELECTION PROCEDURE: For choice of vacation, once a vacation list is posted, the first full week of January is allowed for the top 25% to select in seniority order, the second week of January for the second 25%; the third week of January for the third 25% to select in seniority order; and the fourth 25% to select the fourth week of January. Those not signing up in their scheduled week shall lose their choice of vacation and must take what is left. Vacation period shall be defined as February 1st through the week of Thanksgiving and December 26th through January 31st of the following year.

Earned vacations, for the vacation period scheduled, shall be paid for during the week prior to the date the vacation is taken, Employ-

ees who have earned vacation weeks not selected during the vacation selection period, may select at a later date, by mutual agreement for the available time not selected or may elect to sell back those unscheduled weeks at any time. The maximum number of weeks for sell back shall be limited to two (2) weeks. Vacation pay shall be paid on a separate check.

After one (1) year of seniority, vacation allowances will be prorated on a monthly basis and paid in the event of separation from the Company.

An employee who retires from the Company, and is entitled to receive payment for prorated unused vacation, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused vacation prior to retiring (i.e. the number of prorated unused vacation hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example – 40 hours x \$6.60 per hour = \$264.00).

SECTION 15 – HEALTH INSURANCE COVERAGE

Employees hired prior to August 1, 2008, and their eligible dependents, shall become eligible for this coverage six (6) months after their seniority date.

In accordance with National Mater United Parcel Service Agreement Article 34, Section 2(d), (Health & Welfare and Pension) individual and dependent/spousal health coverage will be made available to part-time employees on the payroll as of or hired after August 1, 2018 after nine (9) months of active employment.

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 Teamsters Western Region and Local 177 Health Care Plan in accordance with the Letter of Agreement on the Teamsters Western Region and Local 177 Health Care Plan dated September 6, 2013.

For all full-time and part-time employees who receive health and welfare benefits from the Teamsters Western Region and Local 177

Health Care Plan the employer shall make health and welfare contributions for employees who have been injured on the job for a period of one (1) year, and for employees who are ill or have been injured off the job for a period of four (4) week, with the Teamsters Western Region and Local 177 Plan covering the remaining weeks up to a maximum of twenty-six (26) weeks.

Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the Teamsters Western Region and Local 177 Health Care Plan.

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.

SECTION 16 – PENSION BENEFITS

The Company shall pay into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, a monthly sum computed as follows:

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each part-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of two thousand eighty (2080) hours per calendar year.

For probationary employees hired on or after August 1, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$.10) (including \$0.01 for PEER/84 for part-time employees) during the probationary period as defined in Section 1 of this agreement, but in no case for a period longer than the first ninety (90) calendar days from an employees first date of hire. If and when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Article.

Effective August 1, 2018, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each

employee working under this Agreement an hourly contribution rate of \$9.46 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2019, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$9.86 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year

Effective August 1, 2020, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$10.26 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2021, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$10.66 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year

Effective August 1, 2022, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$11.06 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

SECTION 17 – SAVINGS

Effective September 1, 1997, United Parcel Service shall make contributions at the rate of eighty-five cents per compensable hour into the Pacific Coast Benefits Trust (herein “Trust”) on behalf of all employees covered under this Addendum on whose behalf United Parcel Service was obligated to make contributions in the

Trust immediately prior to September 1, 1997. With respect to employees whose first hour of employment (or reemployment) with United Parcel Service is on or after September 1, 1997. United Parcel Service shall make contributions at the rate of eighty-five cents (\$.85) per compensable hour into the Pacific Coast Benefits Trust Fund on behalf of each such employee beginning on the earlier of the employee's achievement of seniority or the employee's completion of 600 hours of employment (or reemployment) within twelve consecutive calendar months, such contributions to be made retroactively for all compensable hours in the twelve consecutive months immediately preceding achievement of seniority or the completion of 600 hours of employment (or reemployment) as the case may be. Provided, however, that United Parcel Service shall not contribute for more than 173 hours in any calendar month for each covered employee. The total amount due for each calendar month shall be remitted in a lump sum not later than the tenth day of the following month, United Parcel Service acknowledges that it has received a true copy of the Trust and shall be considered a party thereto. It is understood and agreed that United Parcel Service accepts the terms and conditions of this Trust and agrees that the Employer Trustees named pursuant to the Trust are its representatives and consents to be bound by the actions and determinations of the Trustees. United Parcel Service further agrees to abide by such rules as may be established by the Trustees of said Trust to facilitate the audit of hours for which contributions are due, the prompt and orderly collection of contributions, and the accurate recording of such hours.

SECTION 18 – TRUST FUND ACCEPTANCE

Holidays, sick pay and vacation time paid for but not worked shall be considered as time worked for the purpose of Sections 16, 17 and 18, but no payments shall be made for overtime hours, unused sick pay payments or prorated payments made in cases of separation from the Company.

The Employer shall not be obligated to make payments into the Trust Funds of amounts in excess of those which are deductible from gross income by the Employer under Section 404 of the Internal Revenue Code.

The total amount due for each calendar month shall be remitted in a lump sum not later than the 20th day of the following month.

The Employer agrees to abide by such rules as may be established by the Trustees of the respective Trust Fund to facilitate the prompt and orderly collection of such amount and the accurate reporting of such amounts paid on account of the employees.

Failure to make the payments herein provided within the time specified shall be a breach of this Agreement.

SECTION 19 – PICKET LINE

It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a primary labor dispute or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement and including primary picket line of Unions party to this Agreement and including primary picket lines at the Employer's place of business.

SECTION 20 – GARNISHMENTS

In the event of notice to the Employer that a court order has been issued requiring the Employer to withhold a percentage of an employee's wages to satisfy a garnishment, the Employer may take disciplinary action if the employee fails to satisfy such garnishment or wage assignment within a seventy-two (72) hour period after notice to the employee that the Employer is considering disciplinary action. However, the Employer may not discharge any employee by reason of the fact that his earnings have been subjected to garnishment or wage assignment for any one indebtedness. An employee may be suspended by reason of the fact that his earnings have been subjected to garnishment or wage assignment for any one indebtedness, but any such suspension must be for a fixed stated period of time.

If the Employer is notified of three (3) garnishments or wage assignments for more than one debt, irrespective of whether satisfied by the employee within a seventy-two (72) hour period, the employee may be subject to discipline. However, the employee may

not be discharged upon notice of a third garnishment under this provision unless and until the Employer has actually begun withholding the employee's wages of a second debt. If the Employer has an established practice of discipline or discharge with a fewer number of garnishments or wage assignments or impending garnishments or wage assignments, if the employee fails to adjust the matter within the seventy-two (72) hour period, such past practices shall be applicable, provided it does not result in the discharge of an employee prior to the actual withholding of the employee's wages for a second debt. A garnishment for child support or alimony shall not be considered a debt for the purpose of discipline.

The Employer shall comply with State, Local and Federal law in enforcing the provisions of this Article. Discipline or discharge pursuant to this Article shall be reasonable and nondiscriminatory.

SECTION 21 – JURY DUTY

When a seniority employee is called for jury duty service, he/she shall be excused from his/her regular duties on the days he/she is required to appear in court or comply with jury rules that prevent him/her from reporting for work. For any regularly scheduled work day in which time off for jury service is granted, the part-time employees shall receive four (4) hours' pay at his/her straight-time hourly rate, less any amount received as a jury duty fee if such fees are defined as wages under applicable laws. The employee shall be required, however to turn over to the Company adequate proof of his jury duty service and compensation in order to receive the compensation above provided.

An employee who is required to report for jury duty during a week of previously scheduled vacation, may select another available week of vacation.

Time spent on jury duty service shall be considered time worked for purposes of the Employer's contributions to Health and Welfare and Pension Plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provision of the Supplemental Agreement.

Notwithstanding the above, no employee, working other than a day shift, will be required to report to work on a night if he or she has

served jury duty that day and that service prevents him or her from reporting for work.

SECTION 22 – FUNERAL LEAVE

In the event of a death of a member of the employee's family, a seniority employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite.

Members of the employee's family means: spouse, child, or step-child, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law and step-parents.

A regular full-time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law or brother-in-law. Reimbursement for this day shall be the same as provided below.

Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided below. In no event will total compensated time exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight time hourly rate for each day lost from work for those employees whose regularly scheduled workweek is five (5) days, and ten (10) times the straight time hourly rate for those employees whose regularly scheduled workweek is four (4) days. Part-time employees will receive the same benefits as above, paid at four (4) times the employee's hourly rate.

The definition of a sister-in-law or brother-in-law is your spouse's sister or brother and your brother's or sister's spouse.

SECTION 23 – SHIFT TRANSFERS

Part-time employees with at least six (6) months seniority may request shift transfers within the hub employed. Such transfer re-

quests shall be in writing and consistent with the efficient operations of the Company.

Employees covered under this Agreement may request, in writing, to be placed on the full-time employment list. Forms shall be provided for the employee to indicate the full-time classifications of work requested. A copy of the completed request form shall be returned to the employees' immediate supervisor or manager for approval before being forwarded to the personnel office for final approval and held in their file for ready reference when openings occur.

Employees within the jurisdiction of the Local Unions, 481 and 495, shall be given first opportunity, by seniority, to fill permanent openings in job classifications described in the Automotive Workers Addendum. The Company is to maintain a separate seniority list for employees covered under this Agreement.

A notation will be made on the employee record U6150 when transfers and requests for full-time employment are approved and/or disapproved. All such notations shall be signed by the immediate supervisor and the employee involved. A list of such requests shall be maintained in the Company's personnel departments.

Under this provision, employees shall be given up to thirty (30) working days to demonstrate their ability to qualify for such position. Failing to qualify within this period, the employee shall return to his or her former classification without loss of seniority.

An employee covered under this Agreement with six (6) months or more of seniority, who is hired into a full-time position, shall carry-over one-half (½) of his Company seniority for the purpose of qualifying for fringe benefits only.

Part-time employees who wish to transfer to another location for educational purposes may submit a written request to the Employer. If approved, the transfer shall be allowed subject to the following conditions:

- a) A part-time opening exists at the desired location.
- b) Employees must have attained seniority and been employed by the Employer for at least one year.

- c) Job Classification Seniority shall be end tailed.
- d) Company seniority shall be retained for the purpose of number of weeks of vacation and number of holidays in accordance with the applicable Supplement at the new location.
- e) Any expense, including moving expenses, associated with an approved transfer, shall be the responsibility of the employee.

SECTION 24 – SENIORITY

When a reduction of force is necessary, employees shall be given the option to displace: the least senior employee within the local union's jurisdiction by classification, providing the employee is qualified to perform the work or accept the layoff. The last employee laid off, as provided for above, will be the first employee rehired, provided that acceptance of the job must be received by the Company within forty-eight (48) hours after notice is sent to the employee.

An employee unable to report for work due to a proven illness or injury shall retain seniority for a period equal to such employee's length of service with a one (1) year maximum.

Job openings in classifications covered by this Agreement will be posted for bid among employees within the facility they work. Rules for bidding shall be as follows:

1. Job openings will be posted including general job description, hours of work and workweek for seventy-two (72) hours. Those desiring to fill said openings shall sign their names on the posted bulletin.
2. The vacancy shall be filled by the most senior bidder, provided the senior bidder can demonstrate his qualifications to perform the work of the vacancy.
3. A successful bidder for an opening may not bid again on subsequent openings for a period of six (6) months following reassignment.
4. Employees may bid the original opening. The opening created by the successful bidder will also be bid. Thereafter, the Company will make assignments to fill subsequent openings.

5. Employees may bid openings within their Local Union area, only.

In the event of a complete building re-alignment, porters covered by this Agreement shall be given the opportunity, in accordance with their seniority, to bid the new defined areas. It is understood that daily work assignments and coverage for disability, vacation, etc., will not be affected by this paragraph.

It is agreed that needs for vacation relief or permanent openings, under this Agreement, will be filled from members on the layoff list, by seniority. Appropriate notice will be given.

SECTION 25 – TERMS OF AGREEMENT

This Agreement shall be effective on August 1, 2018 and remain in effect through July 31, 2023

All current Letters of Understanding shall be renewed for the term of the Agreement.

FOR THE COMPANY:

John Veentjer, Company Chairman**
Mary Misloski
Rob Acorn
Dave Clifford

FOR THE UNION:

Bob Lennox – Local 495**
George Park – Local 495
Sam Stewart – Local 63
Ralph Dominguez – Local 63
Victor Torres – Local 481
George Skrbic – Local 481
Grant Maertz – Local 952
Able Garcia – Local 186

For the Company
John Veentjer

For the Union
Robert M. Lennox

Date:

Date:

**Chairperson