

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

For the Period:

August 1, ~~2013~~ 2018 through July 31, ~~2018~~ 2023

covering:

The parties reserve the right to correct inadvertent errors and omissions.
Where no reference is made to a specific Article or Section thereof, such Article and Section are to continue as in the current Master Agreement, as applied and interpreted during the life of such Agreement. Additions and new language are bold and underlined.

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement. United Parcel Service Cartage Services, Inc. ("CSI") and UPS Latin America, Inc. is also a party to this Agreement as specified in the Freight Pickup & Delivery Supplemental Agreement ("P&D Supplement") and Challenge Air Cargo Supplement, respectively.

Article 1. PARTIES TO THE AGREEMENT

Section 2. Employees Covered

Employees covered by this Agreement shall be construed to mean, where already recognized, feeder drivers, package drivers, sorters, loaders, unloaders, porters, office clerical, clerks, customer counter clerks, mechanics, maintenance personnel (building maintenance), car washers, United Parcel Service employees in the Employer's air operation, and to the extent allowed by law, employees in the export and import operations performing load and unload duties, and other employees of the Employer for whom a signatory Local Union is or may become the bargaining representative. Employees of CSI and UPS Latin America, Inc. are also covered by this Agreement as specified in the P&D Supplement and the Challenge Air Cargo Supplement, respectively.

Article 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

- (a) The Employer recognizes and acknowledges that the National Union Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees of the Employer in covered classifications. The employees and Unions covered under this Master Agreement and the various Supplements, Riders and Addenda thereto shall constitute one (1) bargaining unit.
- (b) When the Employer needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

If employees are hired through an employment agency, the Employer shall pay the employment agency fee, if any, due from the employee. However, if the Union has been given equal opportunity to furnish employees, as provided herein, and if the employee is retained through the probationary period, this fee need not be paid until the thirty-first (31st) day of employment, except as otherwise provided in the Local Union Supplements, Riders and Addenda.

Business agents and/or a steward shall be permitted to attend new employee orientations ~~in the right-to-work states. In states without right-to-work laws, business agents shall be permitted to attend new employee orientations~~ to talk about the benefits of Union membership. The Employer agrees to provide the Local Union at least one week's notice of the date, time, and location of such orientation. Upon request, the Union representative will be given a list of the names of the employees attending orientation no later than at the meeting. The sole purpose of the business agent's or steward's attendance shall be to encourage new employees to join the Union. The steward shall remain on the clock for up to fifteen (15) minutes for that purpose if the orientation is held during his or her normal working hours at his or her normal place of work.

Section 3. Dues Checkoff and Joint Dues Committee

The Union and the Employer will establish a Joint Dues Committee to review the deduction and remittance of union dues. This Committee is charged with the responsibility of ensuring that dues are accurately deducted and remitted in a timely manner to the Local Unions. It is anticipated that this Committee shall serve as a source of continuing study regarding the most efficient, accurate, and expeditious deduction and payment of dues, including exploring electronic solutions. The Union and the Employer will establish procedures for the operation of this Committee.

No existing bargaining unit employee currently performing work in the payroll department will be laid off or suffer a loss of their current payroll type position as a result of this Section.

The Employer agrees to deduct from the pay of all employees covered by this Agreement the initiation fees, dues and/or uniform assessments of the Local Union having jurisdiction over such employees. The Local Union will provide the Employer a weekly amount to be deducted from each employee. The Local Union will individually specify the weekly amount to be deducted for initiation fees, union dues and/or assessments. For initiation fees and assessments, the Local Union will notify the Employer the number of weeks these deductions are to be

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taken from the employee. Notification of deductions to be made by the Employer for the benefit of the Local Union must be received at least one (1) month prior to the date the deduction is to be made. The obligation of the Local Union to provide this information shall be satisfied by the transmission of a computer file in mutually agreeable format. The Employer shall deduct the weekly dues from each vacation week. This will be implemented within six (6) months of ratification of this Agreement.

Section 7 (d) – Supervisors Working

(d) If it is determined at any step of the grievance and/or arbitration procedure that this Section, or a “supervisor working” provision in a Supplement, Rider or Addendum, has been violated, the aggrieved employee will be paid as follows: (i) if the actual hours worked by the supervisor amounts to two (2) hours or less, the aggrieved employee will be paid for the actual hours worked by the supervisor at the rate of double time the employee’s rate of pay at the time of the incident; or (ii) if the supervisor works more than two (2) hours, the aggrieved employee shall be paid four (4) hours at straight time or actual hours worked at double time the employee’s rate of pay at the time of the incident, whichever is greater. If no aggrieved employee can be identified, the payment will be made to the grievant. Such remedy shall be in addition to any other remedies sought by the Union in the appropriate grievance procedure.

If a Supplement, Rider or Addendum does not have a provision requiring notice to the steward when a supervisor works the following shall be incorporated: “In the event a supervisor does perform bargaining unit work, the Employer shall notify the appropriate shop steward as soon as possible.”

In the event that any individual supervisor is found to be in violation of the first paragraph of this Subsection three (3) times in any nine (9) month rolling period, the grievance shall be paid at triple time the employee’s rate of pay for the hours specified in the first paragraph of this subsection.

ARTICLE 6.

Section 4. Technological Change

1. Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of any classification of employees in the bargaining unit or diminishes the number of workers in any classification of employees in the bargaining unit. Such changes could include, but are not limited to, the use of drones or driverless vehicles to transport, deliver or pick-up packages, or platooning.
2. The Employer and the Union agree to establish a National Teamster/UPS Committee for Technological Change, consisting of an equal number of representatives from the Union and UPS. The Committee shall meet in conjunction with the National Grievance Panel upon request, but not less than three (3) times per year, as necessary to review any planned technological changes covered by this Section.
3. The Employer will advise the affected Local Unions and the National Teamster/UPS Committee for Technological Change of any proposed technological changes when the change has entered the field testing phase or at least six (6) months prior to the implementation of such change except where the change was later determined in which case the Employer shall provide as much notice as possible. In all cases, the Company will provide notice

of any technological change covered by this Section before the technology is implemented.

4. The Employer shall be required to provide the National Teamster/UPS Committee for Technological Change, any relevant information to the extent available regarding the technological changes.
5. The Employer will meet with the Local Union, or, if requested, the National Teamster/UPS Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes. The Technological Change Committee shall also have the right to raise and attempt to resolve any claim that the Company’s technological change violates any provision of the National Master Agreement or the applicable Supplement, Rider or Addendum.

If a technological change creates new work that replaces, enhances or modifies bargaining unit work, bargaining unit employees will perform that new or modified work. The Employer shall provide bargaining unit employees with training required to utilize the new technology, if necessary.

6. ~~In the event that the Local Union and Employer cannot reach an agreement on effects, it shall be referred to the National Teamster/UPS Committee for Technological Change.~~
7. ~~In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for expedited resolution in accordance with the provisions of Article 8 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.~~
7. This Section shall supersede any Supplemental, Rider or Addendum provision on the same subject.

Section 6. Technology and Discipline

No employee driver shall be discharged if ~~such discharge is based solely upon information received from GPS, telematics, or any successor system~~ that similarly tracks or surveils a driver’s movements unless he/she engages in dishonesty (defined for the purposes of this paragraph as any intentional act or omission by an employee where he/she intends to defraud the Company). A driver’s failure to accurately recall what is reflected by the technology shall not by itself be considered dishonesty. The Company must confirm by direct observation or other corroborating evidence any other violations warranting discharge. The degree of discipline dealing with off-area offenses shall not be changed because of the use of the above-mentioned systems GPS.

No driver shall be issued a warning notice based solely upon the above-mentioned systems without first having a verbal counselling session on an identical infraction (e.g. two seat belt violations). Any such discipline shall also comply with applicable Supplemental disciplinary procedures and requirements.

The Company acknowledges that there have been problems with the utilization of technology in the past. Therefore, at the request of the Union’s Joint National Negotiating Committee Co-Chair a meeting will be scheduled with the Company Co-Chair to discuss any misuse of technology for disciplinary purposes and what steps are necessary to remedy any misuse.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1

Modify the last sentence in Section 1:

When a case is docketed with the National Grievance Panel, a ~~twenty-five dollar (\$25.00)~~ docketing fee will be applied as specified in the National Master UPS Agreement Rules of Procedure.

Section 7.

Deadlocked cases referred from the National Grievance Committee to binding arbitration pursuant to this Article, will be governed by the following procedures:

1. The arbitration process will be administered by the offices of the American Arbitration Association, ~~whose offices located in the following cities administer deadlocked cases arising from the following corresponding geographical Regions of the International Brotherhood of Teamsters as follows:~~

Somerset, NJ	Eastern, Central and Southern
Chicago	Central
Fresno, CA	Western
Atlanta	Southern

2. The current arbitrators will continue to serve, except as changed pursuant to paragraphs 4 and 7 below, until the parties jointly designate twenty-eight (28) arbitrators (which may include the incumbents). Cases will be assigned to arbitrators on a rotating alphabetical basis within each Region based upon the date of the original grievance that gave rise to the deadlocked case, order in which it was docketed at the National Grievance Committee.

3. The panels will consist of the following number of arbitrators who hear American Arbitration Association administered cases in each Region of the IBT:

Eastern	11 9
Central	5 3
Southern	4 3
Western	8 5

4. The parties ~~Either party shall attempt to agree on the four (4) panels within thirty (30) days of the conclusion of negotiations. Failing agreement within that time, the parties shall~~ have the right, with written notice by December 1 of any year, to require an exchange of lists of two (2) times the remaining number of arbitrators to be assigned to each regional panel within fifteen (15) days thereafter by January 1, and at the conclusion of an additional fifteen (15) days on January 15 will alternatively strike from the lists until the correct number of arbitrators is left for each panel. Unless the parties mutually agree otherwise, any arbitrator proposed by the Employer or Union must be a member of the National Academy of Arbitrators and reside within the geographical area covered by the panel. This provision can only be invoked by each party two times during the life of this Agreement.

5. Each arbitrator shall offer one or more potential hearing date(s) within six (6) months of the assignment of the case by the AAA or within six (6) months of a cancellation by either party as outlined below. If the arbitrator fails to offer a timely date, or a timely rescheduled date after a cancellation, the case shall be reassigned to the next arbitrator to be assigned based on the rotating alphabetical list. If an arbitrator fails to offer a timely date on four (4) occasions in a twelve (12) month period, he/she shall be stricken from the panel of arbitrators at the written request

of either party. The parties shall fill any vacancy pursuant to the procedures set forth in paragraph 4.

6. Once a case is assigned to an arbitrator it will remain with that arbitrator until it is concluded, except in the case of a reassignment specified in paragraph 5.
7. The parties may mutually agree in writing to remove any individual arbitrators from the panel at any time. Each party may unilaterally remove two (2) arbitrators during the month of June each year upon giving ten (10) calendar days notice specifying the arbitrator to be removed. The other party shall have the right to remove two (2) arbitrators within ten (10) calendar days from receiving the notice. The parties shall, within forty-five (45) calendar days, fill any vacancy pursuant to the procedures set forth in paragraph 4, exchange a list of arbitrators double the number of arbitrators stricken. The lists will be combined and struck fifteen (15) days later. This process shall also be used to fill vacancies that might occur for other reasons.
8. Except by mutual agreement arbitrations will be scheduled for 10:00 a.m. until at least 5:00 p.m.
9. There shall be no more than one (1) cancellation of arbitration dates by either party in the hearing of any single arbitration case, except as permitted by the arbitrator with good cause.
10. The parties shall share equally the American Arbitration Association's and the arbitrator's fees and expenses for the arbitration or settlement (including rental of the hearing room). The party requesting a cancellation will pay any cancellation fees.
11. The location of the arbitration will be determined by mutual agreement, taking into account the travel requirements of witnesses, counsel, and the arbitrator. In the event that the parties are unable to agree on the location, the arbitrator will decide. All hearings will be held at the American Arbitration Association offices unless the parties mutually agree on an alternate site.
12. Any or all of the foregoing may be modified in writing by mutual agreement of the parties at any time.

ARTICLE 12. POLYGRAPH /TIMECLOCKS

No applicant for employment and no employee will be required to take any form of a lie detector test as a condition of employment.

Upon request, an employee or the Union may inspect the record of an employee's time recorded on the DIAD or other device for previous days' work. An employee will be permitted to examine the operation record for the current pay period for the purpose of ascertaining his/her hours worked. If an employee has an issue with his/her hours worked for a particular day, the Employer will provide the employee, upon written request, with a print out of his/her hours worked.

The Employer shall not alter the information from the DIAD board, or information recorded through the use of any other technology, so as to diminish an employee's compensable time, without the employee's knowledge. Further, the Employer shall post for an employee's review, a copy of the PTE edits for each day. No supervisor shall use a DIAD, or any other information recorded through the use of any other technology, under the name of an hourly employee unless the employee is present. This includes for the purpose of training and demonstration.

Employees will not be responsible for any work performed by another employee using any electronic device under their name.

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The Employer agrees to provide forms for the employee to record his/her starting and ending times. An employee's hours worked and rate of pay shall be available for review electronically by the affected employee on a Company maintained website.

Upon request by an employee, steward or Local Union to a Company supervisor or their designee, the Employer shall provide copies of ODS messages. When such request is made on the same day the transmission(s) were sent, the operating center shall provide the printed copy of the transmission(s) that day. When such request is made after the day the transmission(s) were sent, but within twenty-five (25) days thereafter, the printed copy of the transmission(s) shall be provided within five (5) working days.

When requested by the Union, time clocks will be left in place for employees to record their work hours for their own personal use.

ARTICLE 14. COMPENSATION CLAIMS

Section 1.

When an injury is reported the reference number will be given to the employee and when requested, a copy of the injury report will be furnished to the employee within two (2) working days of such request. A copy of the injury report will also be furnished to the Local Union, if requested by a Local Union official.

The Employer agrees to cooperate and make a reasonable effort to provide toward the prompt disposition of employee on-the-job injury claims within ten (10) business days. No employee will be disciplined or threatened with discipline or retaliated against as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, without his/her consent.

The Employer shall provide the Union Co-chair of the National Safety and Health Committee with current summaries of the essential functions of all positions covered by this Agreement. The Union shall have the right to challenge any such summary through the applicable grievance procedure. Any employee who is adversely affected by any such summary shall have the right to challenge such summary through the applicable grievance procedure.

Any such decisions or settlements rendered through the grievance procedure, including but not limited to, at arbitration, shall be based solely upon, and applicable to, the facts present in that individual case and shall have no precedential effect beyond that case. This stipulation is limited to cases involving or referencing essential job functions.

The Employer shall provide Worker's Compensation protection for all employees even though not required by state law or the equivalent thereof if the injury arose out of or in the course of employment.

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. Upon receiving an employee's timely report of injury, the Employer shall not pressure an employee to continue to work, nor shall the Employer interfere with an employee seeking medical attention. When, because of such pressure, an employee spends time in a clinic after his or her normal finish time, the time spent shall be the subject of a pay claim through the grievance procedure.

An employee who has returned to regular duties after sustaining a compensable injury, and who is required by the Worker's Compensation doctor to receive additional medical treatment during the employee's regularly scheduled working hours, shall receive the employee's regular hourly rate of pay for such time.

The Employer agrees to provide any employee injured locally immediate transportation, at the time of injury, from the job to the nearest appropriate medical facility and return to the job, or to the employee's home, if required. In such cases, no representative of the Employer shall be permitted to accompany the injured worker while he/she is receiving medical treatment and/or being examined by the medical provider, without the employee's consent. In the event that any employee sustains an occupational illness or injury while on a run away from the home terminal, the Employer shall obtain medical treatment for the employee, if necessary, and, thereafter, will provide transportation by bus, train, plane or automobile to the employee's home terminal, if and when directed by a doctor.

An employee that has a change in his/her medical duty status shall report that change to the Employer.

In the event of a fatality, arising in the course of employment while away from the home terminal, the Employer shall return the deceased to the home of the deceased at the point of domicile.

Section 2. Temporary Alternate Work

The Employer may continue a modified work program on a nondiscriminatory basis. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury. Employees shall be provided their guaranteed hours with a start time no more than two (2) hours earlier or two (2) hours later than their normal start time for the duration of TAW, provided the work is available. The Employer will make reasonable efforts to ensure that the assignment is within this window. These guaranteed hours will be reduced as medical restrictions dictate. Pay rates for TAW assignments will be at the employee's regular rate of pay.

With the exception of feeder drivers, when an employee is released to return to work after a work injury of six (6) months or greater, the Employer shall provide, if requested by the employee, a work hardening schedule in which the employee can work their guaranteed hours for up to five (5) days. When possible, package drivers will provide advance notice of return to work so as to be counted toward the eight hour requests.

The Employer will develop a list of possible TAW assignments by location. It is understood that this list may not be all-inclusive, and management maintains the right to determine the availability and designation of all TAW assignments. The Employer shall provide the names and assignments of employees on TAW upon the Local Union's request.

In areas that have existing TAW programs providing better employee benefits and protections than guaranteed by this Article, such protections and benefits will not be diminished by this Article.

Any such program that has been, or is in effect, as of the effective date of this Agreement, shall be reduced to writing, a copy of which must be submitted to the National Safety and Health Committee and the affected Local Union. If either party wants to include non-work-related injuries or illnesses under the TAW program the parties will meet and agree upon such amendment. The Employer shall also meet with the Local Union upon request to discuss any changes the Local Union may propose in the TAW program. Any unresolved issues will be referred to the National Safety and Health Grievance Committee for resolution.

ARTICLE 15. MILITARY CLAUSE

Section 4. Spousal Transfer Rights

In the event an active member of the military is transferred to a different geographic location and his or her spouse works for the Employer, the employee may submit a written request to the Employer to transfer to the same geographical area. The transfer shall be approved subject to the following conditions:

- a. A full or part-time opening, as applicable, in the job classification exists at the desired location. The position must be one that an existing employee does not have a right to be awarded.
- b. Job classification seniority is end-tailed.
- c. Company seniority is retained for the purposes of the number of weeks of vacation, holiday eligibility, and benefit purposes.
- d. The transfer must be requested in advance of the relocation to ensure that there is no break in service by the transferring employee. If no permanent position is available at the time of the relocation the provisions of paragraph a. above, shall apply for a maximum of six (6) months.
- e. The Employer shall not be responsible for any moving expenses or work missed by the employee.
- f. An employee who transfers out of his or her original area where they are covered by a Teamster Pension Trust Fund into the jurisdiction of another pension trust fund, such employee shall remain in his or her original pension trust fund. The Employer agrees to pay the required pension contributions to the employee's original pension trust fund as set forth in the trust agreement, provided there is no conflict with any collective bargaining agreement and/or trust agreement.

ARTICLE 16. LEAVE OF ABSENCE

Section 4. Maternity and 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 or mentally 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 or federal laws, if applicable. Light duty requests shall also be made through the Employer's "Light Duty for Pregnant Workers" program.

Paternity leave shall be granted in accordance with Section 6 of this Article 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 father, 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 (2) 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 7. Disability

When an employee is injured off the job, the Company shall use its best efforts to provide the employee with all necessary documents and reasonable assistance in order to assist with the processing of the employees' disability claim.

ARTICLE 17. PAID FOR TIME

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. If the employee does not receive his/her vacation check, the Employer will make all reasonable efforts to provide the check the following day including delivery by Saturday or Next Day Air. If the employee requests to see his vacation check on the Monday as permitted below and the Employer fails to make the vacation payment available by Saturday following the employee's regular scheduled pay day the employee shall be paid an additional amount equal to one-half (1/2) of his or her daily guarantee at his or her regular hourly rate for every subsequent pay period until the shortage is corrected. Other shortages involving more than ~~fifty forty (\$40.00)~~ twenty-five (\$25.00) dollars for full-time employees, and ~~twenty (\$20.00)~~ twenty-five (\$25.00) dollars for part-time employees, will be corrected and the payment will be made available to the employee at his/her reporting location on his/her second scheduled workday after reporting the shortage. If the Employer fails to make the payment available on the employee's second scheduled workday and the shortage was the result of the Employer's error, the employee will be paid an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her regular hourly rate for every full pay period in which the shortage is not paid after the second (2nd) scheduled work day, until corrected.

Errors of less than ~~fifty (\$50.00)~~ twenty-five (\$25.00) dollars for full-time employees or ~~twenty (\$20.00)~~ twenty-five (\$25.00) dollars for part-time employees and overages will be corrected in the following weekly paycheck. The Union and Employer shall have the authority at any level of the grievance procedure to award a penalty up to the amount specified in the prior paragraph for any violation of the provision.

If an employee works in different classifications during a shift that are paid at different rates, the different hours and rates shall be available for review electronically by an employee on a Company maintained website. Any grievance payments included on a paycheck will also be available for review by affected employees electronically with the applicable identifying grievance number on a website maintained by the Employer. Nothing in this paragraph is intended to eliminate any local practices regarding availability of data regarding grievance settlements.

ARTICLE 18. SAFETY AND HEALTH EQUIPMENT, ACCIDENTS AND REPORTS

Section 1. Employees' Rights - Equipment, Vehicles and Conditions

The Employer shall not require employees to take out on the streets or highways any vehicle, or use any type of equipment, that is not in a safe operating condition or equipped with the safety appliances prescribed by law. First line trailers will be swept on a daily basis. All package cars and tractors will be maintained in a clean and sanitary condition including mirrors and windows.

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Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to a person or property or in violation of a government regulation relating to safety of person or equipment. The term "dangerous conditions of work" does not relate to the type of cargo which is to be hauled or handled.

It shall not be a violation of this Agreement, or cause for disciplinary action, where employees refuse to operate equipment or a vehicle when such operation constitutes a violation of any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe conditions as set out in any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health to include Part 392.14 of the Federal Motor Carrier Regulations.

The employer shall ensure conveyors passing overhead shall be guarded so as to prevent the material transported from falling and causing injury to employees below.

Section 2. Out of Service Equipment and Vehicle Reports

All equipment which is refused, or has been written up for repair, because not mechanically sound or properly equipped, shall be appropriately tagged, and placed out of service, so that it cannot be used by other drivers, or employees until the Automotive/Maintenance Department has adjusted the complaint.

Employees shall immediately, or at the end of their shifts, report all known defects of equipment on a suitable form furnished by the Employer. The Employer shall not ask or require any employee to utilize equipment that has been reported by any other employee as being in an unsafe condition. Such equipment will be red tagged, as necessary, by automotive/maintenance personnel. The tag must not be removed until the Automotive/Maintenance Department has determined that the vehicle/equipment is in a safe operating condition or, where no Automotive/Maintenance Department exists, qualified management will make the deciding determination. Management not qualified to make such a determination, will consult with qualified automotive/maintenance personnel before removing a red tag. The person making the decision will sign off the car condition report or other form required by law. Any automotive/ maintenance person consulted will be noted on this report.

When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle/equipment being in unsafe working or operating condition and receives no consideration from the Employer, the employee shall take the matter up with an officer of the Union, who will take the matter up with the Employer. But in no event shall an employee be required to operate a vehicle/equipment that is unsafe or in violation of any federal, state or local, rules, regulations, standards or orders applicable to equipment or commercial motor vehicles.

Copies of the car-condition reports or Driver Vehicle Inspection Reports (DVIR) will be available in centers for review by drivers. Upon notification, drivers may make copies of said reports in facilities that have copy equipment. In facilities with no copy equipment, the employee will be provided a copy as soon as practical, when requested. In no case will the copy of the DVIR remain valid after the DOT retention requirement (ninety (90) days) or the original DVIR expires. The current DVIR will be maintained in each vehicle between completion of Preventative Maintenance Inspections

(PMI). Other copies will be made available for review by drivers as required by the Federal Motor Carrier Safety Act (FMCS), 49 CFR 396, as applicable to the Employer. In cases where the electronic Driver Vehicle Inspection Report (eDVIR) and/or the electronic Car Condition Report (eCCR) system has been installed, drivers can view previous reports from any Feeder Data Terminal (FDT).

Section 3. Accidents and Reports

Any employee involved in any accident shall immediately notify the Employer.

When required by the Employer, the employee, before the end of the employee's shift, shall complete a report of the accident including all available names and addresses of witnesses to the accident. The reference number will be given to the employee, and when requested, a copy of the accident report will be furnished to the employee within two (2) working days of such request. A copy of the accident report will also be furnished to the Local Union if requested by a Local Union official. In cases of equipment accidents where a Driver's Report of Accident form is completed, the employee will be given a copy of the form the same day, when requested. In facilities with no copy equipment the employee will be provided a copy as soon as practicable.

In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action, if any, unless otherwise mutually agreed. Except for serious accidents, where the driver may be presumed to be at fault, a driver will not be removed from the payroll during an investigation of the accident.

A serious accident is defined as one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle, or;
4. Any vehicular contact with an aircraft which results in damage that grounds such aircraft, or;
5. There is an accident involving a motor vehicle on Company property, outside of any building, that results in a fatality or bodily injury to a person, who as a result of the injury receives medical treatment away from the scene of the accident.

The driver will be entitled to non-driving work during this period at his/her normal rate of pay.

The Employer and the Union mutually agree that the employee's rights to Union representation will be protected pursuant to Article 4 of the National Master UPS Agreement.

Any pictures and/or video used from an accident for the purpose of educating the workforce shall exclude the identity of employee(s) involved in the accident. Such pictures and/or video shall only be used for accident prevention, and not to embarrass or denigrate any employee.

Section 6. Building Heat

Centers will be heated, where practical.

On a facility-by-facility basis, to include temporary facilities, the

Employer will evaluate whether additional ventilation or heat is needed for purposes of safety and health. This will include clerical work areas outside of office structures in the UPS facilities. Should clerical any employee(s) have concerns with respect to ~~these two (2)~~ ventilation or heat issues, they shall be addressed by the appropriate local CHSP Committee. Should the local CHSP Committee not satisfactorily address the issue, a grievance may be filed and would be sent directly to the National Safety and Health Grievance Committee.

Section 8.1 Distracted Drivers

The Employer and Union recognize that there are various federal, state and local statutes, regulations and ordinances on the use of handheld devices while a commercial motor vehicle is in motion. In the interest of the safety of our drivers and the general public, drivers must comply with the applicable restrictions. The Employer will use its best efforts to educate drivers on the restrictions applicable in each geographic area.

If permitted by state and/or federal law, headsets, Bluetooth car pieces, and earphones that are used in moving vehicles shall only cover one ear.

Section 9. Tires

Only first-line tires will be used on the steering axle of feeder road equipment, including P80's used as feeders. In case of breakdown a temporary replacement other than a first-line tire may be used to return to the home terminal. The Company agrees to not mix radials and bias ply tires on the same unit.

Any safety concerns regarding tires shall be referred to the local Safety and Health Committee for review.

Section 14. Package Cars

All new package cars, P-32 and larger, added to the fleet shall be equipped with package compartment venting. Upon ratification of this Agreement, the Climatic Conditions Committee shall meet to evaluate and, if needed, recommend appropriate method(s) for venting the package compartments. The installation of cab compartment fans will be determined by individual districts.

All requests for door handle shields coverings will be complied with in a timely manner.

When requested, package cars larger than a P-32 will have grab handles located on the curb side of the package car and mounted on the inside, and will be equipped with mounting brackets to secure hand carts. The Employer will make every effort to require all new package car designs to have lower cab entry steps. All new package cars shall be equipped with step tread plates on both the driver and passenger sides.

Gear shift extensions shall be addressed on a case-by-case basis. All new package cars placed into service shall be equipped with power steering.

The Employer will replace package cars at a rate no less than the percent replaced over the duration of the prior contract that expired July 31, ~~2008~~ 2018. The Union will be notified if the Employer cannot meet this schedule because of volume downturns.

A package car will be equipped with a hand cart at the driver's request.

Section 15. Heaters and Defrosters

The Employer shall install and maintain heaters and defrosters on all trucks and all safety equipment required by law. Complaints regarding

heaters or defrosters not being in proper working order shall be addressed pursuant to the red-tagging procedures under Article 18, Section 2.

All new step van package cars will be manufactured with a minimum of 44,000 BTU heaters. In extreme cold climates concerns over in cab conditions may be brought before the local Safety and Health Committee for review and resolution.

Section 20.4 Safety and Health Committees

There shall be Safety and Health Committees to cover all full-time and part-time employees. There shall be one (1) committee per Center unless the number of employees and/or job classifications within a center dictate the establishment of more than one (1) committee. The respective committees will be comprised of a mutually agreed to number of bargaining unit representatives and up to an equal number of management representatives.

Recognizing the importance of the role of the Safety and Health Committees in resolving the issues of safety, the Employer and the Union reaffirm their commitment to the active involvement of the Committees in such processes, in accordance with the terms of this Article.

The Local Union shall approve the bargaining unit members who serve on these Committees. The Union co-chair of the committee(s) shall be selected by the bargaining unit members of the committee. In the event that a Local Union desires to cease participation in the safety committees, prior approval must be authorized by the Union Co-Chair of the Teamsters United Parcel Service National Negotiating Committee who shall also inform the Employer's President of Labor Relations of the request.

Both parties recognize and reaffirm the importance of maintaining properly functioning Safety and Health Committees and shall make a good faith effort to work out any differences prior to requesting authorization to cease participation.

Bargaining unit members may not perform Safety Committee observations or access personnel records of fellow bargaining unit members that can be interpreted as being a management role. Safety Committee observations shall only be performed to further the purposes of that Committee as defined in this section and to promote a safer work environment. Activities will be reviewed with the Local Union for review. Under no circumstances can the results of a Safety Committee observation be used in any level of discipline, nor reference any individual bargaining unit member. Safety committee members shall not circulate management forms that could be used for discipline or be involved in disciplinary meetings.

Each committee shall meet at least once each month at a mutually agreeable time and place. The Employer shall provide committee members with adequate time to perform committee functions, as described in paragraphs 1 through 7 below.

Each committee shall perform functions including, but not limited to:

1. Creating sub-committees, on an as needed basis, to investigate specific issues of safety and health concern. These committees shall report to the full committee.
2. Developing and maintaining minutes for all meetings, with copies to all committee members and posted on designated safety bulletin boards.
3. Conducting periodic inspections of the facility to ensure that there is a safe, healthful and sanitary working environment in each center.

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4. Accompanying governmental, union, and/or Company health and safety professionals on facility inspection tours. The Employer may limit the number of bargaining unit members of the committee accompanying such an inspection tour.
5. Receiving information pertaining to lost workday injury/ accident causes and review results of the investigation of such injuries/ accidents.
6. Receiving copies of the center's OSHA Illness and Injury logs and the facility's man-hours.
7. Receiving the Company sponsored training to enable committee members to effectively perform their respective functions as safety and health committee members.

Any information provided to a CHSP committee will not be shared outside the committee without the Employer's consent.

If the committee is unable to resolve a safety and health concern and all steps of the Comprehensive Health and Safety Process (CHSP) have been exhausted, the issue will be subject to the grievance procedure.

Section 21. Hazardous Materials Handling Program

The Employer and the Union in compliance with the Occupational Safety and Health Administration (OSHA) have developed a comprehensive program to deal with hazardous material spills, the UPS Damaged Package Response procedure. As a result of the Agreement, the Employer developed a training program for individuals who are responsible for responding to spills of hazardous materials.

The Employer agrees to:

1. Provide twelve (12) hours of training, and the proper equipment, to those employees involved in the clean-up of hazardous material spills. All designated responders, when positions become open, will be selected in seniority order. The Employer will allow first responders to resign their position with written notice given at least ~~sixty (60)~~ **ninety (90)** days prior to their annual certification. The resignation will become effective upon the identification and completion of training of a replacement. The training of the identified replacement shall not exceed ninety (90) days. The Employer may disqualify such employees from holding the position of designated responder for a period of one (1) year.

(New) Section 24 - Egress

The Employer shall monitor conditions in and around all work areas including but not limited to sort aisles and areas where vehicles are loaded or unloaded to ensure that temporary impediments created by placed or fallen packages are minimized. The Employer shall not permit packages, materials, or equipment to be placed permanently or temporarily within the 28in wide exit access in front of an exit door or at the top or bottom of a stairway that is part of an exit access point.

(New) Section 25 Building Security

The Employer shall have the right to implement and/or maintain building inbound and outbound security procedures on a local basis. The Employer shall meet with the applicable local union(s) to review and discuss the procedures prior to any new implementation.

(New) Section 26. Recording Devices

In facilities where video surveillance equipment is maintained,

the Employer shall post a sign identifying the presence of video surveillance where employees enter the facility.

ARTICLE 20. EXAMINATION AND IDENTIFICATION FEES

Section 4. Disqualified Driver - Alternative Work

Except as provided for in Article 16, a driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or part-time inside employee at such work until he/she can return to his/her driving job unless otherwise provided for in the Supplements, Riders or Addenda. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority While performing the inside work, the driver will be paid the highest part-time rate as an employee with equivalent seniority or current area practice. If no full-time inside position is available, the Employer will meet with the Local Union to develop a full-time position, if possible out of available work.

In addition to those already covered by this section, disqualified drivers who are actively pursuing a waiver or exemption with the DOT may work inside pursuant to this section if there is a reasonable expectation that his or her waiver/exemption will be granted.

ARTICLE 22. FULL-TIME COMBINATION AND PART-TIME EMPLOYEES

Section 3.

The parties agree that providing part-time employees the opportunity to become full-time employees is a priority of this Agreement. Accordingly, the Employer commits that during the life of this Agreement, it will offer part-time employees the opportunity to fill at least twenty thousand (20,000) permanent full-time job openings throughout its operations covered by this Agreement.

This commitment shall include the obligation to create at least ~~twenty-three hundred and fifty (2350)~~ **five thousand (5000)** new full-time jobs from existing part-time jobs during the ~~first three (3)~~ **last four (4)** years of this Agreement throughout its operations covered by this Agreement; **five hundred (500) in the second contract year and fifteen hundred (1500) in each of the last three years** each of the ~~first two contract years and thirteen hundred fifty (1350) in the third year of this Agreement.~~ In creating these jobs, the Company shall be allowed up to one and one half (1.5) hour gap between jobs in a workday notwithstanding any provision in any Supplement, Rider or Addendum that is more limiting. Any disagreements will be referred to the Chairs of the National Negotiating Committee for resolution.

The number of full-time jobs created under Article 22, Section 3 of the 1997-2002, ~~and~~ the 2002-2008 **and the 2013-2018** Agreements shall not be reduced. Within sixty (60) days of the ratification of this Agreement the Employer shall provide the International Teamsters Union a report detailing and identifying the full-time jobs which will need to be maintained pursuant to this paragraph.

Section 4.

Section 4. (a)

Part-time employees shall be given the opportunity to fill full-time jobs before hiring from the outside on a six for-one basis (six (6) part-time to every one (1) outside hire).

The following will be incorporated into the job selection procedures in the applicable Supplement, Rider or Addendum:

The Employer will fill all vacancies and permanent new jobs for part-

time employees from the part-time selection list in all months except November and December.

Part-time employees with six (6) months or more seniority shall have the right to place their name on the list of employees waiting to be moved to a preferred job within their building. Such preferred jobs shall include, but not be limited to: Preload, Sorter, Clerical, Irregular Train, Designated Responder, Carwasher, Loader and Unloader. Employees do not have the right to select any specific unit, load or workstation unless a prior past practice has been established.

Part-time employees with less than six (6) months seniority shall have the right to bid a preferred job prior to the Employer hiring from off-the-street.

A maximum of twenty-five percent (25%) of the employees on a shift shall be allowed to change shifts in any one (1) calendar year. The employee obtaining the new position shall remain on that shift for at least six (6) months.

(New) Section 4. (b), Full-Time Combination Drivers

All existing regular full-time package car drivers (RPCD) shall be considered RPCD drivers for the purpose of this Section. The Union and Company commit to protect existing RPCDs from being scheduled or forced to perform weekend delivery work and increasing the number of full-time opportunities for part-time employees. To achieve these objectives, the Company may create full-time 22.4 combination driving jobs. Such jobs may include inside work. In the event the Company utilizes this classification, the following shall apply only to those buildings that include Saturday or Sunday delivery.

1. The number of RPCDs working a Monday through Friday schedule in each building, shall be verified and agreed to by each Local Union and the Company Labor Representative, as of August 1, 2018 and shall be protected jobs. "Protected jobs" shall include RPCDs that will continue to be replaced by employees covered under Article 41, Section 2. In the event the Company does not begin Saturday or Sunday delivery at a building until after August 1, 2018, the number of RPCD jobs in existence at the time of implementation shall be included as "protected jobs." A copy of the verification shall be given to the Package Division and to Corporate Labor. Any disputes shall be determined no later than the October 2018 National Grievance Panel by the Director of the IBT Package Division and the President of Corporate Labor or their designee(s).

RPCDs working a Monday through Friday schedule shall be guaranteed five (5) consecutive days of eight (8) consecutive hours per report and forty (40) straight time hours of straight time pay each week, if reporting each day as scheduled, as long as work is available.

Those RPCDs currently working Tuesday through Saturday shall be red circled by name and shall continue to be covered under Article 41, Section 2.

2. It is the commitment of the parties that RPCDs work a Monday through Friday schedule. To that end the parties agree that all RPCDs currently working a Tuesday through Saturday schedule will transition to a Monday through Friday schedule as soon as practicable, within eighteen (18) months of ratification. The Company shall have an additional six (6) months for drivers hired directly into a Tuesday through Saturday schedule.
3. The number of protected RPCD jobs in each building as outlined in this Article 22.4 (1) above, shall be guaranteed from replacement

by 22.4 combination drivers or from any part-time drivers as allowed by any Supplement, Rider or Addendum. In the event a protected job moves to another building or jurisdiction as a result of a change of operations or otherwise, the protected status shall follow the job. The number of 22.4 combination drivers shall not exceed twenty-five (25%) of the total number of RPCDs in the building. If the amount of regular Saturday or Sunday volume in a building consistently requires RPCD drivers to work Saturday or Sunday because of the twenty-five percent (25%) limit, the Package Division Director and UPS President of Labor Relations shall be allowed to adjust the limit based on demonstrated service need.

4. No RPCD shall be laid off or displaced from the classification while 22.4 combination drivers are working in the building.
5. All 22.4 combination drivers shall be guaranteed eight (8) consecutive hours of straight time pay per day if reporting as scheduled. All 22.4 combination drivers shall work a five (5) consecutive day schedule of Tuesday through Saturday or Wednesday through Sunday. This paragraph shall supersede any Supplement, Rider, or Addendum on the same subject.
6. When the new job includes inside work, the Company shall be entitled to establish up to a one-and-one-half hour (1.5) gap, to include the meal period, between jobs in a workday. All other working conditions not set forth herein, including, but not limited to, the work available for combination with driving, bidding procedures, holidays, vacations, etc. shall be set forth in the Supplements, Riders and Addenda.
7. 22.4 Combination drivers shall be paid in accordance with Article 41.4.
8. In the event the Company needs additional staffing to cover Saturday or Sunday ground deliveries, such work shall first be offered to RPCDs as set forth above, then to Article 22.4 combination drivers on their scheduled off day, then to part-time utility/cover/casual employees as permitted in the Supplement, Rider or Addendum. If sufficient volunteers are not obtained, the Company may force in reverse order in accordance with the applicable Supplement, Rider or Addendum.
9. No 22.4 combination driver shall be required to complete more than one (1) qualification period or progression. Any 22.4 combination driver in progression who successfully bids any other full-time position shall slot in at the appropriate rate for the classification.
10. In the event a protected RPCD position becomes available, it shall be filled in accordance with the Supplement, Rider or Addendum, provided, however that no RPCD position shall be filled by an outside hire unless the job remains unfilled after exhaustion of the applicable bidding procedure.
11. Newly created 22.4 combination driver positions shall count toward the newly created 22.3 jobs required by this Agreement.
12. Article 37, Section 1.b. and c. shall not apply to 22.4 combination drivers. In those buildings in which the Company creates 22.4 combination jobs to cover weekend deliveries, Article 37 Section 1.c. 9.5 protections shall apply to all seniority RPCDs regardless of the route they hold or number of years of seniority.

Sections 5. Wages

- (a) Part time Employees

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All part-time employees who have attained seniority as of August 1, 2013 will receive the following general wage increases for each contract year but will in no case receive less than the hourly start rate specified on August 1st 2018-2022 as set forth in b. below. In the first three (3) years of the contract, the increase will be effective on August 1st of the next year. In 2016 and 2017 the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for each year will be as follows:

2013	seventy cents (\$0.70)
2014	seventy cents (\$0.70)
2015	seventy cents (\$0.70)
2016	eighty cents (\$0.80)
2017	one dollar (\$1.00)
2018	seventy cents (\$0.70)
2019	seventy-five (\$0.75)
2020	eighty cents (\$0.80)
2021	ninety cents (\$0.90)
2022	one dollar (\$1.00)

Part-time employees still in progression on August 1, 2013 shall receive the above contractual increases and will be paid no less than what they are entitled to in accordance with the wage schedules in Article 22, Section 5 (b) below. The progression set forth in (b) below shall be applied effective August 1, 2013.

(b) Newly hired part-time employees

In recognition of the fact that all of the Company's part-time jobs require skills and to eliminate the two (2) tier progression existing in prior contracts, the parties have agreed to establish one uniform hourly rate for part-time employees who would have been subject to a progression. As such, All part-time employees, who are hired or reach seniority after August 1, 2013 will be paid according to the following wage schedules:

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

	Hourly Rate	
	Preloader	All
	Sorter	Others
Start	\$11.00	\$10.00
Seniority plus one (1) year	\$11.50	\$10.50
Seniority plus two (2) years	\$12.00	\$11.00
Seniority plus three (3) years	\$13.00	\$12.00
Seniority plus four (4) years	\$13.50	\$12.50

Employees working high volume direct or low volume direct shall receive the preloader/sorter rates,

- (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 (3-1/2) 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 8. Part-Time UPS Cartage Services, Inc. (CSI) Employees

New Part-time dock CSI employees and those in progression at ratification shall continue to be paid in accordance Section 5.b. above, with the appropriate Addenda. To the extent a part-time CSI employee has completed (or subsequently completes) any progression set forth in the applicable Addendum, he/she shall thereafter be entitled to the general wage increases set forth in Section 5(a) above. This Section shall supersede any contrary provision in any CSI Addenda.

ARTICLE 26. COMPETITION

Section 1.

The Union recognizes that the Employer is in direct competition with the United States Postal Service and other firms engaging in the distribution of express letter, parcel express, parcel delivery, and freight, both air and surface. In order to meet that competition and thereby protect and, if possible, increase the number of bargaining unit jobs, it is agreed that any provisions in this Agreement to the contrary notwithstanding, the Employer:

- (a) may use substitute means of transportation (such as airplane, helicopter, ship or T.O.F.C.) in its operations; provided, however, that no feeder driver with more than three (3) years of seniority in the feeder driver classification will be laid off or displaced from a feeder classification as a result of a run being placed on the rail. However, the Employer shall not be required to remove loads from the rail to provide work for employees whose ground loads were eliminated or temporarily discontinued. Any claimed abuse of this Section by any of the Local Unions shall be subject to immediate review by the National Grievance Committee.

Merchandise that has been tendered by United Parcel Service to the railroad and moved by T.O.F.C. will not subsequently be moved by the railroad, on the ground, to its final destination. Any exception to the above language will be in cases of an emergency or cases where the railroad must ground the merchandise early to meet the company's service commitment. In these cases, every effort will be made to use UPS employees. The destination Local Union will be notified if UPS employees cannot be used.

In order to expand the work opportunities for members of the bargaining unit, the Employer will consider removing additional loads from the railroad or the other substitute means of transportation specified in this Article. When the Employer removes loads on other than a temporary basis, it shall notify the Union of the number of new runs to be created as a result of moving such loads on the ground. Temporary shall be limited to one (1) year unless there are circumstances beyond the Company's control. The one-year period will not be exceeded unless the UPS President of Labor Relations and Package Division Director mutually agree. Agreement will not be unreasonably withheld. The Employer and the Union shall agree on the most expeditious method to obtain additional personnel and/or equipment, if necessary, for the new runs to be operated by bargaining unit members. If the equipment or employees are not available, the Employer may use subcontractors for a reasonable start-up period, not to exceed thirty (30) days. The subcontracting can exceed thirty (30) days with the Union's agreement if there are problems obtaining additional personnel or equipment. Agreement under

this paragraph will not be unreasonably denied by the Union. All feeder positions created as a result of returning loads to the ground shall be counted toward the Employer's obligation to create full-time jobs under Article 22.3 of this Agreement.

Bargaining unit employees will move scheduled T.O.F.C. loads from the rail yards to UPS locations except during peak season.

During peak season, the Employer will make every reasonable effort, in accordance with the appropriate Supplement, Rider or Addendum, to use current UPS employees and hire a sufficient number of employees to handle peak volume. After doing so, the Employer may use alternate means of transporting packages during peak season and will utilize union carriers whenever possible. Plans to utilize outside carriers will be reviewed and agreed with the Local Union. Such agreement will not be unreasonably withheld.

No seniority feeder driver will be removed from his bid run at Peak and have that same route covered by an outside trucking carrier. Rescheduled routes which may be covered by an outside carrier will only occur if necessary to protect service.

UPS shall provide its plan to the affected Local Union by October 15th of each year. This shall not preclude UPS from making subsequent alterations to the plan which shall also be reviewed with the Union.

No package car driver shall be forced to use his or her personal vehicle to deliver packages.

- (b) may drop loaded or empty trailers at locations designated by it, its customers or consignees for customer or consignee loading or unloading. It is understood that customers and consignees will not move trailers for loading and/or unloading other than on their premises. It is further understood that dropping and picking up these trailers shall be done by members of the bargaining unit.
- (c) All loading and unloading of dropped shipments at UPS locations will be done by UPS bargaining unit employees.

Section 3.

Notwithstanding any other provision of the Agreement or any Supplement, Rider or Addendum, only the Local Union with jurisdiction in the geographic area in which a subcontracted feeder movement originates or the Teamsters United Parcel Service National Negotiating Committee in its own name shall have the right to file or pursue a grievance alleging that the movement is a contractual violation. The destination Local Union shall also have the right to file a grievance protesting a subcontracted movement. If the Local Union where the movement originated files a grievance on the run it shall take priority over any other grievance.

Section 4, Surepost

- (1) In order to retain existing commercial customers that are solicited by a competitor offering services similar to those described herein, or to attract new commercial customers, the Company may offer service contracts that include the delivery of packages by the USPS. Packages eligible for such delivery will normally, be less than ten (10) pounds in weight and less than three (3) cubic feet in size, in accordance with paragraph (2). Further, UPS agrees that the Surepost will not be presented as a general service offering except at UPS stores. This service will only be offered for shipping from a business to a residential customer. The Company agrees that it will not use Surepost as a basis to diminish the size of the bargaining unit.

- (2) The Company will continue to use ~~and develop~~ technology that identifies two or more Surepost packages to be delivered to the same address and/or any combination of Surepost package(s) and ground package(s) to be delivered to the same address. In such circumstances, all of the Surepost package(s) and ground package(s) will be delivered by package drivers. The Company will ~~implement when available~~ maintain and update the technology that identifies multiple addresses in close proximity to which any combination of Surepost and ground packages are to be delivered. The Company shall meet with the Competition Committee to review any potential expansion of the volume to be redirected and determine if it is economically feasible to handle in UPS' operations. Within 120 days of the effective date of this Agreement, the Company shall also develop technology that identifies oversized (greater than three (3) cubic feet) or overweight packages. Once such technology is operational, all Surepost packages exceeding ten (10) pounds or with dimensions greater than three (3) cubic feet, will be delivered by package drivers.

The Company shall not deactivate or interfere with the operation of the technology that redirects Surepost volume to the Company unless volume is being rolled in a building due to delivery constraints. In such event, redirect will only be deactivated for the affected building(s). The UPS President of Labor Relations, or his designee, will notify the Union's Director of the Package Division of any deactivation.

- (3) The joint UPS/IBT Competition Committee will meet on a quarterly basis to review the progress of this service and discuss potential technological enhancements that will allow Surepost volume to be placed back in the UPS system for final mile delivery. Any issues or disputes related to the Surepost service that cannot be resolved by the Competition Committee shall be referred directly to the Chairs of the Union and UPS National Negotiating Committees for discussion and resolution. In addition, the Union may notify the Employer of any opportunities to include additional addresses.

- (4) If a driver or inside employee identifies a package designated for Surepost that is clearly more than ten (10) pounds and/or larger than three cubic feet, the package can be removed from the system and redirected for delivery by a package driver unless the Employer cannot deliver to the specified address.

Section 5, DOT Hours of Service

The Company shall not change the DOT sixty (60) hours in seven (7) days to the seventy (70) hours in eight (8) days rule for package drivers except at Peak. With prior approval of the Company's President of Labor Relations and the Teamster's Package Division Director, the DOT standard may also be changed if required due to Acts of God or emergencies creating service disruptions. When the Company changes the sixty (60) hour rule it shall first solicit volunteers to work in excess of sixty (60) hours from all package car drivers in the center. If sufficient volunteers cannot be obtained to cover the over sixty (60) work hours, the Company will first force seasonal package car drivers, non-seniority package car drivers, part-time cover driver classifications and, then Article 22.4(b) drivers. Seniority package car drivers will only be forced after exhausting the seasonal, non-probationary drivers force process, part-time cover driver classifications and Article 22.4(b) drivers. No regular package car driver red circled under Article 22.4(b) will be forced to work

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on a day off and exceed sixty (60) hours unless he has a full eight (8) hours of duty available. Any regular or Article 22.4 package car driver who volunteers or is forced to work over sixty (60) hours in a week pursuant to this paragraph will be compensated at double-time for those hours. This paragraph supersedes any provision in any Supplement, Rider or Addendum which addresses this subject. This Section is not intended to give the Company the right to force seniority package car drivers to work on a weekend unless permitted by the applicable Supplement, Rider or Addendum.

Section 6 – Removal of Loads from Rails

In order to enhance employees' opportunities to obtain a full-time job and improve the Company's ability to reduce time-in-transit and improve service, the following provisions will apply:

1. The Company commits that the number of new drivers needed to remove loads from the rail shall be, at least, two thousand (2000), over the life of the current contract. The Company shall be required to train or hire, at least two hundred (200) drivers by December 31, 2019 and twenty-five percent (25%) of the remaining needed drivers each calendar year thereafter. As long as the Company satisfies these hiring/training obligations, it shall have the right to cover these runs with substitute means of transportation. The Employer shall provide the Union a report identifying the loads covered by this Section. The Company shall meet with the Union to resolve any issues which may arise if circumstances beyond the Company's control preclude the Company from training or hiring needed drivers in any area. The Company shall train or hire a sufficient number of drivers to cover these runs by the end of the current labor agreement.
2. The Company shall provide the Package Division Director its initial plans to remove and cover these loads. In addition, upon request, the Company will review with the Package Division Director or his designee, the Company's progress in implementing this Section. The review shall include the Company's hiring and training of drivers to ensure that reasonable efforts are being made to staff the runs with bargaining unit employees and eliminate the vendors, as soon as practical. If the Company is not making reasonable progress in training the drivers necessary to replace vendors in any area, UPS' President of Labor Relations and the IBT Package Division Director shall have the authority to determine how and where training will be accomplished.
3. Article 43 shall apply to these runs except for the approval process.
4. No seniority employee in the feeder driver classification as of August 1, 2018 shall be displaced from the classification or laid off as result of the use of substitute transportation pursuant to this Section.

ARTICLE 29.

Section 2. 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. In cases involving the funeral of a relative listed in paragraph 2 above, an employee who attends the funeral or bereavement rite is guaranteed a minimum of two (2) days off.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law, spouse's grandparent or a 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 above. In no event will total compensated time off 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 regular scheduled workweek is five (5) days, and ten (10) times the straight-time hourly rate for those employees whose regular 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. Better conditions contained in Supplements, Riders or Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

ARTICLE 33. COST-OF-LIVING (COLA)

All seniority employees who have completed their appropriate wage progression schedule shall be covered by the provisions of a cost-of-living allowance, as set forth in this Agreement.

Employees who have not completed their appropriate wage progression on the effective date of a COLA increase, shall receive the adjustment on a prospective basis on the date they complete their wage progression schedules.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series using 1982-1984 Expenditure Patterns), All Items (1982-84 = 100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Index".

Effective August 1, 2019⁴ and every August 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for May 2019⁴ (published June 2019⁴) and every May thereafter, and the base Index for May 2018³ (published June 2018³) and every May thereafter, as follows:

For every two tenths (0.2) point increase in the Index, over and above the base (prior year's) Index plus three percent (3.0%) there will be a one (1) cent increase in the hourly wage rates payable on August 1, 2019⁴ and every August 1 thereafter. These increases shall only be payable if they equal five cents (\$.05) in a year.

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each one (1) cent increase in hourly wages, subject to the threshold set forth above.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

Section 1.

(a)(i) Except as set forth in this Section 1(a), Health & Welfare and/or pension contributions shall be increased by forty dollars (\$40.00) per week on August 1, 2018~~3~~ and each subsequent August 1st during the life of the contract. Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committees, subject to the approval of the Joint National Negotiating Committee.

(ii)~~(1)~~ In those Supplements, Riders or Addenda, where the full-time or part-time employees are covered by, the ~~Central States Health & Welfare Plan~~ TeamCare and a pension plan sponsored by the Employer, the hourly increase ~~for amount of money set forth on Section 1(a) above~~ to be allocated for Health & Welfare for these full-time employees as follows:

- ~~August 1, 2013 — fifty cents (\$0.50)~~
- ~~August 1, 2014 — fifty cents (\$0.50)~~
- ~~August 1, 2015 — fifty cents (\$0.50)~~
- ~~August 1, 2016 — (TBD based on Central States' cost)~~
- ~~August 1, 2017 — (TBD based on Central States' cost)~~

- August 1, 2018 (\$0.50)
- August 1, 2019 (\$0.50)
- August 1, 2020 (\$0.50)
- August 1, 2021 (TBD based on TeamCare costs, not to exceed \$0.70)
- August 1, 2022 (TBD based on TeamCare costs, not to exceed \$0.70)

The rates shall be as follows for covered part-time employees:

- August 1, 2018 (\$0.30)
- August 1, 2019 (\$0.30)
- August 1, 2020 (\$0.30)
- August 1, 2021 (TBD based on TeamCare costs, not to exceed \$0.50)
- August 1, 2022 (TBD based on TeamCare costs, not to exceed \$0.50)

2) For years 2018~~3~~ through 2021~~4~~5, the remaining fifty cents (\$0.50) will be allocated to the applicable Taft-Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable. The health and welfare contribution increases in 2016 and 2017 2021 and 2022 will be based on TeamCare Central States actual costs. In those two years, the applicable Taft-Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to TeamCare Central States Health & Welfare Plan (CS H&W) and one dollar (\$1.00). This paragraph shall be applied to the part-time employee contributions in the same manner except in the first three (3) years the remaining amount shall be seventy cents (\$0.70). For part-time employees the differential in the last two (2) years will be determined based on the fifty cent (\$0.50) maximum.

~~(iii) [Reserved] For those part-time employees who will be transitioning from a UPS sponsored medical plan to the Central States Health & Welfare Plan, the allocation for years 2013 through 2015 shall be fifty cents (\$0.50) to UPS for health and welfare coverage. Fifty cents (\$0.50) shall be allocated for those years for pension to UPS or a Taft-Hartley pension fund, as applicable. In years 2016 and 2017, the applicable Taft-Hartley pension plan or the UPS Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to Central States Health & Welfare Plan (CS H&W) and one dollar (\$1.00).~~

(iv) The increases accrued under this Article on August 1st, of each year, can only be allocated to health & welfare and/or pension except as provided within this Article. Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

(v) If, in accordance with a duly adopted funding improvement plan or rehabilitation plan, an IBT Pension Fund is required to issue a schedule pursuant to ERISA Section 305 (added by the Pension Protection Act of 2006) that requires contributions in excess of those contained within this Article, the Union and the Employer shall promptly meet to negotiate changes in the Agreement to generate sufficient savings to cover the cost of the increased contributions. Agreement shall not be unreasonably withheld. Once completed, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all IBT Health and Welfare Funds and all IBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless stated to the contrary in this Article or changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider, Addendum or this Article. However, this paragraph will only apply through December 31, 2013, as it relates to health & welfare coverage.

(e) All contractual provisions relating to pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda. References to Company provided health & welfare are being deleted from the Supplements, Riders and Addenda because the Company will no longer be providing medical coverage after December 31, 2013.

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Region Conference of Teamsters Supplemental Agreement and in the Northern

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California Supplement Agreement shall continue in full force and effect during the life of this Agreement. The increase in any Supplement, Rider or addendum as a result of a Maintenance of Benefit increases shall be allocated as follows: fifty cents (~~\$0.50~~) per hour to the hourly increase in Health and Welfare in each year of the contract necessary to maintain benefits will be determined by the Trustees of each individual Health & Welfare Plan. The remainder of the contribution increase set forth in Section 1.(a), ~~if any~~, each year will be paid into pension. ~~If this hourly amount does not cover the required increases in cost required by the Health & Welfare Plans, then the remainder of the forty dollars (\$40.00) per week increase will be diverted to a health and welfare contribution, instead of being available for pension. The Employer's total annual increase in contributions to the applicable Taft-Hartley Pension and/or Pension Fund shall equal at least the amount set forth in Section 1(a) above.~~

The portion of the increased amount set forth in paragraph 1(a) above to be allocated to the Teamsters Western Region & Local 177 Health Care Plan each year will be determined by the Trustees of that Plan. The remainder of the annual contribution increase set forth in Section 1(a), if any, shall be paid into pension. This paragraph shall not apply if the Western Conference of Teamsters Pension Fund becomes subject to a funding improvement or rehabilitation plan.

- (g) The Employer shall not be required to contribute to any jointly trustee health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 201~~8~~³ an amount greater than the amount it contributed on July 31, 201~~8~~³ plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.
- (h) In the event that there is any change in the existing national health care legislation or if new legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.
- (i) UPS Part-time Pension Plan
 - (1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars (\$55.00) for each year of past and future Credited Service to a maximum of thirty-five (35) years of Credited Service. The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60.00) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on August 1, 2008, he shall receive the sixty dollars (\$60.00) benefit formula for the entire 2008 plan year.

The total monthly service pension benefit will be equal to the following provided the employee meets the Credited Service requirement.

~~\$2,100~~ **\$2275** for retirement at any age after 35 years of part-time Credited Service

~~\$1,800~~ **\$1950** for retirement at any age after 30 years of part-time Credited Service

~~\$1,500~~ **\$1625** for retirement at age 60 with 25 years of part-time Credited Service

~~\$1,250~~ **\$1325** for retirement at any age with 25 years of part-time Credited Service

(based on ~~\$530.00~~ per year of Credited Service)

- (2) Part-time employees will receive one (1) year of Credited Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credited Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.
- (3) 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.
- (4) The UPS Pension Plan will be governed by the terms of the Plan document.
- (5) Effective August 1, 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but were denied Credited Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.
- (6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.
- (7) The Company will amend the UPS Pension Plan to allow an employee with an hour of service in covered employment on or after August 1, 2013 to become a participant on the January 1 or July 1 (whichever is earlier), after reaching age 21 and completing a 12 month period of employment beginning on their hire date, or any subsequent calendar year, in which they earned at least 375 hours of service. In addition, in order to receive any retroactive benefit service as a result of the change, the employee's primary job as of August 1, 2013 must be a part-time position. The Pension Plan will also be amended to reduce the number of hours of service required to earn a vesting year from 750 to 375. This paragraph does not change how benefit service is accrued.
- (j) Long-Term Disability
 - (1) Full-time seniority employees will become eligible for long-term disability (LTD) after six (6) months of employment for non-occupational illnesses or injuries that last longer than twenty-six (26) weeks.
 - (2) Long-term disability benefits will equal sixty percent (60%) of the employee's base weekly pay to a maximum of ~~eight~~ **six** hundred dollars (~~\$8600~~) per week for up to five (5) years. Long-term disability benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later. ~~The six hundred dollars~~

(\$600) cap shall be increased to seven hundred dollars (\$700) effective January 1, 2014 and the eight hundred dollars (\$800) on January 1, 2017.

- (3) Average weekly base pay is computed by averaging paid hours (maximum of forty (40) hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.
- (4) The definition of disability, termination of eligibility, offsets, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.
- (5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee's eligibility for LTD.
- (6) In those situations where a Teamster Health and Welfare Fund provides a short term disability benefit, the employee receiving such benefit shall provide the UPS National LTD Plan sixty (60) days advance notice of the estimated termination date of the short term disability. If such notice is not provided, the UPS National LTD Plan shall have the right to delay the commencement of LTD payments.
- (7) Any employee receiving LTD benefits pursuant to this Plan shall be entitled to receive health care coverage in accordance with the SPD for up to twelve (12) months only.
- (8) Notwithstanding any Supplement, Rider or Addendum all full-time UPS CSI employees will be provided long term disability benefits through this Section.

(k) Part-time Retiree Coverage

- (1) Effective August 1, 2002 the Employer began providing health insurance coverage to all part-time employees, not covered by a Union plan, who retire on or after that date. This section will not apply to any employee who retires on or after January 1, 2014. To the extent coverage would have been available under this section 1(k), the employee instead shall be eligible for retiree coverage through the Central States Health & Welfare Plan.
- (2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the UPS Pension Plan; (iii) be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.
- (3) A retiree's legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age sixty-five (65).
- (4) Coverage and benefit levels shall be as specified in the Summary Plan Description.
- (5) Eligibility for coverage for retiree and spouse begins on the first (1st) day after the employee's active coverage ends.

For active retirees as of December 31, 2013, the contribution rates shall be as specified in the Summary Plan Description.

(l) Jointly Trusteed UPS/IBT Full-Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter "UPS/IBT Plan") was created for employees who participated in the Central States Southeast and Southwest Areas Pension Fund ("CS Plan") and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

- (1) Effective January 1, 2008 the Employer and the Union established a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302 (c)(5) for full-time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.
- (2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

Calendar Year Beginning	Monthly Benefit
January 1, 2014	\$170.00
January 1, 2015	\$170.00
January 1, 2016	\$170.00
January 1, 2017	\$170.00
January 1, 2018	\$175.00
January 1, 2019	\$175.00
January 1, 2020	\$175.00
January 1, 2021	\$175.00
January 1, 2022	\$175.00
January 1, 2023	\$175.00

- (3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those

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employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

- (4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.
- (5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.
- (6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be \$2,000 per month if less than age 57 when benefits commence and \$2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be ~~\$3,000~~\$3,400 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be ~~\$3,500~~\$3,900 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

Years of Service	Age	Monthly Service Pension Pension Credit
35 years	Any age	\$3,500 <u>\$3,900</u>
30 or more years	Any age	\$3,000 <u>\$3,400</u> plus \$100/yr of service for years over 30 up to \$3,500 <u>\$3,900</u>
25 years	Any Age up to age 57	\$2,000
25 years	57 or older	\$2,500 plus \$100/yr of service for years over 25 up to \$3,500 maximum.

Effective January 1, 2014, the following enhancements will be implemented:

- 35 years, any age - ~~\$3,700~~
- 30 or more years, any age - ~~\$3,200~~ plus \$100/yr of service for years over 30 up to ~~\$3,700~~

Effective January 1, 2020~~17~~, the following enhancements will be implemented:

- 35 years, any age - ~~\$3,900~~\$4,300
- 30 or more years, any age - ~~\$3,400~~\$3,900 plus \$100/yr of service for years over 30 up to ~~\$3,900~~\$4,300

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

- (7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).
- (8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

Section 2. ~~TeamCare Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W)~~

- (a) Part-time and full-time employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.
- (b) Notwithstanding any provision in any Supplement, Rider or Addendum, effective January 1, 2014 all full-time and part-time employees on the payroll at that time and those hired thereafter who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through TeamCare ~~the CSH&W Fund~~ regardless of the employee's work location. Weekly payments for the covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to the TeamCare CSH&W Plan to provide the medical coverage.
- (c) This Section shall supersede any provisions on the same subject in any Supplement, Rider, or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full-time medical benefits.
- (d) Notwithstanding any contrary provision in any Supplement, Rider, or Addendum, (i) individual and dependent/spousal health coverage will be made available to part-time employees on the payroll as of or hired after August 1, 200~~18~~ after ~~twelve (12)~~ nine (9) months of active employment and (ii) ~~spousal or dependant coverage will also be made available to these part-time employees twelve (12) months after their initial date of employment.~~
- (e) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through TeamCare ~~the CSH&W Fund~~.

Section 3. CSI Health and Pension Coverage

- (i) Any full-time or part-time CSI employee who is a participant in a Company sponsored health & welfare plan shall be covered by TeamCare ~~the CSH&W Fund~~ set forth in Section 2 above, effective January 1, 2014.

- (ii) The UPS Pension Plan shall be modified to provide a one hundred and ~~ten~~ seven dollar (\$1107.00) accrual effective January 1, 2014 for all years accrued under the UPS Pension Plan.

ARTICLE 35. EMPLOYEE'S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 3. Controlled Substances Testing

Section 3.3 Screening Test

The initial test uses an immunoassay to determine levels of drugs or drug metabolites. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for these five (5) drugs or drug classes.

Substance	Initial Test Level (ng/mL)(1)
Marijuana Metabolites (2)	50(3)
Cocaine Metabolites	150(3)
Codeine/Morphine	2000
Hydrocodone/Hydromorphone	300
Oxycodone/ Oxymorphone	100
6-Acetylmorphine	10
Opiate Metabolites	2000
Phencyclidine	25
Amphetamines/Methamphetamine	500
MDMA/MDA/MDEA	500

These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

Section 3.4. Confirmatory Test

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the cutoff values listed. The following cutoff levels shall be used to confirm the presence of drugs or drug metabolites:

Substance	Confirmatory Test Level (ng/mL)
Marijuana Metabolites (±2)	15
Cocaine Metabolites (±)	100
Codeine/Morphine	2000
Hydrocodone/Hydromorphone	100
Oxycodone/Oxymorphone	100
Opiates:	
Morphine (3)	2000
6-Acetylmorphine	10
Codeine (3)	2000
Phencyclidine	25
Amphetamines:	
Amphetamine/ Methamphetamine (4)	250
MDMA(4)/MDA/MDEA (5)	250

- (1) For grouped analytes (i.e. two or more analytes that are in the same drug class and have the same initial test cutoff):

Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.

Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte within the group must have a concentration equal to or greater than the initial test cutoff or, alternatively,

the sum of the analytes present (i.e., equal to or greater than the laboratory's validated limit of quantification) must be equal to or greater than the initial test cutoff.

- (2) An immunoassay must be calibrated with the target analyte, A-9-tetrahydrocannabinol-1-9-carboxylic acid (THCA).
- (3) Alternate technology (THCA and Benzoylcegonine): When using an alternate technology initial test for the specific target analytes of THCA and Benzoylcegonine, the laboratory must use the same cutoff for the initial and confirmatory tests (i.e., 15ng/mL for THCA and 100ng/mL for Benzoylcegonine).
- (4) Methylenedioxyamphetamines (MDMA).
- (5) Methylenedioxyamphetamine (MDA).

In the event the initial urine drug test indicates a positive response the confirmatory test must be done.

On an initial drug test, the laboratory must report a result below the cutoff concentration as negative. If the result is at or above the cutoff concentration, the laboratory must conduct a confirmation test.

On a confirmation drug test, the laboratory must report a result below the cutoff concentration as negative and a result at or above the cutoff concentration as confirmed positive.

These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid (THCA)
- (2) Benzoylcegonine confirmatory cutoff of 100 ng/ml;
- (3) Test for 6-AM when morphine concentration is greater than or equal to two thousand (2000) ng/ml;
— Morphine is the target analyte for codeine/morphine testing;
- (4) Specimen must also contain amphetamine at a concentration greater than or equal to one hundred (100) ng/ml before reporting methamphetamine positive.
- (5) Methylenedioxyamphetamine (MDMA) and its analytes MDA and MDEA

In the event the initial urine test indicates a positive response the confirmatory test must be done. These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

ARTICLE 37. MANAGEMENT EMPLOYEE RELATIONS

Section 1.

- (a) The parties agree that the principle of a fair day's work for a fair day's pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. The Employer shall not retaliate against employees for exercising rights under this Agreement. In considering any grievance alleging retaliation for exercising his rights under the Agreement, the severity and timing of the Employer's actions that modify an employee's work assignment or reprimand employees shall be relevant factors to a determination of motivation. The Employer will treat employees with dignity

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and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

The following language is applicable to grievances arising from Article 37 Section 1(a) which allege intimidation, harassment, coercion or over supervision:

1. Grievances not resolved by the Local or Area grievance procedure shall be forwarded to the National Article 37 Grievance Committee. Such Committee shall be comprised of an equal number of Union and Employer representatives and a sitting arbitrator who shall decide the merits and penalty of each case in the event of a deadlock by the Committee. Cases will be presented and decided in accordance with Article 8 and the National Grievance Committee Rules of Procedure.
 2. The Article 37 Committee shall be empowered to provide a monetary penalty for each proven violation of this Section up to a maximum penalty of three (3) times the employee's daily guarantee depending on the severity of the offense.
 3. Any individual member of management deemed by the Committee to have committed two (2) or more violations of this Section within a two (2) year period shall be required to appear in person before the Committee for any subsequent grievance(s). Failure of the management person to appear, absent a legitimate excuse, shall result in a negative inference.
- (b) It is the policy of the Employer to cooperate with a package car driver who desires to be relieved of overtime, subject to the understanding that such package car driver will complete his/her assignment, and subject to the provisions below.

An employee who desires to be relieved from overtime on a particular day must make a written request on a form furnished by the Employer. Such a request must be submitted no later than the start of his/her shift on the fifth (5th) calendar day preceding the day being requested. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the employee's next working day. Such request shall be granted or denied in accordance with the terms of this subsection. If a request is denied on the above referenced form, the employee shall receive a two (2) hour penalty payment at his/her straight time rate if the request should have been granted at this time based on the criteria set forth in this sub-section. This two (2) hour payment shall also apply if the Employer approves the request and later informs the employee he/she cannot be relieved of overtime, provided the request continues to meet the criteria set forth in this sub-section.

In addition, if an employee's request is granted but the Employer fails to adjust the driver's dispatch so as to provide an amount of work that can reasonably be completed within eight (8) hours which then causes the driver to work in excess of eight and one-half (8.5) hours to complete his/her route, the driver shall be entitled to a two (2) hour penalty payment at his/her straight time rate and the driver will retain the eight (8) hour request for later use. No penalty shall be due if the employee exceeds the eight and one-half (8.5) hour threshold as a result of events beyond the Employer's control.

The Center Manager and the Steward shall process such requests based on seniority. The Employer shall allow a minimum of ten percent (10%) of the package car drivers worked in any Center

off on a daily basis. No package car driver's dispatch will be granted adjusted more than two (2) requests times per month. It is understood that to accomplish the above the Employer may need to provide an earlier start time. This subsection applies regardless of whether the driver has opted in or out pursuant to the provisions of subsection (c) below. Such requests shall not be submitted during the months of November and December.

- (c) The Union shall circulate and collect the names of package drivers who wish to be covered by the provisions of this Section twice each year. These lists shall be provided to the Company by January 5 and June 5 of each year. The Employer shall make a reasonable effort to reduce package car drivers' workdays below nine and one half (9.5) hours per day for those on the list where requested. If a review indicates that progress is not being made in the reduction of assigned hours of work, (i.e. the package driver has worked more than 9.5 hours on three (3) days in a workweek), the following language shall apply, except for the period from November 15th through January 15th of the following year; in the months of November and December:

The affected regular package driver may make such a request to be added to the "9.5 Opt-In List" effective on the first day of his/her workweek after making the request. The driver shall notify the manager and steward of his/her desire to be added to the List. The request must be made within the time limit for filing a grievance in the applicable Supplement, Rider or Addendum. Once the driver has signed the List, he/she shall remain on the list for five (5) months, except for the period of time specified in the prior paragraph.

Employees within the full-time driver classification shall be eligible for the protection of this Section provided: (1) the employee covers a route for a full week; (2) the employee bids or is assigned to cover a route for a full week but is prevented from completing that bid or assignment due to reassignment by the Employer; or (3) an employee with four (4) years of seniority as a full-time package driver.

Drivers who choose to opt-in on the 9.5 list shall have the right to file a grievance if the Employer has continually worked a driver more than nine and one half (9.5) hours per day for any three (3) days in a workweek. The Company will not assign excessive overtime on the two (2) remaining days within the workweek in order to retaliate against a driver for opting onto the 9.5 List.

The "opt-in" lists provided by the Union shall become effective on January 15th and June 15th. A driver may add or delete his/her name from the list at any time, with one week's notice to the Employer.

If a driver is paid a penalty under this subsection more than four (4) three (3) times in a calendar year a single five (5) month opt-in period, then the District Labor Manager and Business Agent will meet with the Center Manager, the steward and the driver to ensure future compliance under this subsection. If any further penalty is paid on this employee during the five (5) month period, a meeting shall be scheduled with the District Labor Manager, Business Agent above parties and the Co-Chairs of the applicable Supplemental panel to determine what actions are necessary to ensure compliance.

If a grievance under this provision (or a grievance under any excessive overtime provision of a Supplement, Rider or Addendum) cannot be resolved at the local level, including Supplemental Panels, where applicable, the Union may

docket the grievance to be heard by the "9.5 Committee." This Committee shall be composed of two (2) Union and two (2) Employer representatives. The 9.5 Committee shall have the authority to direct the Employer to adjust the driver's work schedule. Deadlocked cases shall be referred to the Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for final and binding resolution.

The Employer's Vice President and the Union's Co-Chair shall have the discretion to grant the grievant triple time pay for hours worked in excess of nine and one half (9.5) hours per day and/or to order the Employer to adjust the driver's work schedule. In the event the Employer's Vice President and the Union's Co-Chair cannot resolve a grievance, either party may refer the matter to arbitration in accordance with Article 8. In the event the position of the Union is sustained, the arbitrator shall have the authority to impose any remedy set forth in this Section.

If there is a deadlocked grievance by the "9.5 committee" the Co-Chairs of the National Negotiating Committee may require a review of the adequacy of the Company's staffing in the center in which the grievance was filed. In the event the parties cannot resolve a dispute over whether excessive overtime in violation of this Section resulted from inadequate staffing in the center or other causes, such as the temporary unavailability of drivers, either may refer the matter to arbitration in accordance with Article 8. If the position of the Union is sustained, the arbitrator shall have the authority to award any remedy set forth in this Section including back wages at the appropriate rate of pay to the employee(s) adversely affected, as well as appropriate progression credit. The back wages shall be equal to what the employee(s) would have earned as a package driver at the applicable daily guarantee versus what he actually earned.

In addition, the Union Chair of the National Negotiating Committee may, at any time, request a meeting with the Employer's President of Labor Relations to review the adequacy of the Company's staffing in any center having excessive 9.5 grievances deadlocked at the local level panel. If the dispute cannot be resolved, either party may refer the matter to arbitration in accordance with Article 8, Section 7. The next arbitrator in rotation on the eastern Panel shall be assigned the case. The arbitrator shall have the authority to award any remedy specified in the paragraph above.

The 9.5 committee shall also have the authority to ensure that this Section is implemented in such a way as to balance the Employer's need to protect the integrity of its operations with an employee's legitimate need to avoid excessive overtime.

The provisions of this Section 1(c) shall supersede any conflicting language on "9.5" in a Central Region Supplement, Rider or Addendum.

ARTICLE 39. TRAILER REPAIR SHOP

Section 3. Wage Rates By Classification

Trailer Repair Employee

The starting wage rate of a trailer repair employee will be eighty-five percent (85%) of the prevailing Top rate of the UPS automotive journeyman mechanic in the area where the trailer repair shop is located. A new trailer repair employee will start at one dollar (\$1.00) per hour less than the above mentioned rate and will receive a twenty-

five cent (\$.25) per hour increase when gaining seniority, an additional twenty-five cents (\$.25) per hour after sixty (60) working days, and an additional twenty-five cents (\$.25) per hour after ninety (90) working days and the final twenty-five cents (\$.25) per hour at the end of one hundred and twenty (120) working days. After completing the above progression all trailer repair employees will receive the annual GWI.

Utility Employee. Full-time and Part-time

The starting rate of pay for utility employees will be eighty percent (80%) of the prevailing Top rate of the trailer repair employee in the area where the trailer repair shop is located. A new utility employee, full-time or part-time, will start at fifty cents (\$.50) per hour less than the above-mentioned rate and will receive a twenty-five cent (\$.25) per hour increase when gaining seniority and an additional twenty-five cents (\$.25) per hour after six (6) months of employment. After completing the above progression all utility employees will receive the annual GWI.

Section 13. Trailer Conditioners, Inc.

- (1) The Agreement Between Southern Region of Teamsters and Trailer Conditioners, Inc. ("TCI Agreement") became a supplement to the National Master United Parcel Service Agreement (NMA) in 2007. Article 1, Section 2 and Article 2, Section 1 shall apply to the job classifications described in Article 1 of the TCI Agreement. No other provision of the existing or any future NMA shall apply to the employees covered by the TCI Agreement except as provided in Paragraph 3 below or as otherwise mutually agreed in writing by the parties.
- (2) The TCI Agreement became a Supplement to the NMA upon ratification of the 2007 Agreement. This Supplement shall remain in full force and effect for the duration of this NMA. This Supplement to the successor NMA will be subject to cancellation or termination on July 31, ~~2018~~ 2023 provided that the notice provisions of the NMA are followed.
- (3) Full-Time employees of Trailer Conditioners, Inc. (TCI) who were participants in the Central States Southeast and Southwest Areas Pension Fund (CS Plan) as of December 26, 2007, and all future full-time employees who would have been covered by the CS Plan absent this agreement, shall be covered by the UPS/IBT Full-Time Pension Fund as set forth in Article 34, Section 1(1) of the National Master Agreement (effective January 1, 2008) and the related Plan Documents and Trust Agreement except the benefit formula set forth in Article 34, Section 1 (1)(2) and (1)(6). The benefit formula and monthly benefit for TCI employees will continue at the level set forth in the TCI Agreement. As of December 26, 2007, TCI ceased to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan. The provisions of Article 21, Section 1 of the TCI Agreement became null and void upon ratification of the 2007 Agreement.
- (4) All provisions in the TCI agreement shall remain in effect through July 31, 2023 ~~2018~~.

ARTICLE 40. AIR OPERATION

Section 6. Wages

All hourly wages for employees covered under Article 40 will be determined in accordance with this Section, Article 22 and Article 41 where specified.

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(a) Part-time air drivers including exception air drivers will be paid as follows:

Start	\$12.50 \$15.00
Seniority	\$13.50
Seniority Date plus <u>Twelve (12) months</u>	\$14.00 \$16.00
Seniority Date plus 18 months	\$14.50
Seniority Date plus <u>Twenty-four (24) months</u>	Top Rate \$17.00
<u>Thirty-six (36) months</u>	\$21.00
<u>Forty-eight (48) months</u>	Top Rate

(1) Effective August 1, 2018~~3~~ the prior ~~\$28.64~~ ~~24.74~~ ~~twenty-four (24)~~ ~~forty-eight (48)~~ month (top) rate will change on August 1st of the first three each years of the Agreement to reflect the agreed upon general wage increases. ~~The last two general wage increases will be applied to the Top Rate on August 1 and February 1.~~

(2) Seniority part-time employees entering a part-time air driver job after the effective date of this Agreement will begin at the seniority rate. Part-Time air drivers in progression as of the ratification of this Agreement will maintain a two (2) year progression to Top Rate as set forth in Article 40, Section 6(a) of the 2013-2018 NMA but will be paid the applicable hourly rates as set forth above.

Part-time employees who are awarded a scheduled part time air driver job shall receive progression credit in accordance with the following: for each four (4) days on which exception air work was performed in the two (2) years immediately prior to the bid award, one (1) month of progression credit shall be granted. In addition, if a bid part-time air driver is displaced, he/she will retain his/her progression credit under paragraph (a.) for any air exception work.

(b) Full-time air drivers will be paid as follows:

Start	\$14.50 \$17.00
Seniority	\$15.50
Seniority Date plus <u>Twelve (12) months</u>	\$16.00 \$18.00
Seniority Date plus 18 months	\$16.50
Seniority Date plus <u>Twenty-four (24) months</u>	Top Rate \$19.00
<u>Thirty-six (36) months</u>	\$23.00
<u>Forty-eight (48) months</u>	Top Rate

1. Effective August 1, 2018~~3~~ the prior ~~\$30.64~~ ~~26.74~~ ~~twenty-four (24)~~ ~~month~~ (top) rate will change on August 1st of the first three each years of the Agreement to reflect the agreed upon general wage increases. ~~The last two general wage increases will be applied to the Top Rate on August 1 and February 1.~~

2. All full-time air drivers in progression on the effective date of this Agreement will be slotted into the full-time progression in ~~paragraph (b.) above.~~ Seniority full-time employees entering a full-time air driver job will be slotted based on their Company seniority. Full time air drivers in progression as of the ratification of this Agreement will maintain a two (2) year progression to Top Rate as set forth in Article 40, Section 6(b) of the 2013-2018 NMA but will be paid the applicable hourly rates as set forth above.

(c) All new hire full-time or part-time air drivers will be placed in the applicable progression in paragraphs (a.) or (b.) above. Part-time employees who bid into a full-time air driver job covered by this Section will be red-circled at their current wage rate until such time as the calculated progression rate set forth above exceeds that rate. The transfer date will become his/her full-time start

date for the purposes of applying the progression set forth above. A part-time employee shall not lose the red-circle protection provided by this paragraph as a result of transferring from one full-time air driver job to another full-time air driver job.

(d) All current full-time or part-time air drivers who are out of the progression in the prior agreement shall receive the general wage increases provided for in accordance with the split dates provided in Articles 22 or 41, as applicable, or the Top Rate provided in paragraphs (a.) or (b.) above, whichever is greater.

(e) Employees in existing or newly created less-than-eight hour combination jobs shall be paid the part-time air rate in accordance with paragraph (a.) above for air driver work and their normal part-time wages for the hours worked in other classifications in accordance with Article 22.

(f) Employees who are in existing full-time combination jobs or who hereafter enter a full-time combination job shall be paid the appropriate full-time air rate for air driver work and appropriate inside part-time rate for the hours worked in other classifications. If an employee has no established inside rate, that employee will be paid the appropriate part-time rate in accordance with his Company seniority.

(g) Employees on the exception air driver list shall continue to be slotted into the part-time air driver progression in paragraph (a.) above based upon the length of time the employee has been performing air exception work. Seniority employees who begin performing air exception work will start at the seniority rate. New part-time employees signing up to perform air exception work will receive the start rate in paragraph (a.) above until they gain seniority.

(h) Part-time air hub and gateway employees and air walkers shall be paid the applicable part-time rate of pay as set forth in ~~at the all other rate of pay as shown in Article 22, Section 5(a) or (b).~~ However, if a part-time employee is awarded an air walker job he/she shall continue to receive his/her inside rate in accordance with Article 22. Full-time air hub and gateway jobs shall be paid in accordance with Article 41, Section 3 unless there is an existing agreement under Article 40, Section 3 expressly providing a pay rate for such a classification.

(i) Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

ARTICLE 41. FULL-TIME EMPLOYEES

Section 1. Full-time Wage Increases

All full-time employees who have attained seniority as of August 1, 2018~~3~~ will receive the following general wage increases for each contract year. In the first three years of the contract, the increase will be effective on August 1. In 2016 and 2017, the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for the year will be as follows:

2013	seventy cents	—	(\$0.70)
2014	seventy cents	—	(\$0.70)
2015	seventy cents	—	(\$0.70)
2016	eighty cents	—	(\$0.80)
2017	one dollar	—	(\$1.00)

2018	seventy cents (\$0.70)
2019	seventy-five cents (\$0.75)
2020	eighty cents (\$0.80)
2021	ninety cents (\$0.90)
2022	one dollar (\$1.00)

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases. They will be paid no less than what they are entitled to in accordance with Article 41, Section 2 below.

Section 2. Full-time Wage Progression

- (a) Notwithstanding any provision in any Supplements, Riders or Addendum the progressions set forth in Sections 2(c) and 3 below will be controlling with regard to any employee entering a full-time job after August 1, 2018~~3~~ covered by those Sections.
- (b) No employee shall be required to complete a full-time progression more than one (1) time even if he or she transfers between full-time jobs except as set forth in this paragraph. The sole exception is when an employee is awarded a package car or feeder driver job and has not previously held a full-time job which includes driving duties. In such event, the employee will have a break-in rate equal to the employee's current wage rate until six (6) months from the date the employee entered the job. The employee will then go to the prevailing top rate. A part-time air driver who has completed the Article 40 progression, bids a full-time inside job and then a driver job within two (2) years shall have the same break-in period.
- (c) The progression for employees entering a package car driving, feeder or other full-time job (other than an air, ~~Article 43 jobs~~, or a job covered by Sections 3, 4 or 6 below) after August 1, 2018~~3~~ shall be as follows:

Start	\$18.75 <u>21.00</u>
Seniority	\$18.75
Twelve (12) months	\$19.50 <u>23.00</u>
Twenty-four (24) months	\$21.00 <u>24.00</u>
Thirty-six (36) months	\$25.00 <u>28.75</u>
Forty-eight (48) months	Top Rate

Part-time employees on the payroll as of July 31, 2018~~3~~ who subsequently are promoted to full-time employment under this paragraph will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

If a part-time employee bids to a full-time position and the top rate of the classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

This Sub-section shall supersede any provision to the contrary in any Supplement, Rider or Addendum.

The progressions in this sub-section shall apply to full-time employees who may have had separate progressions in their Supplements, Riders or Addenda including, but not limited to UPS CSI ~~and TCF~~.

Employees in the Article 41 Section 2(c) progression in of the prior Agreement shall remain in effect for all employees in that progression as of the date of the ratification shall be slotted into the new progression above.

Section 3. Full-time Inside Wages

The rates in this Section shall not apply to any full-time inside jobs guaranteed in Article 22, Section 2 created prior to August 1, 1997. Rather, for employees entering those jobs, Article 41, Section 2 (c)

above shall apply.

Part-time employees whose rates are higher than those set forth below who bid into a full-time inside job covered by this Section shall be paid their current inside wage rate plus the general wage increases.

Other part-time employees who bid into a full-time inside job covered by this Section will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full-time inside job to another full-time inside job.

Start	\$165.00
Seniority plus Twelve (12) months	\$176.00
Seniority plus Twenty-four (24) months	\$187.00
Seniority plus Thirty-six (36) months	\$210.00
Seniority plus Forty-eight (48) months	Top Rate

The Top Rate shall be \$30.64 ~~26.74~~ plus the general wage increases provided in Section 1 above.

~~For~~ Employees who are currently in the above progression as of the date of ratification, will be slotted into the above progression Article 41 Section 3 of the prior Agreement shall continue to apply. When the progression is completed for these employees, the employee shall be placed at the then current top rate and shall thereafter be eligible to receive the general wage increases beginning on the next date specified in Article 41, Section 1.

Full-time employees who bid into a full-time inside job covered by this Section will be paid in accordance with their full-time seniority date. Full-time employees with four (4) or more years of full-time seniority who bid into a full-time inside job will be paid the top current rate of the classification.

Section 4. Full-time Wages For Article 22.4(b) Jobs

Part-time employees whose rates are higher than those set forth below who bid into a full-time 22.4(b) job covered by this Section shall be paid their current inside wage rate plus the general wage increases.

Other part-time employees who bid into a full-time 22.4(b) job covered by this Section will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full-time inside job to another full-time inside job.

Start	\$20.50
Twelve (12) months	\$21.25
Twenty-Four (24) months	\$22.75
Thirty-Six (36) months	\$25.00
Forty-Eight (48) months	Top Rate

The Top Rate shall be \$30.64 plus the general wage increases provided in Section 1 above.

Any part-time employee performing package car cover-type work in a Supplement, Rider or Addendum who bids into a 22.4 driver job will be treated the same as if he entered into a regular package car driver job under Article 41, Section 2 (c) for progression credit and red circle purposes.

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Full-time employees who bid into a full-time 22.4(b) job covered by this Section will be paid in accordance with their full-time seniority date. Full-time employees with four (4) or more years of full-time seniority who bid into a full-time inside job will be paid the top current rate of the classification.

Section 5 4- Full-time UPS CSI, TCI and Challenge Air Cargo Employees

Full-time UPS CSI, TCI and Challenge Air Cargo employees shall receive the general wage increase on the dates set forth in Article 41, Section 1. ~~Notwithstanding any Supplement, Rider or addendum, the general wage increase shall be split into two equal payments in the years 2016 and 2017.~~

Section 6-Mechanic Progression

The progression for employees entering a mechanic job after August 1, 2018 shall be as follows:

Current Top Rate	
Start	85%
Twelve (12) months	90%
Twenty-Four (24) months	Top rate

Mechanics in progression on August 1, 2018 shall be slotted into the above progression.

ARTICLE 43. PREMIUM SERVICES

Section 2. Sleeper Team Operations

(5) Sleeper Equipment

(b) Sleeper berths shall be equipped with individual heat and air-conditioning controls and units. Automatic idle shut offs will not be activated unless required by law. If this occurs, the affected local union may on a case by case basis appeal to the chairs of the Article 43 Committee for resolution.

(11) ~~Employees entering a job paid on mileage between the date of ratification and August, 2008 will continue to be paid in accordance with the provisions of the prior Agreement.~~

All employees entering after August 1, 2008, a job classification paid on a mileage rate, who have not yet completed a full-time progression, shall be paid a progression rate equal to the following:

	Mileage Rate in Effect On August 1, 2002		
Start	70%		
Seniority Date plus one year	80%		
Seniority Date plus two years	90%		
Seniority Date plus three years	Top Rate		
	Single	Double	Triple
Start	.5816	.5939	.6062
Twelve (12) Months	.6203	.6335	.6466
Twenty-Four (24) Months	.6591	.6731	.6871
Thirty-Six (36) Months	.6979	.7127	.7275
Forty-Eight (48) Months	TOP RATE		

Mileage paid drivers in progression on August 1, 2018 shall be slotted into the above progression.

(12) Hourly work performed at the beginning or end of a mileage run shall be paid at the applicable hourly feeder one and one-half (1.5) rate of pay or the applicable premium rate of pay in the driver's Supplemental Agreement.

13) All tractors shall have prepass technology installed as soon as practicable, and it shall be maintained in proper working order.

Section 3. Mileage Rates

Premium Service drivers will be paid the cents per mile shown below for all miles driven. Sleeper teams will receive a two (2) cents per mile premium on the appropriate mileage rate and will equally divide the appropriate rate.

The mileage rates set forth below shall be effective for each of the specified contract years. ~~In the first three (3) years of the contract, the increase will be effective on August 1st. In 2016 and 2017 the increase in the mileage rate shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total increases for each year will result in the following mileage rates:~~

	Single	Double	Triple
August 2018	0.8442	0.8626	0.8810
August 2019	0.8613	0.8800	0.8988
August 2020	0.8796	0.8987	0.9179
August 2021	0.9001	0.9196	0.9393
August 2022	0.9229	0.9429	0.9631
	Single	Double	Triple
August 2013	0.7554	0.7719	0.7883
August 2014	0.7713	0.7882	0.8049
August 2015	0.7873	0.8045	0.8216
August 2016	0.7964	0.8138	0.8311
February 2017	0.8055	0.8231	0.8406
August 2017	0.8169	0.8347	0.8525
February 2018	0.8282	0.8463	0.8643

ARTICLE 44. OVER 70 POUND SERVICE PACKAGE HANDLING

The parties agree that the health and safety of the employees are of the utmost importance. The Employer agrees that UPS management will not insist that any unsafe action be undertaken and the Union agrees to encourage its members to cooperate in effectuating the handling, pick-up and delivery of parcels without exposing themselves to safety hazards.

Section 1. On Area Package Handling

No employee shall be required to handle any over 70 pound packages alone if it is the employee's good faith belief that such handling would be a safety hazard to herself or himself. In such cases, the Employer shall provide whichever of the following is requested in good faith by the employee in handling over 70 pound packages:

1. Another bargaining unit employee for assistance, or
2. Appropriate lifting/handling devices, or
3. Another bargaining unit employee and an appropriate lifting/handling device for handling, pick-up or delivery circumstances that require both bargaining unit help and an appropriate lifting/handling device.
4. Smalls bags over 70 pounds will be handled in accordance with 1 thru 3 above. When discovered in the small sort the bag will be split into two bags.

In all such instances involving package car drivers, where assistance from another bargaining unit employee has been requested in good faith, both employees will be full-time employees of the bargaining unit except that air drivers or helpers, where permitted

by the applicable Supplement, may be used to assist the full-time driver in the delivery and/or pickup of such overweight packages. On Saturdays, air drivers may be assisted by another air driver in the delivery and/or pickup of overweight packages. A helper may be used to assist a driver in the handling of overweight packages when a helper is already on the package car in accordance with the terms of the Supplement, Rider or Addendum.

No employee will be required to solicit or accept customer assistance if it is the employee's good faith belief that the customer is not qualified to help or that such assistance would be a safety hazard to themselves or the customer.

All new and existing employees who handle packages shall be provided with periodic training in the recognition and proper handling of over 70 pound packages.

Items 1 and 2 above will also apply to automotive mechanics when handling equipment over 70 pounds.

Section 2. Package Identification

The Employer agrees that it will periodically instruct its customers to place at least one (1) over 70 pound label on all such packages shipped, enter the weight of the package on the label and notify the pick-up driver of the over 70 pound packages to be picked up. The driver shall complete and affix as many additional over 70 pound labels and/or identifying tape as is reasonably necessary to provide proper visual identification of the package for safe movement through the system. The label and tape shall be of bright contrasting colors. No package will move through the system without enough tape clearly visible from all sides identifying the package as over seventy (70) pounds.

The Employer shall contact and work with customers who do not have identifying weights on all packages. This will include incompatible and overweight packages.

ARTICLE 45. DURATION

Section 1.

This Agreement shall be in full force and effect from August 1, ~~2013~~ 2018 to and including July 31, ~~2018~~ 2023 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, ~~2018~~ 2023 or July 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

Revisions agreed upon or ordered shall be effective as of August 1, ~~2013-2018~~ unless otherwise specifically provided. The Employer or the National Negotiating Committee shall be permitted all legal or economic recourse to support their requests for revisions if the parties fail to agree therein.

Memorandum of Understanding

~~United Parcel Service, Inc (UPS) and the Teamsters UPS National Negotiating Committee (Union) agree to the following in connection with Article 34 of the 2013-2018 National Master Agreement:~~

~~In recognition of the request from the Western Conference Negotiating Committee and Local Union 177 to evaluate and prepare a proposal to provide medical coverage for employees within their jurisdiction rather than having them transition to the Central States Health & Welfare Plan (CSH&W), the parties agree that any such proposal will be considered by the parties if presented before November 1, 2013. Any such plan must provide benefits equal or superior to those provided by the CSH & W Fund for a contribution rate that does not exceed that paid to CSH&W Fund. The proposal shall be subject to approval of the Co-Chairs of the Joint Negotiating Committee.~~

LETTER OF AGREEMENT

United Parcel Service Inc. ("UPS" or "Company") and the Western Region Negotiating Committee and the Western Region and Local 177 Health Care Plan (collectively "Union") agree to the following in connection with the negotiation of the 2018-2023 National Master UPS Agreement (NMA):

1. The parties agree to amend paragraph 8 of the Letter of Agreement signed by the Union and the Company on May 22, 2014 and May 23, 2014, respectively ("Ancillary"). Effective upon the ratification of the 2018-2023 NMA, the weekly contribution to the Western Region and Local 177 Health Care Plan (TRW177 Plan) shall no longer be tied to the amounts UPS pays to the Central States Health and Welfare Plan (TeamCare).
2. The parties agree that short term disability, life insurance and dental benefits will continue to first be provided through the TRW177 Plan, as specified in the Ancillary Agreement between UPS and the Trustees of the TRW177 Plan. UPS will continue to cover the benefit differentials described in the Ancillary Agreement between UPS and the TRW177 Plan, in order to provide what the employees had as a benefit prior to January 1, 2014.

Memorandum of Understanding on Article 29, Section 2 and Article 16, Section 6

1. In the event the law is ever changed on a national or state level so as to prohibit same sex marriages and, thus, impact the use of the term "spouse" in this Article, the parties agree that any employee in a same sex relationship that meets the federal definition of a "domestic partner", as applied under the Federal Employees Health Benefits Program, will continue to be treated as a "spouse" for the purpose of Article 29, Section 2 and Article 16, Section 6.
2. Nothing in this Memorandum of Understanding is intended to apply in any context other than Article 29, Section 2 and Article 16, Section 6, including but not limited to any Supplement, Rider or Addendum.

**Memorandum of Understanding
National Master Negotiations**

The parties agree that a package car driver requesting a fan in the cab of their vehicle shall make such request through the local Safety and Health Committee for approval. Any disputes over installation of a fan shall be referred directly to the Co-Chairs of the National Safety and Health Committee for resolution. Such request will not unreasonably be denied.

MASTER

Memorandum of Understanding

United Parcel Service Inc. (UPS) and the Teamsters UPS National Negotiating Committee (Union) provide the following in order to detail the benefits available through Central States Health & Welfare plan. Nothing within this Memorandum of Understanding shall affect the Central States Health & Welfare Trustee's right to modify benefit levels.

1. The base benefits for all employees covered by the Central States Health & Welfare Fund shall be the C6 schedule.
2. Enhancements shall be made in the C6 plan in the following areas for all employees who will be covered by the Central States Health & Welfare plan for the first time effective January 1, 2014: Phased in deductible; reduced co-pays for medical office visits, physical exams and well child care and mail order prescription drugs.
3. For those employees on the payroll on July 31, 2013, who will become Central States Health & Welfare participants on January 1, 2014, and are not covered by the Central or Southern Conference Supplemental Agreements, the Company will also enhance the retiree eligibility rules.
4. Short term disability, life insurance and dental benefits will first be provided through Central States Health & Welfare. UPS will cover the differential between what Central States Health & Welfare currently provides and what the employee had as a benefit prior to January 1, 2014.
5. Details concerning any of the above benefits shall be available from the Central States Health & Welfare Plan.
6. In order to cover the costs of early retirement eligibility, for full-time employees who are outside of the Central and Southern Conference Supplements but are transitioning to the CSH&W Plan, the August 1, 2013 contribution increase provided in Article 34, Section 1(a)(ii)(1) shall be seventy cents (\$0.70) instead of fifty cents (\$0.50) of the one dollar (\$1.00).

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation), as a demonstration of its commitment to maintaining jointly administered Teamster pension benefit plans, and to enhance the long term stability of pension coverage for its employees represented by Teamster Local Unions, agrees that for a period of five (5) ten (10) years from the effective date of the National Master Agreement, it will not solicit any signatory Local Union to change pension plans, either by proposing such change during future negotiations of the National Master Agreement or by encouraging its employees to advocate withdrawal from participation in their current pension plan.

LETTER OF AGREEMENT

United Parcel Service Inc. ("UPS" or "Company") and the Teamsters National UPS Negotiating Committee (Union) agree to the following in connection with the implementation of Article 34 of the 2018-2023 National Master UPS Agreement (NMA):

The hourly increase in full-time contribution for TeamCare set forth in Article 34 for 2018, 2019 and 2020 shall be forty-two cents (\$0.42); forty-three cents (\$0.43); and forty-five cents (\$0.45), instead of fifty cents (\$0.50) if TeamCare does not adjust its dental, life insurance and short-term disability benefits for full-time employees in the C6 Plan to match these benefits in TeamCare. This adjustment shall be applied on the effective date of the NMA.

MOU ON MILEAGE DRIVERS COMPLIANCE WITH STATE WAGE & HOUR LAWS

The parties agree that the terms of this Memorandum of Understanding (MOU) shall apply to any driver paid on a mileage rate in any state which passes a law requiring separate payment for non-productive time. This MOU shall not apply to California's piece rate law.

1. In order to comply with a state's piece rate law requiring separate payment for "non-productive" time, the parties agree that the Company will compensate Mileage paid drivers for: (a) rest and recovery periods separate from and in addition to any mileage based compensation, and (b) "Other Non-Productive Time" as described in paragraph 3, below, separate from and in addition to mileage based compensation. The amount of pay for such time will be separately itemized on employee pay statements and will be calculated as provided in this MOU.
2. The rate of compensation for rest and recovery periods to be paid by the Company shall be the higher of: (a) an average hourly rate determined by dividing the total compensation for the work week, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the work week, exclusive of rest and recovery periods, and (b) the applicable minimum wage. This amount shall be paid separately from (and in addition to) the mileage-based compensation.
3. For purposes of this MOU, "Other Non-Productive Time" means time under the Company's control, exclusive of rest and recovery periods, that is not directly related to a particular delivery or pick-up, including: pre-trip inspections, in-route tire checks, logging, post trip inspections, vehicle condition report, traffic delays, AVR arrival/dispatches, breakdown, accidents, tractor wash, check bay time, reefer checks, and pre-trip and post-trip shop time. Any time separately compensated on an hourly rate basis now will continue to be compensated separately as provided in Article 43 of the National Master Agreement. Employees will be responsible for tracking "Other Non-Productive Time" in the same manner and method reasonably required by the Company.
4. "Other Non-Productive Time" to be paid by the Company shall be paid at the higher of: (a) an average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods, or (b) the applicable minimum wage.
5. Because the Company will now pay mileage drivers separately for non-productive time as described in this MOU, the parties agree that Article 43, Section 3 and Article 26, Section 5 mileage rates will need to be adjusted to account for the separate hourly payments which were covered by the mileage rates. The Company and Union shall meet twice a year (in May and December) to agree upon what the rates will be effective January 1 and June 1 of each calendar year. The rates shall be adjusted up or down based on available historical data to approximate as much as possible the rate the driver would receive if he had only been paid based on the Article 43, Section 3 or Article 26, Section 5 rates. Agreement will not unreasonably be withheld.
6. Nothing in this Memorandum of Understanding is intended to change any other terms of the NMA or applicable Supplements, Riders or Addenda.