

HIGHLIGHTS OF THE UPS FREIGHT TENTATIVE AGREEMENT



Non-Economic Language

Recalling Employees and Limitations on Subcontracting

Within 90 days from the effective date of the new agreement, road drivers on layoff at facilities where subcontractors are being used will be recalled to full employment, unless the employee declined to follow the work after an approved change of operations. Full employment is defined for this Article as road drivers receiving his/her daily guarantee in his/her classification. Therefore the recall includes road drivers laid off to the street as well as those working outside of their classification. (Article 44)

The new language has also strengthened limitations on subcontracting. To help restrict subcontracting, a new position of Line Haul Driver was created. Line Haul Driver runs must first be reviewed and agreed upon by the UPSF/IBT Competition Committee. A new procedure was negotiated to help identify two-way runs, which would require the company to add jobs to the road driver classification. As part of the new procedure, terminals within a 30-mile driving distance from each other will be considered one terminal for the purposes of determining two way freight. (Article 44)

Full-Time Job Opportunities

Language was negotiated that will create full-time job opportunities for employees.

If a casual or combination of casuals works the same shift for eight (8) continuous hours forty-five (45) days in ninety (90) consecutive calendar days, other than as a temporary replacement for an employee on vacation or leave of absence, the

company shall create a full-time dock position that it may classify, at its discretion, as a full-time dock position with CDL or full-time dock only. (Article 5.1)

To help non-CDL employees obtain a CDL the company will implement a program to provide assistance to its employees who wish to obtain a CDL. (New Memorandum of Understanding)

Bumping Rights for Daily Run Cuts

A road driver whose run is cut for the day shall have the option of holding until his/her next bid, dovetailing to the extra board, or working ahead of a casual. A P&D driver whose run is cut for the day shall have the option of taking the day off in seniority order, displacing the junior P&D driver who starts at the same time or after them, or working ahead of a casual employee. Under all options described above the employee would need to be able to meet their next bid start time. (Article 5.2)

Strengthening Seniority

Voluntary time off will be offered in seniority order. (Article 5.2)

If a road driver's run is increased by one hundred (100) miles or more, then the run will be rebid so senior road drivers shall have the option to bid on the run. (Article 5.4)

Unassigned work and end-of-the-day dock work will be offered in seniority order. Unassigned drivers shall have the ability to select work by seniority. When it becomes necessary to reduce the number of dock workers during a shift, unassigned dock work will be offered to dock workers who are waiting for assignment in seniority order, provided all contractual work guarantees are met and over-

time status is equal. (New Section Article 5.7)

If any blocked out week of vacation is later determined open for vacation then those vacation weeks shall be offered in seniority order. (Article 25.5)

Vacation Improvements for Employees in the Military

Those UPSF employees who have been serving our country in the military will now continue to accrue vacation to be used upon their return. This means that when they come back, they will have vacation available to use immediately upon their return. (Article 14)

Guarantees for the Bottom 10%

The 10% of employees that previously had no guarantee will now receive a four (4) hour guarantee. (Article 18.2)

Opportunities for Drivers Who Have Been Medically Disqualified

Added a new section that gives medically disqualified drivers the opportunity to displace the least senior full-time or casual inside employee until he/she can return to his/her driving job. (New Section Article 21.3)

Economics

Reduced Employee Premiums for Health Care

Effective January 1, 2014, current employees will be covered by a union-sponsored health insurance plan called TeamCare. This plan will mirror the benefits of the current company plan and the monthly employee premiums have been reduced by ten percent (10%).

This will include having Kaiser as an option in California.

Employees in the company's Option B Plan shall continue to have no monthly premiums and will move into a different TeamCare plan which is an overall better plan than they previously had.

Improvements for Retirees

Current retirees and any employee retiring prior to December 31, 2013, shall continue to be provided retiree coverage under the company's plan, and beginning January 1, 2014, shall pay a substantially lower rate than they are currently paying. Anyone retiring after December 31, 2013, shall be covered under the TeamCare plan at a reduced co-pay of two hundred (\$200) for individual and four hundred (\$400) for employee plus spouse.

Discretionary Days

Employees shall now have the option of banking discretionary days from year to year. The current floating holiday for full-time employees has been converted to an extra discretionary day so it will be easier for employees to use.

Pension Improvements

The pension benefits will be increased for a majority of the employees. Additionally, the 30-year cap will be removed so there will no longer be a limit on the number of years for which a benefit may be earned.

Wages

General Wage Increases for all full-time and casual hourly employees will be payable the first pay period in January of

each year. The last two years shall be split with one half payable every six months (first pay period in January and first pay period after July 1):

Starting in January 2014: 50 cents

Starting in January 2015: 50 cents

Starting in January 2016: 50 cents

Starting in January 2017: 50 cents

Starting in January 2018: 50 cents

The mileage increase will be .0125 cents per mile each year of the contract payable the first pay period in January of each year, and the last two years shall be split with one half payable every six months (first pay period in January and first pay period after July 1).