



UPS Contract *Update*

August 1, 2018

Background and Highlights of the UPS Freight Tentative Agreement

Bargaining commenced in December 2017 and the parties met over a seven-month period before reaching a tentative agreement on July 12. Bargaining was extremely complex and difficult. Economic and business information was requested and obtained from the company. Some of it was made up of sensitive internal corporate information that is covered by a legal “non-disclosure” agreement. Additionally, multiple attorneys, economists and consultants were used by the committee to sift through the data.

Obviously, the goal of the Teamsters National UPS Freight Negotiating Committee was at all times to obtain the best possible contract from the company. Throughout bargaining, the union committee was focused on trying to improve contractual language, increasing compensation, protecting and improving health, welfare and pension benefits, and protecting and preserving bargaining unit work opportunities. The tentative agreement accomplishes those objectives.

The union’s bargaining committee itself was composed of business agents and other local union leaders from across the country who represent employees in all types of UPS Freight operations. Additionally, two Teamster members who are employed at UPS Freight also served on the committee. The people on the bargaining committee were dedicated to obtaining the best possible agreement for the members. The union committee was open, democratic, transparent and engaged in vigorous discussions among themselves.

The union negotiating committee was aggressive at the bargaining table. At times, things became heated with the company. More than one session abruptly ended with loud and “spirited” exchanges. As Kris Taylor, the union’s UPS Freight coordinator, said, “Negotiations are frequently a roller coaster ride and we certainly had our share of bumps. In the end, however, I believe we achieved a very solid tentative agreement that provides and improves upon outstanding wages, benefits and protections for the workers.” In fact, the union was able to secure dozens of significant contractual improvements in the tentative agreement.

Despite the fact that the tentative agreement represents only the third national agreement with UPS Freight, the protections and benefits in the contract are extremely good and are reflective of a much more mature bargaining relationship.

The challenge in any negotiations is to achieve the best possible agreement without putting the company in a financial situation where it cannot sustain itself. Labor costs are one of the most significant cost centers of any LTL operation. As an LTL carrier, UPS Freight participates in a highly

competitive industry driven by customer cost and service reliability. UPS Freight's non-union competitors include FedEx Freight, Old Dominion, XPO and SAIA.

Under the tentative agreement, UPS Freight's wage and benefit packages will continue to be among the highest in the LTL industry. Furthermore, contractual protections and benefits to the bargaining unit have been greatly enhanced. In fact, it is estimated that the overall costs of the tentative agreement to the company are more than 33 percent higher than the costs under the current agreement.

There are currently nearly 12,000 employees covered by the National UPS Freight Agreement. During bargaining, the company committed to adding more bargaining unit drivers and growing the bargaining unit.

Highlights of the Tentative Agreement

New Restrictions on Subcontracting: One of the primary objectives of the union's negotiating committee was the reduction in the amount of subcontracting, particularly of road work. Over the past five years, the company had used an increasing amount of road contractors and frequently road drivers would be forced to work their weekly guarantees out of their classification while contractors performed driving work. The tentative agreement addresses the issue and makes significant improvements.

First, the company will affirmatively and significantly reduce the amount of road contracting it currently does. In the first year alone, we estimate that this will likely amount to the insourcing of over three million (3,000,000) miles back to our road drivers.

A formula was devised to reduce the percentage of total miles that the company uses on subcontracting. Over the life of the contract, it is anticipated that the amount of subcontracting currently done will be reduced by 18-20 percent because of the required reductions.

Second, the company agreed to hire a minimum of 100 new road drivers over the first three years of the agreement.

Third, any terminal that averages one subcontracting load into or out of that terminal per day over the course of the contract year will be a "red-circled" terminal by number for road drivers. The red circled bargaining unit road drivers in that terminal will be guaranteed eight hours a day and 40 hours a week in their classification as road drivers. If, for some reason, however, a red circled road driver is forced to work out of his/her classification (i.e. on the dock), he/she will be paid \$37.61 per hour. That is a \$300.85 daily guarantee and \$1,504.25 weekly guarantee. This is a tremendous incentive for the company to work its road drivers in their classification. It is not likely that the company will be willing to pay \$37.61 per hour for road drivers to either sit at home or work out of classification.

Fourth, if the company fails to meet the targeted reduction in contracting in any year, the new language requires it to add additional red circle road jobs above the 100 new road jobs.

Finally, the language in Article 44(c) now will also affirmatively and expressly provide that the protection of bargaining unit work is a central purpose of the agreement.

Wage Increases: Even though UPS Freight already pays some of the highest wages in the LTL industry, the tentative agreement continues to provide for increases. Both hourly and mileage rates are increased. For employees on the local cartage seniority list who have completed their progression, annual wage increases range from 40 cents to 50 cents per year for a total of \$2.20 in

wage increases over the life of the contract. For casuals in local cartage and clerical the total wage increases are \$1.95 over five years.

For road drivers, the increase is a quarter-cent-per-mile per year.

Additionally, the progression rates for new hires have been significantly increased so that the company can attract and hold new employees and rely less on contractors. Protections were put in place so that existing employees would move to the higher progressions if the new progression is greater than their existing progression plus their general wage increase.

Pension Multiplier Increases: The tentative agreement contains a significant increase in the pension multiplier. Starting January 1, 2019, full-time and casual employees will earn a monthly accrued benefit equal to their benefit as of December 31, 2018 plus \$110 per year times years of service for years going forward. The current rate is \$105 per year. Starting January 1, 2021 the \$110 goes to \$115 per year. This means that a worker who starts in 2021 will have a monthly pension of \$3,450 per month after 30 years of service (\$115 x 30). Furthermore, this is well funded plan that is stable financially. To receive a full year, an employee needs to work a minimum of 1,800 hours in a year. However, if an employee works fewer than 1,800 hours, the accrual will be prorated.

No Increase for Health Care Premium Co-Pays: The contractual co-pay premium rates from Article 25, Section 1 of the last contract have been maintained for the life of the new agreement. In other words, there will be no increases in premium co-pays despite the fact that the cost for health care has increased substantially. The company will bear 100 percent of the increase in medical insurance costs. The increase in medical costs are estimated to cost the company more than \$100 million over the life of the contract on top of current rates.

Until the very end of negotiations, the company sought to pass on a portion of those increases to the employees. The union committee stood firm and would not allow the company to increase the premiums even by only a few dollars per month. The rates will stay at \$45 for single coverage, \$90 for employee plus, and \$135 for employee and family. Likewise, retiree health insurance co-pays remain the same at \$150 (single) and \$300 (retiree plus) for the duration of the agreement. In other words, the cost to the retiree does not increase.

Increased Paid Leave for Casuals: After five years of service, casual employees will receive paid jury duty and bereavement leave. Also, all casual employees will receive two discretionary days off after one year of service per year. Also, casual employees will receive one week of vacation time after one year of service and two weeks of vacation after five years.

Vacation Blackout Weeks: Under the current contract, the company could “black out” significant numbers of weeks during which employees could not take vacation. The tentative agreement limits the number of blackout weeks to five. In addition, at least one worker or two percent of the workers per classification per terminal (whichever is more) is allowed to take time off during a blackout.

CDL Training: Under the tentative agreement, an employee who trains his or her coworkers for CDL training will be paid at the applicable rate to train non-CDL employees. In the past many people volunteered to do this on their own time.

Supervisors Working: The new language prohibits supervisors from doing bargaining unit work. If they are found to be doing this, monetary damages (applicable rate of pay) will be paid to the bargaining unit employee for all time worked by the supervisor.

Penalty Pay: For the first time, the union was successful in negotiating penalty pay provisions for various circumstances. Specifically, penalty pay will apply in the following:

1. Verified payroll errors mistakes of fifty dollars (\$50.00) or more for full-time employees or twenty-five dollars (\$25.00) or more for casual employees, twenty dollars (\$20.00) or more will be paid within seventy-two (72) hours (excluding Saturdays, Sundays and holidays) on the next business day if requested in writing by the employee. If the company fails to make payment available or it has not been received by the employee within seventy-two (72) hours, the employee will notify management in writing of the non-payment. He/she will be entitled to an additional amount equal to one-quarter (1/4) of his/her daily guarantee at his/her applicable rate of pay for every full pay period, until corrected

2. For penalty pay involving grievance settlements or decisions, the company must pay the employee within 14 calendar days of the date of the decision or settlement. If the company fails to pay on time, the employee can notify the company in writing and the company will then have seven days to pay. If the company fails to do so, the employee is entitled to receive one-half of his or her guaranteed daily rate as a penalty on top of the amount originally owed.

Protections Against Excessive Forced Overtime for Full-Time Local Cartage and Clericals:

New language was added to Article 18 providing that no full-time Local Cartage or Clerical employee will be required to work more than an eleven (11) hour workday. If the company needs to work employees more than eleven (11) hours, this work will be offered as extra work by seniority to the employees in the classification. No employees will be disciplined for refusal to work past eleven (11) hours.

Pick-up and delivery drivers need to finish their daily run. If they return after 11 hours, the company cannot force them back out or force them to work the dock. Where service requirements exist and there are no other shifts scheduled to work, the company can force junior employees to finish a work assignment in order to meet those service requirements. For example, the company may direct the last shift on any workday to stay until work is completed, provided no other employees are scheduled to report at that time.

Identified Serious Accidents: Under new Article 7 language, the company can no longer force drivers out of classification for minor accidents. The new language will allow drivers to stay on the road for minor accidents.

Trigger for Creating New Full-Time Clerical Jobs Added: The employer will now be required to create new full-time clerical positions if it uses excessive clerical casuals. Specifically, when a casual clerical employee or a combination of casual clerical employees works the same shift for eight (8) continuous hours forty-five (45) days in ninety (90) consecutive calendar days, other than a temporary replacement for an employee on vacation or leave of absence, the company shall create a full-time clerical position.

All bids Will Now Have Full Bump and Roll Monitored by Union Stewards: Article 5 now contains language provided that the bidding process will be a true “bump and roll.” The steward will coordinate and monitor the process.

Provisions Added to Allow Transfer for Spouses of Military Persons Who are Relocated: Article 14, Section 4 was added to make it easier for employees whose spouses are full-time active duty military personnel to transfer to other company facilities if the military spouse is relocated.

Change of Operations Language Improved: Additional language was added to Article 40 to expressly state that the change of operations process is not intended to be used to divert work outside the bargaining unit.

Q and A

Q: Could a new hire actually make more per hour than an existing employee in progression?

A: No. It is important to remember that employees working under the old progression still receive their general wage increases. It is unlikely that a new hire progression would be higher than the old progression rates plus the applicable general wage increases. If that situation were to occur, however, the tentative agreement provides that the employee working under the old progression would move to the higher rate under the new progression.

Q: What is the key part of the new subcontracting restrictions?

A: A multi-pronged approach was used to curtail subcontracting and to protect unit work. Thus it would be misleading to focus only on one aspect of the new language. First, the company will affirmatively and significantly reduce the amount of road contracting it currently does. In the first year alone, we estimate that this will likely amount to the insourcing of over three million (3,000,000) miles back to our road drivers. A formula was devised to reduce the percentage of total miles that the company uses on subcontracting. Over the life of the contract, it is anticipated that the amount of subcontracting currently done will be reduced by 18 to 20 percent because of the required reductions.

Second, the company agreed to hire *a minimum of 100* new road drivers over the first three years of the agreement.

Third, any terminal that averages one subcontracting load into or out of that terminal per day over the course of the contract year will be a “red-circled” terminal by number for road drivers. The red circled bargaining unit road drivers in that terminal will be guaranteed eight hours a day and 40 hours a week in their classification as road drivers. If, for some reason, however, a red circled road driver is forced to work out of his/her classification (i.e. on the dock), he/she will be paid \$37.61 per hour. That is a \$300.85 daily guarantee and \$1,504.25 weekly guarantee. This is a tremendous incentive for the company to work its road drivers in their classification. It is not likely that the company will be willing to pay \$37.61 per hour for road drivers to either sit at home or work out of classification.

Fourth, if the company fails to meet the targeted reduction in contracting in any year, the new language requires it to add additional red circle road jobs above the 100 new road jobs.

Finally, the language in Article 44(c) now will also affirmatively and expressly provide that the protection of bargaining unit work is a central purpose of the agreement.

Q: Excessive overtime has been an issue, was that addressed in the tentative agreement?

A: Yes. New language was added to Article 18 providing that no full-time Local Cartage or Clerical employee will be required to work more than an eleven (11) hour workday. If the company needs to work employees more than eleven (11) hours, this work will be offered as extra work by seniority to the employees in the classification. No employees will be disciplined for refusal to work past eleven (11) hours. Pick-up and delivery drivers need to finish their daily run. If they return after 11 hours, the company cannot force them back out or force them to work the dock. Where service requirements exist and there are no other shifts scheduled to work, however, the company can force junior employees to finish a work assignment in order to meet those service requirements. For example, the company may direct the last shift on any workday to stay until work is completed, provided no other employees are scheduled to report at that time.

NATIONAL MASTER UPS FREIGHT 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**. Language from the prior Master Agreement that is being deleted is ~~struck through~~.

UPS Freight, herein referred to as the “Employer” and/or “Company”, and the TEAMSTERS NATIONAL UPS FREIGHT NEGOTIATING COMMITTEE, hereinafter referred to as TNUPSFNC, representing Local Unions affiliated with the International Brotherhood of Teamsters.

ARTICLE 1 PARTIES TO THE AGREEMENT

Section 3. Transfer of Company Title or Interest

In the event the Company is sold or any part of its operations covered by this Agreement is transferred, the Company shall give notice to the ~~Local Union~~ TNUPSFNC to the extent required by applicable law.

The Company shall give notice of the existence of this Agreement to any entity involved in the sale or other transaction by which the operation covered by this, or any part thereof, may be transferred. Such notice shall be in writing, with a copy to the ~~Local Union~~ TNUPSFNC, at the time of the purchase and sale negotiation are made known to the public or the Company executes a contract or transaction as herein described, whichever first occurs. The ~~Local Union~~ TNUPSFNC shall also be advised of the exact nature of the transaction, not including financial details.

ARTICLE 3 RECOGNITION, UNION SHOP, AND CHECKOFF

Section 2. Union Shop and Dues

(a) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union in good standing as a condition of employment. In order to assist the Local Unions in maintaining current and accurate membership records, the Employer will furnish the appropriate Local Union a list of new employees. The Employer agrees to notify the Local Union ~~when a new employee attains seniority;~~ **within thirty (30) days of hiring a new employee.** This notification will be made in conjunction with the new employee listing. The list will include the name, address, social security number, date of hire, service center to which assigned, shift, and classification or position hired into, **along with current pay rate.** The list will be provided on a monthly basis. All present

employees who are not members of the Local Union and all employees who are hired hereafter, shall become and remain members in good standing of the Local Union as a condition of employment on and after the thirty-first (31st) day following the beginning of their employment, or on and after the thirty-first (31st) day following the effective date of this subsection, or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union, as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be offered to such employees on the same basis as all other members, and further that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provision of the National Labor Relations Act, but not retroactively.

ARTICLE 4 STEWARDS

The Company recognizes the right of the Local Union to designate job stewards and alternates from the Company’s seniority list. The authority of job stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

- (a) The investigation and presentation of grievances with his/her Company or the designated Company representative in accordance with the provisions of the collective bargaining agreement;
- (b) The collection of dues when authorized by appropriate Local Union action;
- (c) The transmission of such messages and information, which shall originate with and are authorized by the Local Union or its officers, provided such messages and information:
 1. have been reduced to writing; or
 2. if not reduced to writing, are of routine nature and do not involve work stoppages, slowdowns, refusals to handle goods, or any other interference with the Company’s business.

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Recognizing the importance of the role of the Union Steward in resolving problems or disputes between the Company and its employees, the Company reaffirms its commitment to the active involvement of Union Stewards in such processes in accordance with the terms of this Article.

There shall be a steward or Union representative present When requested by the employee, ~~there shall be a steward present whenever~~ The Company will make every possible attempt to include a steward or Union Representative whenever it meets with the employee to conduct investigatory interviews which may result in discipline or discharge or to discuss a grievance. If a steward is unavailable, the employee may designate a bargaining unit member who is immediately available at the service center at the time of the meeting to be present. Meetings or interviews shall not begin until the steward, Union representative, or designated available bargaining unit member, if requested, is present. An employee who does not want a Union steward, Union representative, or designated available bargaining unit member present at any meeting or interview where the employee has a right to Union representation, must waive Union representation in writing. If the Union requests a copy of the waiver, the Company shall promptly furnish it. The Local Union will be obligated to provide an adequate number of stewards per shift. What is "adequate" will be determined by the Local Union.

Stewards and alternates have no authority to take strike action or any other action interrupting the Company's business, except as authorized by official action of the Local Union. The Company recognizes these limitations upon the authorized Job Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Company in so recognizing such limitations shall have the authority to impose proper, nondiscriminatory discipline, including discharge. However, in the event the Job Steward or the designated alternate has led, or instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement, he/she may be singled out for more serious discipline, up to and including discharge. Stewards and/or alternate stewards shall not be subject to discipline for performing any of the duties within the scope of their authority and defined in this Section, in the manner permitted by this Section.

The Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Company's operation. Upon notification to his/her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. The Company will make a reasonable effort to ensure that its operations are not interrupted by the steward's engaging in such activities. The Company shall not use interruption of its operation as a subterfuge for denying such right to the steward. Time spent in handling grievances during the job steward's or his/her designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "job steward."

The Employer shall only be obligated to respond to information requests that are approved by the business agent of the Local Union assigned to represent employees covered by this Agreement.

Union stewards shall be allowed to wear a Union Steward pin while on the Employer's property.

ARTICLE 5

Section 1. Seniority

- (a) Upon completion of the probationary period, the employee's seniority for all purposes shall be the first (1st) day worked as a probationary employee. Seniority shall be broken only by discharge, voluntary quit, normal retirement, or more than a ~~two (2)~~ three (3) year layoff, ~~or leave, except for employees on workers compensation leave or other leave, who shall not suffer a break in seniority unless on leave for more than three (3) years.~~
- (b) A list of employees arranged in the order of their seniority shall be posted on the Union bulletin board no less often than once every six (6) months. A copy of the seniority posting shall be sent to the Local Union.
- (c) Any controversy over the seniority standing of any employee on the seniority list shall be subject to the grievance procedure. An employee shall have thirty (30) days to protest his/her placement on the seniority list once it is first posted. If there is no written protest within this thirty (30) day period, the employee shall not have a right to challenge his/her placement on the list thereafter.
- (d) For full-time employees there shall be two seniority lists, "local cartage" and "over-the-road." There shall also be a separate "casual local cartage" seniority list. Employees in the following classifications shall be included on the local cartage seniority list: all truck drivers, helpers, dock workers, jockeys, and such other employees as may be presently or hereafter represented by the Union, engaged in local pickup, delivery, and assembling of freight. The "over-the-road" seniority list shall include all over-the-road drivers whose primary job is to transport freight between the Employer's facilities. Nothing within this paragraph shall preclude the Company from requesting a road driver to make extra stops to pick up or deliver freight in connection with his/her regular run or performing other local cartage work as the Company may assign. It is not the intent of the Company that this provision be utilized to diminish cartage employees' work. No local cartage city employee having a CDL can be forced on a road run that has a lay-down. In those Service Centers in which there are more local cartage CDL employees than CDL bids, Local Cartage employees holding a CDL shall be allowed to bid on all local cartage positions, both CDL and non-CDL. If there is an insufficient number of CDL qualified drivers to fill existing full time local cartage CDL driving bids at the time of the bids, the junior CDL holder(s) will not be awarded the bid on the non-CDL jobs.
Road drivers who do not possess a scheduled run(s) with the same start time will have the option to pass on available loads if a road driver with less seniority is available to make the run provided there are more drivers than loads.
- (e) The Company shall offer extra city or dock work to road employees who are on layoff and who are qualified and immediately available for city or dock work prior to using casual employees, except where there is a mutually agreed procedure to the contrary. No road employee shall gain "local cartage" seniority under this provision, but he/she shall accrue Company seniority.
- (f) The following shall apply to casual employees:
 1. For employees hired after ratification of this Agreement, the first (1st) day of orientation ~~date an employee is hired as a casual will be the casual seniority date.~~ If more than one (1)

employee starts orientation on the same date, seniority shall be determined by application date and time.

2. A casual employee laid off due to lack of work for less than one year will retain his/her casual seniority. Company and job classification seniority shall be lost due to discharge, voluntary quit or retirement.
 3. The date a casual employee obtains full-time employment shall be the employee's regular seniority date.
 4. A casual employee whose layoff exceeds one (1) year shall be considered to have been terminated and shall lose seniority, but may reapply for employment.
 5. A full-time employee's seniority shall prevail over a casual employee's seniority in case of layoff.
 6. If a full-time position is available for bid, and is not bid upon by a qualified regular full-time employee, the casual employee with the most seniority who bids on the position will be awarded the position if he/she meets the minimum qualifications of the position.
 7. Casual employees will be laid off and recalled to their job classification in accordance with Section 2 below.
 8. When a casual **dockworker** or combination of casuals **dockworkers** 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 position that it may classify, at its discretion, as a fulltime dock with CDL or fulltime dock only; pay will be in accordance with Article 26.
- 9. When a casual clerical employee or a combination of casual clerical employees works the same shift for eight (8) continuous hours forty-five (45) days in ninety (90) consecutive calendar days, other than a temporary replacement for an employee on vacation or leave of absence, the Company shall create a full-time clerical position. Pay will be in accordance with Article 26.**
- (g) In developing the initial Local Cartage seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his/**her** current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority list.
- (h) After road work has been offered within its classification, the following shall apply. If needed, the Employer shall post, for all qualified local cartage CDL employees a list of the road runs for vacation, sick/personal days and absence for any other reason. Upon completion of the covered work, the employee shall return to his/her regular local cartage bid work. The vacancies must be for five (5) consecutive days and will be covered by the qualified local cartage employees that sign the list in Company seniority order.**
- (i) When a qualified jockey employee is forced into the jockey bid, the parties will meet for resolution, recognizing the principles of seniority.**

Section 2. Layoffs

- (a) When it becomes necessary to reduce the working force, the last employee hired on the affected classification seniority list shall be laid off first, unless CDL qualifications are necessary. The affected regular employee may bump the most junior employee in another job classification provided the bumping employee is qualified to do the job. The bumping employee goes to the bottom of the new job classification seniority list. If the employee exercises the right to bump and receives a recall notice, the employee must return to the position from which he/she was laid off. Company benefits will be provided in accordance with the terms of the applicable SPD.

1. It is the parties' intent that the phrase "...last employee hired on the affected classification seniority list..." is a reference to the date an individual became a full-time employee with the Employer, not the date the employee entered the job classification in which the layoff may be occurring.

2. Employees who have voluntarily transferred from one (1) terminal to another, their transfer date will be their seniority date for bidding and lay-off purposes. The employee shall endtail on the new seniority list, and shall maintain pre-transfer seniority for the purpose of determining benefits.

An employee on layoff will be offered work in any or all classifications (road, city, or dock) at his/**her** domicile ahead of any casual or probationary employees, provided he/she is available and qualified.

The Employer shall notify the steward in advance of layoff or recall.

- (b) An employee shall be entitled to a notice of layoff from the Company if they are subject to the daily elimination of their job under paragraphs (c) or (d) below for a period of at least two (2) consecutive weeks. The notice shall be provided to the employee and the Local Union, upon request. If such notice is provided, the employee shall be considered laid off and have the right to exercise the privileges of the first paragraph of this Section.
- (c) If a road driver's run is cut for the day, the road driver will have the option of (1) holding until his/her next bid, (2) dovetailing into the extra board or (3) working ahead of a casual employee. Option (2) and (3) will only be available to the driver if he/she will be able to meet their next bid start time.

Road drivers called in will be given two (2) hours to report to work, except for late call-offs from drivers on scheduled bid runs, or if service requires the load to be moved in less than two (2) hours.

- (d) If a P&D driver's run is cut for the day, the P&D driver will have the option of (1) taking the day off pursuant to (e) below, or (2) displacing the junior P&D driver who starts at the same time or after them, if any. The displaced P&D driver may work ahead of a casual employee for available hours, provided the driver will be able to meet their next bid start time.

At any time the Company combines two (2) or more runs in the effort of cutting a bid for the day the most senior of the affected bid holders shall have the choice to run the combined bid or pass, provided their start times allow. The employee who does not run this combined route shall be allowed to exercise his/her right as provided in the above paragraph.

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- (e) When more than one employee within a job classification requests a day off, the Company will offer any available time off in seniority order.

Section 3. Recall

Employees on layoff (including employees who exercised their right to bump) shall be recalled in the reverse order of their layoff, provided the employee is qualified to perform the work, if work is available. Notice of recall shall be mailed to the employee's last known address by certified mail, return receipt requested, and shall set forth the time and date the laid off employee is to report back to work. The employee shall have seven (7) calendar days from the date the return receipt is signed **or attempted delivery is made**, to contact the Employer and seven (7) calendar days to return to his/her previous job. In the event an employee fails to make himself/herself available for work at the end of the seven (7) calendar days, he/she shall lose all seniority rights under this Agreement.

Section 4. Posting

- (a) Starting times, by classification will be posted for bid on the Union bulletin board on a semi-annual basis in June and December of each year. The bids will contain a description of the run or job. Bids shall remain posted for seven (7) calendar days, from Wednesday noon to Wednesday noon. The most senior employee bidding on the job shall be awarded the bid. The Company retains all rights to change the contents of any job after the bid process as necessary to service its customers. If the start time of a job changes more than two (2) hours or more than one hundred (100) miles (total within a week) for an "over-the-road" driver, the job shall be subject to re-bid under paragraph (b) below. In addition, if a bid job is cancelled more than ten (10) times in a calendar month, the job shall be subject to re-bid under paragraph (b) as well, provided the employee holding the job does not decide to remain in the job. Further, nothing written in this paragraph shall preclude the Company from using local cartage drivers in another area if operationally necessary.
- (b) Available new or vacated bargaining unit positions will be posted for seven (7) calendar days from Wednesday noon to Wednesday noon on the Union bulletin board. Such postings will include the start time and a description of the run for "over-the-road" jobs. The most senior employee bidding on the job who is below the employee currently holding the job on the seniority list shall be awarded the bid.

The Company will abide by a bump and roll until all bids are satisfied by seniority. The bump and roll process will be performed by the Union Steward.

~~There shall be a limit of four (4) moves as a result of the re-bid. The Company shall thereafter have the right to fill any remaining vacancy via the assignment of the junior available qualified employee. In the absence of a local agreement to the contrary, if ten percent (10%) or more of the road driver bid jobs on the seniority list are posted for re-bid within the thirty (30) calendar days after the semi-annual bid process set forth in this section, an additional bid of all starting times will occur in the classification.~~

Copies of all completed bids shall be sent to the Local Union within ten (10) working days of completion.

- (c) Employees who did not possess a CDL on April 7, 2008, including yard jockeys, shall continue to be red circled. All new full-time employees will be required to possess a valid CDL, **unless expressly permitted elsewhere in the Agreement**. Casual employees must possess a valid CDL before they will be eligible to be awarded a full-time job except as otherwise provided in this Article.

~~The Company shall make equipment and management personnel reasonably available for employees to use to gain CDL qualifications on their own time.~~

Section 5. Probationary Employees

- (a) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis until he/**she** completes forty-five (45) working days in a ninety (90) working day period. Time spent in orientation shall **not** count toward the forty-five (45) working days.
- (b) The Employer may not terminate a probationary employee for the purpose of evading this Agreement or discriminating against Union members.

Section 7. Unassigned Work

When all things are equal, the Employer recognizes that the principles of seniority shall be given prime consideration in the everyday operation of the business.

Absent an area agreement to the contrary, the following shall apply:

- (a) Unassigned P&D drivers with the same start time will be offered the choice of P&D work in seniority order at the beginning of their shift. Unassigned work that is available during and at the end of the shift will be offered in seniority order to P&D drivers who are currently available and qualified. Drivers will decide promptly upon being offered a choice of work.
- (b) 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 overtime status is equal.

(c) When requested, employees will be given the opportunity to leave work in seniority order when workforce reduction are made to the shift.

Section 8. Terminal to Terminal Transfer

The parties agree that an employee who becomes aware of an opening in the same classification at another service center may choose to transfer, at his/her own expense. If more than one (1) employee expresses an interest in the position, seniority shall prevail. The employee shall end-tail on the new seniority list, and shall maintain pre-transfer seniority for the purpose of determining benefits.

ARTICLE 6

SUSPENSION, DISCIPLINE AND DISCHARGE

Section 1. Just Cause

Employees shall not be disciplined, suspended or discharged except for just cause. Except for offenses of extreme seriousness, employees shall be subject to progressive discipline, which shall require the Company to give at least one (1) advance warning notice of the

complaint(s) against the employee to the employee in writing with a copy of the same to the Local Union.

If the parties are unable to resolve the discipline grievance under this Section at a local level hearing, the matter may be referred to the Union and Company Co-Chairs of the UPS Freight Regional Joint Grievance Panel for immediate review.

Section 2. Notification in Writing

When an employee is disciplined, suspended or discharged, the employee **shall be notified in writing** and the Union **will** ~~shall be notified in writing~~ **provided the information by email**. Any employee discharged away from his/her home Service Center shall be provided expeditious transportation to his/her home Service Center at the Company's expense.

Section 3. Expiration of Prior Disciplinary Action for Future Use in Progressive Discipline

Warning notice(s) or suspensions as provided herein shall not remain in effect to support further progressive disciplinary action for a period of more than nine (9) months. All warning notices, discharges, suspensions or other disciplinary action shall be confirmed in writing to the employee and Union

All warning letters issued by the Employer shall be deemed automatically protested by the Local Union on behalf of the employee. Warning letters will be held in abeyance until if and when subsequent discipline is issued.

Section 4. Prompt Action

The Employer must issue all discipline within ten (10) calendar days of knowledge of the underlying events, with the exception of issuing a letter of investigation regarding accidents. 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. During the period of the investigation the employee will be offered any available dock-work in his/~~her~~ service center. The pay rate shall be the applicable full-time dockworker rate. The twenty (20) days will be extended by mutual agreement, as necessary, if relevant information is not available to the Employer. Agreement will not be unreasonably withheld. **Drivers shall not be taken out of service or removed from their classification work for reported minor accidents. Minor accidents may subject the employee to progressive discipline.**

ARTICLE 7

LOCAL, REGIONAL NATIONAL GRIEVANCE PROCEDURES

Section 2.

Except in cases where an employee can be suspended or discharged without a warning letter, an employee subject to suspension or discharge shall be allowed to remain on the job, without loss of pay, unless and until the suspension or discharge is sustained under the grievance procedure. The Union agrees that it will not unreasonably delay the processing of such cases. An employee remaining on the job under this provision may be removed from service if he/she commits another disciplinary offense for which he/she is subject to suspension or discharge without a warning letter under this Agreement. Grievances related to a discharge or suspension notice **All grievances** must be filed **in writing** with the Company within ten (10) calendar days. If the grievance cannot be resolved locally within five (5) working days, Sections 3 (e) below applies:

Section 3. Resolution of Grievances

In the event of a grievance related to any dispute as to the interpretation, application or observance of the provisions of this Agreement other than discipline, it shall be handled in the following manner:

- (a) The employee shall report it to his/~~her~~ shop steward in writing, **and within five (5) working days.** ~~The steward shall attempt to adjust the matter with the supervisor within (2) working days.~~
- (b) Failing to agree, the shop steward shall promptly report the matter to the Local Union, ~~which shall submit it in writing and attempt to adjust the same with the Company within five (5) working days.~~ **If there are pending grievances, the parties will schedule and conduct, at a minimum, a monthly Local Level Hearing for language and discipline grievances. The meeting dates and times may be extended by mutual agreement. Both parties will submit an Agenda of the grievances to be heard to the opposite party at least three (3) days prior to the scheduled Local Level Hearing. However, it is the intent of the parties that all open grievances shall be heard at each Local Level Hearing. In addition, cases involving out of service discharges will be scheduled and heard by mutual agreement of the parties or during the monthly Local Level Hearing, whichever can be scheduled in a more timely manner.**
- (c) If the Local Union and the Company fail to reach a decision or agree upon a settlement in the matter **at the Local Level Hearing**, it may be submitted in writing within ten (10) working days to the appropriate UPS Freight Joint Grievance Panel (UPSFGJP), as set forth in Section 5 below. **Copies of the submissions will be provided to the applicable Labor Managers and to the Regional Grievance Committee Co-Chairs.**
- (d) A grievance to be heard by the appropriate UPSFGJP must be in writing and submitted to the Panel Secretary thirteen (13) working days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before the meeting.
- (e) In the event a majority of a Panel cannot agree upon a decision, other than a case covered by Section 5(g) below, the matter shall be considered deadlocked. In such event, the Union shall have the right to request it to be heard by the National Grievance Panel (NGP) within ten (10) calendar days after receipt of the written decision. If an open grievance is not submitted to the NGP within the ten (10) days, it shall be considered resolved.

Section 4. Miscellaneous

~~Payment for grievances settled at the local level of the grievance procedure must be made within two (2) weeks following the date of the settlement. Payment for grievances resolved by a Regional Panel or the National Grievance Panel shall be made within two (2) weeks following the Company's receipt of the Panel's resolution statement.~~ **All monetary grievances that have been resolved either by a decision from the Regional or National Panels, or by a settlement shall be paid within fourteen (14) calendar days following the date of the decision and/or settlement notification. If the grievance settlement is not received within fourteen (14) calendar days, the employee will notify management of the non-payment in writing. The Company will have seven (7) calendar days to make payment or the grievant(s) shall be entitled to an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her applicable rate of pay for every**

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full pay period in which settlement is not paid, until corrected.

A copy of the payroll adjustment Confirmation of paid grievance settlements will be mailed sent to the Local Union involved. Payment of grievance amount will be listed on the employee's payroll advisory. Payment for grievance settlement shall be taxed at the employee's regular withholding rate where legally permissible. All grievance settlements will be paid by a check separate from a payroll check.

The parties may extend any deadline imposed by this Article in writing by mutual agreement.

Section 5. Regional Grievance Panels

- (a) There shall be four (4) UPS Freight Regional Joint Grievance Panels. The Panels shall be established based upon the corresponding geographical regions of the International Brotherhood of Teamsters: i.e. Eastern, Western, Central, and Southern.
- (b) In order that each Panel may operate quickly and efficiently, the parties agree that a person who may or may not be a member of a Panel shall be mutually selected and designated to serve as Secretary. Each Panel shall have its own Secretary. The Secretary shall have no voice in making decisions and shall perform only the duties assigned to him/her by the Panel. The Secretary shall docket cases, prepare the agenda and mail a copy prior to the scheduled meeting of the Panel to each member of the Panel, the Employer and Local Unions whose case appears on the agenda. The Secretary shall attend the meeting to prepare and keep the minutes and mail copies of the minutes to the members of the Panel and shall also mail copies of the decision of the Panel to all UPS Freight representatives and Local Unions who are parties to this Agreement.
- (c) A grievance to be heard by a Panel must be put in writing and submitted to the appropriate Secretary thirteen (13) days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before the meeting. The Parties further agree that no grievance or grievances shall be discussed except those which have been received by the Secretary of the Panel before the deadline set forth above. It is agreed that in order for a Panel to hear a case there shall be an equal number of Employer Committee members and Union Committee members sitting, not to exceed three (3) Union Committee members and three (3) Employer Committee members and not less than two (2) Union Committee members and two (2) Employer Committee members. The members of the Panel are to be selected from the overall geographical area covered by the Panel. The decision of the majority of the Panel hearing the case shall be binding on all parties.
- (d) It is understood and agreed that the Employer representatives and the Local Union representatives who are representing the UPS Freight operation and/or Local Union involved in a proceeding before a Panel, will be ineligible to act as a member of that Panel during the proceeding.
- (e) If a Local Union docket a case at a Regional Panel, the Company and the Union shall both be required to pay a fifty (\$50.00) dollar docketing or hearing fee. The expenses for operating a Regional Panel shall be borne equally by all the covered Local Unions on a pro rata basis and Company operations which are covered by this Agreement. The parties reserve the right to modify the above fees or impose an assessment, by mutual consent.

- (f) All unresolved grievances from Local Level hearings must be referred to the appropriate Regional Panel. A Local Level hearing to attempt to resolve the grievance must have been held prior to the case being docketed to the appropriate Regional Panel, provided the hearing was held pursuant to Section 3(b) above. A grievance protesting a suspension or discharge may be docketed by mutual agreement prior to the Local Level Grievance Hearings being held to comply with a Regional Panel cutoff date. Each Regional Panel will meet every three (3) months for a three (3) day period for the purpose of hearing grievances docketed on the agenda. During this three (3) day period, the Panel will hear cases in the following order: discharges, suspensions, and regular cases; provided however, that regular cases shall be heard at least on the third (3rd) day. The Company may not postpone a discharge case in which the Grievant is off the job, provided a local hearing has been conducted.

Upon the request of either chairman and by mutual agreement of both chairmen, the Regional Panel will hear discharge and suspension cases on Tuesday, Wednesday and Thursday, if necessary, in order to clear the docket. In these month(s), there will be a second (2nd) Regional Panel established on the same days to hear regular cases on Tuesday, Wednesday and Thursday. Such request will be limited to two (2) times a year unless otherwise mutually agreed to by both the Company and the Union chairmen.

After one (1) year, the Co-Chairs of the Regional Panels shall evaluate whether meeting every three (3) months is effectively and expeditiously resolving pending grievances. If not, the schedule will be reverted to every two (2) months by mutual agreement.

- (g) On discharge and suspension cases only, an impartial arbitrator will sit as a fifth (5th) or seventh (7th) Panel member of the Regional Panel and shall render a bench decision on all deadlocked cases. The parties shall mutually agree to a panel of arbitrators. If the parties are unable to agree, each party shall submit a list of seven (7) arbitrators and shall alternately strike until at least three (3) are selected. Individual arbitrators are subject to review and dismissal by either party upon thirty (30) days notice and will be replaced. Any arbitrator's decision that involves the interpretation of this Agreement, other than Article 6, may be reviewed by the NGP subject to the criteria and procedures set forth in Section 6(b) below.

Section 6. National Grievance Panel

- (a) Cases deadlocked at a Regional Panel may be submitted to the NGP for decisions. The NGP shall be composed of an equal number of Employer and Union representatives. It shall meet at least three (3) times per year on mutually agreed upon dates and locations. The NGP shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report the final decision or approval, however, to be made by the NGP. If the NGP resolves any dispute by a majority vote of those present and voting, such decision shall be final and binding upon all parties.
- (b) The Union and Employer may under this Section review and reverse, if necessary, decisions by any regional or local grievance committee which interprets Master language erroneously.

The NGP may consider and review decisions raising an issue of interpretation of language which are submitted by the Union (either the Chair of the TNUPSFNC or his designee) or the designated Employer representative. The NGP shall have the authority to reverse and set aside the majority decision of any regional panel, local decision or Regional Panel arbitrator's award if, in its opinion, such decision is contrary to the language of this Agreement. The decision of the NGP shall be final and binding. The NGP shall determine whether a decision submitted to it raises an issue of interpretation of Master Agreement language.

In order for such cases to be reviewed, the decision must interpret language of this Agreement and set a precedent for future grievances. In addition, a reasonable case must be made that the lower Panel interpretation was contrary to the true meaning of the Agreement. If the NGP deadlocks on whether a decision meets these criteria, arbitration may be requested as set forth below, unless the review concerns a Regional Panel arbitrator's opinion.

Prior to such cases being placed on the master docket, the moving party (either the Chair of the TNUPSFNC or his designee) or the designated Employer representative shall confer with his counterpart and discuss the matter.

- (c) Where the NGP fails to reach a majority decision as to any case submitted pursuant to this Article, either party shall have the right to refer the case to binding arbitration. Either party wishing to submit a grievance to arbitration must do so within ten (10) days of receipt by mail or hand delivery of the NGP deadlock decision. ~~The arbitrator is to be selected from an American Arbitration Association national panel list~~ **and unless the parties mutually agree otherwise, any arbitrator proposed by the Employer or Union must be a member of the National Academy of Arbitrators.** All aspects of the arbitration procedure shall be governed by the Rules of the American Arbitration Association.
- (d) The arbitrator shall have the authority to apply the provisions of this Agreement and to render a decision on any grievance coming before him/her but shall not have the authority to amend or modify this Agreement to establish new terms or conditions of employment.
- (e) The parties reserve the right to modify the above schedules, fees and/or assessments for Regional and NGP meetings by mutual consent.

**ARTICLE 13
COMPENSATION CLAIMS**

- (a) The Company agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. Upon request by an employee injured on-the-job, the Company will provide information outlining the procedure for submitting a workers' compensation claim. **The employee shall notify the Company of their status regarding their ability to return to employment after each doctor's visit.**
- (b) Road drivers sustaining an injury while being transported in Company provided transportation for Company purposes at a layover service center shall be considered as having been injured on the job.

- (c) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home service center, the Company shall **obtain medical treatment for the employee, if necessary, and, thereafter will** provide transportation by bus, train, plane, or automobile to his/her home service center if and when directed by a doctor.
- (d) The Company agrees to provide any employee injured locally **immediate** transportation at the time of the injury, from the job to the **nearest appropriate** medical facility and return to the job, or to his/her home, if required. **In no case shall a representative of the Company be permitted to accompany the injured worker while he/she is being examined or receiving treatment by the medical provider, unless requested by the employee.**
- (e) In the event of a fatality arising in the course of employment, while away from the home service center, the Company shall return the deceased to his/her home at the point of domicile.
- (f) The Company may publish reasonable safety rules and procedures, provide the Local Union with a copy and require employees to acknowledge in writing that they have received such rules and procedures. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action.
- (g) An employee who is sent home by the Company as a result of an injury on the job, or is sent to a hospital, or who must obtain medical attention that day, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular duties after sustaining a compensation injury who is required by the worker's compensation doctor to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time.
- (h) The Company may continue a modified work program on a non-discriminatory basis. This program is designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury.

(i) Permanently Disabled Employees

The Parties agree to abide by the provisions of the Americans with Disabilities Act. The Company shall be required to negotiate with the Local Union prior to providing a reasonable accommodation to a qualified bargaining unit employee.

The Company shall make a good faith effort to comply in a timely manner with requests for a reasonable accommodation because of a permanent disability. Any grievance concerning the accommodation not resolved at the center level hearing will be referred to the appropriate Union and Company co-chairs for the Local Area or to the Region Grievance Committee, if applicable. If not resolved at that level within ten (10) days, the grievance shall be submitted directly to the National Master UPS Freight Committee.

If the Company claims that the individual does not fall within the protections of the Americans with Disabilities Act, then the grievance must follow the normal grievance procedure in order to resolve that issue before it can be docketed with the National Master UPS Freight Committee.

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Any claim in dispute concerning rights under this Section shall be addressed under the grievance and arbitration procedures of this Agreement. A grievance may be filed by an employee or the Union. The submission of a claim under this Section to the grievance and arbitration procedures of the Agreement shall not prohibit or impede an employee or the Union from pursuing their statutory rights under the Americans with Disabilities Act (ADA) or comparable state or local laws.

The parties agree that appropriate accommodations under this Section are to be determined on a case-by-case basis.

If a full-time employee cannot be reasonably accommodated in a full-time job, the Company may offer a part-time job as a reasonable accommodation if the employee is qualified and meets the essential functions of the job. If the employee accepts the part-time accommodation, the employee will be placed in to the applicable part-time health & welfare and pension programs, will be paid the appropriate part-time rate for the job performed based on his/her company seniority, and will receive the part-time contractual entitlements as per the National Master UPS Freight Agreement using his/her Company seniority date. This placement will not prohibit the employee from bidding on future full-time jobs for which he/she is qualified and meets the essential functions of the job. Should the employee not accept the part-time reasonable accommodation, he/she shall be allowed to be inactive for three (3) years. During those three (3) years, he/she shall have the ability to return to his/her job should he/she become able to perform the essential functions of the job with or without a reasonable accommodation, have the ability to bid on openings as his/her seniority allows, providing he/she can perform the essential functions of that job, and have the ability to accept the part-time accommodation referenced above. After three (3) years, his/her seniority shall be considered broken. Said employee shall be entitled to receive long term disability and workers' compensation in accordance with the terms of the applicable plan.

ARTICLE 14 MILITARY CLAUSE

Section 1 – USERRA Rights

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage as provided by USERRA, and pension contributions for the employee's period of service, as provided by USERRA. Employees shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

The Employer, in its discretion, may make additional payments or award additional benefits to employees on leave for service in the uniformed services in excess of the requirements outlined in the USERRA.

Upon notification from an employee that he/she is taking USERRA qualified military leave, the Employer shall notify the Local Union within five (5) business days.

Section 2 – Vacation Restoration

Employees on USERRA-approved military leave shall continue to accrue vacation to be used upon return as set forth below. To be eligible for accrual, employees must be (i) employed by UPS Freight for at least one (1) year, (ii) be a member of the uniformed services at time of call up, and (iii) be called onto active duty (other than for training) for a period of service exceeding thirty (30) days pursuant to any provision of law because of a war or national emergency declared by the President of the United States or Congress. An eligible employee returning to work as per USERRA shall be entitled to annual vacation for the remainder of that contractual vacation period based on the number of weeks to which he/she is entitled for years of service and the quarter in the current contractual vacation period in which the employee returns from eligible military leave, as follows:

No. Wks.	Q1	Q2	Q3	Q4
5	5	3	2	1
4	4	3	2	1
3	3	2	1	1
2	2	1	1	1

In no event shall the employee have less than one (1) week of vacation available upon his/her return.

For the next contractual vacation period, the employee shall be credited with the vacation he/she would have accrued while he/she was on military leave. In no event shall the employee have less than he/she is entitled to based on total years of service according to Article 25.

The treatment of unused vacation and the scheduling of vacation shall be in accordance with Article 25.

Section 4 - Spousal Transfer Rights

In the event an active member of the military is transferred to a different geographic location and his/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 five (5) months.
- e. The Employer shall not be responsible for any moving expenses or work missed by the employee.

ARTICLE 15 EQUIPMENT AND SAFETY

Section 3. Accident Reports

Any employee involved in any accident or cargo spill incident, involving any hazardous or potentially polluting product, shall

immediately report said accident or spill incident and any physical injury sustained. The employee, as soon as possible, or at the latest before the end of the shift during which the accident or incident occurs, shall make out an accident or incident report in writing on forms furnished by the Company and shall turn in all available names and addresses of witnesses to the accident or incident. The employee shall receive a copy of the accident or incident report that he/she submits to the Company if requested. Failure to comply with this provision shall subject such employee to disciplinary action.

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. During the period of the investigation, the employee will be offered any available dockwork in his/her Service Center. The pay rate shall be his/her bid classification rate.

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 (1) 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 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 Freight Agreement.

Section 4. Equipment Reports

Employees shall immediately, or at the end of their shift, report all defects of equipment. Such reports shall be made on a suitable form furnished by the Company. The report shall be made available for inspection by the next driver operating the unit. The employees making the report shall be provided a copy if requested at the time the report is made.

The Company shall not ask or require any employee to take out equipment that has been reported on a Vehicle Condition Report as being in an unsafe operating condition by an employee who has operated the vehicle until the same has been repaired or is approved for use in accordance with the Vehicle Report Procedure.

When the occasion arises where an employee gives a written report on forms in use by the Company of a vehicle being in an unsafe working or operating condition and receives no consideration from the Company, he/she shall take the matter up with an officer of the Local Union who will take the matter up with the Company. However, in no event shall an employee be required to take out on the streets or highways a vehicle that is not in a safe operating condition or in violation of any federal rules, regulations, standards,

or orders applicable to commercial motor vehicle safety as provided in Section 1 of this Article.

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 vehicle 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 Driver Vehicle Inspection Reports (DVIR) will be available in service 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) has been installed, drivers can view previous reports from the Data Terminal.

Section 10. 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 local, state and/or federal law, headsets, Bluetooth ear pieces, CB radios, and earphones that are used in moving

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vehicles for hands free phone conversations shall only cover one (1) ear. They may not be used for any other purpose other than hands free phone conversations.

Section 11. Building Security

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

ARTICLE 16 EXAMINATION AND IDENTIFICATION FEES

Section 3. Company Will Furnish Equipment

It is mutually understood that, under normal circumstances, the Company will furnish equipment for their employees to take any CDL test required by law.

Once an employee is CDL qualified and meets Company requirements, the Company will certify the employee for P&D operations within sixty (60) calendar days. The employee is required to notify the Employer of their request to be certified in P&D and Road. Once an employee has been P&D certified, and has met the Company requirements for driving in road operations, the Company shall road certify the employee, within one hundred twenty (120) calendar days.

The Company will identify all disqualifiers that will make an employee ineligible to go through the training program that do not fall under state and/or federal law.

Section 5. CDL Training Process

The understood and agreed to process for an employee wishing to obtain a CDL is as follows:

1. Employee will obtain a copy of his/her state's Commercial Driver's License (CDL) manual.
2. Candidate will contact local management, advise of their interest in becoming CDL qualified employee, and fill out a driver application.
3. Employee will schedule and take the Commercial Learners Permit general knowledge exam, and state licensing tests for Doubles/Triples, Hazmat, and Tanker endorsements.
4. Once all state testing has successfully been completed and passed, the employee will schedule and complete the CDL skills test.
5. The CDL trainee will contact management to schedule time with a trainer to receive training on pre-trip and post trip inspection, basic vehicle control, and complete yard exercises and road exercises. Trainers will be made available depending on other training obligations for which he/she is scheduled. The need to have trainers work in the operations will supersede the training of a CDL Trainee. Trainers will be compensated at their normal applicable rate, unless a higher rate has been established for this training. The Company will designate and make equipment available for the employees to use in training and provide equipment for the skills test on the designated day of testing.

6. In locations where the availability of driver trainers is limited, the options for the CDL training will be discussed with the employee. The Company will schedule and identify time, location, and trainer's name.
7. The Company will continue the twenty-one (21) day training program for employees with a CDL, but do not have one (1) year of experience.
8. After the employee is successful in obtaining a CDL with the required endorsements, and has been qualified by the Company, he/she will be able to exercise his/her seniority to bid on any open CDL position for which they are qualified, when full-time CDL positions become available, and/or during the bid process.
9. The Company will post this process in each terminal where all bargaining unit members can view. Current non-CDL employees that have given notice to the Company of their desire to be trained will have priority for CDL training before a new hire without CDL qualifications.
10. Employees hired with a CDL, who still need Company certification in number (7) of this Section, will have priority over employees that do not have a CDL. The Company is not obligated to hold positions for employees going through this process.

ARTICLE 17 PAY PERIOD

Employees shall be paid in full each week on pay periods occurring on a day established by the Company, in the week following the week worked.

Not more than seven (7) days' pay shall be held on an employee. Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purpose. Verified payroll ~~errors~~ mistakes of fifty dollars (\$50.00) or more for full-time employees or twenty-five dollars (\$25.00) or more for casual employees, twenty dollars (\$20.00) or more will be paid within seventy-two (72) hours (excluding Saturdays, Sundays and Holidays) on the next business day if requested in writing by the employee. If the Employer fails to make payment available or it has not been received by the employee within seventy-two (72) hours, the employee will notify management in writing of the non-payment. He/she will be entitled to an additional amount equal to one-quarter (1/4) of his/her daily guarantee at his/her applicable rate of pay for every full pay period, until corrected. Over-the-road employees shall receive their regular paychecks prior to their last dispatch or tour of duty, prior to payday, if available; with the understanding they shall not cash same until the date on the paycheck.

New employees, defined as those not in the bargaining unit on the payroll on the date of ratification, shall designate Electronic Fund Transfer (EFT), unless prohibited by applicable State law.

When an employee notifies the Company in writing of any ongoing overpayment, the employee's increasing liability will cease five (5) working days after the date of the written notification. The notification shall be provided to the employee's immediate supervisor or manager.

All employees shall be reimbursed expenses within thirty (30) days of submitting the request.

**ARTICLE 18
WORKDAY AND WORKWEEK**

Section 2. Full-time Employees

- (A) The schedule for full-time employees shall be posted by Friday of the preceding workweek. The start time can be altered as a part of this posting by up to two (2) hours of the job's bid start time. The Company may alter the start time on a daily basis for more than two (2) hours prior to their start time and no more than two (2) hours past their start time, provided the employee is notified The Company will attempt to notify the employee of the change at least two (2) hours before his/her start time prior to reporting to work. If an employee's start time is altered by more than two (2) hours, more than fifty percent (50%) of the time in any sixty (60) day period, the employee may request it to be re-bid pursuant to Article 5. Ninety percent (90%) of the full-time employees holding bid jobs will be guaranteed a minimum of eight (8) hours pay per day when put to work and the standard guaranteed workweek shall be forty (40) hours per week. The remaining ten percent (10%) of employees holding bid jobs shall have a four (4) hour guarantee when put to work. Work shall be scheduled for five (5) consecutive days, Sunday through Thursday, Monday through Friday or Tuesday through Saturday. Notwithstanding the above, the Company shall also have the right to maintain a sufficient number of full-time employees without a posted or established schedule in order to handle unscheduled and extra ad hoc work.
- (B) One and one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) consecutive day of work falls on Sunday, in which case double time shall be paid.
- (C) No full-time Local Cartage or Clerical employee will be required to work more than an eleven (11) hour workday. If the Employer needs to work employees more than eleven (11) hours, this work will be offered as extra work by seniority to the employees in the classification. No employees will be disciplined for refusal to work past eleven (11) hours.
- (D) P&D drivers will not be forced to work more than eleven (11) hours in any one (1) shift. This language will only apply once the employee has returned to the facility after his/her assigned P&D run. No employee will be disciplined for refusal to work past eleven (11) hours.
- (E) However, if there is no working shift at the terminal, the Employer can direct the junior employee(s) to finish up any work assignment necessary to meet service requirements. Example: the Employer giving the directive to the last shift on any workday to stay until work is completed, provided no other employees are scheduled to report at that time. If service requirements discussed in this paragraph require an employee(s) to remain at work past eleven (11) hours and the Employer notifies the employee(s) of the utilization of the language contained in this paragraph, the protection against discipline outlined in paragraph (C) and (D) no longer applies and the employee(s) may face discipline for leaving, up to and including discharge.

Section 4. Work in Other Classifications

Full-time and casual employees will be paid an hourly rate commensurate with the work they are performing.

**ARTICLE 20
COOPERATION OF EMPLOYEES/FAIR DAY'S PAY**

Section 1. Cooperation of Employees, Company and Union

The parties agree that at all times as fully as it may be within their power to cooperate so as to protect the long-range interests of the employees, the Company, the Union and the general public served by the parties to this Agreement.

When bargaining unit members are on the premises, management will utilize them to verify work opportunity calls to ensure seniority is followed. The Company reaffirms its commitment to using bargaining unit employees for this purpose.

Section 3. Safety and Health Committee

Bargaining unit members who seek to serve on the Safety and Health Committee may volunteer to do so, with approval of the Local Union. The Union co-chair of the committee shall be selected by the bargaining unit members of the committee. The Employer will provide the Local Union with the names of the management representatives on the committee.

There shall be Safety and Health Committees to cover all full-time and part-time employees. There shall be one (1) committee per Service Center unless the number of employees and/or job classifications within a Service 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.

Recognizing the importance of the role of the Safety and Health Committees in addressing 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 principal officer of the Local Union, who shall also inform the Employer's Vice-President of Labor Relations.

Under no circumstances should safety committee members be required to perform the duties of management. No safety committee member shall report the name of any employee to UPS Freight as a result of observations performed in conjunction with safety committee activity. It is clearly understood that observations are made in order to address issues that may lead to injuries or accidents.

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. 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.

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.

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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 concerns. These sub-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.
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 of the committee without the Employer's consent.

B. Safety Trainer

Seniority will be considered when filling new safety trainer positions.

All safety trainers will hold a bid in their respective classification. If an issue occurs concerning his/her bid it will be referred to the National Co-Chairs for resolution.

ARTICLE 23

TIME SHEETS, TIME CLOCKS AND VIDEO CAMERAS

Section 4. Technological Change

Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of the bargaining unit or diminishes the number of workers in the bargaining unit.

- (a) The Employer and the Union agree to establish a National Teamster/UPS Freight Committee for Technological Change, consisting of an equal number of representatives from the Union and UPS Freight. The Committee shall meet in conjunction with the National Grievance Panel as necessary to review any planned technological changes covered by this Section.
- (b) The Employer will advise the National Teamster/UPS Freight Committee for Technological Change of any proposed technological changes 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.
- (c) The Employer shall be required to provide the National Teamster/UPS Freight Committee for Technological Change, upon written request, any relevant information to the extent

available regarding the technological changes.

- (d) The Employer will meet with if requested, the National Teamster/UPS Freight Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.
- (e) 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.
- (f) 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 resolution in accordance with the provisions of Article 7 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.

ARTICLE 24 LEAVE OF ABSENCE

Section 1. Jury Duty Leave

When an employee is required to miss time from the regularly scheduled workweek because of an obligation to serve on a jury, the employee must give prior notice to his/her supervisor with a copy of the letter requiring jury duty service. The employee is obligated to minimize the number of hours missed from work for jury duty service provided, however, that when an employee reports for jury duty service on a scheduled work day, the employee will not unreasonably be required to report for work that particular day. The Company reserves the right to verify the necessity of any hours missed from work due to jury duty service. Full-time employees will be paid the difference between the regular hourly rate and any remuneration received for jury duty service. After a casual employee attains five (5) years of service, he/she will be eligible to receive four (4) hours of straight time hourly rate of pay for each day served, minus any remuneration received for jury duty service.

Section 3. Family and Medical Leave

The Company shall provide unpaid leave subject to the terms of the Family and Medical Leave Act (FMLA) of 1993. Employees utilizing FMLA are required to notify the designated administrator.

All employees who have worked for the Company for a minimum of twelve (12) months and worked at least twelve hundred fifty (1,250) hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and worked at least six hundred twenty-five (625) hours during the past twelve (12) months is eligible for unpaid leave (UPS Freight Leave for Family and Medical) as set forth below, except that the amount of leave allowed will be computed at one-half (1/2) of the time provided by the FMLA. Employees cannot combine FMLA leave and UPS Freight Leave for Family and Medical.

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

1. Birth of a child;

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

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

The Company may require the employee to substitute accrued paid vacation or other paid leave for part of the leave period.

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

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

Section 4. Funeral Leave

Full-time employees who have been employed for six (6) months and casual employees who have been employed for five (5) years of service are eligible for funeral leave. A maximum of two (2) days leave will be paid to employees for missed time from work on account of the death of an immediate family member, to include the employee's spouse, children, grandchildren, parents, grandparents, brothers, sisters and children and parents of the spouse. An employee shall be eligible for a third paid day of leave if the location of the funeral requires the employee to miss work the next day due to travel. To be eligible for funeral leave, the employee must attend the funeral or service. Pay for funeral leave is calculated on the basis of eight (8) hours at straight time hourly rate of pay for full-time employees, and four (4) hours at straight time hourly rate of pay for casual employees.

Section 6. Casual FMLA

Casual employees who have worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months, are eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one-half (1/2) of the time provided by the FMLA. Eligible employees are entitled up to a total of six (6) weeks of unpaid leave during any twelve (12) month period for the following reasons:

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

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

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

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

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

Section 6. 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 may also be made through the Employer's "Light Duty for Pregnant Workers" program.

Paternity leave shall be granted in accordance with Section 3 of this Article with the exception of employees not able to meet the qualifications set out in Section 3, who shall be granted leave not to exceed one (1) week.

Section 7. Rehabilitation Program-Leave of Absence

An employee shall be permitted to take a leave of absence for the purpose of undergoing treatment in an approved program for alcoholism or substance abuse. Employees may use the United Parcel Service Freight Employee Assistance Program (EAP), a Union sponsored rehabilitation program, as well as any other referral service in choosing an approved program for treatment.

Employees shall be permitted to take advantage of an involuntary rehabilitation program once every five (5) years, three (3) times lifetime maximum, under all conditions of this Article. This paragraph is not intended to change provisions in Article 27.

The leave of absence must be requested prior to the commission of any act subject to disciplinary action except as provided in Article 27. The leave of absence shall be for a maximum of ninety (90) days; additional time may be granted if it is mutually agreed between the Company and the Union, or requested by the Substance Abuse Professional (SAP). While on such leave, the employee shall not receive any of the benefits provided by this Agreement, except the continued accrual of seniority.

If an employee voluntarily enters such a rehabilitation program, under the provisions of the Article, the following shall apply:

1. Before returning to work, the Employer shall ensure that the employee is "alcohol/drug free". This requirement shall be satisfied when the employee has provided a negative drug test result, as per cutoff levels contained in Article 27, as applicable, and/or an alcohol test with an alcohol concentration less than .02. The Employer will make all reasonable efforts to conduct all return-to-work testing, conference calls, and examinations within five (5) working days of completion of a rehabilitation program.

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2. Within one (1) year of the date on which an employee returns to work, the employee may be subject to unannounced alcohol/drug testing, as specified in the return to work agreement. The one (1) year period may be extended only by the SAP and must be substantiated by written verification of the SAP.

3. Unannounced alcohol/drug testing for the above-mentioned employee, if required shall be determined by the SAP as provided in this Article. The date, time and place of collection for alcohol/drug testing, if required, shall be determined by the SAP.

4. Failure to comply with the after-care treatment plan or a positive specimen as part of the after-care treatment plan will result in discipline pursuant to Article 27.

All alcohol/drug treatment agreements including pre-care, after-care and return to work agreements entered into shall be confidential and signed by the employee and the SAP overseeing the treatment program and must have been approved by the Local Union business agent prior to the employee's signature. The post-care agreement shall comply with all provisions of this Article.

The Employer agrees to recognize the employee's rights to privacy and confidentiality while being party to such an agreement. The Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps taken to insure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily.

ARTICLE 25 BENEFITS

Section 1. Medical Plans

(a) From August 1, 2013 until January 1, 2014, covered employees, current retirees and employees who retire during this period will be covered by Article 25, Section 1 of the 2008-2013 UPS Freight Agreement.

(b)(a) Effective January 1, 2014, health and welfare coverage for all full-time and part-time employees on the payroll at that time and those hired thereafter will be provided through the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W). The Company shall make the necessary contributions to the CSH&W to maintain coverage. In the event of a work related injury, contributions shall be continued for one year. Contributions shall be continued for four (4) weeks in the event of off-the-job illness or injury.

(c)(b) Employees covered by CSH&W shall be obligated to pay the following monthly amounts as a premium for the coverage:

Single\$45.00
E/ee Plus\$90.00
E/ee & Family\$135.00

(d)(c) The terms of the medical coverage shall be available from the CSH&W.

(e)(d) Effective January 1, 2014, all future retirees will receive medical coverage through the CSH&W plan.

Section 2. Discretionary Days

Full-time employees shall be eligible to receive four (4) discretionary personal days thirty-two (32 hours) each calendar year. **Casual employees shall be eligible to receive two (2) discretionary personal days (4 hours per day) each calendar year.** These days may be used in

scheduling time off for any purpose, including illness, appointments, care of family members, observance of religious holidays, etc. This time shall be taken as a whole day (**eight (8) hours Full-time, four (4) hours Casual**). Except for emergency situations, discretionary time must be scheduled and approved in advance by management. Unused time related to these discretionary personal days may be accrued at the current rate and carried over from year to year for the life of the Agreement. An employee may request payment of any accrued discretionary days; payment will be made within ten (10) days of the request. Discretionary days will be paid at the rate at which they were accrued. All employees entering a full-time job classification will receive four (4) days after one (1) year of full-time employment, and will receive four (4) discretionary days each subsequent calendar year. **All Casual employees will receive two (2) days discretionary after one (1) year of employment, and will receive two (2) discretionary days each subsequent calendar year.**

Section 5. Vacations

(a) Weeks of Vacation

Full-time employees will be awarded paid vacation based on service. The first award of vacation is conferred on January 1 following the employee's date of hire. Subsequent awards are conferred on January 1 of each year. Incremental increases in vacation days are conferred on January 1 of the year in which the anniversary year of service occurs. The amount of vacation to be conferred on each January 1 will be determined in accordance with Section 5. (b) below. All vacation must be used during the calendar year or it will be lost.

Vacation day awards are set forth in the following schedule:

Years of Service.....	Days of Vacation
1 year.....	5
2-7 years.....	10
8-15 years.....	15
16-25 years.....	20
26 or more years.....	25

(b) Full-time Vacation Accrual

1. To be eligible for employees' full vacation during the first (1st) calendar year in which the employee was employed, an employee must have worked one hundred and **fifty-six eighty-two (156182)** reports, but need not to have been employed for the full calendar year.

If the employee worked less than one hundred and **fifty-six eighty-two (156182)** reports during this calendar year, but did attain seniority, the employee's vacation shall be pro-rated by earning one (1) day of vacation for each forty (40) reports, and taken after the employee has been employed one (1) full year.

The employee who attains one hundred and **fifty-six eighty-two (156182)** reports during the first calendar year shall enjoy a January 1st date of the calendar year they were employed as a vacation anniversary date for accumulating earned vacation. Employees who do not attain one hundred and **fifty-six eighty-two (156182)** reports that year will have a January 1st date of the following calendar year as a vacation anniversary.

2. During each vacation year, the employee must work one hundred and **fifty-six eighty-two (156 182)** to earn their vacation. Computation of the one hundred and **fifty-six eighty-two (supersede 182)** reports shall include paid time off such as vacation, holidays, jury duty and funeral leave.

Seniority employees who worked less than one hundred and ~~fifty-six~~ **eighty-two (156182)** reports during the calendar year, will be entitled to a pro-rata vacation day for each forty (40) reports times the weeks of vacation that they are entitled to.

(c) Full-time Vacation Selection

1. The Company will post a vacation schedule for bid by December 1st of each year showing the weeks available for vacation the next calendar year and the number of employees in each classification who may be on vacation each week. The Company will make vacation available for bid based upon the needs of the operation. Employees shall have fourteen (14) days to submit their bid. Awards shall be in seniority order within classification. Insufficient bidders will be assigned vacation week(s). If an employee desires pay in lieu of vacation, he shall be required to indicate such on his bid. The Company shall have the right to accept the offer of pay versus vacation or award the time off. Once scheduled, vacation weeks may only be moved by mutual agreement between the Company and employee or as a result of the application of the Family Medical Leave Act. ~~However, if the Company blocks out weeks for vacation as a part of the annual bid and thereafter determines that some of those weeks can be used for vacation, the Company shall make those vacation weeks available in seniority order. During the five (5) blackout weeks that will be determined by the Company, a minimum of one (1) employee per classification up to two (2) percent of the employees in the classification will be allowed off on an approved paid absence.~~
2. Full-time employees who have earned at least two (2) weeks of vacation will have the option of declaring that he/she wants to split one (1) of the available weeks of vacation into five (5) single days. The employee must declare this option at the time of the vacation selection. Seniority will prevail in the selection of the single day(s). Single vacation days must be selected in writing a ~~minimum of seven (7)~~ **ten (10) to fourteen (14)** working days prior to the day the employee desires off. The Company will approve or deny the request within ~~two (2)~~ **eight (8)** working days ~~prior to the date requested off of receipt.~~ Approval shall not be unreasonably withheld. Such vacation days will be paid at the same rate as vacation. Any days not used will be paid off at the end of the year.

(d) Casual Vacations

Casual employees shall be entitled to five (5) days of ~~unpaid~~ **paid** vacation ~~at four (4) hours per day~~ after one (1) year of active employment. These days shall be scheduled and taken by mutual agreement with the Company. On the next January 1st after a casual employee attains five (5) years of service, he/she will be eligible for ~~ten (10) five (5) days of paid vacation~~ **at four (4) hours per day**. ~~A day of vacation shall be equal to 1/52nd of the prior years total paid hours divided by five (5).~~ Such vacation will be scheduled, taken and/or paid by mutual agreement with the Company.

(e) Accrued or Unused Vacation

Accrued or unused vacation within any calendar year shall be paid to an employee if he retires or dies. Unused vacation shall not be considered accrued and will not be paid to an employee who resigns or is terminated.

Section 6. Retirement

- (a) Effective January 1, 2008, full-time and casual employees ceased to be covered by the UPS Retirement Plan and instead became covered by the UPS Pension Plan. Until December 31, 2013, the benefit formula for current and future full-time and casual employees will remain unchanged from the benefit formula in effect for the UPS Retirement Plan on December 31, 2007. No additional benefits will accrue under that formula after December 31, 2013, except as may be provided for those employees covered by paragraph (c) below. After that date, additional benefits will be accrued in accordance with paragraphs (b) or (c) below, as applicable.
- (b) Effective January 1, 2014 eligible full-time and casual employees who have an hour of service in covered employment on or after January 1, 2014 will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2013 (if any) plus one hundred and five dollars (\$105.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2014. In years in which an employee has less than fifteen hundred (1500) hours, he/she shall earn a prorated share of the one hundred and five dollars (\$105.00). There shall be no limit on the number of years for which the one hundred and five dollar (\$105.00) benefit may be earned.
- (c) Effective January 1, 2019, eligible full-time and casual employees who have an hour of service in covered employment on or after January 1, 2019 will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2018 (if any) plus one hundred and ten dollars (\$110.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2019. In years in which an employee has less than eighteen hundred (1800) hours, he/she shall earn a prorated share of the one hundred and ten dollars (\$110.00). This new accrual rate shall apply to future years of service. There shall be no limit on the number of years for which the one hundred and ten dollar (\$110.00) benefit may be earned.
- (d) Effective January 1, 2021, eligible full-time and casual employees who have an hour of service in covered employment on or after January 1, 2021 will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2020 (if any) plus one hundred and fifteen dollars (\$115.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2021. In years in which an employee has less than eighteen hundred (1800) hours, he/she shall earn a prorated share of the one hundred and fifteen dollars (\$115.00). This new accrual rate shall apply to future years of service. There shall be no limit on the number of years for which the one hundred and fifteen dollar (\$115.00) benefit may be earned.
- (e) Effective January 1, 2014, eligible full-time and casual employees who have an hour of service in covered employment on or after January 1, 2014 and who have a Final Average Compensation (FAC), as defined by the UPS Pension Plan, greater than \$73,000.00 as of December 31, 2013, shall be entitled to receive as a retirement benefit equal to the greater of the monthly benefit calculated in accordance with paragraph (b) above or the benefit formula referenced in paragraph (a) above that was in effect on December 31, 2007.

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- (df) The UPS Pension Plan is 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 Pension Plan administrative claims process.
- (eg) Nothing in this section shall affect the provision in the UPS Pension Plan providing that the Monthly Accrued Benefit payable to a Participant who has attained, at least, age fifty-five (55) and completed at least thirty (30) years of Benefit Service as of his/her benefit commencement date shall not be reduced. Further, a Participant who has completed at least twenty-five (25) years of Benefit Service and who has attained at least sixty (60) years of age as of his/her separation from service shall not have his/her Monthly Accrued Benefit reduced.

**ARTICLE 26
WAGES**

Section 1. Full-time Local Cartage Employees

- (a) In each of the calendar years ~~2014~~**2019** through ~~2016~~**2023**, employees on the “Local Cartage” seniority list who have completed their progression wages shall receive the following increases ~~effective the first pay period in January of each year. The general wage increases~~ **2019 through 2023** ~~for 2017, and 2018~~ shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014.....	\$0.50	2019.....	\$0.40
2015.....	\$0.50	2020.....	\$0.40
2016.....	\$0.50	2021.....	\$0.45
2017.....	\$0.50	2022.....	\$0.45
2018.....	\$0.50	2023.....	\$0.50

- (b) Employees on the “Local Cartage” seniority list who are still in progression on August 1, ~~2013~~ **2018** shall receive the general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the ~~2008-2013~~ **2013-2018** Agreement. Upon completion of that progression the employee shall continue to receive the general wage increases set forth in paragraph (a) above.

For employees in the 2013-2018 progression, the pay rate will be increased to the 2018-2023 progression rate if their progression rate and GWT's remain below the same progression step in the 2018-2023 Agreement.

- (c) Employees entering a full-time Local Cartage job after August 1, ~~2013~~ **2018** (whether promoted from casual or as a new hire) shall be paid in accordance with the following progression when performing jockey, helper or dock work:

Start.....	\$16.75	\$17.20
Seniority.....	\$17.25	\$17.55
Twelve (12) months.....	\$18.25	\$19.50
Twenty-four (24) months.....	\$19.55	\$22.00
Thirty-six (36) months.....	\$23.40	\$24.50
Forty-eight (48) months.....	Top Progression	Rate \$28.05

When an employee completes the above progression he/she shall be eligible thereafter to begin receiving the general wage increases set forth in paragraph (a) above. Employees bidding

into a new full-time non-CDL position after August 1, 2013, shall be paid eighty percent (80%) of the progression rates in (c) above. Once the progression is completed the employee shall receive eighty percent (80%) of the Top Rate, **and in addition, the employee shall continue to receive eighty percent (80%) of each general wage increase received as set forth above in Section (a) above.**

- (d) Employees entering full-time Local Cartage job after August 1, ~~2013~~ **2018** shall be paid in accordance with the following progression when performing local driving work:

Start.....	\$17.20	\$17.70
Seniority.....	\$17.70	\$18.00
Twelve (12) months.....	\$18.70	\$20.00
Twenty-four (24) months.....	\$20.00	\$23.00
Thirty-six (36) months.....	\$24.00	\$25.50
Forty-eight (48) months.....	Top Progression	Rate \$28.65

When an employee completes the above progressions he/she shall be eligible thereafter to begin receiving the general wage increases set forth in paragraph (a) above.

- (e) The “Top **Progression** Rate” referred to in the full-time schedules in this Article shall be as follows:

	Dock Leadman	Dock Worker (Full-Time)	Jockey	Local/Road Driver
1/1/14	\$26.30	\$26.05	\$26.30	\$26.65
1/1/15	\$26.80	\$26.55	\$26.80	\$27.15
1/1/16	\$27.30	\$27.05	\$27.30	\$27.65
1/1/17	\$27.55	\$27.30	\$27.55	\$27.90
7/1/17	\$27.80	\$27.55	\$27.80	\$28.15
1/1/18	\$28.05	\$27.80	\$28.05	\$28.40
7/1/18	\$28.30	\$28.05	\$28.30	\$28.65
	\$28.30	\$28.05	\$28.30	\$28.65

Once Top Progression Rate is achieved, employee will receive applicable general wage increases as set forth in paragraph (a) above.

Section 2. Full-Time Road Employees

- (a) In each of the calendar years ~~2014~~ **2019** through ~~2016~~ **2023**, employees on the “Over the Road” seniority list who have completed their progression shall receive the following increases. ~~effective the first pay period in January of each year. The general wage increases for 2017 and 2018~~ **2019 through 2016 2023** shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014.....	.0125	2019.....	\$0.0025
2015.....	.0125	2020.....	\$0.0025
2016.....	.0125	2021.....	\$0.0025
2017.....	.0125	2022.....	\$0.0025
2018.....	.0125	2023.....	\$0.0025

- (b) Employees still in progression on August 1, ~~2013~~ **2018** shall receive mileage rate increases set forth above, but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the ~~2008-2013~~ **2013-2018** Agreement. Upon completion of that progression, the employee shall continue to receive the mileage rate increases set forth in paragraph (a) above.

For employees in the 2013-2018 progression, the pay rate will be increased to the 2018-2023 progression rate if their progression rate and GWT's remain below the same progression step in the 2018-2023 Agreement.

- (c) Employees first entering the "Over-the-Road" driver classification after August 1, 2013 **2018** will be paid in accordance with the following progression:

	Start	Seniority 12 Months	24 Months	36 Months	48 Months	Top Progression Rate
Single	.4342 .5000	.4468 .5100	.4720 .5250	.5049 .5500	.6058	Top Rate .7232
Sleeper per dvr.	.2290 .2637	.2357 .2690	.2490 .2770	.2663 .2901	.3196	Top Rate .3815
Triple	.4408 .5076	.4536 .5178	.4792 .5330	.5125 .5583	.6150	Top Rate .7342
Sleeper Triple (per dvr.)	.2330 .2683	.2397 .2736	.2533 .2817	.2709 .2951	.3251	Top Rate .3881

To the extent the road driver is paid on an hourly basis, the rates set forth in Section 1 for the local driver (including the "Top Rate") shall apply.

Upon completion of this progression, the road driver shall be eligible thereafter to begin receiving the mileage rate increases set forth in paragraph (a) above.

Section 3. Casual Employees

- (a) In each of the calendar years 2014 **2019** through 2016 **2023**, casual employees who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 **2019 through 2023** shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014.....	\$0.50	2019.....\$0.35
2015.....	\$0.50	2020.....\$0.35
2016.....	\$0.50	2021.....\$0.40
2017.....	\$0.50	2022.....\$0.40
2018.....	\$0.50	2023.....\$0.45

- (b) Casual employees still in progression on August 1, 2013 **2018** shall receive the same general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the 2008-2013 **2013-2018** Agreement. Upon completion of that progression, the employee shall continue to receive the general wage increases set forth in paragraph (a) above.

- (c) Casual employees hired after August 1, 2013 **2018** shall be paid in accordance with the following:

Start.....	\$12.00	\$13.00
Twelve (12) months.....	\$13.00	\$14.15
Twenty-four (24) months.....	\$14.50	\$15.30
Thirty-six (36) months.....	\$15.50	\$16.50
Forty-eight (48) months.....	Top Progression Rate	\$17.70

The "Top **Progression** Rate" referred to in the above schedule shall be sixteen dollars and fifty cents (\$16.50) **seventeen dollars and seventy cents (\$17.70)**. Once a casual employee completes that progression, he/she shall be eligible thereafter to begin receiving the hourly wage increases set forth in paragraph (a) above. A casual employee who is awarded a full-time job shall begin the full-time progression at the seniority rate if his/her rate is below the seniority rate of the new full-time job. If a casual employee's rate is higher than the seniority rate of the new job, he/she will be red circled until such time as the calculated progression rate exceeds the employee's rate.

For employees in the 2013-2018 progression, the pay rate will be increased to the 2018-2023 top progression rate if their top progression rate and GWT's remain below the same top progression rate in the 2018-2023 Agreement.

Section 4. Clerical Rates

- (a) In each of the calendar years 2014 **2019** through 2016 **2023**, full-time clerical employees who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 **2019 through 2023** shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014.....	\$0.50	2019.....\$0.40
2015.....	\$0.50	2020.....\$0.40
2016.....	\$0.50	2021.....\$0.45
2017.....	\$0.50	2022.....\$0.45
2018.....	\$0.50	2023.....\$0.50

In each of the calendar years 2019 through 2023, part-time clerical employees who have completed their progression shall receive the following increases. The general wage increases 2019 through 2023 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2019.....	\$0.35
2020.....	\$0.35
2021.....	\$0.40
2022.....	\$0.40
2023.....	\$0.45

- (b) Clerical employees still in progression on August 1, 2013 **2018** shall receive the same general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the Addendum in the 2008-2013 **2013-2018** Agreement. Upon completion of that progression, the employee shall continue to receive the general wage increases set forth in paragraph (a) above.

For employees in the 2013-2018 progression, the pay rate will be increased to the 2018-2023 top progression rate if their top progression rate and GWT's remain below the same top progression rate in the 2018-2023 Agreement.

- (c) Employees entering a full-time clerical job after August 1, 2013/2018 shall be paid in accordance with the following progression when performing clerical work:

Start.....	\$14.00	\$16.00
Seniority.....	\$15.00	\$16.50
Twelve (12) months.....	\$16.00	\$17.00

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Twenty-four (24) months.....	\$17.00	\$17.50
Thirty-six (36) months	\$17.50	\$18.00
Forty-eight (48) months	Top Progression Rate	\$20.00

The Top Rate shall be ~~eighteen~~ **twenty** dollars (\$18.00 **\$20.00**).

(d) Employees entering a part-time clerical job after August 1, ~~2013~~ **2018** shall be paid in accordance with the following progression when performing clerical work:

Start.....	\$10.50	\$11.50
Twelve (12) months.....	\$12.00	\$12.50
Twenty-four (24) months.....	\$13.50	\$13.50
Thirty-six (36) months	\$14.00	\$14.50
Forty-eight (48) months	Top Progression Rate	\$15.50

The Top Rate shall be fifteen dollars **and fifty cents** (\$15.50**00**).

(e) Employees who are classified as an OS&D clerk will receive what they are entitled to according to their current progression, and will receive two dollars (\$2.00) per hour in addition to their progression rate for the period they are classified as an OS&D clerk. Employees must remain in the classification for a minimum of two (2) years. This applies to full-time and part-time clerical employees.

Section 5. Paid for Time

All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Time shall be computed from the time an employee reports and is available until the time he/she is effectively cleared from duty. Road drivers will be paid on a mileage basis for miles driven and for time incidental to the performance of driving duties, including, but not limited to, any rest breaks to which the employee may be entitled, pre-trip inspections, in-route breaks, in-route tire checks, logging, post trip inspection, vehicle condition report, traffic delays, AVR arrival/dispatches, reporting of breakdown, reporting of accidents, tractor wash, check bay time, reefer checks and pre-trip shop time. Except as otherwise specified in this Agreement, all other time spent by a road driver on the clock shall be compensated at the local cartage wage rate for dock-work.

Section 6.

Rates of pay provided by this Agreement shall be minimums.

In those locations in which it is necessary to utilize a Market Rate Progression Adjustment (MRPA), employees in the classification in which a MRPA is implemented that are currently below the MRPA rate of pay will be increased to the MRPA rate of pay. The employees will maintain that rate of pay until their wage progression reaches a rate of pay that is above the MRPA rate of pay. Only Employees working under a MRPA as of July 31, 2018, will be entitled to the general wage increases pursuant to Article 26.

**ARTICLE 27
DRUG AND ALCOHOL TESTING**

Section 1.3 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
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 1.4 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 Metabolite (±2)	15
Cocaine Metabolite (±2)	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
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 Benzoyllecgonine): When using an alternate technology initial test for the specific target analytes of THCA and Benzoyllecgonine, the laboratory must use the same cutoff for the initial and confirmatory tests (i.e., 15 ng/mL for THCA and 100ng/mL for Benzoyllecgonine).

(4) Methylenedioxyamphetamine (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 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) Methylenedioxymethamphetamine (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 31
LODGING**

Motel rooms shall be equipped with blinds or draperies or otherwise suitably darkened during daylight hours.

Motel rooms shall have adequate heating and cooling systems, and, where practical and possible, individual room regulators shall be made available.

All road drivers lodging shall be maintained on the basis of one (1) driver per room.

The Company shall furnish transportation to and from the nearest public transportation, where there is no unreasonable delay, at an away-from-home service center, provided there is no public transportation available in the near vicinity and further provided that this provision shall not apply where the driver is allowed to use the tractor for transportation.

The Employer agrees that all drivers who request their rest not to be interrupted, shall receive ten (10) hours of uninterrupted rest.

**ARTICLE 32
RAIN GEAR, GLOVES, AND YARD LIGHTS**

All hostler and yard employees shall be provided with rain gear. Any service center employee handling hazardous freight shall be provided with rubber gloves suitable for the type of freight being handled. Employees handling toxic material as a first responder shall also be furnished with respirator masks and rubber gloves. **No employee shall handle a toxic material spill.** The Company shall furnish adequate yard lighting at the service center in accordance with the Industrial Code in the area.

**ARTICLE 36
GARNISHMENTS**

In the event of notice to the Company of a garnishment or impending

garnishment, the Company may take disciplinary action if the employee fails to satisfy such garnishment within a seventy-two (72) hour period (limited to working days) after notice to the employee. However, the Company may not discharge any employee by reason of the fact that his earnings have been subject to garnishment for any one (1) indebtedness. If the Company is notified of three (3) garnishments irrespective of whether satisfied by the employee within the seventy-two (72) hour period, the employee may be subject to discipline, including discharge.

The Employer shall comply with federal, state and local law in enforcing the provisions of this Article.

**ARTICLE 37
SUSPENSION OR REVOCATION OF LICENSE AND
EMPLOYEE'S BAIL**

Section 2. Compliance with Company Instructions

If such suspension or revocation comes as a result of his/her complying with the Company's instruction, which results in a succession of size and weight penalties or because he/she complied with the Company's instruction to drive Company equipment which is in violation of DOT regulations, the Company shall provide employment to such employee at not less than his/her regular earnings at the time of such suspension for the entire period thereof. This paragraph shall not apply to an employee who knows that the Company equipment is in violation of DOT regulations before he/she begins his/her run, but fails to notify the Company in writing of the defective equipment. **The Company shall be responsible for any citation issued if it occurred through no fault of the driver.**

**ARTICLE 40
CHANGE OF OPERATIONS**

The parties agree that there must be a procedure to permit timely and efficient Change of Operations in order to meet marketplace demands and changing customer needs. The Employer agrees that service centers and facilities covered by this Agreement shall not be transferred, changed or modified without notification of and discussion with the Local Union in accordance with this Article.

- (a) The Employer agrees that prior to any change in its operation that will result in a change of domicile and/or possible layoff of seniority employees, it shall notify the affected Local Union(s) in writing **with the specific details and information then available** and then meet jointly with them to inform them of the proposed changes and to resolve questions raised in connection with the proposed change. **The information will be provided at least seven (7) days prior to the meeting.** During this joint meeting the Employer and the Union shall reduce to writing all agreed upon issues and both parties shall sign the written document in acknowledgement of such agreement. The parties shall also reduce to writing all unresolved issues, if any, and they shall be referred directly to the appropriate Regional Change of Operations Committee. This meeting shall be completed where practical at least ~~thirty (30)~~ **forty-five (45)** days prior to the proposed change. The change may not be implemented until the ~~thirty (30)~~ **forty-five (45)** days' notice is provided and the meeting is completed unless the operational change is dictated by emergency conditions. The Union shall not unreasonably delay the scheduling or completion of the requested meeting. Any unresolved issues reflected in Section (c) below, which have been reduced to writing, will be resolved pursuant to that Section.

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- (b) Any agreed to change of operations reached by the Local Union(s) and the Employer shall be reduced to writing and filed with the Joint National Change of Operations Committee. It is understood that a regional area representative of the affected region(s) shall sit on the Joint National Change of Operations Committee.
- (c) A Joint Change of Operations Committee will be established in each of the four (4) Regional areas and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application and layoff questions for employees who are involved in the change. All affected parties will convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

If the Regional Joint Change of Operations Committee is unable to resolve the issues, such issues shall be referred to the Joint National Change of Operations Committee for resolution. If the issues reflected in this Section are not resolved by the Joint National Change of Operations Committee, they shall be submitted to an expedited arbitration using the arbitrators on the National Panel for that area.

The Committee which decides the issues, as described above, shall retain jurisdiction for a period of twelve (12) months following the change of operations decision. The decision of the Committee shall be final and binding.

The following shall apply to the closing or transfer of covered work:

- (1) Whenever a service center is closed and the work is transferred to or absorbed by another service center, the affected employees will be entitled to follow their work and their seniority shall be dovetailed at the new service center.
- (2) Whenever a service center is partially closed and the work of city drivers and all other regular employees, excluding over-the-road drivers, is transferred to or absorbed by another service center, the affected employees may either follow their work and have their seniority dovetailed in the new service center or be allowed to exercise their seniority in their present service center and displace the least senior employee in their respective classifications. If any of the employees whose work is transferred elects not to follow his/her work, then he/she shall have the same rights as the remaining employees on the seniority list from which the work was transferred to bid the work being transferred. Those employees who follow the work shall have their seniority dovetailed in the new service center.
- (3) In a Change of Operations affecting over-the-road drivers, the following language will apply: Whenever a service center is partially closed and the over-the-road work is transferred to or absorbed by another service center, all over-the-road drivers, in seniority order, will have the option of following the available work and have their seniority dovetailed in the new service center or be allowed to exercise their seniority in their present service center, and take whatever jobs become open as a result of other employees following the work or taking a layoff. If a senior over-the-road driver elects to take a job which has been transferred out, the displaced employee(s) will fill the vacated job(s) by seniority until the next bid.

- (4) The parties will meet to determine how this Article shall be applied in the event either one of the two (2) service centers involved in a transfer of work has employees who are not represented by the Union.

- (d) In the event the Employer moves an operation more than seventy-five (75) miles, the Employer shall pay reasonable moving expenses for all full-time employees who choose to move. In addition, to be entitled to a paid move, the employee's commute to work must be twice as many miles as before the relocation of the operation. The expense shall include the reasonable cost of packing and the moving of household goods or house-trailer (if used as his/her residence) including dismounting and mounting. However, it is understood that the cost of such move shall not exceed six thousand dollars (\$6,000.00) per move. The employee(s) who transfer will have one (1) year from the date of the change to move.

(e) No work or operations covered by this Agreement shall be transferred or moved outside the bargaining unit as a result of a Change of Operations. All terms of this Agreement shall apply once the Change of Operations is completed.

ARTICLE 44 SUBCONTRACTING

- (a) For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. The Employer may not subcontract work at a facility in any classification if any employee who normally performs such work at that facility is on layoff or is receiving less than his/her appropriate daily guarantee in his/her classification.
- (b) The Employer may subcontract work in order to meet service commitments if it does not possess the facility, equipment or personnel to perform such work. In no event shall this paragraph be used as a basis to subcontract Road Driver work.
- (c) **The preservation of bargaining unit work is central to this Agreement.** The Employer's ~~may continue its practice regarding the use of contractor runs that do not have loads returning to the home domicile~~ **shall count toward the subcontracting limits in Article 44, Section (e), and in no way shall diminish the guarantees provided in Article 44, Section (d), or its practice (including pay equivalency) concerning the reassignment of Company drivers to cover peak periods. However Furthermore,** if sufficient freight is generated in the future to provide loads returning to the home domicile, the run shall be performed by Road Drivers.

The parties agree these freight loads ~~and/or LTL freight loads assigned to an LHD~~ will be converted to a scheduled run covered by a Road Driver if the two (2) way movements are sufficient to constitute a full-time job; occur for at least four (4) consecutive weeks; and can meet all customer and service

commitments. Terminals within thirty (30) mile driving distance from each other shall be considered one (1) terminal for the purpose of determining if there is a “two-way” run.

(d) The number of seniority Road Drivers on the payroll will be red circled at each location where subcontracting exists as of July 31, 2018. Subcontracting locations will be defined as those facilities that average one (1) or more contracted runs per each workday in each year (measured from August 1 to July 31) of this Agreement. No Red Circled Road Drivers will be required at facilities where no subcontracting currently exists. Red Circled Road Drivers will be guaranteed an eight (8) hour daily and forty (40) hour weekly guarantee, unless they have any unpaid absences in the work-week, or if they decline driving work, or if prevented by weather events or other Acts of God. The daily and weekly Red Circled Road Driver guarantee will be paid at the applicable Road Driver rate per Article 26. If the Red Circled Road Driver daily or weekly guarantees are not met, any work outside of the Road Driver classification performed by a Red Circled Road Driver will be paid at the top Road Driver Mileage rate of thirty-seven dollars and sixty-one cents (\$37.61) per hour pursuant to Article 47, Section 3. All other work beyond these guarantees will be paid at the applicable rate for the work being performed. The Company may continue to have mini-hub road run bids that include dock-work, and pay for the dock-work will count toward the Red Circled Road Driver’s daily and weekly guarantee, and will be paid at the applicable rate under Article 26 for the work being performed. The number of Red Circled Road Drivers may be impacted where there is a demonstrated loss of volume, a change of operations pursuant to Article 40, or the equipment on a run being upsized. Should these events occur, the matter will be referred to the Union and Company Co-Chairs of the UPS Freight National Grievance Panel for review.

(e) The Company agrees to reduce the current levels of contracted miles, calculated as the average annual total percentage for the year 2017, by a total of four (4) percentage points over the life of this Agreement. The decrease is to be implemented in a reduction of one (1) percentage point by July 31, 2019, an additional one (1) percentage point by July 31, 2020, an additional one (1) percentage point by July 31, 2021, an additional one-half (1/2) percentage point by July 31, 2022, and an additional one-half (1/2) percentage point by July 31, 2023.

(f) The Company agrees to add a minimum of one hundred (100) Road Driver jobs over the course of this Agreement as the reduction in contracted miles is implemented. The Road Driver positions will be added at a minimum of thirty-five (35) by July 31, 2019, another thirty-five (35) by July 31, 2020, and another thirty (30) by July 31, 2021.

(d) Line Haul Driver

i. In order to create full-time bargaining unit jobs, replace outside vendors utilized on one-way runs permitted under paragraph (c) above, and enhance the Company’s ability to compete, the Company may create a new classification of employee named line haul driver (LHD). The attached Addendum shall control how LHD’s are used and their terms of employment. Any run assigned to an LHD pursuant to paragraph (c) above shall be assigned to a Road Driver once the LTL freight volume meets the criteria set forth in that paragraph for determining two-way runs:

ii. If a Road Driver’s job is cut for the day, the Road Driver will have the option, in addition to those set forth in Article 5, Section 2(c), to displace any LHD provided he will be able to meet his next bid start time. If a Road Driver’s job is cancelled more than five (5) days in a calendar month, then the Road Driver shall have the right, in addition to the other rights set forth in Article 5, to take the job of any junior LHD who is domiciled in that facility. In such event, the Road Driver shall maintain his regular rate of pay and benefits. The displacement rights in this paragraph do not in any way diminish the Road Drivers’ seniority rights set forth in Article 5. If a Road Driver displaces a LHD pursuant to this paragraph, the displaced LHD shall be allowed to displace the junior LHD. If the facility is one in which a LHD only terminates his run, the Company will re-domicile the LHD run to that facility if it can do so and still meet customer commitments.

iii. In order to ensure that Road Driver jobs are protected from the implementation of LHD positions, the following rules will apply in those terminals into or out of which a LHD operates:

The Company will guarantee at each such terminal the number of Road Driver positions in existence as of ratification. This number shall not be subject to reduction except for a demonstrated loss of volume, a change of operations pursuant to Article 40 or the equipment on a run being upsized. Any disputes regarding such reduction shall be subject to review and approval by the IBT/UPSF Competition Committee. No Road Driver position will be eliminated as a result of the creation of a LHD position.

The Company shall not use a LHD to perform work assigned to a Road Driver or to avoid creating an additional Road Driver position at any terminal where the volume of freight increases sufficiently to require the creation of a full-time job.

The Joint UPSF/IBT Competition Committee will review and approve or reject any LHD runs that may be proposed by UPS Freight. A LHD run will not be approved unless it replaces a vendor. In the event the parties do not agree, the LHD run shall not be implemented.

The UPSF/IBT Competition Committee will review on a quarterly basis the use of LHDs to ensure they are not being used to perform work that contractually should be performed by Road Drivers. In the event the Committee finds that any LHD runs were created without eliminating subcontracting, those runs shall be bid as Road Driver runs pursuant to Article 5.

(e) As part of this Agreement, the Company will recall all Road Drivers to full employment within their classification or the LHD classification as per the memorandum of understanding, at all facilities where subcontractors are being used no later than ninety (90) days from the ratification of this Agreement. Full employment shall be defined as a Road Driver receiving his/her daily guarantee in his/her classification. The recall shall include Road Drivers laid off to the street as well as those working outside their classification. Once a Road Driver is returned to work all provisions of the contract will apply. The Company will guarantee at each terminal that Road Drivers recalled pursuant to this paragraph shall not be subject to layoff except for a

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demonstrated loss of volume, a change of operations pursuant to Article 40 or the equipment on a run being upsized. Any disputes regarding such reduction shall be subject to review and approval by the IBT/UPSF Competition Committee. No recalled Road Driver position will be eliminated as a result of the creation of a LHD position.

(f)(g) In addition to the protections set forth above, the Company agrees that it will provide to the Union Chair of the TNUPSFNC a monthly report in writing detailing the number of runs completed and loads pulled by outside vendors sorted based on the origination and destination terminals. These monthly reports will also include a system wide comparison of the total miles run and percentage of miles moved by contractors by outside vendors versus the Company's Road Drivers. Each report will include the described data for the prior calendar month and will be provided within fifteen (15) calendar days of the beginning of the following calendar month. If the percentage of total annual contracted miles in the 12-month period ending July 31 of any contract year exceeds the limits described in Section (e) above, the Company shall create an additional twenty-five (25) Red Circled Road Driver positions for each one (1) full percentage point above the scheduled reduction, in the following calendar year. The Company retains the sole right to assign these drivers to facilities as it deems appropriate.

ARTICLE 46 SUPERVISOR WORKING

The Employer agrees that the function of a supervisor is the supervision of employees and not the work of the employees they supervise. The Employer shall maintain a sufficient workforce to staff its operations with bargaining unit employees. Supervisors will not perform bargaining unit work until all reasonable efforts are exhausted to use bargaining unit employees. If it is determined at any step of the grievance procedure that this Section has been violated, the aggrieved employee filing the grievance will be paid at the applicable rate of pay for all time worked by the supervisor.

ARTICLE 47 MILEAGE RATES

Section 1. Mileage Rates

Over-the-road drivers shall be paid the cents per mile shown below for all miles, as determined in Section 2.

	Single/ Double	Sleeper (per driver)	Triple	Sleeper Triple (per driver)
Ratiff	0.6601	0.3482	0.6701	0.3542
1/1/14	0.6727	0.3549	0.6829	0.3610
1/1/15	0.6854	0.3615	0.6957	0.3678
1/1/16	0.6980	0.3682	0.7085	0.3745
1/1/17	0.7042	0.3715	0.7149	0.3779
7/1/17	0.7106	0.3748	0.7214	0.3813
1/1/18	0.7169	0.3782	0.7278	0.3847
7/1/18	0.7232	0.3815	0.7342	0.3881

<u>Top Progression Rate</u>	<u>0.7232</u>	<u>0.3815</u>	<u>0.7342</u>	<u>0.3881</u>
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Once Top Progression Rate is achieved, employee will receive applicable general wage increases as set forth in Article 26, Section 2 (a).

Section 3. Formula for Calculation of Red Circled Road Driver Hourly Rate

$$\frac{(8 \text{ hours} \times 52 \text{ mph} \times .7232 \text{ Top Progression Rate})}{8 \text{ hours}} = \$37.61 / \text{hour}$$

ARTICLE 49 DURATION

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 this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

Memorandum of Understanding

- The parties agree that the Company may continue its practice regarding 4 day/10 hour work schedules where they were in place at the time of ratification. This would also apply to locations where the parties have negotiated 4/10's since ratification. Overtime will be after 10 hours, and any future implementations would need to be agreed to locally. Additionally, if any of the nine (9) named Holidays in Article 25, Section 4 occur on the regular scheduled workday for a 4/10 employee, the employee shall receive 10 hours straight time pay for the Holiday. 4/10 drivers working on a holiday will be included in item # 4 below. Employees holding 4/10 job bids will be required to work 120 work reports as otherwise defined in Article 25, Section 5 to obtain vacation or 32 reports to obtain the partial vacation calculation.
- ~~The parties agree that the Company may continue its practice regarding Sunday through Thursday work week schedules as they existed at the time of ratification. This would also apply to locations where the parties negotiated Sun-Thur work schedules since ratification. Any future implementations would need to be agreed to locally.~~
- The parties agree that Full-Time employees laid off and displacing casual employees shall not be reduced to the casual rate of pay; rather, they shall be paid the full-time rate for the job performed.

Full-Time employees laid off and in progression will slot to the same progression step in the job they are performing. The full-time employees that were paid the casual rate while on layoff shall receive back pay.

- The parties agree that employees who start and work on a Holiday shall be compensated at one and one-half (1 1/2) their hourly rate; this does not pertain to employees whose regular scheduled workday concludes on a Holiday. The Company may continue its practice of moving the Holiday for operational needs, but must pay one and one-half (1 1/2) for employees who start work on a Holiday. The Company shall not change the start times in an effort to negate the Holiday Premiums.
- The Company shall pay any sleeper team delays as follows: after 15 minutes each driver shall be paid the appropriate Local Cartage wage rate for P & D as specified in Article 26, Section 4 or equivalent progression step for the duration of the delay.
- If a mileage road driver experiences a traffic delay in excess of 15 minutes, then he/she shall be paid the appropriate Local Cartage wage rate for P & D as specified in Article 26, Section 4 back to

the first minute. A traffic delay is defined as the wheels being completely stopped for the duration of the delay. This does not include typical rush hour traffic where the truck may be moving very slowly or starting and stopping intermittently. An example of a traffic delay would be when a highway is completely shut down for 15 minutes or more due to an incident and the vehicles cannot move at all.

- 67. Extra work that is offered in seniority order on non-scheduled work days does not have an 8-hour guarantee for any 90% employee. The employee may choose to either (1) get paid actual hours worked for the day, or (2) ask for four (4) hours of work. If the employee asks for at least four (4) hours of work, then the Company shall provide at least four (4) hours provided that (a) the work is available, and (b) the employee is qualified to perform the work.
- 78. The Company shall continue its practice of 2-hour show up pay; however, the parties agree the employee shall first be afforded his/her right under Article 5 to displace less senior employees provided work is available. If no work is available and the employee was not informed of the run being cut (or other lack of work) until he/she arrived at the service center, then the 2-hour show up pay shall apply.

Letter of Agreement

UPS Freight (“UPS” or “Company”) and Teamsters National UPS Freight Negotiating Committee (“Union”) agree to the following:

All full and casual clerical employees who received either of the general wage increases provided by the Addendum dated May 24, 2012, but as of April 25, 2013, were still below the rates provided in the new hire progression based upon his/her years of service, shall receive an increase of One Dollar and Forty-Three Cents (\$1.43) in two equal installments. The first increase of Seventy One and One-Half Cents (\$0.715) shall be on August 1, 2013. The second equal increase shall be on August 1, 2014. This is in addition to the general wage increases.

Memorandum of Understanding

UPS Freight (“Employer”) and the Teamsters National UPS Freight Negotiating Committee (“Union”) agree to the following Memorandum of Understanding (MOU):

Article 44, paragraph (c) shall not apply to any Road Driver who is not working because he declined to follow his work after an approved change of operations. In addition, any driver who declines a recall opportunity pursuant to Article 44 paragraph (c) shall no longer be considered laid off in relation to Article 44. Any driver who accepts a LHD position shall maintain their full pay and benefits as outlined in the CBA and all Memorandum of Understandings applicable to road drivers. This shall include but not be limited to Articles 5, 18, 25 and 26.

Line Haul Driver Addendum

The following rules shall apply to Line Haul Drivers (LHD):

- (a) All Articles of the UPS Freight Agreement (“UPSFA”) shall apply to LHDs, except Articles 5, 18, 25, 26, 41, 43, 44 and 47. Further, Article 21, Section 3 and Article 27, Section 3.3 shall apply to LHDs provided the employee has the seniority and is qualified to perform the available inside work.

- (b) With regard to seniority, Article 5, Section 1(a), (b) and (c) and Section 5 shall apply. LHDs shall have their own seniority list for layoff, recall and bumping rights. The notification procedure set forth in Article 5, Section 3 shall apply. LHDs shall not be subject to being bumped by employees in other job classifications, except as provided in Article 44 (d). LHDs may bump casuals only, provided the employee has the company seniority and necessary qualifications.

- (c) The following work rules shall apply to LHDs:

LHDs work week may be any combination of days in a work week.

LHDs may have different start times within the work week.

A LHD may be required to start his day at different times and facilities within the work week depending on the origin of his load.

Runs shall be as assigned by the Company. However, if a particular workweek has consistent work days and start times it shall be subject to bid.

- (d) Available new or vacated LHD jobs will be posted within seven (7) calendar days. The job opening will remain posted for seven (7) calendar days. The most senior casual employee bidding on the job shall be awarded the job, provided he or she is qualified. If there is no qualified casual employee to fill the job, the Company may hire a new employee. If a current casual employee is awarded the job, the Company shall have the right to fill that vacancy with a new hire.

An employee in the LHD classification may bid on a job in the local cartage or road classification pursuant to Article 5. Full-time employees at the service center shall have priority over casuals and LHDs. If no full-time employee at the service center bids on the job, the seniority date used to determine bidding priority among casuals and LHDs at the service center shall be their date of hire. If awarded such a bid, the LHD will be slotted into the progression for that job according to his/her seniority and immediately begin receiving the appropriate benefits for the job.

- (e) LHDs shall be entitled to the following benefits:

- (i) Medical Benefits: LHDs will be provided medical benefits through Central States. Plan B shall be the schedule of benefits. However, casual employees that are awarded a LHD position shall maintain their current benefits.

- (ii) 401(K) Plan: The LHD shall be eligible to participate in the Teamster UPS National 401(K) Tax Deferred Savings Plan in accordance with the terms of that Plan. The Employer shall withhold from the employee’s earnings, amounts mutually agreed between the Employer and the employee and deposit such monies into a 401(K) account in the employee’s name in compliance with the Internal Revenue Code and ERISA.

- (iii) Holidays: LHDs shall become eligible for holiday pay after one (1) year of employment. All work performed by an LHD on a holiday shall be at a straight time rate.

- (iv) Vacations: Article 25, Section 5 shall apply to LHD, except the maximum number of paid vacation days shall be ten (10). A casual employee awarded a LHD position shall be given the appropriate credit for vacation accrual.

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(v) Retirement: New employees hired as LHDs shall become Participants in the UPS Pension Plan on the earliest January 1 or July 1 following the attainment of age 21 and the completion of not less than 750 Hours of Service with the Company in the twelve month period following his date of employment. All time in service as a LHD by any new employee shall count toward the vesting requirements in the UPS Pension Plan. After becoming a Participant, LHDs will earn a monthly accrued benefit payable at normal retirement age equal to fifty dollars (\$50.00) per year times years of UPS Freight Benefit Service. In years in which an employee has less than fifteen hundred (1500) hours, LHDs shall earn one month of UPS Freight Benefit Service for each 125 hours of work completed and thereby earning a prorated share of the annual fifty dollar (\$50.00) accrual rate. There shall be no limit on the number of years of UPS Freight Benefit Service which may be accrued. Casual employees that are awarded LHD positions shall maintain their current benefits.

(vi) Other Benefits: UPS Freight may decide, whether other existing benefits programs such as but not limited to safety bonuses, discounted stock purchase plans, and educational assistance may be extended, modified or discontinued for this job classification at the Employer's discretion.

(f) Wages: LHDs shall be paid in accordance with the following:

	Start	Three Year
Single	\$0.42	\$0.44
Sleeper (per driver)	\$0.2129	\$0.2209
Triple	\$0.4257	\$0.4474
Sleeper Triple (per driver)	\$0.2157	\$0.2245

The compensation LHDs receive as a result of the application of the mileage rate to miles driven shall be the total compensation to which he is entitled for his road driving and all incidental duties (including, but not limited to, any rest breaks to which the employee may be entitled, pre-trip inspections, in-route breaks, in-route tire checks, logging, post-trip inspection, vehicle condition report, traffic delays, AVR arrival/dispatches, reporting of breakdown, reporting of accidents, tractor wash, check bay time, reefer checks, drops & hooks, fueling and pre-trip shop time). Except as otherwise specified in this Agreement, time spent waiting for dispatch in excess of one (1) hour at a non-domiciled location, unless the run is a layover or doing any work not incidental to driving shall receive fifteen dollars (\$15.00) per hour.

(g) The Joint IBT/UPSF Competition Committee shall have the authority to review LHD runs that may be proposed by UPS Freight to create a two-way run. UPSF and the Union also agree to review and approve proposed runs that may be inclusive of runs currently being performed by vendors. In the event the parties do not agree, the runs shall not be implemented.

Letter of Agreement

UPS Freight ("UPS" or "Company") and Teamsters National UPS Freight Negotiating Committee ("Union") agree to the following:

The Union Package Division Director and the UPS President of Labor Relations will determine the docketing fees and costs of the National Panel for the UPS Freight National Agreement.

Memorandum of Understanding

Mileage Driver Compliance with State Wage and Hour Laws

The parties agree that the terms of this Memorandum of Understanding (MOU) shall apply to any driver paid in a mileage rate in any state which passes a law requiring separate payment for non-productive time. This MOU shall not apply in 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 employees 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 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, 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 reports, 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 47, Section 1 and Article 26, Section 2 mileage rates in the National Master UPS Freight 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 47, Section 1 and Article 26, Section 2 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/she had only been paid based on the Article 47, Section 1 and Article 26, Section 2 rates. Agreement will not unreasonably be withheld.

6. Nothing in this Memorandum of Understanding is intended to change any other terms of the National Master UPS Freight Agreement or Addenda.