

**UNITED PARCEL SERVICE**

**The Central Region of Teamsters**

**Supplemental Agreement**

**For the Period August 1, 2013~~18~~  
through July 31, 2018~~23~~**

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**.

The following Articles and/or Sections of this Central Region of Teamsters Supplement shall supersede or be additions to the corresponding Articles and/or Sections of the National Master United Parcel Service Agreement.

**ARTICLE 1-PROBATIONARY  
EMPLOYEES-SEASONAL EMPLOYEES**

**Section 1**

(b) Seasonal Employees: Time worked from November 1st through ~~the Friday of the second full week of~~ January **15<sup>th</sup>** of the following year shall not accrue toward seniority. This period may be extended upon approval from the Local Union. Any employee who is retained after ~~the Friday of the second full week of~~ January **15<sup>th</sup>** or recalled within sixty (60) days after ~~the Friday of the second full week of~~ January **15<sup>th</sup>** must work thirty (30) in a ninety (90) consecutive day period commencing with the first (1st) day worked after ~~the Friday of the second full week of~~ January **15<sup>th</sup>** and his/her seniority shall revert back to the first (1st) day of his/her ninety (90) day qualification period. However, those employees hired prior to November 1st who are retained or recalled within sixty (60) days after ~~the Friday of the second full week in~~ January **15<sup>th</sup>** will retain credit for the number of days worked prior to November 1st.

These days retained will count toward the thirty (30) days worked in a ninety (90) consecutive day period commencing with the first (1st) day worked after ~~the Friday of the second full week in~~ January **15<sup>th</sup>** and they shall be rehired on a six-for-one basis, as outlined elsewhere in this Agreement, and shall be placed on the seniority list with credit back to the first (1st) day worked after ~~the Friday of the second full week of~~ January **15<sup>th</sup>**. An employee filling a permanent new job or job vacancy shall gain seniority under the thirty (30) working days in ninety

(90) calendar days seniority provision. This provision will not affect the Company's obligation to bid permanent full-time job vacancies pursuant to Article 3, Section 8 of the Central Region Supplement or any applicable language in any Local Rider or Addendum. Seasonal and probationary employees will not receive any of the benefits of this Agreement other than wages spelled out in this Agreement. Any employee put to work during the seasonal period shall be paid the appropriate seasonal rate of pay.

No time worked by a new hire in a second or subsequent consecutive free period shall count toward seniority. Any proven abuse of this provision shall be reviewed by the Central Region Co-Chairs.

**ARTICLE 3-SENIORITY**

**Section 6**

Laid-off, full-time seniority employees, in the order of their seniority, may elect to take the work of one (1) or two (2) part-time employees, for the duration of the layoff, provided they have more total Company seniority. **Where the work of two (2) part-time employees is available back-to-back (ninety [90] minute gap or less), laid off full-time employees must take the work of two part-time employees.** ~~In such cases,~~ **the full-time employees shall be guaranteed a minimum of three and one-half (3 1/2) hours work if they work one part-time operation or eight (8) hours if they work two** at the prevailing rate of pay for the classification of work he/she performs, or the rate of pay per Article 41, Section 3, which ever rate is higher, in addition to all fringe

benefits. Employees who have not completed progression shall be paid in accordance with the progression scale in Article 41, Section 3 or their prevailing inside rate whichever is higher. Article 40 employees will be paid in accordance with Article 40, Section 6. If a full-time employee bumps two part-time employees, said full-time employee shall receive time-and-one-half after eight (8) hours of work. After thirty (30) working days in a ninety (90) calendar day period under this provision, a full-time employee may elect to bump the least senior full-time employee in his/her building, excluding automotive, maintenance mechanics and feeder drivers, and have up to thirty (30) calendar days to qualify for said full-time position. If a laid-off, full-time employee elects to take a layoff rather than exercise his/her right to displace a part-time employee, he/she shall be considered a laid-off employee for lack of work for the purpose of unemployment compensation.

### Section 8

Qualified full-time employees with six (6) months or more seniority may select permanent vacancies and new permanent jobs as provided for in this Article in all months except ~~November and December~~ **for the period of November 15<sup>th</sup> through January 15<sup>th</sup>.** When a permanent new job or permanent vacancy becomes open in a center, it shall be posted by the Employer, within ten (10) days, for a period of five (5) working days, ~~except in the all months of November and December~~ **except for the period of November 15<sup>th</sup> through January 15<sup>th</sup>.** A permanent new job, for the purpose of this Article, shall be one that has been in existence for a period of thirty (30) calendar days.

Pending the job becoming permanent and the operation of the job selection procedure, management shall have the right to assign any employee to perform the work on a temporary basis. The job selection procedures shall be limited to three (3) moves, the original opening and two (2) others.

### Section 9-Route Changes

(a) Temporary:

Other than the ~~months of November and December~~ **period of November 15<sup>th</sup> through January 15<sup>th</sup>** if a bid area is changed fifty percent (50%) or more, the employee shall have the right to follow the portion in excess of fifty percent (50%) of the delivery stops. If the temporary change involves more than a two-way split, the driver shall select by seniority.

(b) Permanent:

If, during the life of this Agreement, a driver's bid area is permanently changed by fifty percent (50%) or more of the total stops, start time change of more than one (1) hour or a change of fifty percent (50%) or more of the area or loop, he/she shall have the right to follow whichever portion of his/her bid area he/she desires or he/she will have the option to bump a junior driver in accordance with local seniority practices. This procedure shall be repeated a second (2<sup>nd</sup>) and third (3<sup>rd</sup>) time with the fourth (4<sup>th</sup>) move being assigned.

It is understood, the above provision does not apply to ~~the months of November and December~~ **the period of November 15<sup>th</sup> through January 15<sup>th</sup>.**

In centers where drivers bid on delivery areas, the bid shall contain a geographic description of the area or loop and identify the base line. It is understood that day-to-day adjustments may be made. The above language shall also apply to full-time combination jobs.

### Section 10 -Part-time Employees Transferring To Full-time Jobs Other Than Hub and Preload

After the completion of the job selection procedure outlined in Section 8 of this Article, the resulting opening will be filled as follows:

Part-time employees with six (6) or more month's seniority may bid on a full-time opening in their building in all months except ~~November and December,~~ **for the period from November 15<sup>th</sup> through January 15<sup>th</sup>,** providing they meet the same requirements as applicants for that full-time job. The six (6) months or more may be reduced upon mutual agreement. The permanent new job or permanent vacancy resulting from the procedure outlined above will be posted for a period of five (5) working days. The job will be awarded to the senior bidding employee.

The employee awarded the job must satisfactorily complete a thirty (30) working day training period. An employee who disqualifies himself/herself on his/her first (1<sup>st</sup>) attempt shall not be allowed to bid again for one (1) year. An employee who fails to qualify, or disqualifies themselves on his/her second (2<sup>nd</sup>) attempt, shall not be allowed to bid again for ~~three (3)~~ **two (2)** years. The above procedure will be

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applied on an alternating six-for-one basis, (e. g., for every seven (7) jobs, six (6) will be filled as outlined above and the other from applicants from other sources).

**In the event a probationary employee is disqualified by the Employer from a package car driving position before completing the thirty (30) working day probationary period described in Article 1, Section 1, and is subsequently used to deliver a ground package route, those days will count towards the thirty (30) days worked in the ninety (90) consecutive day period commencing with the first day worked in the probationary period. If the employee is the successful bidder on a new opening, said employee will begin a new thirty (30) day probationary period.**

Part-time employees successfully transferring to full-time jobs will be considered as newly hired full-time employees and will be added to the appropriate seniority list. Their seniority date will be the day of the transfer.

Part-time employees entering into a full-time combination job must remain in that job for a period of nine (9) months before being eligible to bid again to another full-time combination job.

For vacation and retirement purposes, the employee shall receive additional seniority credit equal to all time worked as a part-time employee.

### **Section 11 - Part-time - Job Selection Procedure**

Absent any other mutually agreed to method allowing employees to transfer to preferred jobs, the following language will apply.

Qualified part-time employees with six (6) months or more seniority may select permanent preferred vacancies and new permanent preferred jobs as provided for in this Article in all months except ~~November and December~~ **for the period from November 15<sup>th</sup> through January 15<sup>th</sup>.** The six (6) months or more may be reduced upon mutual agreement.

A permanent preferred new job, for the purpose of this Article, shall be one that has been in existence for a period of thirty (30) calendar days.

### **Section 13 -Feeder Driver Annual Bid**

Local unions who do not have an annual feeder driver bid may elect to have this option as hereafter outlined:

On the third (3rd) Monday in April of each year, all feeder and tractor-trailer jobs in each center shall be posted for bid. Qualified seniority employees will select daily in twenty per cent (20%) segments, with the bid to be completed Monday through Friday. Each driver will select a sufficient number of choices to cover his/her seniority position when reporting to work. All drivers shall, in seniority order, select start time, equipment and destination from the posted schedule in their center. Those failing to select will be passed over and the bidding procedure continued. Passed over employees will select, at the time contact with the Employer is made, based on what is available at that time.

The Employer agrees to:

- (1) provide each driver with a list of all jobs on the annual bid in that center;
- (2) utilize a bid list in each center, keeping it current daily; and,
- (3) contact those people not at work due to absenteeism, worker's compensation, etc. for their selection.

Employees not at home will be verified by a Steward, and then passed over. Employees on vacation shall call at their bid start time on their appointed day to make their selection. All such awarded bids shall become effective by the first (1st) Monday in May.

In the event a bid starting time is permanently changed one (1) hour or more, the bid run is changed one (1) hour or more, the destination is changed fifty (50) miles or more, or the equipment is changed which eliminates equipment premiums, the employee may stay with the job or displace any junior employee within the feeder classification within ten (10) days. This procedure shall be repeated a second (2nd), a third (3rd), a fourth (4<sup>th</sup>) and a fifth (5<sup>th</sup>) time with the next move being assigned. **This paragraph will supersede any inferior language in any rider or addendum.**

If the job of a feeder driver or tractor-trailer driver is temporarily eliminated, lasting less than thirty (30) days, said driver shall displace the least senior tractor-trailer driver in his/her center until his/her job

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or start time returns, or until it is determined to be a permanent elimination more than thirty (30) days.

A feeder or tractor-trailer driver who is affected by the permanent elimination (one (1) less feeder job in that center) of his/her job shall be entitled to displace any junior employee within the feeder classification. This displaced employee shall be entitled to exercise his/her seniority and so on until the least senior feeder driver is displaced.

### Section 14 -Tractor-Trailer School

Once qualified and moved to a permanent tractor-trailer opening, they must remain for a minimum of three (3) years.

Employees that disqualify themselves, for any reason, while attending feeder school, are not eligible to requalify again for twenty-four (24) months from the date of the disqualification. To be eligible to move from the qualified list to the tractor-trailer job, an employee must not have had a serious avoidable accident **(as defined per Article 18 of the NMA)** during the year preceding his/her assignment to a tractor-trailer job.

In any case in which the local union believes an employee has been denied the opportunity of attending the tractor-trailer school, the local union shall have the right to discuss the matter with the district manager, or his/her designee, and present the facts which the local union believes show that the denial was improper. If an agreement cannot be reached, a decision will be given by the area Union and Employer representative.

New tractor-trailer openings or vacancies will be filled from the list of qualified employees in their Company seniority order at that location. In the event no employee on the list of qualified employees elects to fill an opening, the employee with the least seniority on the list must fill the opening.

Employees who have been on the tractor-trailer qualified list three (3) or more years, and who give the Employer thirty (30) day's proper written notice, shall be removed from the qualified list. In those instances when there would not be enough drivers on the qualified list for adequate coverage, the Employer shall be afforded the opportunity to train other drivers before allowing an employee to get off the list.

In order to accomplish the above, the Employer shall conduct tractor-trailer schools as frequently as

needed to maintain a sufficient number of employees on the qualified list. Each center will offer no less than ten percent (10%) of the number of scheduled feeder jobs in that center to be on the qualified feeder list, or presently assigned to the feeder classification.

Before hiring from the outside, the Employer will consider other employees to fill tractor-trailer openings if they meet the same criteria as those employees hired from the outside.

The Employer shall not be required to use employees on the qualified list for seasonal feeder runs during ~~October, November and December~~ **the period of October 15<sup>th</sup> through January 15<sup>th</sup>.**

### Section 18

Each local may elect to follow this procedure for cover driver work assignment or continue the practice that presently exists in their local union area.

Bid coverage drivers shall be used to fill absenteeism, vacations, employees' time off on disability or worker's compensation, overflow work and volume fluctuations.

The Employer shall determine how many coverage jobs are needed in each package center in a building. **This number of bid coverage positions will not be less than thirty percent (30%) of package car drivers not holding a permanent bid area in that center. This provision is not intended to reduce the number of bid coverage positions.** These coverage jobs and any non-bid areas that run on a regular basis will be offered to the non-bid guaranteed employees in seniority order, as described in Article 12, Section 1, of this Supplemental Agreement, within that center. This area will then become their permanent area or job. Any area or coverage job, as described above that has not been selected shall be assigned.

Coverage work that will be in existence for a full week shall be selected each Friday by the coverage drivers in seniority order in that center. In the event an employee elects work that will be in existence for more than one (1) week, they shall be required to perform that work for the duration of its existence.

When coverage work is not available on a weekly basis, cover drivers will work as directed.

**Section 19 – Single Day Vacation Coverage Drivers**

- (A) Seniority part-time employees may work as coverage drivers as replacements for full-time employees to cover full-time package work as outlined in this section and under the single vacation day option as outlined in Article 16. No coverage drivers may be used if full-time employees are on layoff in that building. It is understood, in order to make service on packages and in lieu of a supervisor performing bargaining unit work, these coverage drivers may be utilized on days where no single day vacations are scheduled after all other options have been exhausted. A log shall be retained of such coverage and furnished to the Local Union and/or steward upon request.
- (B) The pay rate for part-time coverage work shall start at ~~\$18.75~~ **\$21.00**. Coverage employees who have worked one full year and worked nine hundred (900) straight time hours in that year or any year following as a coverage employee will be paid ~~\$19.50~~ **\$23.00**. (The parties agree to meet and review the 900 hour provision prior to the end of the second contract year.)

**ARTICLE 5-GRIEVANCES**

**Section 2**

(a) The UPS Joint Area Committee shall be composed of United Parcel Service representatives from the following Local Unions: 7, 17, 20, 40, 41, 89, 90, 92, 100, 120, 135, ~~164~~, 200, 215, 236, 238, 243, 245, 332, 337, 344, 346, 348, 377, 406, 407, 413, 455, 554, ~~580~~, 637, 638, 651, 688, 696, 795, 823, 908, 957, and 964.

**ARTICLE 8-PAY PERIODS**

**Section 2**

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. Other shortages or overages involving more than ~~forty~~ **fifty** dollars (~~\$40.00~~) **(\$50.00)** for full-time employees, and twenty ~~five~~ **(\$25.00)** for part-time

employees, will be corrected the next workday. All other errors will be corrected on the following paycheck. National Master Article 17 penalty language shall apply.

**ARTICLE 11-PART-TIME EMPLOYEES**

**Section 6**

All part-time employees shall be given a paid break of ten (10) minutes per shift or part-time operation. Breaks shall not be scheduled prior to one (1) hour of work being performed.

**Part-time employees who work eight (8) hours or more on a single shift shall be given an additional paid break of ten (10) minutes.**

**ARTICLE 12-HOURS OF WORK**

**Section 1**

In the case of each full-time seniority employee the standard workweek shall be forty (40) hours per week, and the standard workday shall be eight (8) hours per day. Work shall be scheduled for five (5) consecutive days - Monday through Friday or Tuesday through Saturday. An employee may be required to work in excess of an eight (8) hour day or a forty (40) hour week and in that event, he/she shall be compensated at the rate of time and one-half (1 1/2) his/her regular straight-time rate for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a week.

In order for the Employer, the Union and employees to further benefit from expanding service offerings to our customers, it may become necessary to create schedules that differ from those that exist today. Future full-time schedules may be expanded to include Sunday through Thursday. Should that happen, current full-time employees will be afforded the opportunity to select their preferred schedule in seniority order.

~~The Employer shall continue its efforts to reduce overtime where requested. If the review does not indicate that progress is being made in the reduction of assigned hours of work, the following language shall apply: An employee shall have the right to file a grievance if the Employer has continuously caused him/her to work over nine and one half (9 1/2) hours per day. This procedure will not apply in the peak season of November and December.~~

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There shall be a weekly guarantee in each center as follows: In each classification in each center, the most senior ninety percent (90%) of employees called or put to work on the first (1st) workday shall be afforded the opportunity of working forty (40) hours of straight-time work during the week.

**ARTICLE 13-SAFETY AND HEALTH RULES**

**Section 3**

**When requested by the employee, a steward shall be present for any investigation of a work-related injury subsequent to the initial report. However, if there is a dispute during the initial reporting process, the employee may request an available steward. If a steward is unavailable, the employee may designate a bargaining unit member who is immediately available. Nothing in this provision shall be used to delay the process.**

**ARTICLE 14 -HEALTH & WELFARE AND PENSIONS**

**Section 1**

Contribution increases to benefit plans covering members of Local Unions 92, 135, 344, 348, 638, and 688 shall be made in accordance with Article 34 of the National Master Agreement. **Current full-time employees represented by Local 964, retirees and future retirees currently covered by the Fleet Owners H&W Plan shall be covered by TeamCare H&W Plan U-2. The Employer will facilitate a seamless transition from the Fleet Owners H&W Plan to the TeamCare H&W Plan with continued coverage for all participants.**

(a) The Employer’s contribution increases to **TeamCare shall be made in accordance with Article 34 of the National Master Agreement** the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty dollars (\$20.00) per week effective August 1, 2013, twenty dollars (\$20.00) per week effective August 1, 2014, twenty dollars (\$20.00) per week effective August 1, 2015. The contribution increases for August 1, 2016 and August 1, 2017 are TBD based on Central States costs.

(b) Jointly Trusteed UPS/IBT Full Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter

“UPS/IBT Plan”) which was created for employees who participated in the Central States Southeast and Southwest Pension Fund (“CS Plan”) and for future employees who would have participated in the CS Plan absent this Agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union established a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c)(5) for full-time employees who under the prior Agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

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

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been

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performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he/she has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he/she shall not receive any service credit for that calendar year. If he/she has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he/she shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be \$2000 per month if less than age 57 when benefits commence and \$2500 per month if at least age 57 when benefits commence. The benefit for thirty (30) year service retirement shall be ~~\$3000~~ **\$3,400 (\$3,800 effective 1/1/20)** (~~\$3,200 effective 1/1/14 and \$3,400 effective 1/1/17~~) per month regardless of the age of the retiring employee. The

benefit for thirty-five (35) years service retirement shall be ~~\$3500~~ **\$3,900 (\$4,300 effective 1/1/20)** (~~\$3,700 effective 1/1/14 and \$3,900 effective 1/1/17~~) per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

Years of service	Age	Monthly Service Pension	Credit
35 years	Any age	\$3,500	<b>\$3,900</b>
		\$3,700 effective January 1, 2014	
		\$3,900 effective January 1, 2017	

**Effective January 1, 2020, the following enhancements will be implemented:**  
**35 years, any age - \$4,300**

30 or more years	Any age	\$3,000	<b>\$3,400</b> plus \$100/yr of service for years over 30 up to \$3,500
		<b>\$3,900</b> \$3,200 plus \$100/yr of service for years over 30 up to \$3,700 effective January 1, 2014	
		\$3,400 plus \$100/yr of service for years over 30 up to \$3,900 effective January 1, 2017	

**Effective January 1, 2020, the following enhancements will be implemented:**  
**30 or more years, any age \$3,800 plus \$100/yr of service for years over 30 up to \$4,300**

25 years	Any Age up to age 57	\$2,000
25 years	57 or older	\$2,500 plus \$100/yr of service for years over 25 up to \$3,500
		<b>\$3,900</b> maximum <b>(\$4,300 1/1/20)</b>

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

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

### Section 2 Part-Time Pension

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars (\$55.00) for each year of past and future Credited Service to a maximum of thirty-five (35) years of Credited Service. The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60.00) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on August 1, 2008, he shall receive the sixty dollars (\$60.00) benefit formula for the entire 2008 plan year.

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

~~\$2,400~~ **\$2,275** for retirement at any age after 35 years of part-time Credited Service  
~~\$1,800~~ **\$1,950** for retirement at any age after 30 years of part-time Credited Service  
~~\$1,500~~ **\$1,625** for retirement at age 60 with 25 years of part-time Credited Service  
~~\$1,250~~ **\$1,325** for retirement at any age with 25 years of part-time Credited Service

(based on ~~\$530~~ **\$530**.00 per year of Credited Service)

(2) Part-time employees will receive one (1) year of Credited Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credited Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension

Plan.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

(4) The UPS Pension Plan will be governed by the terms of the Plan document.

(5) Effective August 1, 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but were denied Credited Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.

(6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.

(7) The Company will amend the UPS Pension Plan to allow an employee with an hour of service in covered employment on or after August 1, 2013 to become a participant on the January 1 or July 1 (whichever is earlier), after reaching age 21 and completing a 12 month period of employment beginning on their hire date, or any subsequent calendar year, in which they earned at least 375 hours of service. In addition, in order to receive any retroactive benefit service as a result of the change, the employee's primary job as of August 1, 2013 must be a part-time position. The Pension Plan will also be amended to reduce the number of hours of service required to earn a vesting year from 750 to 375. This paragraph does not change how benefit service is accrued.

The Employer shall provide pension benefit coverage to part-time employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law.

### Section 3

The Employer and the Union agree that they will undertake to attempt to establish appropriate reciprocity agreements to protect the pension rights of employees.



#### Section 4 Part-Time Medical Coverage

(a) If there are any part-time employees covered by a Teamster Health and Welfare Fund they will continue to be covered by those funds.

(b) Effective January 1, 2013 all part-time employees on the payroll at that time and those hired thereafter who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through **TeamCare** ~~the CSH&W Fund~~ regardless of the employee's work location. Weekly payments for the covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to **TeamCare**, ~~the CSH&W Plan~~ to provide the medical coverage.

(c) Notwithstanding any contrary provision in this Supplement or any Rider or Addendum, individual **and dependent/spousal** health coverage will be made available to part-time employees **on the payroll as of or** hired after August 1, 2008~~18~~ after ~~twelve (12)~~ **nine (9)** months of active employment, and (ii) ~~spousal or dependent coverage will also be made available to these part time employees twelve (12) months after their initial date of employment.~~

(d) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through **TeamCare** ~~the CSH&W Fund~~.

#### Section 5 - Long Term Disability

Refer to Article 34 of the National Master

#### Section 6

Retirees who are covered by the UPS Health and Welfare Plan including those who retired under the 1973-1976 Agreement shall receive benefits after January 1, 2014 under the terms of the Memorandum Concerning UPS Sponsored Plans, attached to the National Master Agreement.

In the event **TeamCare** ~~the Central States Southeast and Southwest Areas Health and Welfare Fund~~ does not maintain the benefit coverage and retiree

contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this Agreement, the Union and Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the contribution payable by the Employer pursuant to Article 34, Section 1 (a) shall be paid to the new plan.

#### ARTICLE 15-HOLIDAYS

##### Section 2

Whenever any of the above-named holidays fall ~~on Monday or Saturday, providing Monday or Saturday is not a normal workday~~ **outside of the employee's scheduled work week** or during an employee's vacation period, the full-time employee shall be paid eight (8) hours and the part-time employee shall be paid four (4) hours at the straight-time hourly rate for the holiday.

#### ARTICLE 16-VACATIONS

Single Vacation Day(s) Option:

Full-time employees that have earned at least three (3) weeks of vacation, will have the option of declaring that he/she will be able to split up to two (2) weeks of regular vacation into five (5) or ten (10) single days. Single vacation days may also be taken in blocks of (two (2) days, or three (3) days).

**Part-time employees that have earned at least five (5) weeks of vacation (20 years seniority), will have the option of declaring that he/she will be able to split one (1) week of regular vacation into five (5) single days. Single vacation days may also be taken in blocks of (two (2) days, or three (3) days).**

The employee must declare this option at the time of vacation selection.

#### ARTICLE 17-DISCHARGE OR SUSPENSIONS

The Employer shall not discharge nor suspend any employee without just cause. No employee shall be suspended or discharged without first being given (1) warning letter of a complaint and also be given a local level hearing except for the following offenses

Central Region Supplemental Agreement

(a) dishonesty; **(an employee's failure to accurately recall details during an investigatory interview shall not by itself be considered dishonesty)**

(b) drinking of, or under the influence of alcoholic beverage or narcotics during the workday pursuant to National Master Article 35;

(c) personal possession or use of drugs, marijuana or L. S. D. during the workday pursuant to National Master Article 35;

(d) serious accidents pursuant to National Master Article 18, Section 3;

(e) the carrying of unauthorized passengers while on the job;

(f) failure to report an accident that the driver had or should have had knowledge of;

(g) an avoidable runaway accident;

(h) failure to turn in all monies collected on that day;  
or,

(i) other cardinal offenses, the Company and the Union agree that there are offenses where an employee may be suspended in lieu of discharge. **Discharge under this subsection should only be used in situations where the employee's actions are so egregious that he/she needs to be removed from the workplace immediately to protect employees, customers, and/or the Company. When an employee is removed from service, the Union will be notified by the District Labor Manager or his/her Labor designee.**

With the above exceptions, no employee who is discharged or suspended shall suffer any loss of pay or benefits until the grievance procedure has been completed. The Employer liability will stop:

(a) if the discharge is sustained;

(b) if the Union fails to follow the procedure;