



# UPS Date



| NATIONAL MASTER UPS AGREEMENT TAKES EFFECT |

## STRONG CONTRACT ENFORCEMENT

**UPS To Deliver Thousands  
Of New Full-Time Union Package  
Jobs This Year**

**UPS** will add thousands of new package jobs across the country this year in the face of strong Teamster enforcement of the new National Master UPS Agreement, which recently took effect.

General Secretary-Treasurer Ken Hall, Package Division Director, said the new jobs follow months of discussion between the union and the company. UPS is now moving forward with plans to add thousands of new package jobs in all areas of the country. Hiring has already started, and the new jobs will be in addition to the regular filling of jobs through attrition.

"This is great news for Teamsters who want relief from excessive overtime, for part-time workers who want full-time opportunities and for our entire union," Hall said.

The contract contains new language that allows the union to take inadequate staffing levels to an arbitrator in centers with excessive overtime issues. In addition, new protections and procedures involving the SurePost shipping program will ensure that more packages are delivered by Teamster members. These changes are already resulting in new jobs across the country.

"Faced with new language in the contract and the embarrassing staffing shortages during the last holiday season, UPS has no choice but to hire more workers," Hall said.

### Contract Takes Effect

The national contract and all supplements, riders and addenda went into effect April 25 following action by the National Negotiating Committee, pursuant to Article XII of the IBT Constitution. It is the largest collective bargaining agreement in North America and covers about 240,000 UPS Teamsters.

"This is an excellent national contract that we can all be proud of," said General President Jim Hoffa. "We want to thank UPS Teamsters for their patience and commitment during this process."

Containing significant wage increases and other improvements, a majority of Teamsters voted to approve the five-year national agreement in June 2013. But the road to implementation took longer.

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# UPS MEMBERS ASKED, TEAMSTERS DELIVERED



**T**he new contract contains substantial wage increases and excellent benefits. But it also contains new protections and procedures that protect Teamsters and their work. But language is only as good as the enforcement. We all must be vigilant and make sure that UPS adheres to the language and doesn't violate the contract. It is up to every member to police the contract, file grievances and talk to their shop stewards and local unions.

## Harassment

Harassment has been a longstanding problem at UPS. It takes many forms and has several causes. UPS has used threats, intimidation, discipline and retaliation to harass employees and keep them from filing grievances.

This contract addresses harassment in several ways. There is language in Article 37 explicitly prohibiting UPS from retaliating against employees for exercising their rights under the contract, including filing grievances; new language in Article 6 prohibits the company from discharging an employee based

solely on information received from GPS or any other successor system – regardless of whether it is a first offense or not; new 9.5 language prohibits UPS from piling work on anyone on the 9.5 list at the end of the week; and also in Article 37, new language gives the union the right to challenge inadequate staffing in front of an arbitrator if there are unresolved deadlocked 9.5 grievances in a center.

## New 9.5 Procedures, Protections In Article 37

New language simplifies the process for getting on the 9.5 list, provides protections for cover drivers as well as regular route drivers, prohibits the company from piling work on at the end of a week and provides protections for those who file grievances based on 9.5 language.

New language also allows the union to address inadequate staffing, which is the cause of many 9.5 violations. Keep in mind, the language only works if we use it. If the company violates your rights under the 9.5 language, you should file a griev-

ance as soon as possible so that we can fix the situation.

Under the new language, a driver may opt into the 9.5 list any week in which the driver has worked more than 9.5 hours three times. The 9.5 protections will take effect on the first work day of the following work week (except November and December). Drivers no longer have to wait up to five months to take advantage of the language.

All drivers with four years of seniority as a full-time package car driver will be eligible for 9.5 protections. Cover drivers will also be eligible provided the driver covers a route for a full week, or is assigned to cover a route for a full week but is prevented from completing the assignment due to reassignment by UPS.

UPS may not assign excessive overtime on the two remaining days within a workweek after adhering to 9.5 language as retaliation for opting onto the list. If this happens, file a grievance so the union can address the problem immediately.

In centers with unresolved 9.5 deadlocks, the union has the right to

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UPS entered negotiations with an unwavering demand that it planned to drastically cut health care benefits to employees in the company plan and raise the cost to workers. UPS had already made the same draconian cuts to management's health care plan.

In order to maintain the excellent benefits that members receive, the National Negotiating Committee negotiated a provision in the contract to move those UPS Teamsters into new plans jointly administered by the Teamsters Union and UPS. That move also allowed UPS Teamsters to continue paying no monthly premiums for health insurance.

The change in plans for some Teamsters initially caused confusion and created misinformation, and a number of local supplements and riders to the national agreement were rejected over those concerns.

The National Negotiating Committee went back and successfully obtained some further improvements to health care benefits because of the influx of UPS Teamsters into the health plan and the added bargaining power. Also, negotiators listened to members' concerns and changes were negotiated in some supplements and riders that had been voted down. After those changes, and once members learned more about the new health care plans, a majority of local supplements and riders passed. The new health care plans take effect on June 1.

### **Substantial Wage Hikes, Back Pay**

UPS Teamsters will receive significant wage increases totaling \$3.90 per hour over the five-year term of the contract. That means a full-time driver, based on a 46-hour work week, will earn over \$25,000 more during the life of the contract.

"The entire national negotiating committee worked extremely hard to achieve the contract priorities set by UPS Teamsters, which I'm proud to say we have done in this agreement," said Southern Region International Vice President Ken Wood, President of Local 79 in Tampa, Fla. "Members said they wanted strong wage increases, to maintain health care benefits and to address harassment. We won all of those."



The first wage increase in the contract, which is 70 cents per hour, is retroactive to Aug. 1, 2013. UPS has committed to expediting payment for members' retroactive wage increases. The retro checks, which are in the process of being issued, will be separate checks to avoid being taxed at a higher rate. Members will receive their retro checks in the same manner in which they receive their regular paycheck.

In addition, UPS will begin making retroactive contributions to the health and welfare and pension funds immediately. UPS currently owes over \$300 million to Teamster members and funds. Now Teamsters will be made whole.

"I'm happy to finally get my raise and retro check," said Dennis Fisk, a package car driver from Local 25 in Boston. "It was a long wait, but worth it."

### **Taking On Harassment**

The new contract has strong new language to protect workers from harassment in many forms.

"Everyone knows harassment is a huge problem, and that was a big priority for the membership," said Chip Parrish, a package car driver from Local 79 in Tampa. "We needed to address these issues and it's great the contract is going to have some teeth when it comes to harassment issues."

The contract tackles excessive overtime by making it easier for workers to get on the "9.5 list" limiting hours. It also provides access to 9.5 penalty pay in the first week of a violation, provides protections against retaliation for filing 9.5 grievances, prohibits the company from piling on work at the end of a week and allows the union to address inadequate staffing.

"This is the first time in the history of the national contract that UPS has agreed to language allowing the union to challenge the adequacy of staffing in its centers," said Eastern Region International Vice President Sean O'Brien, President of Local 25 in Boston. "This is a great contract that Teamsters can be proud of."

The contract also addresses the underlying issues of harassment by strengthening worker protections regarding the use of GPS and the use of electronic devices.

"We all need to work together and stay committed to strongly enforcing the new contract, including harassment by supervisors and excessive overtime," said Mike McGaha, President of Local 391 in Greensboro, N.C.

For UPS employees who have been serving in the military, the new contract will allow them to continue to accrue vacation to be used upon their return. This means that when they come back from duty, they will have vacation time available to use immediately upon their return.

### **Protecting Our Work, Enforcement**

The contract also puts more packages back on UPS trucks and protects Teamster work and jobs.

New language establishes rules for the size and weight of packages shipped via SurePost. The SurePost program is limited to businesses shipping residential.

SurePost packages are now limited to 10 pounds in weight and less than 3 cubic feet in size. In 2013, UPS redirected 54.7 million packages. Already this year, more than 23 million packages have been redirected back to UPS drivers. UPS is contractually obligated not to diminish the bargaining unit because of SurePost.

"We now have a great contract that provides tough new protections for UPS Teamsters," said Trevor Lawrence, Secretary-Treasurer of Local 638 in Minneapolis.

But the contract is only as good as the members who enforce it. Hall encouraged all UPS Teamsters, stewards and principal officers to be vigilant, to document violations and to use the grievance procedure.

"I want to thank our members for their patience as we worked through our internal union process," Hall said. "Also a special thank you goes to the entire National Negotiating Committee and our regional coordinators Ken Wood, Sean O'Brien, Andy Marshall, Ron Herrera and Mike Goebel for their hard work."

"But the work doesn't stop now. We must do whatever it takes to enforce this contract. Our diligence has already paid off with the addition of thousands of new union package jobs being added. But we need help from our members, stewards and local unions to hold the company accountable."



# UPS MEMBERS ASKED, TEAMSTERS DELIVERED

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file for arbitration over staffing levels. This means that if understaffing is causing the 9.5 violations, an arbitrator can force UPS to hire more people so that those on the 9.5 list are not working excessive overtime.

Again, we can only enforce this language if grievances are filed. Before we can bring inadequate staffing issues before an arbitrator, we must have deadlocked grievances to prove that excessive overtime is being caused by too much work being put on too few drivers. This is unprecedented language – never before has UPS agreed to language that allows the union to challenge the adequacy of its staffing.

In order to make sure that members are not intimidated into not filing a grievance, we added language in Article 37 that explicitly prohibits UPS from retaliating against employees for exercising rights under the contract, which includes filing grievances.

## **SurePost Limits and Guidelines In Article 26**

Putting more packages back on UPS trucks, to be delivered by UPS Teamsters, was one of the major concerns that we had going into negotiations. SurePost is UPS's answer to similar programs that FedEx and other delivery companies have, in which last-mile packages are delivered by the U.S. Post Office – usually the time in transit is longer and the cost to the consumer is less than regular ground delivery.

In this contract, new language protects Teamster work, puts new limits and restrictions on SurePost and ensures that packages that can be redirected back on UPS trucks will be. The company began implementing some of the technology that redirects SurePost packages when there are other ground packages going to the



same or nearby addresses. Already this year, UPS has redirected more than 23 million SurePost packages back on UPS trucks.

SurePost packages are now limited to 10 pounds in weight and less than 3 cubic feet in size. SurePost is limited as an offering for business to residential only. It cannot be used for business-to-business shipping. UPS also may not diminish the bargaining unit because of SurePost.

UPS must continue to implement technology that identifies when both SurePost and ground packages are being delivered to the same address so that package car drivers can deliver both packages. The company

must also work to expand that technology so that package car drivers will deliver SurePost packages in close proximity to ground packages, even if they are not going to the same exact address.

Most importantly, since SurePost is a reaction to similar product offerings by other companies, if UPS's competitors stop using a service similar to SurePost, either nationwide or in any service area, UPS will discontinue SurePost. In addition, if UPS expands SurePost beyond what is set out in the contract without the union's consent, an arbitrator may require UPS to terminate the expanded service.

## I GENERAL WAGE INCREASES I

The new contract contains substantial wage increases of \$3.90 per hour for the term of the five-year contract for both full- and part-time workers.

Retroactive to Aug. 1, 2013: 70 cents  
Aug. 1, 2014: 70 cents  
Aug. 1, 2015: 70 cents  
Aug. 1, 2016: 40 cents  
Feb. 1, 2017: 40 cents  
Aug. 1, 2017: 50 cents  
Feb. 1, 2018: 50 cents

The full-time starting wage increased to \$18.75, up from \$16.10. Employees entering a package car driving, feeder or other full-time job now will have a 48-month progression. Those currently in progression will continue with the 36-month progression.

For part-time workers, the start rate increased by \$1.50 to \$11 for pre-loaders and sorters, and \$10 for all others. Part-timers currently in progression will receive the general wage increase and make no less than what they would be entitled to with the new pay rates taking effect.



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