

**THE WESTERN REGION
OF TEAMSTERS
UNITED PARCEL SERVICE
SUPPLEMENTAL AGREEMENT**



**AGREEMENT REACHED FOR THE
ELEVEN (11) WESTERN STATES OF
ALASKA, ARIZONA,
SOUTHERN CALIFORNIA, HAWAII, IDAHO,
MONTANA, SOUTHERN NEVADA,
NEW MEXICO, OREGON, UTAH
AND WASHINGTON.**

**For the Period:
August 1, 2013 through July 31, 2018**

TABLE OF CONTENTS

<u>ARTICLE #</u>	<u>TITLE</u>	<u>PAGE #</u>
	PREAMBLE.....	3
1	SCOPE OF AGREEMENT.....	3
2	SINGLE BARGAINING UNIT.....	3
3	UNION SECURITY - UNION MEMBERSHIP.....	3
4	SENIORITY.....	4
5	SEASONAL PERIOD.....	6
6	BIDDING AND JOB OPENINGS.....	6
7	PART-TIME TO FULL-TIME EMPLOYMENT.....	11
8	TRAINING AREAS.....	12
9	TIME CLOCKS.....	12
10	PRIORITY OF AGREEMENT.....	12
11	NEW EQUIPMENT AND/OR OPERATIONS	12
12	COMBINATION JOB (FULL-TIME REGULAR EMPLOYEES).....	13
13	PAY PERIOD.....	13
14	AIR CONDITIONING.....	13
15	SAFETY AND HEALTH.....	14
16	UNIFORMS.....	14
17	BREAKDOWN AND IMPASSABLE HIGHWAYS.....	14
18	INSURANCE CLAIMS.....	15
19	OVERTIME AND HOLIDAY PERIODS.....	15
20	WORKDAY WORKWEEK.....	15
21	DELAYED START TIMES.....	17
22	UTILITY DRIVERS.....	17
23	MAINTENANCE OF STANDARDS.....	17
24	FEEDER RUNS.....	17
25	GRIEVANCE MACHINERY.....	18
26	GRIEVANCE COMMITTEE.....	18
27	SETTLEMENT OF DISPUTES.....	18
28	GRIEVANCE PROCEDURE.....	19
29	DEATH IN IMMEDIATE FAMILY.....	25
30	HEALTH AND WELFARE AND/OR PENSION.....	25
31	DURATION OF AGREEMENT.....	33

PREAMBLE

All language contained in this Supplement shall apply to all signatory Local Unions except where explicitly stated otherwise.

Any lesser conditions contained in any Rider or Addendum shall be superseded by the conditions contained in this Agreement. However, except where specifically stated otherwise in this Agreement nothing in this Agreement shall deprive any employee of any superior benefit contained in their Rider or Addendum.

All agreements, conditions and/or language deemed in conflict with the Western Region United Parcel Service Supplemental Agreement were brought forth on August 27, 1997, and resolved. Disputes on language established prior to August 27, 1997 and not reviewed on August 27, 1997, deemed to be in conflict shall be invalid.

Unless otherwise specified in this Agreement, days shall mean calendar days.

Wherever used in this Agreement, words in the masculine shall also be read and construed as in the feminine in all cases where such construction would so apply.

ARTICLE 1 - SCOPE OF AGREEMENT

The execution of this Western States Supplement to the National Master United Parcel Service Agreement on the part of the Employer shall cover all operations of the Employer in, between and over the states of Alaska, Arizona, Southern California, Hawaii, Idaho, Montana, Southern Nevada, New Mexico, Oregon, Utah and Washington and into and out of contiguous territory, and shall have application to the work performed within the classifications defined and set forth in the Riders hereto.

ARTICLE 2 - SINGLE BARGAINING UNIT

The employees, Unions and the Employer covered under this Supplemental Agreement and the various Riders thereto shall constitute one (1) bargaining unit. It is understood that the printing of this Supplemental Agreement and the aforesaid Riders and Addenda in separate agreements is for convenience only and is not intended to create separate bargaining units. The provisions of this Agreement shall apply to all accretions to the bargaining unit, including but not limited to, newly established or acquired terminals, and consolidation of terminals.

ARTICLE 3 - UNION SECURITY - UNION MEMBERSHIP

If any provision of an Article is invalid under the law of any state wherein this contract is executed, such provision shall be modified to comply with the requirements of state law or shall be re-negotiated for the purpose of adequate replacement. If such negotiations shall not result in

a mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

ARTICLE 4 - SENIORITY

SECTION 1 - PROBATIONARY PERIOD/TRIAL PERIOD

(a) - PROBATIONARY PERIOD (FULL-TIME)

A new full-time employee shall attain seniority when he/she has worked thirty (30) days within a one hundred twenty (120) consecutive day period. A new full-time employee hired into the package car classification may have up to an additional ten (10) working days at the beginning of his/her probationary period, which may result in a total probationary period of up to forty (40) worked days within a one hundred twenty (120) consecutive day period, provided that all such additional time is spent in classroom training. Prior to attaining seniority, as defined in this Section, the employee, other than those employees attempting to transfer from part-time to full-time positions, shall be considered a probationary employee and may be discharged without such discharge being subject to the grievance procedure. However, the Employer shall not discharge or otherwise discipline a probationary employee for purposes of evading the terms of this provision or to discriminate against Union members. Upon completion of the probationary period, the employee shall be given a seniority date as of his/her first day worked within such one hundred twenty (120) day period.

Notification will be made to all Local Unions within seven (7) days of employment of all new hires. Information will include name, address, social security number, last employer, classification hired into, and date of hire.

(b) - TRIAL PERIOD (PACKAGE CAR DRIVER)

Employees transferring from part-time to full-time who are attempting to qualify as a package car driver shall have a thirty (30) working day trial period to qualify and may have up to an additional ten (10) working days at the beginning of his/her trial period, which may result in a total trial period of up to forty (40) working days, provided that all such additional time is spent in classroom training.

(c) - PROBATIONARY PERIOD (PART-TIME)

A new part-time employee shall attain seniority when he/she has worked seventy (70) days within a six (6) consecutive month period. Prior to attaining seniority, as defined in this Section, the employee shall be considered a probationary employee and may be discharged without such discharge being subject to the grievance procedure. However, the Employer shall not discharge or otherwise discipline a probationary employee for purposes of evading the terms of this provision or to discriminate against Union members. Upon completion of the probationary period, the employee shall be given a seniority date as of his/her first day worked within such six

(6) month period.

Notification will be made to all Local Unions within seven (7) days of employment of all new hires. Information will include name, address, social security number, last employer, classification hired into, and date of hire.

SECTION 2 - SENIORITY LISTS

(a) There shall be separate seniority lists as provided in each respective area or local Addenda or Riders. The Employer shall furnish to the Local Union a complete and current copy of each separate seniority list in the Local Union's jurisdiction, once per quarter.

(b) Employer shall post each separate list at a location easily accessible to the affected employees and shall update such seniority lists on a periodic basis, to reflect termination, transfers, and new hires. The list(s) shall include a verifiable time and date of posting. The Local Union may request and shall be furnished an updated seniority list, to resolve seniority issues. If the accuracy of a seniority list is in question, the Company will meet with the Local Union to discuss discrepancies.

An employee may protest the accuracy of his/her seniority date and/or his/her relative standing on that seniority list by filing a timely grievance.

SECTION 3 - RECOGNITION OF SENIORITY

The Employer recognizes that the principles of seniority shall be given prime consideration in the every day operation of the business.

SECTION 4 - TERMINATION OF SENIORITY

Seniority shall be terminated upon discharge for cause, voluntary termination of employment, retirement, failure to return to work within seventy-two (72) hours following the date an employee on layoff receives a certified letter of recall mailed to the employees last known address, being placed on layoff for a period of three (3) consecutive years provided the employee has two or more years of seniority and for a period of two (2) years if the employee has less than two (2) years seniority, and failure to return to work at the expiration of an approved leave of absence.

SECTION 5 - LAYOFF AND RECALL

Layoffs and recalls shall be in seniority order in accordance with each respective area or local Addendum or Rider.

ARTICLE 5 - SEASONAL PERIOD

The seasonal period shall be defined as the period October 1st through December 31st, inclusive, of any year.

A seasonal employee is a full-time temporary employee who is hired between October 1st, and December 31st, inclusive, of any year, and shall not accrue seniority or service credit for any purpose during this period. Any full-time employee hired prior to October 1st of any year shall continue to accrue seniority during this seasonal period in accordance with the seniority provision of this agreement.

ARTICLE 6 - BIDDING AND JOB OPENINGS

SECTION 1 - FEEDER BIDDING

(a) All feeder schedules shall be bid on a seniority basis, each calendar year. Feeder schedules shall be posted for five (5) working days, during which time drivers shall be afforded the opportunity to bid. Annual feeder bids shall be awarded and become effective the first (1st) full week of May. (The present annual bidding procedures in Local 396 shall remain in effect.)

Posted bids will include a brief description of each job, including the work day and work week, start time, point of destination and the type of equipment normally utilized.

(b) Permanent feeder vacancies and new schedules that become available subsequent to the annual bid shall be posted within five (5) days for five (5) working days, during which time drivers shall be afforded the opportunity to bid such vacated or new schedule. A posted vacancy or new schedule shall include a brief description as provided in (a) above. The successful bidder shall be awarded the posted vacancy or new schedule the Sunday following the expiration of the five (5) day posting period. A permanent vacancy shall be described as a feeder schedule that runs three (3) days a week for a thirty (30) day period, excluding extra schedules established during the peak season, which shall be filled in accordance with (c) below.

Vacancies created as a result of this bidding procedure shall be posted and bid in accordance with the provisions set forth herein.

(c) Extra peak season feeder schedules that are established prior to the second (2nd) full week of December shall be first offered, on a seniority basis, to the seniority feeder drivers and then to the back-up feeder drivers prior to filling such extra schedules with peak season hires.

Bid feeder drivers who choose not to select an extra peak season feeder schedule during the initial peak season feeder schedule offering shall be eligible to select, in seniority order, 1) any regular bid feeder schedule vacated by a bid feeder driver who has selected an initial peak season feeder schedule or, 2) any extra peak season feeder runs that develop after the initial peak season

feeder schedule offering. Secondary vacancies created by bid feeder drivers utilizing the language in option #1 of this paragraph shall first be offered utilizing the procedures contained in the Local Union's Feeder Work Rules. If the Local Union's Feeder Work Rules are silent, or the Local Union does not have Feeder Work Rules, the vacancies shall be filled utilizing agreed upon local area practice.

Seniority drivers will not be allowed to exercise seniority to fill extra peak season schedules, or temporarily vacated regular bid feeder schedules, more than one (1) time during each peak season or after the beginning of the second (2nd) full week of December. Seniority drivers filling such extra schedules shall return to his/her bid at the time such extra schedule is abolished.

(d) In the event a bid feeder schedule is abolished, or the established start time is permanently changed by one (1) hour or more, or the scheduled paid day is otherwise changed by more than two (2) hours, the affected driver shall be allowed to exercise his/her seniority to bump any less senior driver and this bumping procedure shall continue for an additional six bumps at which point the last affected driver shall be assigned to the remaining schedule.

The seniority rights of a driver affected by day to day cancellation of a bid feeder schedule will be determined in accordance with local bid and dispatch rules.

SECTION 2 - PACKAGE CAR VACANCIES

(a) A package car area permanently vacated, or newly established area, excluding those areas established during December, shall be posted within five (5) days for five (5) working days, during which time drivers shall be afforded the opportunity to bid such vacated or new areas. A posted vacancy or new area shall include geographical descriptions and whether the area is a designated training area. The successful bidder shall be awarded the posted vacancy or new area the Monday following the expiration of the five (5) day posting period. If the bid is not awarded as outlined above the case may be referred to the Union and Company Chairpersons of the Western Region Grievance Panel or their designees, who will have the discretion to issue an immediate remedy. A permanent vacancy shall be described as an area that is delivered three (3) days a week for a thirty (30) day period, excluding those extra areas established during peak season.

Vacancies created as a result of this bidding procedure shall be posted and bid in accordance with the provisions set forth herein.

When a driver's area is split to the extent of creating an additional new area, the affected driver shall be allowed to select either of these areas, prior to posting the other area for bid.

When a driver's assigned delivery area is permanently changed by fifty percent (50%) or more of its delivery stops, said driver shall have the right to follow the major portion of the original delivery area. When more than one (1) driver's delivery area is affected, those affected drivers

shall be afforded the opportunity amongst themselves to bid the areas affected in accordance with their seniority.

SECTION 3 - BIDDING DURING LEAVE OF ABSENCE/VACATION

A driver on leave of absence during the period a bid is posted shall not be deprived of the opportunity to exercise his/her seniority provided however, bids must be submitted within the defined bidding period. It shall be the responsibility of the driver to advise his/her steward or someone else to notify him/her of job openings he/she might be interested in.

Time limits set forth herein shall not be utilized to deprive a driver of the right to exercise his/her seniority to bid a job posted while the driver was on vacation.

SECTION 4 - PART-TIME OPENINGS

The Employer will fill all vacancies and permanent new jobs for part-time employees from the part-time selection list in all months except December.

Seniority part-time employees shall have the right to place their name on the list of employees waiting to be moved to a preferred job within their building. Such preferred jobs shall include, but not be limited to: preload, sorter, clerical, irregular train, designated responder, carwasher, loader and unloader. Employees do not have the right to select any specific unit, load or workstation unless a prior past practice has been established.

Seniority part-time employees may select permanent vacancies and new permanent jobs on any shift in the same building in all months except December including preferred jobs on their own or another shift. Such preferred jobs shall include, but not be limited to, part-time jobs such as; preload, sorter, clerical, irregular train, hazmat first responder, carwasher, loader and unloader.

Employees do not have the right to select any specific unit, load or work station unless specifically provided in the applicable Supplement, Rider or Addendum or an established practice thereunder.

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

Any employee moving into a sorter or preloader job must be prequalified for the job to which he/she moves.

Employees on approved leave shall not be deprived of their seniority selection rights.

The successful selector shall be assigned within five (5) days of the completion of the selection

process.

SECTION 5 - TRIAL PERIOD

In the event the awarding of a posted bid, in accordance with the procedures set forth in Sections 1, 2, 3, and 4 above, results in an employee moving into a higher paid classification and/or job, he/she shall be given up to a thirty (30) working day training and trial period in which to demonstrate his/her ability to perform the work involved. All testing and job measurement skills shall be reasonable and shall be administered in a reasonable and non-discriminatory manner. When an employee is disqualified, the Employer shall notify the Local Union of the reasons for the disqualifications. Any disputes arising out of this Section shall be subject to the grievance procedure.

SECTION 6 - TRANSFER REQUEST

It is the Employee's responsibility to verify all benefits at the requested transfer location. Benefits may vary by state and location. The medical, dental, vision, retirees medical coverages and pension rates may be less or non-existent in the location you desire. Contact the Local Union in the area you wish to transfer to for all information pertaining to the area benefits.

Employees whose current health care coverage is provided by a jointly administered Taft-Hartley Trust Fund plan who are transferring to an area where health care coverage is provided by a Company administered plan will be eligible immediately for health care benefits upon the first day worked at the new location.

Employees whose current health care coverage is provided by a Company administered plan who are transferring to an area where health care coverage is provided by a jointly administered Taft-Hartley Trust Fund plan will have to satisfy the eligibility requirements of the jointly administered Taft-Hartley Trust Fund plan once beginning to work in the new location. An employee in this situation will not have health care coverage until the eligibility requirements have been met and will receive a COBRA (Consolidated Omnibus Budget Reconciliation Act) notice from the Company notifying them of their options in reference to continuing health care coverage with no lapse in coverage. COBRA payments are the responsibility of the employee.

Employees should contact the Local Union they are leaving and the Local Union they are transferring to in order to verify what type of health care plan administration each area uses in order to make the proper arrangements for uninterrupted health care coverage.

The following language shall render null and void all language in any Supplement, Rider or Addenda for those Local Unions signatory to this Agreement regarding building to building transfers for package car and feeder drivers. All full-time package car drivers covered by this Agreement, with one (1) year seniority, shall have the right to transfer according to paragraphs (1) through (10) below. All full-time feeder drivers covered by this Agreement, with one (1) year seniority, shall have the right to transfer according to paragraph (11) below.

1. During the month of October of each year, a transfer list will be posted in each center which will become effective January 2nd of the following year.
2. Package car drivers interested in transferring to another building within the Western Region of Teamsters United Parcel Service Supplemental Agreement jurisdiction in the following year must sign this transfer list designating the building requested. Package car drivers shall be allowed to select two (2) buildings when requesting a transfer.
3. By December 1st of each year, all center lists will be combined to form one Master Transfer Roster, listing all interested package car drivers according to their package car driver seniority with a copy to all Local Unions signatory to this Agreement. An employee may protest the accuracy of his/her seniority date on the final Master Transfer Roster, provided however, that such protest must be made in writing within thirty (30) days from December 1st. Failure to protest a Master Transfer Roster seniority date within the thirty (30) day period shall result in the list being considered accurate. A designated UPS district and a designated Teamsters Local Union shall share joint responsibility for immediately communicating any revisions to the list to all Local Unions signatory to this Agreement.
4. Part-time employees shall have the right to fill full-time positions within their Local Union jurisdiction before accepting transfers from the Master Transfer Roster on a six (6) for one (1) basis in each facility within each Local Union's jurisdiction. [Six (6) part-time to full-time within each facility to every one (1) transfer within each facility.]
5. At the time of notification, package car drivers actively working in their classification, with good records, in accordance with their package car driver seniority, are given first consideration in filling openings before new people are hired, provided such jobs are believed to be regular. The employee must accept or reject the available transfer, by written response, within twenty-four (24) hours of notification. Failure to comply with the twenty-four hour notification will result in the employee being removed from the list. Such requests shall not be unreasonably denied. Transfer requests will comply with Article 15-Military Clause of the National Master United Parcel Service Agreement. Each affected Local Union shall be notified of every transfer into their jurisdiction prior to the effective date of the transfer. Notification shall include the employee's name, social security number, Company seniority date, effective date of the transfer and the origin and destination location.
6. Transfers are not considered during the period when seasonal help is being trained.
7. If a transfer becomes available and the qualified package car driver offered the transfer rejects it, he/she shall not be eligible for future transfers within that year.
8. A package car driver who transfers shall retain his/her Company seniority for the purpose of fringe benefits, but shall be placed at the bottom of the center seniority list for the purpose of layoff, rehire, bid and the selection of vacation. Package car drivers transferring outside their Local Union's jurisdiction shall be placed at the bottom of the center seniority list for the purpose of promotion.

9. Package car drivers who transfer shall receive the appropriate fringe benefits and rate of pay in effect at their new location. Those employees shall also be subject to all contract provisions of the applicable Rider and/or Addendum in effect at their new location.

10. It is understood that the Employer shall not be responsible for any costs associated with an employee transfer.

11. In addition, if feeder vacancies cannot be filled by the Company's Feeder Request List, qualified feeder drivers in accordance with their feeder seniority, on the Feeder-Master Transfer Roster will be offered the opening(s) prior to hiring from the street. The same procedures for package car driver transfers, along with all provisions outlined in this section, shall apply to those feeder drivers accepting transfers.

ARTICLE 7 - PART-TIME TO FULL-TIME EMPLOYMENT

It is the intention of the parties to afford part-time employees the opportunities to be promoted to full-time positions.

This provision is not intended to limit the Employer's program for the hiring of minorities, women, veterans and others.

Part-time employees who meet the eligibility requirements of the applicable Rider or Addendum may request, in writing, for hiring into permanent full-time openings. A list of such requests shall be maintained in the Employer's Personnel Department and a copy of such request shall be given to the employee.

An employee who fails to qualify for a full-time position within a classification shall have his/her name replaced on the list in his/her rightful spot and shall be given an additional opportunity to qualify for a full-time position within that same classification, six (6) months after the date he/she was disqualified. This six (6) month waiting period shall not be applicable to the filling of a full-time position in another classification. An employee who is granted a second opportunity to qualify and fails to do so shall have his/her name replaced on the list and shall be granted additional opportunity twelve (12) months after the date he/she was last disqualified and continuing forward in a like manner.

Failing to qualify in this period, the employee shall return to his/her former classification without loss of seniority. When an employee is disqualified, the Employer shall notify the Local Union of the reasons for the disqualification. Any disputes arising out of this Section shall be subject to the grievance procedure.

An employee who disqualifies himself/herself other than for good cause shown shall not be allowed to place his/her name back on the same full-time list sooner than twenty-four (24) months following the date he/she last disqualified himself or herself.

A part-time employee who qualifies for full-time employment shall be placed on the appropriate full-time seniority list with a seniority date as of the first day of full-time employment but shall retain his/her seniority for fringe benefit purposes in accordance with the applicable area or local Addendum or Rider.

A part-time employee who is attempting to qualify as a full-time package car driver shall not be automatically disqualified as a result of a minor accident during the training period.

ARTICLE 8 - TRAINING AREAS

In order to provide for more favorable training for new employees, the Company shall designate certain areas in each center to be used as training areas. Once designated, these areas shall not be changed until discussed with the Local involved. These areas shall be subject to the job bidding procedure. Employees who presently hold bid areas will not have their bid changed as a result of this provision. (This provision shall not be applicable to Local 396).

Employees who bid training areas will be removed from those areas when it becomes necessary to train on those areas.

1-15 PACKAGE CAR DRIVERS - 1 TRAINING AREA
16-30 PACKAGE CAR DRIVERS - 2 TRAINING AREAS
31-45 PACKAGE CAR DRIVERS - 3 TRAINING AREAS
46-60 PACKAGE CAR DRIVERS - 4 TRAINING AREAS

It is the intention of the parties that part-time employees who accept full-time package car positions will remain on a given training route for the duration of the training period.

ARTICLE 9 - TIME CLOCKS

A daily time record shall be maintained by the Employer at its place of business. The Employer who employs five (5) or more drivers at any hub/center shall have time clocks at such hub/center when requested by the Union in writing. Time clocks will be maintained and in accurate working order.

ARTICLE 10 - PRIORITY OF AGREEMENT

The Employer agrees not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this agreement. Any such agreement shall be null and void.

ARTICLE 11 - NEW EQUIPMENT AND/OR OPERATIONS

Where new types of equipment and/or operations for which rates of pay are not established by this Agreement are put into use after May 1, 1979, within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties.

In the event agreement cannot be reached within sixty (60) days after date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition. Rate agreed upon or awarded shall be effective as of the date equipment is put into use.

ARTICLE 12 - COMBINATION JOBS (FULL-TIME REGULAR EMPLOYEES)

It is anticipated that the changing nature of the Employer's business will result in some job combinations. A regular full-time employee may be required to work in more than one (1) job classification within any work day, where applicable.

If a regular full-time employee is required to work a combination job and works in a higher paying classification more than one (1) hour, that employee shall be paid the higher rate of pay for the entire shift.

ARTICLE 13 - PAY PERIOD

All employees covered by this Agreement shall be paid in full each week. Not more than one (1) week's pay shall be withheld on an employee. Each employee shall be provided with a statement of total hours and gross earnings and an itemized statement of all deductions made for any purpose. A regular weekly payday shall be established provided that if such payday falls on a paid holiday, the preceding work day shall be payday. Any error on a payroll check will be adjusted by the Employer no later than the end of the next regular day following notification of the error. Check stubs will itemize total hours, all deductions and year to date earnings and tax deductions.

A joint committee of four (4) people (two from the Union and two from the Company) will be formed to assure the pay stubs will reflect all detailed information needed to assure the employee of a complete understanding of the payment.

Upon termination, the Employer shall pay all monies due the employee on the regular scheduled payday in the week following such termination.

ARTICLE 14 - AIR CONDITIONING

All feeder tractor-trailer equipment utilized in feeder-line operations ordered after May 1, 1979, shall be equipped with air conditioning, subject to the following conditions:

(a) Feeder equipment first acquired with air conditioning shall be assigned to runs where climatic conditions indicate the need.

(b) Such assignments, where disagreements exist, shall be subject to review by the WRT-UPS Negotiating Committee, and when climatic conditions exist, the parties will sit down and work out the necessary equipment adjustment.

Air conditioners will be maintained in proper working condition. If a feeder air conditioner is inoperative the driver shall notify an appropriate supervisor and the air conditioner shall be repaired as soon as practicable but in no event later than the next time the equipment is placed in a shop for P.M.I. or other scheduled maintenance work, provided replacement parts are available. In the event parts are not available the Company will order the needed parts and complete the repairs after receiving such parts.

Any realistic alternative to using the equipment with an inoperative air conditioner will be given first priority.

ARTICLE 15 - SAFETY AND HEALTH

All safety and health issues that cannot be resolved at the first level panel shall be referred to the National Safety and Health Committee established in accordance with Article 18 of the National Master United Parcel Service Agreement.

ARTICLE 16 - UNIFORMS

The Employer agrees that if any employee is required to wear any kind of uniform, as a condition of continued employment, such uniform shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer. Such uniforms shall be adequate to protect against climatic conditions. The Employer will provide shirts and shorts to those affected employees.

Such shirts and shorts will be maintained by the employee.

Rain gear will be available for those employees assigned to moving vehicles on the Employer's premises. Rain gear shall be provided for feeder drivers who are required to chain up their equipment to move through mountain passes.

The Employer has the right to establish and maintain reasonable standards concerning personal grooming and appearance and wearing of uniforms and accessories.

It is agreed that each employee shall put on the uniform before reporting for duty and shall remove the uniform after being relieved from duty each day. It is agreed that time spent in putting on and taking off the uniform shall not be paid for by the Employer.

The Company shall supply a lighter weight uniform for summer and heavier weight uniform for winter.

Car washers to be provided with water repelling aprons upon request.

ARTICLE 17 - BREAKDOWN AND IMPASSABLE HIGHWAYS

In any instance of breakdown or impassable highway, which prevents an employee from

proceeding to his/her destination (or if instructed, from returning to the point of departure) the employee shall be paid the applicable hourly wage for all time the employee is required to remain with the equipment and until such time as the employee arrives at a place of lodging, with overtime payments if appropriate but in no event less than the daily guarantee the employee was otherwise entitled to.

Once an employee arrives at a place of lodging the employee shall be considered as released from duty without pay for the next eight (8) hours (or any portion thereof) and shall thereafter be paid the daily guarantee for the first eight (8) or ten (10) hours applicable (or portion thereof) out of each succeeding twenty-four (24) hours period until such time as he/she is able to resume his/her trip.

Actual hours necessary to complete the trip upon leaving the place of lodging shall be paid at the applicable hourly wage rate and all hours paid shall be considered in computing weekly overtime.

The employee shall be reimbursed for all meals and lodging upon presentation of proper receipts.

ARTICLE 18 - INSURANCE CLAIMS

Upon Union request, written or oral, the Employer shall furnish the name(s) of all insurance carriers or any other underwriters, together with the name(s) of any agent(s) involved, directly or indirectly, in any insurance coverage of any vehicle or any other equipment or machinery which, as a part of authorized work activity, has been or is being operated by or has been or is, during the course of employment, under the control of any employee(s).

ARTICLE 19 - OVERTIME AND HOLIDAY PERIODS

The Company 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 Company has continually caused him to work over nine and one half (9 ½) hours per day. This procedure will not apply in the peak season of November and December.

The Company recognizes the desirability to minimize the number of employees working during holiday periods.

ARTICLE 20 - WORKDAY-WORKWEEK

SECTION 1 - FEEDER DRIVERS

(a) The regular scheduled work day, except as provided in subsection (b) below, shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one half (½) or one (1) hour as provided in each respective area or local Addendum or Rider. The regular scheduled work week, other than as provided in subsections (b) and (c)

below, shall consist of five (5) consecutive days Monday through Friday or Tuesday through Saturday; provided however, when operating needs must be met through the establishment of a regular Sunday sort, the Employer may establish a Sunday through Thursday work week.

(b) Those area or local Addendum's or Riders that provide for a work day and work week of four (4) ten (10) hour days shall remain in effect for the term of this Agreement.

(c) The start time for a regular scheduled Monday work day may be established between the hours of 9:00 p.m. (2100 hours) and 12:00 midnight (00 hours) on the preceding Sunday without the payment of premium pay or overtime rates of pay.

(d) Prior to implementing a four (4) day, ten (10) hour work week on newly established feeder runs, the Employer shall meet jointly with the Local Union to negotiate the terms under which a four (4) day, ten (10) hour work week may be implemented, subject to ratification of the affected feeder drivers.

SECTION 2 - PACKAGE CAR DRIVERS

(a) The regular scheduled work day shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one half (½) or one (1) hour as provided in each respective area or local Addendum or Rider. The regular scheduled work week shall consist of five (5) consecutive eight (8) hour days Monday through Friday or Tuesday through Saturday, subject to the provisions of (b) below.

(b) It is agreed that no employee with a seniority date prior to August 1, 2011, will be forced on to a Tuesday through Saturday work week unless otherwise mutually agreed to or unless the employee bid such work week in accordance with the bidding procedures set forth in Article 6, Section 2.

(c) Start times shall be posted on the prior Friday of the week for which the starting times shall be effective. Employees who are ordered to report for work prior to said scheduled starting times shall receive time and one-half (1 ½) for all hours worked prior to their regular starting time. Employees who are ordered to report for work later than their scheduled starting time shall receive time and one-half (1 ½) for the number of hours equal to the number of hours called into work after their scheduled start time.

SECTION 3 - PART-TIME EMPLOYEES

(a) The regular scheduled work day shall consist of three and one-half (3 ½) consecutive hours and the regular scheduled work week shall consist of five (5) consecutive days Monday through Friday or Tuesday through Saturday; provided however, when operating needs require the establishment of a Sunday sort, the Employer may implement a Sunday through Thursday work week. Nothing contained in this provision is intended to modify or preclude a Sunday through Thursday work week where such work week was in effect prior to August 1, 1990.

(b) Start times shall be posted on the prior Friday of the week for which the starting times shall be effective. Start times shall be consistent during the week except as provided in the provisions outlined in Article 21. If the Employer fails to post start times, employees shall not be disciplined for tardiness.

SECTION 4 - MEAL AND REST PERIODS

Meal periods shall be scheduled and completed between the fourth (4th) and sixth (6th) hour of an eight (8) hour work day and between the fifth (5th) and seventh (7th) hour of a ten (10) hour work day and shall be uninterrupted. Rest periods as provided in each respective area or local Addendum or Rider, shall be scheduled in accordance with area practice or as mutually agreed to and shall be uninterrupted.

ARTICLE 21 - DELAYED START TIMES

The Employer may delay the start time of employees due to inclement weather, earthquakes, civil unrest, floods and any Acts of God that result in delaying the arrival of ground packages, provided the affected employees are notified at least two (2) hours in advance of their scheduled start times. Start times will not be delayed unless the delay is equal to one (1) hour or more.

ARTICLE 22 - UTILITY DRIVERS

The use of utility drivers and the method of payment for such utility drivers shall be contained in the Riders attached to this Supplement and/or Addenda which may be made a part of such Rider.

ARTICLE 23 - MAINTENANCE OF STANDARDS

The Employer agrees that all conditions of employment in his individual operation relating to wages, guaranteed hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union.

Any disagreement between the Local Union and the Employer, with respect to this matter, shall be subject to the grievance procedure.

This provision does not give the Employer the right to impose or continue wages and hours less than those contained in this Agreement.

ARTICLE 24 - FEEDER RUNS

Layover - On layover runs, the Employer shall reimburse such driver for full cost of food and

lodging at the layover point upon presentation of proper receipts.

A feeder driver operating a unit consisting of triple trailers, or two (2) forty foot or over trailers, shall receive six dollars (\$6.00) per day or seventy-five cents (\$.75) per hour for all hours worked, whichever is greater, over the feeder rate of pay.

ARTICLE 25 - GRIEVANCE MACHINERY

The procedure, as set forth in Articles 26, 27 and 28, shall be the means of processing those grievances which may arise out of the administration of this contract and shall apply to all Local Unions signatory to this Agreement, unless such Local Union or Local Unions expressly exclude themselves from the application of a part of this procedure by means of a Letter of Agreement or Memorandum of Understanding attached to the local area Rider for such Local Union or Local Unions. Provided, however, that a Local Union or Local Unions that have expressly excluded themselves shall be permitted to utilize the procedures set forth in a Letter of Agreement or Memorandum of Understanding solely for the purposes of resolving disputes involving discharges, suspensions, or disagreements over application of Memoranda of Understanding or Letters of Agreement applicable only to the Local Union or Local Unions signatory to the particular Letter of Agreement or Memorandum of Understanding. For all other controversies, all Local Unions signatory to this Agreement shall utilize the procedures set forth in Article 28.

ARTICLE 26 - GRIEVANCE COMMITTEE

The United Parcel Service in the eleven (11) western states of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah and Washington to include Joint Council 42 and Joint Council 3 for Southern California, Southern Nevada, Arizona and New Mexico; Joint Council 3, Joint Council 28, and Joint Council 37 for the states of Idaho, Montana, Oregon, Utah and Washington signatory to this Supplemental Agreement, and the Unions shall establish permanent UPS Labor-Management Committees as follow: one (1) committee for the states of Idaho, Montana, Oregon, Utah and Washington; one (1) committee for Northern California and Northern Nevada; one (1) committee for Southern California, Southern Nevada, Arizona, New Mexico, one (1) committee for Hawaii and one (1) committee for Alaska. Each UPS Labor-Management Committee shall consist of an equal number of panel members appointed by the respective parties, but not less than two (2) for each side.

Each UPS Labor-Management Committee shall, at its first meeting, formulate rules of procedure to govern the conduct of its proceedings. Each UPS Labor-Management Committee shall have jurisdiction over disputes and grievances involving Local Unions, or the complaints by Local Unions, arising under the Supplemental Agreement, Riders or Addenda, thereto, in the respective area of each of the Joint Councils as set forth in this Section.

ARTICLE 27 - SETTLEMENT OF DISPUTES

(a) The right to process and settle grievances is wholly, to the exclusion of any other means available, dependent upon the provisions of this Article. The Union and the Employer agree to

act promptly and fairly in all grievances.

(b) The Union shall not be required to process employee grievances if, in the Union's opinion, such lack merit. With respect to the processing, disposition and/or settlement of any grievance, including hearings and final decisions of committees and arbitrators, the Union shall be the exclusive representative of the employee(s) covered.

(c) Employees, whether Union members or not, shall have no independent unilateral privilege or right to invoke grievance procedures, or to complain against the Union for failing or refusing to do so, unless the Union is guilty of arbitrary or wrongful conduct and/or faith in its responsibilities or fair representation.

ARTICLE 28 - GRIEVANCE PROCEDURE

SECTION 1

The Union and the Employer agree that there shall be no strike, picketing, lockout, tie-up, or legal proceedings without first using all possible means of a settlement, as provided for in this Supplement or any Rider or Addendum hereto, of any controversy which might arise under this Agreement.

The Union and the Employer agree that it is the intention of the parties to resolve all disputes, alleged contractual violations and grievances in a timely manner. Accordingly, the Union and the Company agree to utilize and adhere to the guidelines set forth in Section 1(a) below for all disputes, alleged contractual violations and grievances, other than discharge and suspension grievances. Discharge and suspension grievances shall be processed in accordance with the procedures set forth in Article 28 Section 2 and shall be subject to the time limits set forth in Article 28 Section 2.

(a) STEP 1 - Any dispute, alleged contractual violation or grievance shall be discussed with the employee's immediate supervisor, or with the aggrieved employee, the Union Steward and/or the appropriate Union representative and the employee's immediate supervisor, within five (5) working days of the known occurrence giving rise to the dispute, alleged contractual violation or grievance.

STEP 2 - If the issue is not resolved within one (1) working day of the completion of the discussion in STEP 1 above a grievance shall be filed by the aggrieved employee, in writing on the appropriate form designated by the Local Union, within five (5) working days of completion of the discussion in STEP 1 above, with a copy of the grievance provided to the Local Union and either a copy of the grievance or the Local Union's written notification of the grievance provided to the Company.

STEP 3 - Within ten (10) working days of the Company receipt of a copy of the grievance, or the Local Union's written notification of the grievance to the Company, the appropriate management representative(s), the Union Steward and/or the appropriate Union Representative(s) and the

grievant shall meet to discuss all pertinent facts, disputes, issues, concerns and claims regarding the grievance. The Employer shall, upon written request, provide the Local Union or the steward designated by the Local Union, with documents/information that is reasonably related (based on NLRA standards) to the pending grievance. The parties shall make a good faith effort to resolve the grievance.

(b) If the grievance is not resolved the District Labor Manager and the Local Union Business Representative, or their designees, shall be required to schedule and conduct a local level hearing regarding the grievance within twenty (20) working days of completion of the meeting set forth in STEP 3 of Section 1(a) above. The parties will review all relevant facts and make a good faith effort to resolve the grievance. The twenty (20) working day time frame may only be extended by mutual written agreement of the District Labor Manager and the Local Union Business Representative and such written agreement shall specifically set forth the exact beginning and ending dates of the extension. Failure of either party to comply with the time limit regarding the local level hearing, including any agreed upon and executed written extension, shall result in an automatic default decision against the party failing to comply with said time limits and such party's case shall be deemed untimely and the claim of the other party shall prevail. Any dispute regarding a default decision shall be reviewed by the Union and Company Co-Chairmen of the appropriate UPS Labor-Management Committee who shall render a final and binding decision. Although it is the intent of the parties that the grievance should not be filed with the appropriate UPS Labor-Management Committee until the local level hearing has been held and concluded, time limit constraints and the failure of one party or the other to adhere to the above local level hearing time limits may require otherwise.

(c) In no instance may a grievance be filed more than thirty (30) calendar days from the date of the known occurrence giving rise to the dispute, alleged contractual violation or grievance. A grievance which is filed more than thirty (30) calendar days from the date of the known occurrence giving rise to the dispute, alleged contractual violation or grievance shall be deemed untimely. Panel filings shall be submitted to the UPS Labor-Management Committee within one hundred twenty (120) calendar days of the known occurrence giving rise to the dispute, alleged contractual violation or grievance. Any such panel filing not submitted within such time shall be waived unless the UPS Labor-Management Committee, by majority vote for good cause, accepts such submission, or unless either party has intentionally concealed the facts upon which the grievance, claim or dispute is based.

(d) Only one (1) postponement of a case filed with the appropriate UPS Labor Management Committee shall be allowed by each party as set forth in this paragraph. Once the case has been docketed on the agenda of the appropriate UPS Labor Management Committee and such Committee convenes to hear cases and calls the agenda on which the case has been docketed, a postponement requested by either the Union or the Company shall be permitted provided the party requesting the postponement has given notice to the other party of the intent to postpone at least seventy-two (72) hours prior to the first day of the Committee meeting. If this provision is not met, only extraordinary circumstances preventing such seventy-two (72) hour notice will be taken into consideration by the Co-Chairs of the Committee when granting or denying such request. No subsequent postponements will be granted except upon the mutual approval of the

Co-Chairs of the Committee and then only in cases of extreme hardship or under extraordinary circumstances. Once a docketed case is called “on” no postponements may be requested, or granted, except upon the mutual approval of the Co-Chairs of the Committee and then only in cases of extreme hardship or under extraordinary circumstances. When the presiding Chairman of the UPS Labor-Management Committee calls a docketed case which is “on” to be heard and the Union is not prepared to hear the case a default decision shall be rendered and the case of the Company shall prevail, or, if the Company is not prepared to hear the case a default decision shall be rendered and the case of the Union shall prevail.

(e) When presenting a case before the UPS Labor-Management Committee the Union representative and the Company representative shall each be required to provide the Co-Chairmen of the committee a written statement that clearly sets forth both their position in the dispute and the remedy being sought.

(f) If a docketed case is called “on” and is not heard at that scheduled panel, the Union Chairman and the Company Chairman shall be required to, 1) remain in session for as many additional days as are necessary to hear all cases called “on” and render decisions in those cases or, 2) schedule additional day(s) of Committee hearings prior to the next regular scheduled panel session in order to hear all cases that were called “on” but not heard and render decisions in those cases or, 3) add additional meeting rooms or, 4) implement a solution other than 1, 2 or 3 above prior to the next regular scheduled panel session in order to hear all cases that were called “on” but not heard and render decisions in those cases. The Union and Company Chairmen shall retain the sole discretion to invoke option 1, 2, 3 or 4 above, or any combination thereof. If the Union and Company Chairmen are unable to mutually agree to a solution as outlined in the options above the decision shall be made jointly by The IBT Western Region Director and the Employer Chairman of the WRT-UPS Labor-Management Committee.

(g) Regular meetings of the Committee shall be held on an agreed day to pass upon matters referred to it. If no cases are on the agenda, meetings may be canceled. If grievances develop which require more immediate action, the Committee may meet on any other date which may be agreed upon.

(h) Once the dispute is filed by either party with an appropriate UPS Labor-Management Committee, a majority vote of the Labor-Management Committee shall be final and binding upon the parties to the dispute and the employee(s) involved and no appeal may be taken to the WRT-UPS Labor-Management Committee, unless the UPS Labor-Management Committee agrees otherwise.

(i) Failure of any UPS Labor-Management Committee to meet without fault of the complaining side, or refusal of either party to submit to or appear at the grievance procedure at any stage, or failure to comply with any final decision at any stage, withdraws the benefits of Article 28. A default decision shall be rendered to the party or parties failing to appear at any step of this procedure, unless mutually agreed otherwise by the two (2) Co-Chairmen.

(j) Where a UPS Labor-Management Committee is unable to agree or come to a decision on a

case, it shall be, at the request of the Union or the Employer, filed with the WRT-UPS Labor-Management Committee for hearing at the next regularly constituted session, except as set forth in paragraph (k).

(k) Deadlocked cases which pertain to discharge or suspension shall be submitted to arbitration as set forth in Section 2(d) of this Article.

(l) Filings of each UPS Labor-Management Committee to the WRT-UPS Labor-Management Committee shall set forth the position and facts relied upon by each party, but each party may supplement such filings at the hearing before the WRT-UPS Labor-Management Committee.

(m) All matters pertaining to the interpretation of any provisions of this Agreement may be referred by the secretary, at the request of either the Employer or the Unions, parties to the issue, to the WRT-UPS Labor-Management Committee at any time for final decision.

(n) The procedures set forth herein may be invoked only by the authorized Union representatives or the Employer representatives.

(o) The WRT-UPS Labor-Management Committee shall be composed of three (3) representatives of the Union, including the Union Chairman, who shall be appointed by the Western Region Director, and two (2) other Union Representatives appointed by the Union Chairman, one of whom shall be the Negotiating Committee Chairman for the appropriate contract grieved, unless he/she is party to the grievance, and three (3) representatives of the Employer, including the Employer Chairman who shall be appointed by the Vice President of Labor Relations, or his designee, and two (2) other Employer Representatives appointed by the Employer Chairman. Where the WRT-UPS Labor-Management Committee by majority vote settles a dispute, such decision shall be final and binding on both parties and the employee(s) involved, with no further appeal.

(p) Once a case is filed with the WRT-UPS Labor-Management Committee only one (1) postponement shall be allowed by each party as set forth in this paragraph. Once the case has been docketed on the agenda of the WRT-UPS Labor Management Committee and such Committee convenes to hear cases and calls the agenda on which the case has been docketed, a postponement requested by either the Union or the Company shall be permitted provided the party requesting the postponement has given notice to the other party of the intent to postpone at least seventy-two (72) hours prior to the first day of the Committee meeting. If this provision is not met, only extraordinary circumstances preventing such seventy-two (72) hour notice will be taken into consideration by the Co-Chairs of the Committee when granting or denying such request. Once a docketed case is called "on" no postponements may be requested, or granted, except upon the mutual approval of the Co-Chairs of the Committee and then only in cases of extreme hardship or under extraordinary circumstances. When the presiding Chairman of the WRT-UPS Labor-Management Committee calls a docketed case which is "on" to be heard and the Union is not prepared to hear the case a default decision shall be rendered and the case of the Company shall prevail, or, if the Company is not prepared to hear the case a default decision shall be rendered and the case of the Union shall prevail.

(q) When presenting a case before the WRT-UPS Labor-Management Committee the Union representative and the Company representative shall each be required to provide the Co-Chairmen of the committee a written statement that clearly sets forth both their position in the dispute and the remedy being sought. In addition, they shall provide a copy of the panel decision from the UPS Labor-Management Committee. Issues resolved at this level shall be final and binding.

(r) If a docketed case is called "on" and is not heard at that scheduled panel, the Union Chairman and the Company Chairman shall be required to, 1) remain in session for as many additional days as are necessary to hear all cases called "on" and render decisions in those cases or, 2) schedule additional day(s) of Committee hearings prior to the next regular scheduled panel session in order to hear all cases that were called "on" but not heard and render decisions in those cases or, 3) add additional meeting rooms or, 4) implement a solution other than 1, 2 or 3 above prior to the next regular scheduled panel session in order to hear all cases that were called "on" but not heard and render decisions in those cases. The Union and Company Chairmen shall retain the sole discretion to invoke option 1, 2, 3 or 4 above, or any combination thereof.

(s) Any case deadlocked by this committee will be referred to an International Brotherhood of Teamsters-United Parcel Service Committee composed of the President of the International Brotherhood of Teamsters and the Vice President of Labor Relations of United Parcel Service, or their designees. Issues resolved at this level shall be final and binding.

(t) Cases not involving the National Agreement, deadlocked by this Committee, may be submitted to arbitration by either the Employer and/or the Union.

(u) Any deadlocked cases may be submitted to arbitration if a majority of the WRT-UPS Labor-Management Committee determines to submit such matter to an arbitrator for decision.

(v) The impartial arbitrator referred to in this subsection shall be selected on a case-to-case basis by the WRT-UPS Labor-Management Committee from a list of arbitrators submitted by the regional office of the Federal Mediation and Conciliation Service. Such arbitrator shall be selected and the actual hearing and the arbitrators subsequent decision shall be made and take place as soon as practical after a deadlocked Committee decision. The decision of the arbitrator shall be specifically limited to the matter submitted to him and he shall have no authority in any manner to amend, alter or change any provision of this Agreement.

(w) The decision of the arbitrator shall be final and binding on all parties and the employee(s) involved. In cases submitted for arbitration, the compensation of the arbitrator shall be shared equally by the parties involved.

SECTION 2 - HANDLING OF DISCHARGES AND SUSPENSIONS

Any case pertaining to a discharge or suspension shall be handled as follows:

No employee(s) shall suffer suspension or discharge without the employee(s) having been given a written warning notice wherein the facts forming the grounds for such warning notice are clearly set forth. The facts therein set forth must be of the same type as those upon which such suspension or discharge is founded. All warning, suspension and discharge letters shall accurately set forth all relevant dates, Articles and violations relied upon by the Company for the disciplinary action being taken.

(a) In cases of: (1) proven dishonesty; (2) drinking of alcoholic beverages while on duty; (3) recklessness resulting in a serious accident while on duty; (4) the carrying of unauthorized passengers; (5) unprovoked assault on an employee or a supervisory employee while on duty; (6) selling, transporting or use of illegal narcotics while in the employment of the Employer; or (7) willful, wanton or malicious damage to the Employer's property, shall be dischargeable offenses without the necessity of a warning letter being in effect.

(b) Within ten (10) days of the occurrence of the alleged cause for discharge or suspension, the Employer shall give written notice by certified mail to the employee and to the Local Union of its decision to discharge or suspend the employee, and such notice shall set forth the reason or reasons for the discharge or suspension. All suspension and discharge letters shall accurately set forth all relevant dates, Articles and violations relied upon by the Company for the disciplinary action being taken. If the Employer fails to give such written notice within the specified ten (10) day period, the right to discharge or suspend for that particular reason shall be waived. But this shall not preclude the Employer from introducing as evidence, should a subsequent discharge or suspension occur, any reason or reasons to substantiate unsatisfactory work performance arising out of circumstances which occurred during the nine (9) month period immediately preceding the date of discharge or suspension notice. However, in order for any such reason to be introduced by the Employer, the Employer must have given warning notice, by certified mail, to the employee and to the Local Union of the circumstances giving rise to such reason within ten (10) days, exclusive of Saturday, Sunday and holidays, of the occurrences of the circumstances. Any such warning notices shall be deemed to be automatically protested by the Local Union. Such warning notice may not be submitted for consideration by the UPS Labor-Management Committee, except in cases in which the Employer has given the employee a notice of discharge or suspension and such notice shall not be subject to economic action by either the Union or the Employer. If the Local Union does not file with the Secretary of the Committee a panel filing regarding the Employer's action within ten (10) days, excluding Saturdays, Sundays and holidays, from the time of receipt of the Employer's notice, the right to submit a panel filing regarding such discharge or suspension shall be waived. An employee may file a grievance regarding his/her discharge or suspension and the Union shall have the right to file a grievance and/or panel filing regarding any such discharge or suspension. Any such discharge, suspension, or warning notice shall be for just cause only. Any such grievance shall be presented to the Employer in writing within ten (10) days, exclusive of Saturdays, Sundays, and holidays after the discharge or suspension, and, if not presented within such period, the right to file a grievance shall be waived. All panel filings shall be referred immediately to the UPS Labor-Management Committee for the determination in accordance with the grievance procedure.

(c) Should the Local Union submit a panel filing regarding the discharge or suspension within

the time period set forth in subsection (b), then the case shall automatically be placed on the agenda of the Committee described in Section 1(j) above. Panel filings involving employees who are off the Company payroll which are referred to the Committee will be placed first (1st) on the agenda of the Committee, provided that the Committee shall not hear the case until the ten (10) days specified in subsection (b) have elapsed, unless mutually agreed otherwise by the Employer and the Union.

(d) If the Committee reaches a deadlock, either party may submit the matter to an impartial arbitrator for final decision. The selection of the arbitrator for a decision in discharge or suspension cases as well as the actual hearing and the arbitrators subsequent decision shall be made and take place as soon as practical after a deadlocked Committee decision.

(e) Unless otherwise specified in this Article, days shall mean calendar days.

SECTION 3 - SELECTION OF AN IMPARTIAL ARBITRATOR

The parties shall choose an impartial arbitrator and the decision of the impartial arbitrator shall be final and binding on both parties.

SECTION 4 - ARBITRATORS AUTHORITY

The arbitration proceedings shall be governed by the following provisions:

(a) The arbitrator shall not render an expanded opinion in any case unless mutually requested by the Employer and the Union.

(b) The authority of the arbitrator shall be specifically limited to the matters submitted to the arbitrator and the arbitrator shall have no authority in any manner to amend, alter, modify or change any provisions of this Agreement.

SECTION 5

All monetary grievance settlements shall be paid by separate check within five (5) working days of the settlement and a copy sent to the Local Union upon request.

ARTICLE 29 - DEATH IN IMMEDIATE FAMILY

Refer to the National Master United Parcel Service Agreement.

ARTICLE 30 - HEALTH AND WELFARE AND/OR PENSION

The Union is willing to entertain the concept of "buying" uniform pension contribution language contingent upon the actual cost of said language. The Employer will provide this information to the Union within six (6) months from the ratification date of this Agreement.

It is agreed that should the Western Conference of Teamsters Pension Trust Fund modify contribution rules during the life of this Agreement, the Employer and the Union shall meet and negotiate a fair and equitable resolution to allow United Parcel Service and the Union to participate and share in cost savings that might occur as a result of such modifications.

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$0.10) (including \$0.01 for PEER/80 for full-time employees and PEER/84 for part-time employees) during the probationary period as defined in Article 4, Section 1, but in no case for a period longer than the first ninety (90) calendar days from an employee's first date of hire. If and when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Article.

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each part-time and full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

The respective Riders and/or Addendums signatory to this Agreement shall reduce to writing the agreed to method for each Rider and/or Addendum which funds the increased pension benefit of all part-time and full-time employees being paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

The one dollar (\$1.00) per hour effective August 1, 2013, the one dollar (\$1.00) per hour effective August 1, 2014, the one dollar (\$1.00) per hour effective August 1, 2015, the one dollar (\$1.00) per hour effective August 1, 2016 and the one dollar (\$1.00) per hour effective August 1, 2017 set forth in National Master United Parcel Service Agreement Article 34 - Health & Welfare and Pension shall be allocated each year within the Western Region in accordance with Article 34 of the National Master Agreement.

1. There shall be separate Package/Feeder and Sort Riders and/or Addenda established in Oregon and Washington. The remaining areas within the Western Region of Teamsters shall retain existing separate Package/Feeder and Sort Riders and/or Addenda.

2. The Company shall continue to pay any increases necessary to maintain Health and Welfare benefits in the applicable Union Health and Welfare Plans for the term of the Labor Agreement in view of this maintenance of benefits provision, subject to Article 34, Section 1, (f). This paragraph shall not apply to the Teamsters Western Region and Local 177 Health Care Plan.

(a) Part-time and full-time employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.

(b) For those full-time or part-time employees who have received health and welfare benefits from the Company Health & Welfare Plan, benefits on and after January 1, 2014 will be provided by Teamsters Western Region and Local 177 Health Care Plan in accordance with the Letter of Agreement on the Teamsters Western Region and Local 177 Health Care Plan dated

September 6, 2013. The Company will continue to provide health & welfare benefit coverage under the existing plan through December 31, 2013.

(c) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the Teamsters Western Region and Local 177 Health Care Plan.

(d) Current retirees who are receiving benefits through a UPS sponsored plan shall receive coverage on and after January 1, 2014 under the terms of the Memorandum Concerning UPS Sponsored Plans, attached to the National Master Agreement.

3. All employees who are covered by the terms of the respective Western Region of Teamsters Package/Feeder and Sort Agreements shall receive pension contributions into the Western Conference of Teamsters Pension Trust in accordance with Article 34 of the National Master Agreement.

Pension contribution increases to the Western Conference of Teamsters Pension Trust will be made in accordance with Article 34 of the National Master Agreement and may be affected by the provisions contained in Article 34, Section 4, Paragraph 2 – Health & Welfare and Pension. In accordance with, and subject to, the provisions contained in National Master United Parcel Service Agreement Article 34, Section 4, Paragraph 2 – Health & Welfare and Pension, each respective Western Region of Teamsters Package/Feeder and Sort Agreement may exercise the right to re-allocate pension contributions to general wage increases and any such decision to do so will be reflected in each respective Agreement.

4. Package/Feeder Agreement

Effective on the date indicated below, the Employer shall pay total contributions split between amounts for accrual of benefits and amounts for PEER 80 under the Program for Enhanced Early Retirement (PEER). The contributions required to provide PEER 80 will not be taken into consideration for benefit accrual purposes under the plan. The contributions for PEER 80 must at all times be 16.5% of the basic contributions and cannot be decreased or discontinued at any time.

A. Effective August 1, 2013

Effective August 1, 2013, twenty- five cents (\$0.25) of the first year pension allocation for Local 104, Local 492, Local 631, Joint Council 42, Local 396, Local 481 and Local 495 shall be reallocated to the Teamsters Western Region and Local 177 Health Care Plan.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/80</u>	<u>Total Contribution</u>
Arizona	Local 104	\$8.46	\$1.39	\$9.85
New Mexico	Local 492	\$8.46	\$1.39	\$9.85

S. Nevada	Local 631	\$8.46	\$1.39	\$9.85
S. California	JC 42	\$8.46	\$1.39	\$9.85
S. California	Local 396/481/495	\$8.58	\$1.42	\$10.00
Oregon	JC 37			

(The hourly pension contribution increase will be in accordance with Article 34 of the National Master Agreement and may be up to \$0.50 which will be added to the 7/31/2013 contribution rate of \$9.83)

Washington	JC 28	\$8.41	\$1.39	\$9.80
Montana	JC 3	\$8.84	\$1.46	\$10.30
Utah & Idaho	JC 3	\$8.41	\$1.39	\$9.80
Idaho	Local 483			

(The hourly pension contribution increase will be in accordance with Article 34 of the National Master Agreement and may be up to \$0.50 which will be added to the 7/31/2013 contribution rate of \$9.83)

Alaska Local 959

(The hourly pension contribution increase will be in accordance with Article 34 of the National Master Agreement - See Local 959 Rider Agreement for rates)

B. Effective August 1, 2014

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2014 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/80</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Local 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

C. Effective August 1, 2015

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2015 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/80</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Local 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

D. Effective August 1, 2016

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2016 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/80</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Local 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

E. Effective August 1, 2017

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2017 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/80</u>	<u>Total Contribution</u>
-----------------------	-------------------------------------	---------------------------	----------------	---------------------------

Arizona	Local 104
New Mexico	Local 492
S. Nevada	Local 631
S. California	JC 42
S. California	Local 396/481/495
Oregon	JC 37
Washington	JC 28
Montana	JC 3
Utah & Idaho	JC 3
Idaho	Local 483
Alaska	Local 959

NOTE: Local 396, 481, 495, 959 and 996 do not participate in the Western Conference of Teamsters Prepaid Legal Service Plan and the cost of this premium fifteen cents (\$0.15) per hour is included in the Western Conference of Teamsters Pension Rate (Package/Feeder and Sort). In the event the Western Conference of Teamsters Prepaid Legal Trust is discontinued because of losing its tax exemption, the cost fifteen cents (\$0.15) per hour will be diverted to the Western Conference of Teamsters Pension Plan on behalf of all participating employees covered by the respective Package/Feeder Addenda and the Local 396 Addendum and to the Pacific Coast Benefit Trust on behalf of all participating employees covered by respective Sort Addenda.

5. Sort Agreement

Effective on the date indicated below, the Employer shall pay total contributions split between amounts for the accrual of benefits and amounts for PEER 84 under the Program for Enhanced Early Retirement (PEER). The contributions required to provide PEER 84 will not be taken into consideration for benefit accrual purposes under the Plan. The contributions for PEER 84 must at all times be 6.5% of the basic contributions and cannot be decreased or discontinued at any time.

A. Effective August 1, 2013

Effective August 1, 2013, twenty-five cents (\$0.25) of the first year pension allocation for Local 104, Local 492, Local 631, Joint Council 42, Local 396, Local 481 and Local495 shall be reallocated to the Teamsters Western Region and Local 177 Health Care Plan.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/84</u>	<u>Total Contribution</u>
Arizona	Local 104	\$7.37	\$0.48	\$7.85
New Mexico	Local 492	\$7.67	\$0.50	\$8.17
S. Nevada	Local 631	\$7.37	\$0.48	\$7.85
S. California	JC 42	\$7.47	\$0.48	\$7.95
S. California	Locals 396/481/495	\$7.47	\$0.48	\$7.95
Oregon	JC 37	\$8.61	\$0.56	\$9.17
Washington	JC 28	\$7.85	\$0.51	\$8.36

Montana	JC 3	\$7.99	\$0.52	\$8.51
Utah & Idaho	JC 3	\$7.99	\$0.52	\$8.51
Idaho	Local 483	\$8.61	\$0.56	\$9.17
Alaska	Local 959			

(The hourly pension contribution increase will be in accordance with Article 34 of the National Master Agreement - See Local 959 Rider Agreement for rates)

B. Effective August 1, 2014

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2014 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/84</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Locals 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

C. Effective August 1, 2015

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2015 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/84</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Locals 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			

Utah & Idaho	JC 3
Idaho	Local 483
Alaska	Local 959

D. Effective August 1, 2016

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2016 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/84</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Locals 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

E. Effective August 1, 2017

For each Local Union or Joint Council listed below the amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2017 contribution rate.

<u>Agreement Area</u>	<u>Local Union or Joint Council</u>	<u>Basic Contribution</u>	<u>Peer/84</u>	<u>Total Contribution</u>
Arizona	Local 104			
New Mexico	Local 492			
S. Nevada	Local 631			
S. California	JC 42			
S. California	Locals 396/481/495			
Oregon	JC 37			
Washington	JC 28			
Montana	JC 3			
Utah & Idaho	JC 3			
Idaho	Local 483			
Alaska	Local 959			

NOTE: Local 396, 481, 495, 959 and 996 do not participate in the Western Conference of Teamsters Prepaid Legal Service Plan and the cost of this premium fifteen cents (\$0.15) per hour is included in the Western Conference of Teamsters Pension Rate (Package/Feeder and Sort). In the event the Western Conference of Teamsters Prepaid Legal Trust is discontinued because of losing its tax exemption, the cost fifteen cents (\$0.15) per hour will be diverted to the Western Conference of Teamsters Pension Plan on behalf of all participating employees covered by the respective Package/Feeder Addenda and the Local 396 Addendum and to the Pacific Coast Benefit Trust on behalf of all participating employees covered by respective Sort Addenda.

ARTICLE 31 – DURATION OF AGREEMENT

This Agreement shall be effective on August 1, 2013 and remain in effect through July 31, 2018.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this effective August 1, 2013.

Andrew A. Marshall - Union Chair

Date

Lindsay Marshall - Company Chair

Date

For the Employees:

Andrew A. Marshall - Union Chair
Western Region Director - Package Division
International Brotherhood of Teamsters
Secretary-Treasurer - Local Union 104

Ron Herrera - Union Co-Chair
Trustee - International Brotherhood of Teamsters
Secretary-Treasurer - Local Union 396

Ted Bunstine - Union Co-Chair
Local Union 174

Sam Stewart - Union Co-Chair
Local Union 63

Randy Cammack - Western Region Vice President
International Brotherhood of Teamsters
President - Joint Council 42

Secretary-Treasurer - Local Union 63

Rick Middleton - Western Region Vice President
International Brotherhood of Teamsters
Secretary-Treasurer - Local Union 572

Rick Hicks
President - Joint Council 28
Secretary-Treasurer - Local Union 174

Al Wittal - Representative - International Brotherhood of Teamsters
Ken Haarala - Local Union 63
Karla Schumann - Local Union 104
Mark Davison - Local Union 162
Ted Bunstine - Local 174
Doug Saint - Local 186
Jim Larson - Local Union 190
Corey Haslem - Local 222
Jay Phillips - Local 396
David Castro - Local 396
Mike Butler - Local Union 492
Phil Farias - Local 542
Dennis Watson - Local Union 572
Tommy Blitsch - Local Union 631
Grant Maertz - Local 952
Lynn Swenson - Local 986

For the Employer - United Parcel Service:

Lindsay Marshall - Company Chair
West Region Labor Relations
Dan Guerrero
Denise Gasti
Brian Person
Chuck Schmidbauer
Tim Thompson
Ed Feaser
Ron Lemke
Kim Ades
Rob Acorn
Mary Misloski
Dan Powell
Dave Clifford