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NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

For the Period Beginning August 1, 2013 through July 31, 2018

covering:

The parties reserve the right to correct inadvertent errors and omissions.

Where no reference is made to a specific Article or Section thereof, such Article and Section are to continue as in the current Master Agreement, as applied and interpreted during the life of such Agreement. Additions and new language are **bold and underlined**.

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. ____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement. United Parcel Service Cartage Services, Inc. ("CSI") and UPS Latin America, Inc. is also a party to this Agreement as specified in the Freight Pickup & Delivery Supplemental Agreement ("P&D Supplement") and Challenge Air Cargo Supplement, respectively.

ARTICLE 4. STEWARDS

The Employer recognizes the right of the Local Union to designate Job Stewards and alternates from the Employer's seniority list. The authority of Job Stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

(a) The investigation and presentation of grievances with the Employer or the designated company representative in accordance with the provisions of the collective bargaining agreement:

(b) The collection of dues when authorized by appropriate Local Union action; and

(c) The transmission of such messages and information, which shall originate with, and are authorized by the Local Union or its officers, provided such messages and information:

(1) have been reduced to writing; or

(2) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

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

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

The Job Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Employer's operation. Upon notification to his or her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. **This shall include the steward's right to represent an employee in connection with any grievance concerning safety issues.** The

Employer will make a reasonable effort to insure that its operations are not interrupted by the steward's engaging in such activity. The Employer shall not use interruption of its operation as a subterfuge for denying such right to the steward.

Where mutually agreed to by the Local Union and Employer, stewards may investigate off the property or other than during their regular schedule, without loss of time or pay. Stewards will be paid for time spent in meetings under this Article which occur during the steward's regular working hours. Stewards shall also be paid for time spent in meetings which occur outside his or her working hours, or on days off, by mutual consent. Such time spent during the Job Steward's or the designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the Job Steward or the designated alternate.

The Employer recognizes the employee's right to be given requested representation by a Steward, or the designated alternate, at such time as the employee reasonably contemplates disciplinary action. The Employer also recognizes the steward's right to be given requested representation by another Steward, or the designated alternate, at such time as the Steward reasonably contemplates disciplinary action. When requested by the Union or the employee, there shall be a steward present whenever the Employer meets with an employee concerning grievances or discipline or investigatory interviews. In such cases, the meeting shall not be continued until the steward or alternate steward is present.

If an employee does not wish to have a Union Steward in any meeting where the employee has a right to Union representation under this Article, the employee shall sign a waiver of Union representation, a copy of which shall be furnished to the Union upon its request.

If requested by the Local Union, the designated Stewards will be provided with copies of all warning, suspension and discharge letters. If a supplement has no provision allowing a Local Union to request documents/information with regard to pending grievances, the following shall be incorporated into the Supplement: "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."

Job Stewards, or designated alternates, shall be allowed to wear an identifying steward's badge, provided by the Union, at all times while on the Employer's premises.

ARTICLE 6.

Section 1. Extra Contract Agreements

Except as may be otherwise provided in this Agreement, the Employer agrees not to enter into, or attempt to enter into, any agreement or contract with its employees, either individually or collectively, or to require or attempt to require em-ployees to sign any document, either individually or collectively, which in any way conflicts with the provisions of this Agreement. Any such Agreement or document shall be null and void. Any such agreement or document may not be placed in an employee's file or used by the Employer as a basis for discipline or used in connection with any disciplinary proceeding, nor may any such agreement or document nor the contents thereof be divulged to any person or entity.

In addition, the Company will not discipline an employee for refusing to sign any Company form related to the principle of a fair day's work unless the signing is required by law or by this Agreement.

Section 4. Technological Change

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

2. The Employer and the Union agree to establish a National Teamster/UPS Committee for Technological Change, consisting of an equal number of representatives from the Union and UPS. The Committee shall meet in conjunction with the National Grievance Panel as necessary to review any planned technological changes covered by this Section.

3. The Employer will advise the affected Local Unions and the National Teamster/UPS Committee for Technological Change of any proposed technological changes at least six (6) months prior to the implementation of such change except where the change was later determined in which case the Employer shall provide as much notice as possible

4. The Employer shall be required to provide ~~the Local Union or~~ the National Teamster/UPS Committee for Technological Change~~, upon written request~~, any relevant information to the extent available regarding the technological changes.

5. The Employer will meet with the Local Union, or, if requested, the National Teamster/UPS Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

If a technological change creates new work that replaces, enhances or modifies bargaining unit work, bargaining unit employees will perform that new or modified work. The Employer shall provide bargaining unit employees with training required to utilize the new technology, if necessary.

6. In the event that the Local Union and Employer cannot reach an agreement on effects, the matter shall be referred to the National Teamster/UPS Committee for Technological Change.

7. In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 8 in order to determine if the

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Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

~~8. No employee shall be discharged on a first offense if such discharge is based solely upon information received from GPS or any successor system unless he/she engages in dishonesty (defined for the purposes of this paragraph as any act or omission by an employee where he/she intends to defraud the Company). The degree of discipline dealing with off-area offenses shall not be changed because of the use of GPS.~~

Section 6. Technology and Discipline

No employee shall be discharged if such discharge is based solely upon information received from GPS or any successor system unless he/she engages in dishonesty (defined for the purposes of this paragraph as any intentional act or omission by an employee where he/she intends to defraud the Company). The Company must confirm by direct observation or other corroborating evidence any other violations warranting discharge. The degree of discipline dealing with off-area offenses shall not be changed because of the use of GPS.

The Company acknowledges that there have been problems with the utilization of technology in the past. Therefore, at the request of the Union's Joint National Negotiating Committee Co-Chair a meeting will be scheduled with the Company Co-Chair to discuss any alleged misuse of technology for disciplinary purposes and what steps are necessary to remedy any misuse.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

All grievances and/or questions of interpretation arising under the provisions of this National Master Agreement shall be resolved in the following manner:

Deadlocked cases involving only National Master language may be submitted to the National Master Panel for decisions. Those deadlocked cases which cannot be decided by a lower panel because of disagreement over the interpretation of National Master language may be submitted to the Master Panel for interpretation. Requests for interpretations with no factual case to be decided will be heard by the Master Panel by mutual agreement of the Co-Chairpersons. Interpretations rendered on factual cases by the National Grievance Committee will be sent back to the lower panel to be used to resolve the factual case.

The Committee shall be composed of an equal number of Employer and Union representatives. The National Grievance Committee shall meet upon call of the Chairman of either the Employer or Union representatives on the National Grievance Committee. The National Grievance Committee shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report with the final decision or approval, however, to be made by the National Grievance Committee. If the National Grievance Committee resolves any dispute by a majority vote of those present and voting, such decision shall be final and binding upon all parties.

When a case is docketed with the National Grievance Panel, a twenty-five dollar ($25.00) docketing fee will be applied as specified in the National Master UPS Agreement Rules of Procedure.

ARTICLE 12. POLYGRAPH /TIMECLOCKS

No applicant for employment and no employee will be required to take any form of a lie detector test as a condition of employment.

Upon request, an employee or the Union may inspect the record of an employee's time recorded on the DIAD or other device for previous days' work. An employee will be permitted to examine the operation record for the current pay period for the purpose of ascertaining his/her hours worked. If an employee has an issue with his/her hours worked for a particular day, the Employer will provide the employee, upon written request, with a print out of his/her hours worked.

The Employer shall not alter the information from the DIAD board, or information recorded through the use of any other technology, so as to diminish an employee's compensable time, without the employee's knowledge. Further, the Employer shall post for an employee's review, a copy of the PTE edits for each day. No supervisor shall use a DIAD, or any other information recorded through the use of any other technology, under the name of an hourly employee unless the employee is present. This includes for the purpose of training and demonstration.

Employees will not be responsible for any work performed by another employee using any electronic device under their name.

The Employer agrees to provide forms for the employee to record his/her starting and ending times.

When requested by the Union, time clocks will be left in place for employees to record their work hours for their own personal use.

ARTICLE 14. COMPENSATION CLAIMS

Section 1.

When an injury is reported the reference number will be given to the employee and when requested, a copy of the injury report will be furnished to the employee within two (2) working days of such request. A copy of the injury report will also be furnished to the Local Union if requested by a Local Union official.

The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. No employee will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, without his/her consent.

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The Employer shall provide the Union Co-chair of the National Safety and Health Committee with current summaries of the essential functions of all positions covered by this Agreement. The Union shall have the right to challenge any such summary through the applicable grievance procedure. Any employee who is adversely affected by any such summary shall have the right to challenge such summary through the applicable grievance procedure.

Any such decisions or settlements rendered through the grievance procedure, including but not limited to, at arbitration, shall be based solely upon, and applicable to, the facts present in that individual case and shall have no precedential effect beyond that case. This stipulation is limited to cases involving or referencing essential job functions.

The Employer shall provide Worker's Compensation protection for all employees even though not required by state law or the equivalent thereof if the injury arose out of or in the course of employment.

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. Upon receiving an employee's timely report of injury, the Employer shall not pressure an employee to continue to work. When, because of such pressure, an employee spends time in a clinic after his or her normal finish time, the time spent shall be the subject of a pay claim through the grievance procedure.

An employee who has returned to regular duties after sustaining a compensable injury, and who is required by the Worker's Compensation doctor to receive additional medical treatment during the employee's regularly scheduled working hours, shall receive the employee's regular hourly rate of pay for such time.

The Employer agrees to provide any employee injured locally immediate transportation, at the time of injury, from the job to the nearest appropriate medical facility and return to the job, or to the employee's home, if required. In such cases, no representative of the Employer shall be permitted to accompany the injured worker while he/she is receiving medical treatment and/or being examined by the medical provider, without the employee's consent. In the event that any employee sustains an occupational illness or injury while on a run away from the home terminal, the Employer shall obtain medical treatment for the employee, if necessary, and, thereafter, will provide transportation by bus, train, plane or automobile to the employee's home terminal, if and when directed by a doctor.

An employee that has a change in his/her medical duty status shall report that change to the Employer.

In the event of a fatality, arising in the course of employment while away from the home terminal, the Employer shall return the deceased to the home of the deceased at the point of domicile.

Section 2. Temporary Alternate Work

The Company may continue a modified work program on a nondiscriminatory basis. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury. Employees shall be provided their guaranteed hours with a start time no more than two (2) hours earlier or two (2) hours later than their normal start time for the duration of TAW, provided the work is available. The Company will make reasonable efforts to ensure that the assignment is within this window. These guaranteed hours will be reduced as medical restrictions dictate. Pay rates for TAW assignments will be ~~as per the appropriate Supplement, Rider, Addendum, or area practice~~ **at the employee's regular rate of pay.**

The Employer will develop a list of possible TAW assignments by location. It is understood that this list may not be all-inclusive and management maintains the right to determine the availability and designation of all TAW assignments. The Employer shall provide the names and assignments of employees on TAW upon the Local Union's request.

In areas that have existing TAW programs providing better employee benefits and protections than guaranteed by this Article, such protections and benefits will not be diminished by this Article.

Any such program that has been, or is in effect, as of the effective date of this Agreement, shall be reduced to writing, a copy of which must be submitted to the National Safety and Health Committee and the affected Local Union. If either party wants to include non-work related injuries or illnesses under the TAW program the parties will meet and agree upon such amendment. The Employer shall also meet with the Local Union upon request to discuss any changes the Local Union may propose in the TAW program. Any unresolved issues will be referred to the National Safety and Health Grievance Committee for resolution.

Section 3. Permanently Disabled Employees

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

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

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

Any claim in dispute concerning rights under this Section shall be addressed under the grievance and arbitration procedures of this

Agreement. A grievance may be filed by an employee or the Union, notwithstanding any contrary provision in any Supplement, Rider or Addendum. The submission of a claim under this Section to the grievance and arbitration procedures of the Agreement shall not prohibit or impede an employee or the Union from pursuing their statutory rights under the Americans with Disabilities Act (ADA) or comparable state or local laws.

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

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

Section 3.1

Pursuant to Article 22.3 and Article 37 and notwithstanding language in the Supplements, Riders or Addenda, the Employer and the Union agree to meet and discuss certain full-time positions that may be filled by employees who can no longer perform their assigned job. When full-time openings occur, these employees will be given the opportunity to fill the opening prior to the Employer hiring from the outside. The employee must be physically fit and qualified to perform the new job. The employee placed in the opening will be paid the rate for the job based upon the employee's seniority.

ARTICLE 15. MILITARY CLAUSE

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

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

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

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

No. Wks	Q1	Q2	Q3	Q4
6	6	4	3	1
5	5	3	2	1
4	4	3	2	1
3	3	2	1	1
2	2	1	1	1

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

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

The treatment of unused vacation and the scheduling of the vacation shall be in accordance with the applicable Supplement, Rider or Addendum.

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

ARTICLE 16. LEAVE OF ABSENCE

Section 3. Loss of License

Section 3.1 Leave of Absence

When an employee, in any job classification requiring driving, loses his or her operating privilege or whose license has been suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, leave shall be granted for such time as the employee's operating privilege or license had been suspended or revoked, but not for a period longer than ~~one (1) year~~ **two (2) years**, provided the driver whose operating privilege or license has been suspended or revoked notifies the employee's immediate supervisor before the employee's next report to work of such suspension or revocation. The above provision need only apply to the first (1st) suspension or revocation except for suspension of commercial drivers license (CDL) of one (1) year or less duration.

Employees who take a leave of absence under this Section whose loss of operating privilege or license is the result of driving under the influence of drugs or alcohol will be allowed alternative work and to return to their job in accordance with Section 3.3 below.

Section 3.2 Alternate Work

(Other than Alcohol/Controlled Substance)

When an employee, in any job classification requiring driving, has lost his/her license under this Article he/she shall be afforded the opportunity to displace junior, one (1) full-time or two (2) part-time, inside employees, until he/she can return to his/her driving job, not to exceed ~~one (1) year~~ **two (2) years**, unless provided for otherwise in the Supplements, Riders or Addenda. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to ~~one (1) year~~ **two (2) years.**

Section 3.3 Alternative Work (Alcohol/Controlled Substance)

When an employee, in any job classification requiring driving, has lost his/her license for driving under the influence of alcohol or a controlled substance he/she will be offered available inside work of one (1) full-time or two (2) part-time openings, not to exceed ~~one (1) year~~ **two (2) years** provided that the employee is assessed by a Substance Abuse Professional (SAP) and is released to return to work by the SAP. The SAP shall establish the terms upon which the employee may return to work. The employee must also enter a rehabilitation program, if required by the SAP, within one (1) month of the SAP's assessment. The employee shall be returned to driving once he/she successfully completes the rehabilitation program, provided his/her driving privileges have been restored. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to ~~one (1) year~~ **two (2) years**.

Any driver cited for Driving Under the Influence who does not have his/her license suspended, or who has limited driving privileges, shall be assessed by a SAP within five (5) working days of the citation. If the SAP determines the driver does not require rehabilitation, then he/she shall be allowed to return to driving. Until the assessment is completed, the driver shall be allowed to work inside ~~in accordance with the paragraph above~~ **at his hourly wage and guarantee**. If rehabilitation is required, the above paragraph shall also be applicable. The ~~one time~~ right to rehabilitation provided in Article 35, Section 4.11 shall not be applicable to a driver who completes a rehabilitation program under this paragraph, unless, as a result of the DUI citation, the driver is convicted or loses his/her license for driving.

This Section does not apply to the employee that has lost his/her license for being disqualified for testing positive for controlled substances.

Section 5. Rehabilitation Program - Leave of Absence

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

Employees shall be permitted to take advantage of a rehabilitation program once every five (5) years, three (3) times lifetime maximum, under all conditions of this Article.

The leave of absence must be requested prior to the commission of any act subject to disciplinary action except as provided in Article 35, Section 3 and Section 4. The leave of absence shall be for a maximum of ninety (90) days; additional time may be granted if it is mutually agreed between the Company and the Union, or requested by the Substance Abuse Professional (SAP). While on such leave, the employee shall not receive any of the benefits provided by this Agreement, Supplements, Riders and/or Addenda, except the continued accrual of seniority.

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

1. Before returning to work, the Employer shall ensure that the employee is "alcohol/drug free." This requirement shall be satisfied when the employee has provided a negative drug test result, as per cutoff levels contained in Section 3.3 or Section 3.4 of Article 35, as applicable, and/or an alcohol test with an alcohol concentration less than .02. **The Employer will make all reasonable efforts to conduct all return-to-work testing, conference calls, and examinations within five (5) working days of completion of a rehabilitation program.**

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

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

4. Failure to comply with the after-care treatment plan or a positive specimen as part of the after-care treatment plan will result in discipline pursuant to Article 35, Sections 3.13 and 4.~~12~~ **11**.

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

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

ARTICLE 17. PAID FOR TIME

All employees covered by this Agreement shall be paid for all time spent in service of the Employer. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the employee is effectively released from duty. All time lost due to delays as a result of overloads or certificate violations involving federal, state or city regulations, which occur through no fault of the driver, shall be paid for by the Employer.

The Employer will not allow employees to work prior to their start time without appropriate compensation.

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. If the employee does not receive his/her vacation check, the Employer will make all reasonable efforts to provide the check the following day including delivery by Saturday or Next Day Air. **If the employee requests to see his vacation check on the Monday as permitted below and the Employer fails to make the vacation payment available by Saturday following the employee's regular scheduled pay day, the employee shall be paid an additional amount equal to one-half (1/2) of his or her daily guarantee at his or her regular hourly rate of pay for every subsequent pay period until the shortage is corrected.** Other shortages involving more than **forty ($40.00)** ~~thirty~~ dollars ~~($30.00)~~ for full-time employees, and **twenty ($20.00)** ~~fifteen~~ dollars ~~($15.00)~~ for part-time employees, will be corrected and the payment will be made available to the employee at his/her reporting location on his/her second scheduled workday after reporting the shortage. If the Employer fails to make the payment available on the employee's second scheduled workday and the shortage was the result of the Employer's error, the employee will be paid an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her regular hourly rate for every full pay period in which the shortage is not paid after the second (2nd) scheduled work day, until corrected.

Errors of less than **forty ($40.00)** ~~thirty~~ dollars ~~($30.00)~~ for full-time employees or **twenty ($20.00)** ~~fifteen~~ dollars ~~($15.00)~~ for part-time employees and overages will be corrected in the following weekly paycheck.

Any grievance settlement not paid within ten (10) working days of the settlement shall entitle the grievant(s) to a penalty payment as outlined above. The ten (10) working day period shall begin to run when the Labor Department representative agrees to the settlement, or is notified by the Union or management team of the settlement. The Employer shall pay a maximum of one penalty payment for a multi-grievant grievance, which shall be subject to the additional penalties set forth above for untimely payment, until corrected.

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

All employees must receive their vacation pay in a separate check before taking vacation. Vacation checks for an employee, who is taking a properly scheduled vacation in accordance with the applicable Supplement, Rider or Addendum, will be at the operating center on Monday of the week prior to the employee's vacation week(s). This is to ensure that the employee receives his/her pay prior to taking his/her vacation. The employee will be shown his/her check upon request, but will not receive the check until the regular scheduled pay day.

All green checks will be taxed at the employee's regular withholding tax rate.

Paycheck stubs will show the year-to-date vacation, sick and personal leave balances.

ARTICLE 18. SAFETY AND HEALTH EQUIPMENT, ACCIDENTS AND REPORTS

Section 4. Seats

The Employer will provide **high-back** air-ride seats in all new tractors and when replacing the driver seat in present tractor equipment. Such seats shall be maintained in a proper and reasonable condition.

When replacing the seat cushion in package cars where the seat is attached to a post, the Employer will use the new soft ride cushion agreed to. When replacing the seat back, the Employer agrees to provide the new seat back with the adjustable lumbar support feature. Seat backs will be replaced as needed subject to availability from the manufacturer. In all new P-32 through P-120 vehicles, the Employer agrees to provide multi-adjust seats.

Section 8. Radios

~~Transistor r~~ **R**adios will be allowed in package cars. **Such radios shall not inhibit the driver's view, nor shall they be unsecured.**

~~Applicable laws regarding the use of cell phones while driving will be followed by all employees while driving Company vehicles. The use of cell phones by other employees will be with approval of the Employer.~~

The use of Citizen Band (C.B.) Radios, not to exceed five (5) watts, shall be permitted in all feeder road equipment as follows:

a. Operators of C.B. Radios must conform to FCC rules and regulations and be properly licensed and license be on record with the Employer.

b. Head sets and earphones shall not be allowed.

c. The Employer will not be responsible in any way for any damage or loss of C.B. Radio equipment.

d. All power hookups and antenna brackets shall be provided and installed by the Employer.

e. Antennas shall be so installed that they do not interfere with the operation of the wash rack or restrict the vision of the driver.

Section 8.1 Distracted Drivers

The Employer and Union recognize that there are various federal, state and local statutes, regulations and ordinances on the use of handheld devices while a commercial motor vehicle is in motion. In the interest of the safety of our drivers and the general public, drivers must comply with the applicable restrictions. The Employer will use its best efforts to educate drivers on the restrictions applicable in each geographic area.

Section 8.2 Non-Driving Employees

The use of handheld devices by non-driving employees will be with the approval of the Employer.

Section 13. Exhaust Systems

All new diesel tractors added to the fleet after January 1, 1994, shall be equipped with a vertical exhaust stack. **Recognizing the advances made in the reduction of diesel emissions, the chairmen of the National UPS/IBT Safety and Health Committee shall meet to discuss a pilot program involving alternative tractor exhaust systems.** Package car exhaust systems, when replaced, shall exit to the side of the vehicle.

Section 18. Vehicle and Personal Safety Equipment

All automotive vehicles shall be equipped with a manufacturer certified seat belt restraint system. Jump seats shall be equipped with a safety belt. Three-point shoulder harness safety belts shall be provided on the driver's side of all new vehicles, and on the jump seat for all new P-32 through P-120 vehicles and all new 24-foot vans. It shall be required that the driver's seat belt and the jump seat safety belt be worn at all times when the vehicle is moving.

Feeder tractor door locks, where provided as original equipment, shall be maintained in working order.

Golf cart usage will comply with applicable federal, state and local regulations.

Section 20. National UPS/IBT Safety and Health Committee

Section 20.1 National UPS/IBT Safety and Health Committee - Safety, Health and Equipment Issues

The Employer and the Union shall maintain a National UPS/IBT Safety and Health Committee. The Committee shall be governed by the terms of this Agreement and by an agreed to set of rules of procedure.

It is the responsibility of the Committee to provide guidance and recommendations on all factual issues, involving safety and health (including ergonomic issues) and equipment, affecting employees covered by the National Master United Parcel Service Agreement. The Committee is also charged with the responsibility to review and approve the development and implementation of the CHSP. At the discretion of the chairmen, it may also consider any subject pertaining to the safety and health of the employees covered by this Agreement which it deems significant. Such Committee shall convene on a regular basis, with an agenda to be agreed to by the respective chairmen.

As agreed by the chairmen, the Committee may establish such subcommittees as it deems necessary to address matters affecting safety and health.

Section 20.2 - National UPS/IBT Safety and Health Grievance Committee

The Committee shall also serve as the National UPS/IBT Safety and Health Grievance Committee. All interpretations and grievances, of a factual nature, arising under but not limited to Articles 18 and 35 of the National Master UPS Agreement shall be heard by the Committee, pursuant to Article 8, of the National Master UPS Agreement, and the rules of the National Grievance Committee.

Decisions of this Committee shall be final and binding on all parties. Cases that are deadlocked by the Committee, unless called to the National Grievance Committee by mutual agreement of the National Chairpersons, may proceed to arbitration.

The Committee shall meet in conjunction with the National Grievance Panel to resolve all cases on its agenda.

Section 20.3 Climatic Conditions Committee

The National UPS/IBT Safety and Health Committee is also responsible for the Climatic Conditions Committee, formulated to review severe climatic conditions that may seriously affect employees in different geographic areas.

The Committee shall have the authority to resolve factual issues before it and its decision will be final and binding. Cases that are

deadlocked by the Committee shall be referred to the National Grievance Committee.

Section 20.4 Safety and Health Committees

There shall be Safety and Health Committees to cover all full-time and part-time employees. There shall be one (1) committee per Center unless the number of employees and/or job classifications within a center dictate the establishment of more than one (1) committee. The respective committees will be comprised of a mutually agreed to number of bargaining unit representatives and up to an equal number of management representatives.

Recognizing the importance of the role of the Safety and Health Committees in resolving the issues of safety, the Employer and the Union reaffirm their commitment to the active involvement of the Committees in such processes, in accordance with the terms of this Article.

~~Bargaining unit members who seek to serve on the Safety and Health Committee may volunteer to do so, with approval of the Local Union~~. **The Local Union shall approve the bargaining unit members who serve on these Committees.** The Union co-chair of the committee(s) shall be selected by the bargaining unit members of the committee. **In the event that a Local Union desires to cease participation in the safety committees, prior approval must be authorized by the Union Co-Chair of the Teamsters United Parcel Service National Negotiating Committee who shall also inform the Employer's President of Labor Relations of the request.**

Bargaining unit members may not perform Safety Committee observations of fellow bargaining unit members that can be interpreted as being a management role. Safety Committee observations shall only be performed to further the purposes of that Committee as defined in this section and to promote a safer work environment. Activities will be reviewed with the Local Union. Under no circumstances can the results of a Safety Committee observation be used in any level of discipline, nor reference any individual bargaining unit member.

Each committee shall meet at least once each month at a mutually agreeable time and place. The Employer shall provide committee members with adequate time to perform committee functions, as described in paragraphs 1 through 7 below.

Each committee shall perform functions including, but not limited to:

1. Creating sub-committees, on an as needed basis, to investigate specific issues of safety and health concern. These committees shall report to the full committee.

2. Developing and maintaining minutes for all meetings, with copies to all committee members and posted on designated safety bulletin boards.

3. Conducting periodic inspections of the facility to ensure that there is a safe, healthful and sanitary working environment in each center.

4. Accompanying governmental, union, and/or Company health and safety professionals on facility inspection tours. The Employer may limit the number of bargaining unit members of the committee accompanying such an inspection tour.

5. Receiving information pertaining to lost workday injury/accident causes and review results of the investigation of such injuries/accidents.

6. Receiving copies of the center's OSHA Illness and Injury logs and the facility's man-hours.

7. Receiving the Company sponsored training to enable committee members to effectively perform their respective functions as safety and health committee members.

Any information provided to a CHSP committee will not be shared outside the committee without the Employer's consent.

If the committee is unable to resolve a safety and health concern and all steps of the Comprehensive Health and Safety Process (CHSP) have been exhausted, the issue will be subject to the grievance procedure.

ARTICLE 22. PART-TIME EMPLOYEES

Section 3.

The parties agree that providing part-time employees the opportunity to become full-time employees is a priority of this Agreement. Accordingly, the Employer commits that during the life of this Agreement, it will offer part-time employees the opportunity to fill at least twenty thousand (20,000) permanent full-time job openings throughout its operations covered by this Agreement.

This commitment shall include the obligation to create at least twenty-three hundred and fifty (2350) new full-time jobs from existing part-time jobs during the first three (3) years of this Agreement throughout its operations covered by this Agreement; five hundred (500) in each of the first two contract years and thirteen hundred fifty (1350) in the third year of this Agreement. In creating these jobs, the Company shall be allowed up to one and one half (1.5) hour gap between jobs in a workday notwithstanding any provision in any Supplement, Rider or Addendum that is more limiting. Any disagreements will be referred to the Chairs of the National Negotiating Committee for resolution.

The number of full-time jobs created under Article 22, Section 3 of the 1997-2002 and the 2002-2008 Agreements shall not be reduced. Within sixty (60) days of the ratification of this Agreement the Employer shall provide the International Teamsters Union a report detailing and identifying the full-time jobs which will need to be maintained pursuant to this paragraph.

Sections 5. Wages

(a) Part-time Employees

All part-time employees who have attained seniority as of August

1, 2008 **13** will receive the following general wage increases for each contract year. **In the first three (3) years of the contract, the increase will be effective on August 1st.** In **2016 and 2017** ~~each of the years~~, the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for each year will be as follows:

~~2008~~	~~seventy cents ($0.70)~~
~~2009~~	~~seventy-five cents ($0.75)~~
~~2010~~	~~seventy-five cents ($0.75)~~
~~2011~~	~~eighty-five cents ($0.85)~~
~~2012~~	~~ninety-five cents ($0.95)~~
2013	**seventy cents ($0.70)**
2014	**seventy cents ($0.70)**
2015	**seventy cents ($0.70)**
2016	**eighty cents ($0.80)**
2017	**one dollar ($1.00)**

Part-time employees still in progression on August 1, 2008 **13** shall receive the above contractual increases and will be paid no less than what they are entitled to in accordance with the wage schedules in Article 22, Section 5 (b) below. ~~Between the date of ratification and August 1, 2008 part-time employees will continue to be paid in accordance with the progression contained in the prior Agreement.~~ The progression set forth in (b) below shall be applied effective August 1, ~~2008~~ **2013.**

(b) Newly hired part-time employees

All part-time employees, who are hired or reach seniority after August 1, 2008 **13** will be paid according to the following wage schedules:

	Hourly Rate	
	Preloader Sorter	All Others
~~Start~~	~~$9.50~~	~~$8.50~~
~~Start plus ninety (90) calendar days~~	~~$10.50~~	~~$9.50~~
~~Seniority plus one (1) year~~	~~$11.00~~	~~$10.00~~
~~Seniority plus two (2) years~~	~~$11.50~~	~~$10.50~~
~~Seniority plus three (3) years~~	~~$12.00~~	~~$11.00~~
~~Seniority plus four (4) years~~	~~$12.87~~	~~$11.87~~
Start	**$11.00**	**$10.00**
Seniority plus one (1) year	**$11.50**	**$10.50**
Seniority plus two (2) years	**$12.00**	**$11.00**
Seniority plus three (3) years	**$13.00**	**$12.00**
Seniority plus four (4) years	**$13.50**	**$12.50**

Employees working high volume direct or low volume direct shall receive the preloader/sorter rates.

(c) The wage rates and increases provided in (a) and (b) shall be a minimum.

(d) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3-1/2) hour guarantee.

ARTICLE 26. COMPETITION

The Union recognizes that the Employer is in direct competition with the United States Postal Service and other firms engaging in the distribution of express letter, parcel express, parcel delivery, and freight, both air and surface. In order to meet that competition and thereby protect and, if possible, increase the number of bargaining unit jobs, it is agreed that any provisions in this Agreement to the contrary notwithstanding, the Employer:

(a) may use substitute means of transportation (such as airplane, helicopter, ship or T.O.F.C.) in its operations; provided, however, that no feeder driver with more than three (3) years of seniority in the feeder driver classification will be laid off or displaced from a feeder classification as a result of a run being placed on the rail. However, the Employer shall not be required to remove loads from the rail to provide work for employees whose ground loads were eliminated or temporarily discontinued. Any claimed abuse of this Section by any of the Local Unions shall be subject to immediate review by the National Grievance Committee.

Merchandise that has been tendered by United Parcel Service to the railroad and moved by T.O.F.C. will not subsequently be moved by the railroad, on the ground, to its final destination. Any exception to the above language will be in cases of an emergency or cases where the railroad must ground the merchandise early to meet the company's service commitment. In these cases, every effort will be made to use UPS employees.

In order to expand the work opportunities for members of the bargaining unit, the Employer will consider removing additional loads from the railroad or the other substitute means of transportation specified in this Article. When the Employer removes loads on other than a temporary basis, it shall notify the Union of the number of new runs to be created as a result of moving such loads on the ground. The Employer and the Union shall agree on the most expeditious method to obtain additional personnel and/or equipment, if necessary, for the new runs to be operated by bargaining unit members. If the equipment or employees are not available, the Employer may use subcontractors for a reasonable start-up period, not to exceed thirty (30) days. The subcontracting can exceed thirty (30) days with the Union's agreement if there are problems obtaining additional personnel or equipment. Agreement under this paragraph will not be unreasonably denied by the Union. All feeder positions created as a result of returning loads to the ground shall be counted toward the Employer's obligation to create full-time jobs under Article 22.3 of this Agreement.

Bargaining unit employees will move scheduled T.O.F.C. loads from the rail yards to UPS locations except during peak season.

During peak season, the Employer will make every reasonable effort, in accordance with the appropriate Supplement, Rider or Addendum, to use current UPS employees and hire a sufficient number of employees to handle peak volume. After doing so, the Employer may use alternate means of transporting packages during peak season and will utilize union carriers whenever possible. Plans to utilize outside carriers will be reviewed and agreed with

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the Local Union. Such agreement will not be unreasonably withheld.

UPS shall provide its plan to the affected Local Union by October 15th of each year. This shall not preclude UPS from making subsequent alterations to the plan which shall also be reviewed with the Union.

(b) may drop loaded or empty trailers at locations designated by it, its customers or consignees for customer or consignee loading or unloading. It is understood that customers and consignees will not move trailers for loading and/or unloading other than on their premises. It is further understood that dropping and picking up these trailers shall be done by members of the bargaining unit.

(c) All loading and unloading of dropped shipments at UPS locations will be done by UPS bargaining unit employees.

Section 2.

A Joint UPS/IBT Competition Committee shall be created with an equal number of Employer and Union representatives. The Committee shall meet upon written request by either party for the purpose of discussing and evaluating proposals which, if adopted by the Committee, could create additional bargaining unit jobs, enable the Employer to more effectively compete with other companies, implement new services and products, or change existing services. Nothing within this provision or Agreement shall require the Employer to offer or maintain any particular service or product.

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

Section 3.

Notwithstanding any other provision of the Agreement or any Supplement, Rider or Addendum, only the Local Union with jurisdiction in the geographic area in which a subcontracted feeder movement originates or the Teamsters United Parcel Service National Negotiating Committee in its own name shall have the right to file or pursue a grievance alleging that the movement is a contractual violation.

Section 4 – Surepost

1) In order to retain existing commercial customers that are solicited by a competitor offering services similar to those described herein, or to attract new commercial customers, the Company may offer service contracts that include the delivery of packages by the USPS. Packages eligible for such delivery will normally be less than ten (10) pounds in weight and less than three (3) cubic feet in size, in accordance with paragraph (2) below. Further, UPS agrees that the Surepost will not be presented as a general service offering. This service will only be offered for shipping from a business to a residential customer. The Company agrees that it will not use Surepost as a basis to diminish the size of the bargaining unit.

2) The Company will continue to use and develop technology that identifies two or more Surepost packages to be delivered to the same address and/or any combination of Surepost package(s) and ground package(s) to be delivered to the same address. In such circumstances, all of the Surepost package(s) and ground package(s) will be delivered by package drivers. The Company will implement, when available, technology that identifies multiple addresses in close proximity to which any combination of Surepost and ground packages are to be delivered. Within 120 days of the effective date of this Agreement, the Company shall also develop technology that identifies oversized (greater than three (3) cubic feet) or overweight packages. Once such technology is operational, all Surepost packages exceeding ten (10) pounds or with dimensions greater than three (3) cubic feet, will be delivered by package drivers.

3) The Joint UPS/IBT Competition Committee will meet on a quarterly basis to review the progress of this service and discuss potential technological enhancements that will allow Surepost volume to be placed back in the UPS system for final mile delivery. Any issues or disputes related to the Surepost service that cannot be resolved by the Competition Committee shall be referred directly to the Chairs of the Union and the UPS National Negotiating Committees for discussion and resolution.

ARTICLE 29.

Section 1. Jury Duty

When a seniority employee is called for jury duty service, he/she shall be excused from his/her regular duties on the days he/she is required to appear in court or comply with jury rules that prevent him/her from reporting for work. For any regularly scheduled workday in which time off for such jury service is granted, the full-time employee shall be paid his/her guarantee and the part-time employee shall receive four (4) hours' pay at his/her straight-time hourly rate, less any amount received as a jury duty fee if such fees are defined as wages under applicable laws. The employee shall be required, however, to turn over to the Employer adequate proof of his/her jury duty service and compensation, if any, in order to receive the compensation above provided.

Employees who are scheduled to work a day shift shall not be required to report for work on any day he/she is required to report for jury duty unless released from jury duty not less than six (6) hours prior to the end of his/her regularly scheduled shift, in which event he/she will be allowed two (2) hours from the time he/she is released from jury duty to report and work the remainder of his/her regularly scheduled shift.

Employees scheduled to work any shift other than the day shift shall not be required to report to work on any day he/she is required to report for jury duty unless he/she has been released from jury duty not

less than four (4) hours prior to the start time of his/her regular shift and provided further he/she would complete such shift not less than ten (10) hours prior to the time he/she is required to report for jury duty the next/following day. Notwithstanding the above, no employee, working other than a day shift, will be required to report to work on a night shift if he or she has served jury duty that day and that service prevents him or her from reporting for work. **An employee's schedule will be adjusted by the Employer when possible to avoid a situation in which the employee otherwise misses more than one day of work for any day of jury duty.**

In the event an employee returns to work after being released from jury duty and works beyond his/her regularly scheduled work day such hours worked shall be compensated for at the applicable overtime rate of pay.

An employee who is required to report for jury duty during a week of previously scheduled vacation may select another available week of vacation.

Time spent on jury duty service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements, Riders and Addenda.

The language contained in this Article will supersede any provision in any Supplement, Rider or Addendum.

ARTICLE 33. COST-OF-LIVING (COLA)

All seniority employees who have completed their appropriate wage progression schedule shall be covered by the provisions of a cost-of-living allowance, as set forth in this Agreement.

Employees who have not completed their appropriate wage progression on the effective date of a COLA increase, shall receive the adjustment on a prospective basis on the date they complete their wage progression schedules.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series using 1982-1984 Expenditure Patterns), All Items (1982-84 = 100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Index".

Effective August 1, 20~~09~~ **14** and every August 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for May 20~~09~~ **14** (published June 20~~09~~ **14**) and every May thereafter, and the base Index for May 20~~08~~ **13** (published June 20~~08~~ **13)** and every May thereafter, as follows:

For every two tenths (0.2) point increase in the Index, over and above the base (prior year's) Index plus three percent (3.0%) there will be a one (1) cent increase in the hourly wage rates payable on August 1, 20~~09~~ **14** and every August 1 thereafter. These increases shall only be payable if they equal five cents ($.05) in a year.

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each one (1) cent increase in hourly wages, subject to the threshold set forth above.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

Section 1.

(a)**(i)** Except as set forth in this Section **1(a)**, Health & Welfare and/or pension contributions shall be increased by forty dollars ($40.00) per week on August 1, ~~2008~~ **2013** and on each subsequent August 1st during the life of the contract. Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committees, subject to the approval of the Joint National Negotiating Committee.

(ii)(1) In those Supplements, Riders or Addenda, where **the full-time** ~~some of the~~ employees are covered by ~~a Teamster Health and Welfare Plan and some of the employees are covered by the Company Health and Welfare Plan~~, **the Central States Health &Welfare Plan** the amount of money **set forth in Section 1(a) above to be allocated for Health & Welfare for these full-time employees shall be as follows:**

August 1, 2013 - fifty cents ($0.50)

August 1, 2014 – fifty cents ($0.50)

August 1, 2015 – fifty cents ($0.50)

August 1, 2016 – (TBD based on Central States' cost)

August 1, 2017 – (TBD based on Central States' cost)

2) For years 2013 through 2015, the remaining fifty cents ($0.50) will be allocated to the applicable Taft -Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable. The health and welfare contribution increases in 2016 and 2017 will be based on Central States actual costs. In those two years, the applicable Taft-Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to Central States Health & Welfare Plan (CS H&W) and one dollar ($1.00).

(iii) For those part-time employees who will be transitioning from a UPS sponsored medical plan to the Central States Health & Welfare Plan, the allocation for years 2013 through 2015 shall be fifty cents ($0.50) to UPS for health and welfare coverage. Fifty cents ($0.50) shall be allocated for those years for pension to UPS or a Taft-Hartley pension fund, as applicable. In years 2016 and 2017, the applicable Taft-Hartley pension plan or the UPS Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to Central States Health &Welfare Plan (CS H&W) and one dollar ($1.00)

~~to the Company Health and Welfare Plan shall be the same as the amount allocated to the Teamster Health and Welfare Plan in the Supplement, Rider or Addendum. The applicable Supplement, Rider or Addendum will reflect the appropriate agreed to increases to the Teamster Pension Plans in those Supplements, Riders or Addenda where all the employees are in the Company Health and Welfare Plan and/or covered by Section (f) of this Article. Except as set forth in Section (f) below, these increases shall be allocated as follows: thirty-five cents ($0.35) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase each year will be paid into pension.~~

~~The Employer's contribution increases to the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty-two dollars ($22.00) per week effective August 1, 2008 and fourteen dollars ($14.00) per week effective on each August 1 thereafter during the life of this contract.~~

(iv) ~~It is the intent of the Employer and the Union that health & welfare and pension monies will be allocated in a manner to keep wage increases uniform.~~ The increases accrued under this Article on August 1st, of each year, can only be allocated to health & welfare and/or pension except as provided within this Article. Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

(v) If, in accordance with a duly adopted funding improvement plan or rehabilitation plan, an IBT Pension Fund is required to issue a schedule pursuant to ERISA Section 305 (added by the Pension Protection Act of 2006) that requires contributions in excess of those contained within this Article, the Union and the Employer shall promptly meet to negotiate changes in the Agreement to generate sufficient savings to cover the cost of the increased contributions. Agreement shall not be unreasonably withheld. Once completed, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all IBT Health and Welfare Funds and all IBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless stated to the contrary in this Article or changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider, Addendum or this Article. **However, this paragraph will only apply through December 31, 2013, as it relates to health &welfare coverage.**

(e) All contractual provisions relating to ~~health & welfare and~~ pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda. **References to Company-provided health & welfare are being deleted from the Supplements, Riders and Addenda because the Company will no longer be providing medical coverage after December 31, 2013.**

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters Supplemental Agreement and in the Northern California Supplement Agreement shall continue in full force and effect during the life of this Agreement. The increase in ~~the Northern California Supplemental Agreement~~ **any Supplement, Rider or Addendum as a result of a Maintenance of Benefit increases** shall be allocated as follows: fifty cents ($0.50) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase set forth in Section 1.(a) each year will be paid into pension. **If this hourly amount does not cover the required increases in cost required by the Health & Welfare Plans, then the remainder of the forty dollars ($40.00) per week increase will be diverted to a health and welfare contribution, instead of being available for pension.**

(g) The Employer shall not be required to contribute to any jointly trusteed health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 20~~08~~**13** an amount greater than the amount it contributed on July 31, 20~~08~~**13** plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to

the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that **there is any change in the existing** national health care legislation **or if new legislation** is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(i) UPS Part-time Pension Plan

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

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

~~$1,925~~ **$2,100** for retirement at any age after 35 years of part-time Credited Service

~~$1,650~~ **$1,800** for retirement at any age after 30 years of part-time Credited Service

~~$1,375~~ **$1,500** for retirement at age 60 with 25 years of part-time Credited Service

~~$1,125~~ **$1,250** for retirement at any age with 25 years of part-time Credited Service (based on ~~$45.00~~ **$50.00** per year of Credited Service)

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

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

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

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

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

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

(j) Long-Term Disability

(1) Full-time seniority employees will become eligible for long-term disability (LTD) after six (6) months of employment for non-occupational illnesses or injuries that last longer than twenty-six (26) weeks.

(2) Long-term disability benefits will equal sixty percent (60%) of the employee's base weekly pay to a maximum of six hundred dollars ($600) per week for up to five (5) years. Long-term disability benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later. **The six hundred dollars ($600) cap shall be increased to seven hundred dollars ($700) effective January 1, 2014 and to eight hundred dollars ($800) on January 1, 2017.**

(3) Average weekly base pay is computed by averaging paid hours (maximum of forty (40) hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.

(4) The definition of disability, termination of eligibility, offsets, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.

(5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee's eligibility for LTD.

(6) In those situations where a Teamster Health and Welfare Fund provides a short term disability benefit, the employee receiving such benefit shall provide the UPS National LTD Plan sixty (60) days advance notice of the estimated termination date of the short term disability. If such notice is not provided, the UPS National LTD Plan shall have the right to delay the commencement of LTD payments.

(7) Any employee receiving LTD benefits pursuant to this Plan shall be entitled to receive health care coverage in accordance with the SPD for up to twelve (12) months only.

(8) Notwithstanding any Supplement, Rider or Addendum all full-time UPS CSI employees will be provided long-term disability benefits through this Section.

(k) Part-time Retiree Coverage

(1) Effective August 1, 2002 the Employer ~~will~~ **began providing** ~~provide~~ health insurance coverage to all part-time employees, not covered by a Union plan, who retire on or after that date. **This section will not apply to any employee who retires on or after January 1, 2014. To the extent coverage would have been available under this section 1(k), the employee instead shall be eligible for retiree coverage through the Central States Health & Welfare Plan.**

(2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the UPS Pension Plan; (iii) be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.

(3) A retiree's legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age sixty-five (65).

(4) Coverage and benefit levels shall be as specified in the Summary Plan Description.

(5) Eligibility for coverage for retiree and spouse begins on the first (1ST) day after the employee's active coverage ends.

~~(6) The retired part-time employee will be required to make a contribution equal to the amount required by a retired full-time employee in the same Local Union. If there is no established rate the contribution will be two hundred dollars ($200.00) per month.~~ **For active retirees as of December 31, 2013, the contribution rates shall be as specified in the Summary Plan Description**.

(l) Jointly Trusteed UPS/IBT Full-Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter "UPS/IBT Plan") ~~to be~~ **which was** created for employees who ~~under the prior Agreement~~ participated in the Central States Southeast and Southwest Areas Pension Fund ("CS Plan") and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

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

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

Calendar Year Beginning	Monthly Benefit
~~January 1, 2008~~	~~$132.00~~
~~January 1, 2009~~	~~$132.00~~
~~January 1, 2010~~	~~$135.50~~
~~January 1, 2011~~	~~$147.00~~
~~January 1, 2012~~	~~$158.50~~
~~January 1, 2013~~	~~$170.00~~
January 1, 2014	**$170.00**
January 1, 2015	**$170.00**
January 1, 2016	**$170.00**
January 1, 2017	**$170.00**
January 1, 2018	**$175.00**

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

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

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

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be $2,000 per month if less than age 57 when benefits commence and $2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be $3,000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be $3,500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

Years of Service Pension Credit	Age	Monthly Service Pension
35 years	Any age	$3,500
30 or more years	Any age	$3,000 plus $100/yr of service for years over 30 up to $3,500
25 years	Any Age	$2,000 up to age 57
25 Years	57 or older	$2,500 plus $100/yr of service for years over 25 up to $3,500 maximum.

Effective January 1, 2014, the following enhancements will be implemented:

35 years,	**any age**	**$3,700**
30 or more years	**any age**	**$3,200 plus $100/yr of service for years over 30 up to $3,700**

Effective January 1, 2017, the following enhancements will be implemented:

35 years,	**any age**	**$3,900**
30 or more years,	**any age**	**$3,400 plus $100/yr of service for years over 30 up to $3,900**

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

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

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

Section 2. ~~Part-Time Medical Coverage~~ Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W)

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

~~(a)~~ **(b)** Notwithstanding **any provision in any Supplement, Rider or Addendum** ~~Section 1(d) above~~, effective January 1, 20~~08~~**14** ~~health and welfare coverage for~~ all **full-time and** part-time employees on the payroll at that time and those hired thereafter **who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through the CSH&W Fund regardless of the employee's work location. Weekly payments for covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to the CSH&W Plan to provide the medical coverage.**

~~will be provided pursuant to the terms of an Employer sponsored nationwide health care plan, namely, the UPS National Health Plan for Part-Time Employees. (A copy of the Summary Plan Description will be provided.) Features of the plan will include a prescription card~~.

(c) This ~~paragraph~~ **Section** shall supersede any provisions on the same subject in any Supplement, Rider, or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full-time medical benefits.

~~(b)~~ **(d)** Notwithstanding ~~Section 1(d) above or~~ any contrary provision in any Supplement, Rider, or Addendum, (i) individual health coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and (ii) spousal or dependant coverage will **also** be made available to these part-time employees ~~eighteen (18)~~ **twelve (12)** months after their initial date of employment.

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

Section 3. CSI Health and Pension Coverage

(i) Any **full-time or** part-time CSI employee who is a participant in a Company sponsored health & welfare plan shall be covered by the **CSH&W Fund** ~~UPS health plan~~ set forth in Section 2 above, effective January 1, ~~2008~~ **2014.**

(ii) The UPS Pension Plan shall be modified to provide a one hundred and seven dollar ($107.00) accrual effective January 1, 2014 for all years accrued under the UPS Pension Plan.

Section 4. Re-allocations of Contributions/Wages

The Teamsters UPS National Negotiating Committee may re-allocate designated increases in Health & Welfare and/or pension contributions (HWPC) and/or general wage increases (GWI) provided in this Agreement in accordance with the following rules:

~~1. Thirty-five cents ($0.35)~~ **Any portion** of any GWI may be re-allocated as an increased contribution to a Teamster Pension or Health &Welfare Fund. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the same Pension or Health & Welfare Fund.

2. Twenty-five cents ($0.25) of a ~~HW~~PC may be re-allocated as a GWI. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the same Pension or Health & Welfare Fund.

3. Once a re-allocation becomes effective, it may not be changed.

4. A specified HWPC cannot be re-allocated to a GWI if the pension fund has been certified as being in endangered or critical status (as defined in ERISA section 305 (b)(1) or (b)(2).

5. The Employer must be notified of any re-allocation, in writing, at least thirty (30) days prior to the effective date of the GWI or HWPC.

Section 5. Substitute Health Plan

In the event the Central States Southeast and Southwest Areas Health and Welfare Fund does not maintain the benefit coverage and retiree contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this Agreement, the Union and Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the contribution payable by the Employer pursuant to Article 34 Section 1 (a) shall be paid to the new plan.

ARTICLE 35. EMPLOYEE'S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 3. Controlled Substances Testing

The parties have agreed that the procedures as set forth in Article 35, Section 3 shall be the methodology for all testing and will be modified only in the event that further federal legislation or Department of Transportation regulations require revised testing methodologies or requirements during the term of this Agreement. To the extent that a subject is not covered by this Article the appropriate regulation shall control.

Should other categories, modifications or types of testing be required by the government, the parties will meet as expeditiously as possible to develop a mutually agreeable procedure.

The provisions of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive drug test. Employees may use the United Parcel Service Employee Assistance Program, a Union sponsored program, as well as any other referral service in choosing an approved program for treatment.

Section 3.1 Employees Who Must Be Tested

UPS employees subject to Department of Transportation mandated drug testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a commercial driver license (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

In addition to testing mandated employees, controlled substance testing will be part of pre-qualification conditions for feeder driver employment, and those persons transferring to a feeder driver position. Individuals who are on a "bid list" for tractor-trailer employment or other similar classification type jobs are subject to being tested for controlled substances before being accepted into such a position.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing as provided herein. The substances for which testing shall be conducted, and cut-off levels thereto, shall be consistent with those listed for the DOT-covered employees. This provision also applies to testing conducted pursuant to rehabilitation and after care programs.

Section 3.2 Testing

Because of the consequences that a positive test result has on an employee, UPS will employ a very accurate, two-stage testing program. Urine samples will be analyzed by a highly qualified independent laboratory which is certified by the Department of Health and Human Services (HHS). All samples will be tested according to DOT drug testing requirements. Validity testing for the presence

of adulterants shall be conducted on all specimens, per HHS requirements.

Section 3.3 Screening Test

The initial test uses an immunoassay to determine levels of drugs or drug metabolites. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for these five (5) drugs or drug classes.

Substance	Initial Test Level (ng/ml)
Marijuana Metabolites	50
Cocaine Metabolites	~~300~~ **150**
6-Acetylmorphine	**10**
Opiate Metabolites	2000
Phencyclidine	25
Amphetamines	~~1,000~~ **500**
MDMA/MDA/MDEA	**500**

These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

Section 3.4 Confirmatory Test

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the cutoff values listed. The following cutoff levels shall be used to confirm the presence of drugs or drug metabolites:

Substance	Confirmatory Test Level (ng/ml)
Marijuana Metabolites (1)	15
Cocaine Metabolites (2)	~~150~~ **100**
Opiates:	
Morphine **(3)**	2000
6-Acetylmorphine ~~(3)~~	10
Codeine **(3)**	2000
Phencyclidine	25
Amphetamines:	
Amphetamine	~~500~~ **250**
Methamphetamine (4)	~~500~~ **250**
MDMA/MDA/MDEA (5)	**250**

(1) Delta-9-tetrahydrocannabinol-9-carboxylic acid **(THCA)**

(2) Benzoylecgonine **confirmatory cutoff of 100 ng/ml.**

(3) Test for 6-AM when morphine concentration is greater than or equal to two thousand (2000) ng/ml.

Morphine is the target analyte for codeine/morphine testing.

(4) Specimen must also contain amphetamine at a concentration greater than or equal to **one** ~~two~~ hundred ~~(200)~~ **(100)** ng/ml before reporting methamphetamine positive.

(5) Methyleneddioxymethamphetamine (MDMA) and its analytes MDA and MDEA

In the event the initial urine test indicates a positive response the confirmatory test must be done. These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

Section 3.12 Rehabilitation and Testing After Return To Duty/SAP and Employer Duties

A positive test specimen as a result of a DOT pre-qualification or random test will result in a rehabilitation opportunity. An employee whose test results are reported to the Medical Review Officer by the HHS certified laboratory and who has been contacted by the Medical Review Officer or his/her designee has seventy two (72) hours to contact the Medical Review Officer to review the test results. If the review time schedule is not met, then the Medical Review Officer (MRO) may report to UPS Management that the test is verified as positive. If neither UPS nor the MRO, after making all reasonable efforts, as required by the DOT regulations, is able to contact the employee within ten (10) days from receiving the laboratory results, the test will be considered an uncontested positive test result. If the Medical Review Officer determines a specimen is positive, then the employee will have five (5) calendar days to evaluate his/her situation with an approved Substance Abuse Professional and then up to fifteen (15) calendar days to enter the rehabilitation treatment center after approval of a leave of absence as outlined in Article 16, Section 5 of the National Master UPS Agreement. UPS will follow the final recommendations of the Substance Abuse Professional as to the appropriate after-care protocol and post rehabilitation unannounced drug testing.

The employee will be permitted to return to work after the SAP has determined that the employee has successfully complied with prescribed education and/or treatment and the employee has provided a negative drug test result **conducted under direct observation**, as per cutoff levels contained in Section 3.3 or Section 3.4 of this Article, as applicable, and/or an alcohol test with an alcohol concentration less than 0.02. **The Employer will make all reasonable efforts to conduct all return-to-work testing, conference calls, and examinations within five (5) working days of completion of a rehabilitation program.**

It is understood that if the grievance procedure is utilized contractual time limits on disciplinary action and the employee's request for rehabilitation will be suspended until resolution of the grievance.

Substance Abuse Professional (SAP)

Each Substance Abuse Professional (SAP) must be a licensed Doctor of Medicine or Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders and be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions and applicable DOT agency regulations. In addition, the SAP shall keep current on applicable DOT agency regulations and· comply with the DOT qualification training and continuing education requirements.

The SAP is responsible for performing the following functions:

1. Conducting the initial face-to-face clinical assessment and evaluation to determine what assistance is needed by the employee to solve problems associated with alcohol and/or drug use;

2. Referring the employee to an appropriate education and/or treatment program;

3. Conducting a face-to-face follow-up evaluation to determine if the employee has actively participated in the education and/or treatment program and has demonstrated successful compliance with the initial assessment and evaluation recommendations;

4. Providing the Employer with a follow-up drug and/or alcohol testing plan for the employee; and

5. Providing the employee and Employer with recommendations for continuing education and/or treatment.

Follow-up testing shall consist of at least six (6) tests in the first (1st) twelve (12) months following the employee's return to duty. The one (1) year period may be extended as necessary by written verification of the Substance Abuse Professional. **Tests shall be conducted under direct observation.**

Employer Responsibilities

Prior to allowing an employee to return to duty, after the employee has tested positive for the presence of controlled substances or has refused to submit to a drug test, the employer shall:

A. Ensure that the employee is "drug free," based on a drug test that shows no positive evidence of the presence of a drug or a drug metabolite in the employee's system.

B. Ensure that the employee has been evaluated by a Substance Abuse Professional (SAP) for drug use or abuse.

C. Ensure and confirm with the Substance Abuse Professional that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated.

Section 4.11 Discipline

It is agreed that an employee will have ~~a one (1) time~~ rehabilitation ~~opportunity~~ **opportunities** for alcohol abuse as outlined in Article 16, Section 5, except as provided under Random Testing below. ~~There shall also be a one (1) time rehabilitation opportunity for substance abuse.~~

ARTICLE 37. MANAGEMENT EMPLOYEE RELATIONS

Section 1.

(a) The parties agree that the principle of a fair day's work for a fair day's pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. **The Employer shall not retaliate against employees for exercising rights under this Agreement. In considering any grievance alleging retaliation for exercising his rights under the Agreement, the severity and timing of the Employer's actions that modify an employee's work assignment or reprimand employees shall be relevant factors to a determination of motivation.** The Employer will treat employees with dignity and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

(b) It is the policy of the Employer to cooperate with a package car driver who desires to be relieved of overtime, subject to the understanding that such package car driver will complete his/her assignment, and subject to the provisions below.

An employee who desires to be relieved from overtime on a particular day must make a written request on a form furnished by the Employer. Such a request must be submitted no later than the start of his/her shift on the fifth (5th) calendar day preceding the day being requested. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the employee's next working day. Such request shall be granted or denied in accordance with the terms of this sub-section. If a request is denied on the above referenced form, the employee shall receive a two (2) hour penalty payment at his/her straight time rate if the request should have been granted at this time based on the criteria set forth in this sub-section. This two (2) hour payment shall also apply if the Employer approves the request and later informs the employee he/she cannot be relieved of overtime, provided the request continues to meet the criteria set forth in this sub-section.

In addition, if an employee's request is granted but the Employer fails to adjust the driver's dispatch so as to provide an amount of work that can reasonably be completed within eight (8) hours which then causes the driver to work in excess of eight and one-half (8.5) hours to complete his/her route, the driver shall be entitled to a two (2) hour penalty payment at his/her straight time rate. No penalty shall be due if the employee exceeds the eight and one-half (8.5) hour threshold as a result of events beyond the Employer's control.

The Center Manager and the Steward shall process such requests based on seniority. The Employer shall allow a minimum of ten percent (10%) of the package car drivers worked in any Center off on a daily basis. No package car driver will be granted more than two (2) requests per month. It is understood that to accomplish the above the Employer may need to provide an earlier start time. ~~It is further understood that the Employer is not obligated to let more than one (I) driver in a loop off at one time.~~ This subsection applies regardless of whether the driver has opted in or out pursuant to the provisions of subsection (c) below. Such requests shall not be submitted during the months of November and December.

(c) The Employer shall make a reasonable effort to reduce package car drivers' workdays below nine and one half (9.5) hours per day where requested. If a review indicates that progress is not being made in the reduction of assigned hours of work, **(i.e the package driver has worked more than 9.5 hours on three (3) days in a workweek),** the following language shall apply, except in the months of November and December:

The affected regular package driver may make such a request to be added to the "9.5 Opt-In List" effective on the first day of his/her workweek after making the request. The driver shall notify the manager and steward of his/her desire to be added to the List. The request must be made within the time limit for filing a grievance in the applicable Supplement, Rider or Addendum. Once the driver has signed the List, he/she shall remain on the list for five (5) months, except for the period of time specified in the prior paragraph. ~~Such requests may only be made for the five (5) month periods beginning on each January 1 and June 1 of each year. No later than thirty (30) days prior to each January 1st and June 1st, each package center will post a "9.5 opt-in/opt-out list" for the applicable five (5) month period. Each full-time seniority driver in the center must make an election to opt-in or opt-out of the 9.5 language in this subsection no later than ten (10) days prior to the applicable five (5) month period. Those full-time drivers who choose to opt-out of the 9.5 language in this subsection will have no right to file a grievance alleging excessive overtime either under this subsection or under an excessive overtime provision in the Supplement, Rider or Addendum.~~

Employees within the full-time driver classification shall be eligible for the protection of this Section provided: (1) the employee covers a route for a full week; (2) the employee bids or is assigned to cover a route for a full week but is prevented from completing that bid or assignment due to reassignment by the Employer; or (3) an employee with four (4) years of seniority as a full-time package driver.

Drivers who choose to opt-in on the 9.5 list shall have the right to file a grievance if the Employer has continually worked a driver more than nine and one half (9.5) hours per day for any three (3) days in a workweek. **The Company will not assign excessive overtime on the two (2) remaining days within the workweek in order to retaliate against a driver for opting onto the 9.5 List.**

If a driver is paid a penalty under this subsection more than three (3) times in a single five (5) month opt-in period, then the District Labor Manager and Business Agent will meet with the Center Manager, the steward and the driver to ensure future compliance under this subsection. If any further penalty is paid on this employee during the five (5) month period, a meeting shall be scheduled with the above parties and the Co-Chairs of the applicable Supplemental panel to determine what actions are necessary to ensure compliance.

If a grievance under this provision (or a grievance under any excessive overtime provision of a Supplement, Rider or Addendum) cannot be resolved at the local level, including Supplemental Panels, where applicable, the Union may docket the grievance to be heard by the "9.5 Committee." This Committee shall be composed of two (2) Union and two (2) Employer representatives. The 9.5 Committee shall have the authority to direct the Employer to adjust the driver's work schedule. Deadlocked cases shall be referred to the Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for final and binding resolution.

The Employer's Vice President and the Union's Co-Chair shall have the discretion to grant the grievant triple time pay for hours worked in excess of nine and one half (9.5) hours per day and/or to order the Employer to adjust the driver's work schedule. In the event the Employer's Vice President and the Union's Co-Chair cannot resolve a grievance, either party may refer the matter to arbitration in accordance with Article 8. In the event the position of the Union is sustained, the arbitrator shall have the authority to impose any remedy set forth in this Section.

If there is a deadlocked grievance by the "9.5 committee" the Co-Chairs of the National Negotiating Committee may require a review of the adequacy of the Company's staffing in the center in which the grievance was filed. In the event the parties cannot resolve a dispute over whether excessive overtime in violation of this Section resulted from inadequate staffing in the center or other causes, such as the temporary unavailability of drivers, either may refer the matter to arbitration in accordance with Article 8. If the position of the Union is sustained, the arbitrator shall have the authority to award any remedy set forth in this Section including back wages at the appropriate rate of pay to the employee(s) adversely affected, as well as appropriate progression credit. The back wages shall be equal to what the employee(s) would have earned as a package driver at the applicable daily guarantee versus what he actually earned.

In addition, the Union Chair of the National Negotiating Committee may, at any time, request a meeting with the Employer's President of Labor Relations to review the adequacy of the Company's staffing in any center having excessive 9.5 grievances deadlocked at the local level panel. If the dispute cannot be resolved, either party may refer the matter to arbitration in accordance with Article 8, Section 7. The next arbitrator in rotation on the Eastern Panel shall be assigned the case. The arbitrator shall have the authority to award any remedy specified in the paragraph above.

The 9.5 committee shall also have the authority ~~to adopt guidelines~~ to ensure that this Section is implemented in such a way as to balance the Employer's need to protect the integrity of its operations with an employee's legitimate need to avoid excessive overtime.

The provisions of this Section 1(c) shall supercede any language on "9.5" in the Central Region Supplement.

(d) No employee shall be disciplined for exceeding personal time based on data received from the DIAD/IVIS or other information technology.

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ARTICLE 38. CHANGE OF OPERATIONS

Section 1.

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

(b) Any agreed to change of operations reached by the Local Union(s) and the Employer shall be reduced to writing and filed with the Joint National Change of Operations Committee. It is understood that a regional area representative of the affected region(s) shall sit on the Joint National Change of Operations Committee.

(c) A Joint Change of Operations Committee will be established in each Regional area and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application, health and welfare, and pension coverage and layoff questions for employees who are involved in the change. All affected parties will convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

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

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

Unless specifically covered in individual Supplements, Riders or Addenda, the following shall apply:

1. Whenever a center is closed and the work is transferred to or absorbed by another center, the affected employees will be entitled to follow their work and their seniority shall be dovetailed at the new center.

2. Whenever a center or hub is partially closed and the work of package drivers and all other regular employees, part-time and full-time, excluding feeder drivers, is transferred to or absorbed by another center, the affected employees may either follow their work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center and displace the least senior employee in their respective classifications. If any of the employees whose work is transferred elects not to follow his/her work, then he or she shall have the same rights as the remaining employees on the seniority list from which the work was transferred to bid the work being transferred. Those employees who follow the work shall have their seniority dovetailed in the new center.

3. In a Change of Operations affecting feeder drivers, the following language will apply: Whenever a center is partially closed and the feeder work is transferred to or absorbed by another center, all feeder drivers, in seniority order, will have the option of following the available work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center, and take whatever jobs become open as a result of other employees following the work or taking a layoff. If a senior feeder driver elects to take a job which has been transferred out, the displaced employee(s) will fill the vacated job(s) by seniority until the next bid.

(d) The language contained in Section 1(a) shall be applicable to the Employer's implementation of "satellite" facilities, provided, however: (1) the issues subject to discussion shall not be limited by paragraph (c) of this Section and, (2) in the event the issues cannot be resolved by the Employer and the Local Union, or, subsequently, in accordance with the established local area practice, the open issues may be referred to the Vice-President of Labor Relations and the Package Division Director, or their designees. If no resolution is reached, all outstanding disputes shall be submitted to an expedited arbitration to determine if the Employer has violated any provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement. The expedited arbitration will be handled by one of the arbitrators on the National Panel for that area.

ARTICLE 40. AIR OPERATION

Preamble

In order for the Employer, the Union and the employees to further benefit from the expanding air operations, the following Sections shall supersede language on the same subjects in the Supplements, Riders and Addenda, unless specifically stated otherwise in this Article.

Section 1 - Air Drivers

(a) Air driver work shall consist of delivery and pickup of air pack-

ages which, because of time and customer commitments, cannot be reasonably performed by regular package drivers. Such work may include:

(1) Delivery of air packages which the regular delivery drivers cannot deliver within guaranteed time commitments.

(2) Delivery of air packages arriving at the facility after regular drivers have been dispatched.

(3) Delivery and pick up of air packages on weekends and holidays.

(4) On Call Air pickups.

(5) Pick up at air counters and drop boxes. **The Company shall not expand the utilization of part-time employees to pick up drop boxes, including those containing ground packages. The Company shall provide the International Teamsters Union with a report no later than March 1, 2013 and, thereafter, an annual report by August 15th of each year for the prior contract year identifying for each Local Union the total number of drop boxes being picked up by regular full-time package drivers, full-time air/combo drivers, and part-time air drivers. The ratio of drop boxes picked up by regular full-time package drivers, full-time air/combo drivers and part-time air drivers shall be maintained within two (2) percentage points during the term of this Agreement. Additional drop boxes will be picked up by the same ratio of regular full-time drivers, full-time air/combo drivers and part-time air drivers as established by the March 1, 2013 report. The size and dimensions of drop boxes existing on February 1, 2013, and those added thereafter, shall not be increased, without the consent of the Union.**

6. Additional late air pickups.

7. Air drivers may, on an exception basis, be used to make service on packages which are not air packages.

An exception package is intended to be when an Air Driver is making a pick up, as outlined above, after the regular driver has been at the customer's premises, and the customer has an exception ground package(s) for shipment, the air driver may make service on this package(s). Air drivers may continue to pick up Automatic Return Service packages but the features of this service will not be expanded.

Any violation of Section 1(a) (7), shall obligate the Employer to pay the Air Driver involved the difference between his/her rate of pay and the top regular package car driver wage rate existing at that building. Grievances concerning violation or abuse of this shall be referred directly to the National Air Committee.

8. Delivery of early AM Packages.

9. Movement of air packages to airports and other locations such as service centers, UPS buildings and driver meet points. Shuttle work currently performed by regular full-time drivers shall be excluded. Should a regular full-time driver vacate a position which includes air shuttle work, that job shall either be rebid as it previously existed and continue to be paid at the regular driver rate or the air shuttle work may be combined with other air work to create one (1) or more full-time air or full-time combination job(s) paid in accordance with Section 6 below. In no event shall such shuttle work be assigned to a part-time air driver.

Shuttle work currently being performed by part-time air drivers shall be converted to full-time air driver work when the driver vacates the job except when there is not enough work available to create a full-time job.

Section 6. Wages

All hourly wages for employees covered under Article 40 will be determined in accordance with this Section, Article 22 and Article 41 where specified.

a. Part-time air drivers including exception air drivers will be paid as follows:

Start	~~$11.50~~	**$12.50**
Seniority	~~$12.50~~	**$13.50**
Seniority Date plus 12 months	~~$13.00~~	**$14.00**
Seniority Date plus 18 months	~~$13.50~~	**$14.50**
Seniority Date plus 24 months	Top Rate	

(l) Effective August 1, ~~2008~~ **2013** the prior ~~$20.62~~ **$24.74** twenty-four (24) month (top) rate will change **on** August 1st ~~and February 1st of each~~ **of the first three** years of the Agreement to reflect the agreed upon general wage increases. **The last two general wage increases will be applied to the Top Rate on August 1 and February 1.**

(2) Seniority part-time employees entering a part-time air driver job after the effective date of this Agreement will begin at the seniority rate.

Part-time employees who are awarded a scheduled part time air driver job shall receive progression credit in accordance with the following: for each four (4) days on which exception air work was performed in the two (2) years immediately prior to the bid award, one (1) month of progression credit shall be granted. In addition, if a bid part-time air driver is displaced, he/she will retain his/her progression credit under paragraph (a.) for any air exception work.

b. Full-time air drivers will be paid as follows:

Start	~~$13.50~~	**$14.50**
Seniority	~~$14.50~~	**$15.50**
Seniority Date plus 12 months	~~$15.00~~	**$16.00**
Seniority Date plus 18 months	~~$15.50~~	**$16.50**
Seniority Date plus 24 months	Top Rate	

1. Effective August 1, ~~2008~~ **2013** the prior ~~$22.62~~ **$26.74** twenty-four (24) month (top) rate will change **on** August 1st ~~and February~~

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~~1st of each~~ **of the first three** year**s** of the Agreement to reflect the agreed upon general wage increases. **The last two general wage increases will be applied to the Top Rate on August 1 and February 1.**

2. All full-time air drivers in progression on the effective date of this Agreement will be slotted into the full-time progression in paragraph (b.) above. Seniority full-time employees entering a full-time air driver job will be slotted based on their Company seniority.

(c.) All new hire full-time or part-time air drivers will be placed in the applicable progression in paragraphs (a.) or (b.) above. **Part-time employees who bid into a full-time air driver job covered by this Section will be red-circled at their current wage rate until such time as the calculated progression rate set forth above exceeds that rate. The transfer date will become his/her full-time start date for the purposes of applying the progression set forth above. A part-time employee shall not lose the red-circle protection provided by this paragraph as a result of transferring from one full-time air driver job to another full-time air driver job.**

(d.) All current full-time or part-time air drivers who are out of progression shall receive the general wage increases provided for in accordance with the split dates provided in Article 41, or the Top Rate provided in paragraphs (a.) or (b.) above, whichever is greater.

(e.) Employees in existing or newly created less-than-eight hour combination jobs shall be paid the part-time air rate in accordance with paragraph (a.) above for air driver work and their normal part-time wages for the hours worked in other classifications in accordance with Article 22.

(f.) Employees who are in existing full-time combination jobs or who hereafter enter a full-time combination job shall be paid the appropriate full-time air rate for air driver work and appropriate inside part-time rate for the hours worked in other classifications. If an employee has no established inside rate, that employee will be paid the appropriate part-time rate in accordance with his Company seniority.

(g.) Employees on the exception air driver list shall continue to be slotted into the part-time air driver progression in paragraph (a.) above based upon the length of time the employee has been performing air exception work. Seniority employees who begin performing air exception work will start at the seniority rate. New part-time employees signing up to perform air exception work will receive the start rate in paragraph (a.) above until they gain seniority.

(h.) Part-time air hub and gateway employees and air walkers shall be paid at the all other rate of pay as shown in Article 22. However, if a part-time employee is awarded an air walker job he/she shall continue to receive his/her inside rate in accordance with Article 22. Full-time air hub and gateway jobs shall be paid in accordance with Article 41, Section 3 unless there is an existing agreement under Article 40, Section 3 expressly providing a pay rate for such a classification.

(i.) Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

ARTICLE 41. FULL-TIME EMPLOYEES

Section 1. Full-time Wage Increases

All full-time employees who have attained seniority as of August 1, ~~2008~~ **2013** will receive the following general wage increases for each contract year. **In the first three years of the contract, the increase will be effective on August 1.** In **2016 and 2017** ~~each of the years~~, the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for the year will be as follows:

~~seventy cents ($0.70)~~
~~seventy-five cents ($0.75)~~
~~seventy-five cents ($0.75)~~
~~eighty-five cents ($0.85)~~
~~ninety-five cents ($0.95)~~

2013 seventy cents	**($0.70)**
2014 seventy cents	**($0.70)**
2015 seventy cents	**($0.70)**
2016 eighty cents	**($0.80)**
2017 one dollar	**($1.00)**

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases. They will be paid no less than what they are entitled to in accordance with Article 41, Section 2 below.

Section 2. Full-time Wage Progression

~~All~~ **Notwithstanding any provision in any** Supplement, Rider or Addend**um the progressions set forth in Sections 2(c) and 3 below will be controlling with regard to any employee entering a full-time job after August 1, 2013 covered by those Sections.** ~~will contain the following wage progression schedule to cover all full-time employees, except apprentices, who are in the progression as of August 1, 2008. This two (2) year progression will also remain in effect from the date this Agreement becomes effective until August 1, 2008 for those employees entering during this period a full-time job other than package, feeder, air or one covered by Section 3 below.~~

~~The rate in effect on July 31, 2002 will be used to calculate the progression rates for the life of this Agreement.~~

~~Rate in Effect On July 31, 2002~~	
~~Start~~	~~70%~~
~~Seniority~~	~~75%~~
~~Seniority Date plus one (1) year~~	~~80%~~
~~Seniority Date plus eighteen (18) months~~	~~90%~~
~~Seniority Date plus two (2) years~~	~~Top Rate~~

~~Part-time employees on the payroll as of July 31, 2002 who subsequently are promoted to full-time employment under this progression, will be red-circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.~~

~~When a part-time employee bids to a full-time classification under this progression where the top rate of the full-time classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.~~

(b.) No employee shall be required to complete a full-time progression more than one (1) time even if he or she transfers between full-time jobs except as set forth in this paragraph. The sole exception is when an employee is awarded a package car or feeder driver job and has not previously held a full-time job which includes driving duties. In such event, the employee will have a break-in rate equal to the employee's current wage rate until six (6) months from the date the employee entered the job. The employee will then go to the prevailing top rate. A part-time air driver who has completed the Article 40 progression, bids a full-time inside job and then a driver job within two (2) years shall have the same break-in period.

(c.) The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Section 3 below) ~~position~~ after August 1, ~~2008~~ **2013** shall be as follows:

Start	~~$16.10~~	**$18.75**
Seniority	~~$17.25~~	**$18.75**
Twelve (12) months	~~$18.45~~	**$19.50**
Twenty-four (24) months	~~$20.75~~	**$21.00**
Thirty-six (36) months	~~Top Rate~~	**$25.00**
Forty-eight (48) months		**Top Rate**

Part-time employees on the payroll as of July 31, ~~2008~~ **2013** who subsequently are promoted to full-time employment under this paragraph will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

If a part-time employee bids to a full-time position and the top rate of the classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

This Sub-section shall supersede any provision to the contrary in any Supplement, Rider or Addendum.

The progressions in this sub-section shall apply to full-time employees who may have had separate progressions in their Supplements, Riders or Addenda including, but not limited to, UPS CSI.

Article 41 Section 2(c) of the prior Agreement shall remain in effect for all employees in that progression as of the date of the ratification**.** ~~and those who enter the progression between the date of ratification and August 1, 2008.~~

Section 3. Full-time Inside Wages

The rates in this Section shall not apply to any full-time inside jobs guaranteed in Article 22, Section 2 created prior to August 1, 1997. **Rather, for employees entering those jobs, Article 41, Section 2 (c) above shall apply.**

Part-time employees whose rates are higher than those set forth below who bid into a full-time inside job covered by this Section shall be paid their current inside wage rate plus the general wage increases.

Other part-time employees who bid into a full-time inside job covered by this Section will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full-time inside job to another full-time inside job.

~~Start~~	~~$14.00~~
~~Seniority~~	~~$15.00~~
~~Seniority plus one year~~	~~$15.50~~
~~Seniority plus 18 months~~	~~$16.00~~
~~Seniority plus 24 months~~	~~$16.50~~
~~Seniority plus 36 months~~	~~Top Rate~~

Start	**$15.00**
Seniority plus 12 months	**$16.00**
Seniority plus 24 months	**$17.00**
Seniority plus 36 months	**$20.00**
Seniority plus 48 months	**Top Rate**

The Top Rate shall be ~~$22.62~~ **$26.74** plus the general wage increases provided in Section 1 above.

For ~~E~~ **e**mployees who are currently in the above progression as of the date of ratification ~~or who enter a job covered by this Section prior to August 1, 2008,~~ Article 41 Section 3 of the prior Agreement shall continue to apply. When the progression is completed, the employee shall be placed at the then current top rate and shall thereafter be eligible to receive the general wage increases beginning on the next date specified in Article 41, Section 1.

Full-time employees who bid into a full-time inside job covered by this Section will be paid in accordance with their full-time seniority date. Full-time employees with ~~three (3)~~ **four (4)** or more years of full-time seniority who bid into a full-time inside job will be paid the top current rate of the classification.

Section 4 – Full-time UPS CSI and Challenge Air Cargo Employees

~~Full-time CSI employees shall continue to be paid in accordance with the appropriate Addenda. The applicable wage increases for CSI full-time employees shall be as set forth in the Supplement.~~

Full-time UPS CSI, and Challenge Air Cargo employees shall receive the general wage increase on the dates set forth in Article 41, Section 1. Notwithstanding any Supplement, Rider or Addendum, the general wage increase shall be split into two equal payments in 2016 and 2017.

ARTICLE 43. PREMIUM SERVICES

Section 1. Job Protection

From time to time, the Employer must offer special new premium services to its customers in order to protect existing jobs and further the mutual goal of increasing the number of bargaining unit jobs. The Employer shall utilize bargaining unit employees to perform the feeder movement work of such new premium services, which work shall be considered to be bargaining unit work. The provisions of this Article shall also apply to all packages moved by airplane and to the Employer's "city pairs" service, where it is necessary for the Employer to implement the service to meet its competition. No feeder driver will be laid off or displaced from a feeder classification as a direct result of any provision in this Article.

In implementing such new premium services, the Employer shall utilize the following options to complete the ground movement of the customers' packages in the following order:

(1) If the Employer's existing feeder network can meet the Employer's time and service needs, that network will be used first.

(2) When the existing feeder network will not adequately meet the Employer's time and service needs, the Employer agrees to establish a new driver classification, which shall be called a premium service driver. This driver will be typically used to move loads to and from ground and air hubs that are more than two hundred fifty (250) miles apart. Wherever practical, the driver will start at approximately the same start time each day and make two (2) round trips per week to a scheduled sort location. Such work must provide the driver a minimum four (4) day work week.

Benefits provided will be those of regular full-time feeder drivers. The driver will be provided the opportunity to work ten (10) hours per day four (4) days per week. Drivers will also be provided with lodging and shuttle service at the away destination. When jobs are created that have less than ten (10) hours of work, the premium service driver will be paid at the feeder rate of pay and be allowed to work locally in either origin or destination city to fill out his/her workday. In regards to the premium service drivers, since some hubs work on Friday and some on Sunday, the Employer may move the fifth (5^{th}) day loads via a TOFC pursuant to Article 26.

(3) If the Employer cannot accommodate its time and service needs under (1) and (2) above, the Employer shall have the right to propose the use of bargaining unit sleeper teams to the Local Unions and the Joint Premium Service Review Committee as set forth in Section 4 below. The wages and other economic terms of employment for such sleeper teams shall be as set forth below.

Section 2. Sleeper Team Operations

(5) Sleeper Equipment

Newly purchased equipment will meet the following specifications:

Minimum interior dimensions of the sleeper berths shall be:

Length – **79/**80 inches;

Width – 36 inches; and

Height – 24 inches.

It is understood that a "manufacturing tolerance of error" of one inch (1") is permissible, provided the original specifications were in conformity with the above recommended dimensions.

(6) Subsistence Allowance

Each employee shall be allowed road expenses in the amount of ~~twenty five ($25.00)~~ **thirty-five ($35.00)** for each one thousand (1000) miles traveled.

(10) Mileage Determination

Sleeper drivers shall be paid for the ~~actual~~ **scheduled** miles that they drive, on a point-to-point basis over the routes driven. ~~The basic method of measurement for mileage under this provision will be jointly logging miles with a K-1000 electronic measuring device or calibrated hubometer.~~

The method of measurement for mileage under this provision will be Microsoft Streets and Trips mapping or similar successor software.

Section 3. Mileage Rates

Premium Service drivers will be paid the cents per mile shown below for all miles driven. Sleeper teams will receive a two (2) cents per mile premium on the appropriate mileage rate and will equally divide the appropriate rate.

The mileage rates set forth below shall be effective for each of the specified contract years. **In the first three (3) years of the contract, the increase will be effective on August 1st.** In ~~each of the years~~, **2016 and 2017** the increase in the mileage rate shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total increases for each year will result in the following mileage rates:

	~~Single~~	~~Double~~	~~Triple~~
~~2008~~	~~0.6614~~	~~0.6758~~	~~0.6902~~
~~2009~~	~~0.6784~~	~~0.6932~~	~~0.7080~~
~~2010~~	~~0.6966~~	~~0.7118~~	~~0.7270~~
~~2011~~	~~0.7160~~	~~0.7316~~	~~0.7472~~
~~2012~~	~~0.7364~~	~~0.7526~~	~~0.7686~~

	Single	Double	Triple
August 2013	0.7554	0.7719	0.7883
August 2014	0.7713	0.7882	0.8049
August 2015	0.7873	0.8045	0.8216
August 2016	0.7964	0.8138	0.8311
February 2017	0.8055	0.8231	0.8406
August 2017	0.8169	0.8347	0.8525
February 2018	0.8282	0.8463	0.8643

ARTICLE 45. DURATION

Section 1.

This Agreement shall be in full force and effect **from August 1,** 2013 ~~from ratification of this Agreement~~ to and including July 31, ~~2013~~ **2018** and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, ~~2013~~ **2018** or July 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

Revisions agreed upon or ordered shall be effective as of **August 1, 2013** ~~ratification of this Agreement~~ unless otherwise specifically provided. The Employer or the National Negotiating Committee shall be permitted all legal or economic recourse to support their requests for revisions if the parties fail to agree therein.

Section 4.

In the event of an inadvertent failure by either party to give notice set forth in Sections 1 and 2 of the Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of , ~~2007~~ **2013** to be effective as of ratification of this Agreement except as to those areas where it has been otherwise agreed between the parties:

IN WITNESS WHEREOF the undersigned do duly execute the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT and Supplemental Agreements, Riders and/or Addenda.

For the Employees: For the Employer:

_____ _____

Memorandum of Understanding

Teamsters United Parcel Service Negotiating Committee (Union) and United Parcel Service, Inc. agree that pursuant to the last paragraph of Article 34, Section 1 (a)(v), the maximum amount of a general wage increase that will be re-allocated to a pension contribution is thirty-five cents ($0.35). The parties will not implement any reallocation of GWI to pension contributions in excess of thirty-five cents ($0.35) without mutual agreement by the parties and subject to it being ratified by the affected employees.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation) and Teamsters United Parcel Service National Negotiating Committee agree that under Article 26 the Employer may not subcontract feeder movements to outside trucking contractors solely because it is less expensive.

The parties further agree that this Memorandum of Understanding does not apply to the 2002 Memorandum of Understanding regarding the intent of Article 1, Section 4.

Memorandum of Understanding

Teamster United Parcel Service Negotiating Committee (Union) and United Parcel Service, Inc. agree that it was their mutual intent that if a part-time employee completes his assigned duties and leaves work in less than three-and-one-half hours he shall be considered to have forfeited the right to his daily three-and-one-half hour guarantee. This shall not affect an employee's right to a minimum three (3) hour daily guarantee.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation), as a demonstration of its commitment to maintaining jointly administered Teamster pension benefit plans, and to enhance the long term stability of pension coverage for its employees represented by Teamster Local Unions, agrees that for a period of ten (10) years from the effective date of the National Master Agreement, it will not solicit any signatory Local Union to change pension plans, either by proposing such change during future negotiations of the National Master Agreement or by encouraging its employees to advocate withdrawal from participation in their current pension plan.

LETTER OF AGREEMENT

United Parcel Service, Inc. ("UPS" or "Company") and the Teamsters UPS National Negotiating Committee ("Union") agree that the following will apply to Article 26, Section 4 of the UPS National Master Agreement:

(1) In the event the Company's competition eliminates its service comparable to Surepost, either nationwide or in any service area, the Company shall discontinue Surepost on the same basis.

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(2) In the event any dispute referred to the chairs pursuant to Article 26 Section 4,(3) cannot be resolved, the matter shall be subject to expedited arbitration process which will allow the grievance to be heard within sixty(60) days of filing. The first arbitrator, in alphabetical order, on the East Panel who is available within the sixty (60) day period, will be selected to hear the case. In the event the arbitrator finds that UPS has expanded Surepost beyond the scope of Article 26, Section 4 without first obtaining the consent of the Union, he shall have the authority to fashion a remedy based on the nature and extent of the violation, including issuing a cease and desist order requiring UPS to terminate the expanded service.

Memorandum of Understanding

United Parcel Service Inc. (UPS) and the Teamsters UPS National Negotiating Committee (Union) provide the following in order to detail the benefits available through Central States Health & Welfare plan. Nothing within this Memorandum of Understanding shall affect the Central States Health & Welfare Trustee's right to modify benefit levels.

1. The base benefits for all employees covered by the Central States Health & Welfare Fund shall be the C6 schedule.

2. Enhancements shall be made in the C6 plan in the following areas for all employees who will be covered by the Central States Health & Welfare plan for the first time effective January 1, 2014: Phased in deductible; reduced co-pays for medical office visits, physical exams and well child care and mail order prescription drugs.

3. For those employees on the payroll on July 31, 2013, who will become Central States Health & Welfare participants on January 1, 2014, and are not covered by the Central or Southern Conference Supplemental Agreements, the Company will also enhance the retiree eligibility rules.

4. Short term disability, life insurance and dental benefits will first be provided through Central States Health & Welfare. UPS will cover the differential between what Central States Health & Welfare currently provides and what the employee had as a benefit prior to January 1, 2014.

5. Details concerning any of the above benefits shall be available from the Central States Health & Welfare Plan.

6. In order to cover the costs of early retirement eligibility, for full-time employees who are outside of the Central and Southern Conference Supplements but are transitioning to the CS H&W Plan, the August 1, 2013 contribution increase provided in Article 34, Section 1(a)(ii)(1) shall be seventy cents ($0.70) instead of fifty cents ($0.50) of the one dollar ($1.00).

Memorandum of Understanding

United Parcel Service, Inc (UPS) and the Teamsters UPS National Negotiating Committee (Union) agree to the following in connection with Article 34 of the 2013-2018 National Master Agreement:

In recognition of the request from the Western Conference Negotiating Committee and Local Union 177 to evaluate and prepare a proposal to provide medical coverage for employees within their jurisdiction rather than having them transition to the Central States Health & Welfare Plan (CS H& W), the parties agree that any such proposal will be considered by the parties if presented before November 1, 2013. Any such plan must provide benefits equal or superior to those provided by the CS H &W Fund for a contribution rate that does not exceed that paid to CS H&W Fund. The proposal shall be subject to approval of the Co-Chairs of the Joint Negotiating Committee.

Memorandum of Understanding

United Parcel Service Inc. (UPS) and the Teamsters UPS National Negotiating Committee (Union) agree to the following in connection with the former Teamster-represented UPS employees who are in a retired status as of December 31, 2013 and receiving retiree medical coverage through a UPS sponsored plan:

1) Retirees in UPS sponsored plans (pre- and post-65) will have the following contribution rates:

Effective 1-1-2014:
Single-fifty dollars ($50.00)/retiree plus-one hundred dollars ($100.00)
Effective 1-1-2015:
Single-one hundred dollars ($100.00)/retiree plus-two hundred dollars ($200.00)
Effective 1-1-2016:
Single-one hundred and fifty ($150.00)/retiree plus-three hundred dollars ($300.00)

2) Effective January 1, 2014 all current retiree medical plans will be modified to provide an 80/20 benefit in network; 70/30 benefit out-of-network, and an annual deductible of $200/$400.

3) This Agreement will be applied to retirees covered by the Health Care Program and formerly represented by Teamster Locals 118, 182, 294, 317, 449, 529, 264A, 687 and 693 in accordance with the Memorandum of Understanding between the parties identified in this paragraph dated October 22, 2010.

4) Nothing within this paragraph is intended to alter UPS rights with regard to the retiree plans as specified in the associated Summary Plan Description.

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT RULES OF PROCEDURE NATIONAL GRIEVANCE COMMITTEE

ARTICLE I.
PREAMBLE

These Rules of Procedure and the Committees hereunder are established pursuant to the provisions of Article 8 of the National Master United Parcel Service Agreement and appropriate grievance procedures contained in collective bargaining agreements supplemental to the National Master United Parcel Service Agreement.

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ARTICLE II.
NATIONAL GRIEVANCE COMMITTEE

Section 1. Function of Committee

The National Grievance Committee shall be charged with the responsibility of establishing and implementing the required machinery for performing the functions required under Article 8 of the National Master United Parcel Service Agreement.

The National Grievance Committee shall have jurisdiction over

All grievances and/or questions of interpretation of the provisions of the National Master Agreement.

All grievances arising under Article 9, Section 5 of the National Master Agreement.

(3)(2) Any other cases properly referred, by mutual agreement, to this National Grievance Committee.

(B) The National Grievance Committee may, by majority vote, refuse to hear cases and/or remand such cases to the forwarding committee or party if the evidence presented is insufficient or for failure to follow the Rules of Procedure of the National Grievance Committee or the contractual grievance procedure.

(C) The National Grievance Committee does not have jurisdiction to continue to act as a "designee" in order to hear lower panel deadlocks. The IBT Director of Parcel and Small Package Division and UPS Vice President of Labor Relations, or their designees, will meet three (3) times a year in conjunction with the Western Region panel to hear Western Region and Northern California Supplemental deadlocks. If the cases remain deadlocked they shall, then, be subject to arbitration in accordance with the Northern California or Western Region Supplement, as applicable. After two (2) years, this special procedure may be canceled by the IBT Director of Parcel and Small Package Division or the UPS Vice President of Labor Relations.

Section 2. Committee Membership

The National Grievance Committee shall be composed of an equal number of Employer and Union members and alternates on each side.

Section 3. Secretary

The Employer and the Union Chairmen shall mutually agree upon a Secretary of the Committee who shall prepare and distribute the Agenda and Minutes of the Committee upon approval of the Co-Chairmen. The secretary will, after the National Grievance Committee meeting, prepare a written decision and any interpretation of each case heard by the Committee, and will forward same to all Local Unions and to Employer representatives concerned. The Secretary shall be considered as nonparticipating member of the Committee. Other duties of the Secretary shall be determined by the Co-Chairmen.

Article III.
NATIONAL GRIEVANCE COMMITTEE MEETINGS

Section 1. Time and Place

The National Grievance Committee shall meet three times year, if there are matters for it to consider, or at more frequent intervals upon call of either the Employer or Union Chairman. The meetings shall be at such time and place designated by the Co-Chairmen.

Section 2. Agenda

All Local Unions and the Employer having cases docketed to be heard shall receive notice of all National Grievance Committee meetings. The docket of cases to be heard at such National Grievance Committee meetings will be prepared by the Secretary at least thirteen (13) days in advance of the date of each meeting and a copy of such docket mailed to all parties. Once the docket has been prepared and mailed out to all interested parties, additional cases can only be added to the docket for that meeting by mutual agreement of the parties involved.

Section 3. Notice to Employee

A discharged employee, or an employee directly involved in a grievance of continuing liability, shall be notified by the Local Union, in writing, within a reasonable time prior to the hearing, preferably seven (7) days, of the time and place of the grievance meeting.

Article IV.
PROCEDURES ON GRIEVANCES

Section 1.Filing of Grievances

All information pertinent in any case referred to the National Grievance Committee must be forwarded to the Employer and Union Chairmen or their designated alternates at least (15) days prior to the Grievance Committee hearing. This material shall include all grievance committee minutes, transcripts, records and documents related to the referred case.

Section 2. Selection of Panel

The Chairman of the Union Committee shall be the Director of the Package Division or his designee and the Chairman for the Company shall be the National Labor Relations Manager or his designee. The chairmanship at meetings of the National Grievance Committee shall be alternated between Employer and Union Chairmen.

Each Co-Chairman shall select his/her members of a Panel to hear each case on the docket. Any Panel of the Committee hearing a case shall consist of an equal number of Employer Committee members and Union Committee members, not to exceed four (4) from each side, nor less than three (3) from each side, including the Chairman.

With the exception of the Co-Chairmen, neither Union nor Company representatives may participate as a panelist on the

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National Grievance Committee to decide the cases involving Local Unions or UPS Districts located within the IBT Conference or UPS region that they represent. Such representatives may, however, have voice but no vote in deliberations of the Panel, at the request of his Chairman.

Section 3. Postponement of Cases

Postponement of cases on the agenda will be permitted only because of physical illness of one or more of the principals involved or other serious reason. Notice of request for postponement shall be given to both Co-Chairmen by the fastest possible method of communication upon knowledge of illness or for other serious reason no later than the scheduled start time of the meeting. A mutual postponement 'shall be permitted provided the parties serve notice upon the Co-Chairmen no later than seventy-two (72) hours prior to the first day of the Committee meeting. No subsequent postponements will be permitted except upon the approval of the Co-Chairmen of the Committee.

Section 4. Failure to Appear

If a party to a docketed case scheduled for hearing fails to appear at the time the case is called, without an authorized postponement, the case shall be placed at the end of the agenda for that day and if the party fails to appear when the case is called later in the day, then the panel of the National Grievance Committee shall receive all evidence presented by the appearing party, and decision shall be rendered thereon; excepting however, that in any such case, the Co-Chairman of the group whose party fails to appear may appoint a member of the committee not sitting on the Panel to present such evidence as may be available.

The Panel shall consider all evidence presented and render its decision thereon.

If both parties fail to appear when a case is scheduled, the case shall be re-docketed for the next meeting of the National Grievance Committee. If neither party appears at such next meeting, the case shall be withdrawn.

Article V.
HEARING PROCEDURES

Section 1.

The National Grievance Committee may decide a case upon transcripts, minutes and records of the Committee previously considering the case, if any.

The Committee may, in any specific case, by a majority vote, agree upon other methods and procedures by which additional evidence may be obtained.

In the hearing of cases, each party will submit a written statement of all facts involved in each case at the time of the hearing. If such written statement is not submitted to the Committee at the time of the hearing, the case will not be heard. Except in cases of discharge or suspension, the Union shall present its summary first.

Only authorized employees of the Union and the Employer shall be permitted to participate in the presentation and hearing of cases covered by these Rules of Procedure.

Arguments on the case can be cut off by majority vote after all factual information is presented.

Each side shall have one opportunity for rebuttal.

Cross-examination shall only come through, or by Panel members.

The Panel will go into executive session and render a decision after each case has been presented. The Committee will mail in each case, or recall the parties for an announcement of the decision.

The National Grievance Committee shall have the authority to refer matters to Subcommittees for investigation and report, as directed, to the National Grievance Committee.

Decisions on the National Grievance Committee shall be final and binding upon all parties.

Section 2. Rules for Conduct of Hearings

The National Grievance Committee may, from time to time, adopt such supplemental rules as are deemed necessary for the orderly conduct of hearings. Such Supplemental rules may be adopted or changed by majority of the members of the National Grievance Committee, provided that both Union and Employer members of the Committee shall have the right to case an equal number of votes for the adoption or amendment of such supplemental rules.

Section 3. Order of Cases

All cases will be heard by a Panel of the National Grievance 'Committee in the order in which they are docketed, except upon reasonable request, the two Co-Chairmen may agree to hear any particular case out of its regular order on the docket.

Section 4. Hearings

In the hearing of a case, either party may present any evidence bearing on the facts of the particular case and may present testimony or witnesses either in person or by sworn affidavit.

Witnesses may only be present while testifying. During the hearing, only Committee members and alternates, the Secretary and the parties presenting the case shall be allowed to sit in the immediate area where the hearing is being conducted. After each party has presented its case the Panel, in executive session, shall then render its decision.

Section 5 Docketing Fees

There will be a twenty-five dollars ($25.00) docket fee payable by the Local Union or District each time a case is docketed or postponed on the National Grievance Panel.

The docket fees will be payable to the Committee, no later than two (2) weeks upon receipt the National Grievance Panel

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docket. Any party that becomes one (1) month or more delinquent must be current before any of their case(s) will be heard for the upcoming National Grievance Panel meeting.

Such funds will be expended solely by the Committee to defray the cost of carrying out the functions of the National Grievance Panel Committee, or for other legitimate functions, which serve to maintain or improve operations of the Committee. Costs to be reimbursed shall be by mutual agreement of the Chairs of the Committee.

A bank account will be established and maintained under the name of the National Grievance Panel. Checks will be signed by the Secretary. The Secretary shall be designated by mutual agreement and will perform such duties as may be designated by the Company and Union Co-Chairs.

The Secretary will engage the services of an Independent Auditor to prepare an annual written financial statement detailing each receipt and expenditure of the Committee during the preceding fiscal year. The financial statement will be mailed to the Company and Union Co-Chairs of the Committee.

ARTICLE VI.
ARBITRATION

In the case of a deadlock, either party shall have the right to refer any unresolved case to arbitration in accordance with Article 8 of the National Master United Parcel Service Agreement.

ARTICLE VII.
AMENDMENTS

These Rules of Procedure may be amended or modified by majority vote of the National Grievance Committee.

ARTICLE 43 – PREMIUM SERVICES COMMITTEE

Guidelines for ~~Scheduling and Start Up of New~~ UPS Mileage Layover, City Pair, and Sleeper Team Drivers

1. No Feeder Driver will be laid off or displaced from the Feeder Classification as a direct result of the implementation of a Premium Service Job.

2. If the Employer's existing Feeder Network can meet the Employer's time and service needs, that network will be used first.

In the event the Employer proposes to implement either a mileage layover, or sleeper team run in accordance with the provisions of section 1 above, the run must first be reviewed and approved by the affected Local Union(s). Such approval shall not be unreasonably denied.

After approval by the Local Union(s), the accommodation shall be submitted to the Joint Premium Service Review Committee for review.

The Employer may also submit the accommodation to the Committee for review in the event approval is denied by the Local Union(s).

No such accommodation shall be implemented without the approval of the ~~Parcel and Small~~ Package Division Director ~~of~~ **or** the General President's designee.

Approval shall not be unreasonably denied.

Any run that has been approved and is changed such change must be reviewed with the Local Union(s) involved.

City Pair (mileage turn) drivers will be paid by the actual miles driven between selected UPS locations which are more than 250 miles apart.

City Pair (mileage turn) drivers shall be scheduled for 5 working days as outlined in the applicable supplement, rider or addendum.

Layover drivers will be paid by the actual miles driven between selected UPS locations, which are typically more than 500 miles apart.

Mileage jobs not scheduled to equal ten (10) hours of pay will be filled in with local hourly feeder work in the following order:

1. Local feeder or CPU/**TDP** work at origin hub or center.

2. Shifter work at origin work location.

3. Layover jobs not scheduled to equal ten (10) hours per day, may be supplemented with an additional day of work at the regular hourly rate in an effort to provide forty (40) hours of work weekly. When this occurs, the layover job will not be subjected to the requirement of providing hourly work to equal ten (10) hours of pay.

4. Destination local work will be the last consideration.

Holidays, personal holiday, paid sick days, funeral leave and jury duty for city pair (mileage turn), layover and sleeper team drivers will be paid in accordance wit the applicable supplement, rider or addendum. The layover and sleeper team drivers will be compensated for no less than forty (40) hours of work in a holiday workweek.

These holidays will be paid at ten (10) hours straight time pay for mileage drivers who are scheduled four (4) days a week, ten (10) hours a day **if the holiday falls on a day the employee is normally scheduled to work. When the holiday falls on a non-scheduled day, the employee will be paid in accordance with the applicable supplement, rider or addendum.**

When the city pair (mileage turn), layover and sleeper team drivers are required to work on a holiday, the driver will be paid at the appropriate holiday rate under the applicable supplement, rider or addendum.

City pair (mileage turn), layover and sleeper team jobs will be bid among regular origin feeder jobs as per local procedures and work rules.

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Jobs not selected in normal top down seniority order will be assigned from the bottom up as per normal local work rules. As per Article 43, Section 2(1)(a).

Efforts to pre-connect city pair (mileage turn), layover and sleeper team driver's tractor/trailer units at the local origin will be made at both the start and the finish of the run in a regular location on the lot.

Pre-trip, post-trip inspection start and finish shall be part of the applicable mileage rate.

"It is the intent of the parties to make the driver whole for all justified delay time, such as waiting for late loads, unscheduled on-property work, accident delay or on-road equipment breakdown. Any disputes will be referred to the Joint Premium Service Committee."

Unless authorized otherwise by management, delays will commence at the scheduled departure time.

Mileage drivers are not paid for traffic delays when mileage is recorded within the delay except as follows:

On major highways, traffic delays will commence when a mileage driver's speed is reduced to a complete stop and then the driver continues to move at a speed less than fifteen (15) miles per hour. The delay would continue until the tractor reaches a speed of fifteen (15) miles per hour for a least one (1) consecutive minute. Traffic delays must be fifteen (15) minutes or greater and will be paid back to the first minute.

It is understood in extreme traffic delay cases, delay pay will not be unreasonably denied.

While this section clearly entitles the Team Drivers to be made whole for all justified delay time such as waiting for late loads this language applies only to sleeper cab planned runs that have been awarded through the appropriate applicable supplemental, rider or addendum provision.

When sleeper team runs require waiting time at the furthest point, such waiting time may be non-paid, but not to exceed two (2) hours. **The driver will be paid from the actual arrival time to the extent that an early arrival is not the fault of the driver. Each arrival at the home domicile will reset the furthest point.**

Upon arrival at the furthest point, the Company will have the option of providing suitable lodging of the duration of any wait time. Drivers who are provided with lodging will be in a non-pay status not to exceed eight (8) hours or until placed back on duty by the Company.

The Company may schedule a maximum of ten percent (10%) of the total approved network sleeper teams nationwide up to ten (10) hours in non-pay status at the furthest point. The Company will not unnecessarily create these types of runs or excessively schedule these runs in any one (1) Local Union. Also, the Company must have a specific business purpose to schedule such a run as well as follow the approval process set forth in the Article 43 Guidelines on any newly created runs as of March 27, 2013.

Waiting time at intermediate stops will be handled in accordance with **the** applicable local supplement, rider or addendum.

Delays of fifteen minutes or more will be paid back to the first minute, at the applicable local hourly feeder rate for both team drivers and a single person driver that is on a layover run.

"Chain-up" time will be paid to both team drivers and a single person driver that is on a layover run in the States where it is required.

City pair (mileage turn), layover and sleeper team drivers will be paid the applicable feeder hourly rate ~~if dispatched (i.e. via) off of his/her mileage run while en route to the final destination~~ **after a diversion occurs from the point of leaving the main highway to the facility and returning to the main highway.** Any such re-dispatch will not displace any bid feeder work.

Mileage Determination:

Sleeper Team drivers shall be paid for the scheduled miles that they drive, on a point-to-point basis, over the routes driven. The method of measurement for mileage under this provision will be Microsoft Streets and Trips mapping of similar successor software. If an extension or diversion occurs, the drivers would be paid the scheduled miles using the same methodology as above.

Fuel and Wash will be handled in the following manner:

There shall be a set fuel/wash allowance of thirty (30) minutes when a fueling event is scheduled at a non UPS facility or required in an emergency situation.

However, when sleeper teams are scheduled to fuel/wash at UPS facilities other than those designated as an intermediate stop, those stops which utilize a staging area outside of the facility the fuel/wash delay will start at the point of uncoupling and finish when re-coupling is completed. If uncoupling and re-coupling is necessary within a facility, a team will commence being paid upon entering the facility and finish upon exiting. If uncoupling is not necessary, teams will be paid a set fuel/wash allowance of forty (40) minutes.

Re-route:

A re-route occurs when a sleeper team is taken off their scheduled path due to weather, road closure, accident, etc. When a team is re-routed to other comparable roadways, the team's additional miles will be compensated at the applicable mileage rate of pay. If a mileage driver is re-routed to a non-comparable main highway, he will be paid at the applicable hourly rate of pay.

Extension:

An extension occurs when an exception such as inclement weather, breakdown, traffic delay, etc. requires a sleeper team to be extended beyond their furthest point. These miles will be paid at the regular mileage rate of pay.

Shuttle service to a sanitary hotel and lodging expenses will be paid for, or provided by, the Employer.

It is understood that supplemental language, regarding impassable highways, shall continue to apply. If a mileage driver pulls doubles any part of his/her day, he/she will be paid the doubles rate for the entire day. Double forty (40) foot trailers will be categorized the same as triples.

For Sleeper Team Drivers, the greatest number of trailers actually pulled will be used for compensating all legs from domicile to return to domicile. Each turn at domicile will reset the trailer compensation rate.

Applicable wage rates **are** listed under Article 43 and apply to all drivers. There is no wage progression for full-time package car and feeder drivers hired on or prior to August 1st, 1997.

In the event city pair (mileage turn), layover and sleeper team mileage drivers are offered work on a regular scheduled day off from his/her workweek, the following shall apply:

1. Mileage drivers who work on their days off shall be paid the applicable feeder premium rate of pay in his/her Supplemental Agreement.

2. Mileage drivers scheduled for four (4) runs at ten (10) hours a day – When the drivers work on the fifth (5th) punch, such drivers shall be paid the applicable premium rate of pay in his/her Supplemental Agreement for the sixth (6th) day of work.

3. Mileage drivers scheduled for four (4) runs at ten (10) hours a day – When the drivers work on the sixth (6th) punch, such drivers shall be paid the applicable premium rate of pay in his/her Supplemental Agreement for the seventh (7th) day of work.

4. Sleeper team drivers who work on their first (1st) scheduled day off will be paid at the applicable premium rate of pay as a sixth (6th) day of work in accordance with his/her Supplemental Agreement. Any subsequent days worked thereafter within their scheduled workweek will be paid as a seventh (7th) day of work in accordance with his/her Supplemental Agreement.

A premium service layover and sleeper team driver equals in four (4) days the same benefits as a five (5) day hourly driver.

Hourly work performed **at the beginning or** end of a mileage run shall be paid at the applicable hourly feeder one and one-half (1 ½) rate of pay or the applicable premium rate **of pay** in the driver's Supplemental Agreement. **This would include mileage runs that may have multiple beginnings and endings at the home domicile.**

Subsistence allowance shall cover the cost of showers; however, where practical and when possible, UPS may provide a shower at the destination facility.

The cost of fees for bridges, turnpikes, expressways and weigh stations shall be paid by the Employer.

Each driver will be issued two (2) sheets, two (2) pillow cases, and one (1) blanket each year, provided however, that if a driver requests a replacement set of sheets, pillow cases, and blankets because of the material being worn out prior to one (1) year, such request will not be unreasonably denied by UPS. Laundry service shall be paid by the drivers.

Planned mileage runs must be bid with designated work days and days off (i.e. four-day runs and five-day runs)

Mileage drivers shall be paid the applicable mileage rate of pay for all miles driven.

Each sleeper team driver will receive subsistence allowance of twenty-five dollars ($25.00) for every one-thousand (1000) miles driven. Miles driven under one-thousand (1000) each work week shall be adjusted within a thirty (30) day period. For example, three-thousand five-hundred (3,500) miles in a week, five-hundred (500) miles of the total miles driven will be prorated.

VACATED SLEEPER POSITION SELECTION

Each Local Union may elect to follow this procedure for the replacement of the senior driver work assignment or continue the practice that presently exists in their Local Union area. In the event the senior driver (A driver), of a bid team permanently vacates the team for any reason, the junior driver (B driver), will become the senior (A driver), for that team for the purpose of selection of his/her replacement. The selection will be in accordance with Article 43, Section 2 (1) (a) of the National Master Agreement.

NEGOTIATING COMMITTEE

For the Employees:

TEAMSTERS NATIONAL UNITED PARCEL SERVICE
NEGOTIATING COMMITTEE

For the Employer:

UNITED PARCEL SERVICE