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NATIONAL MASTER UPS FREIGHT 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**.

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

483; 486; 492; 505; 509; 512; 519; 523; 528; 533; 542; 549; 568; 577; 585; 592; 597; 600; 612; 624; 631; 633; 639; 641; 651; 657; 662; 667; 670; 676; 682; 690; 693; 695; 705; 707; 710; 728; 745; 760; 769; 773; 776; 822; 823; 833; 878; 886; 890; 891; 952; 957; 962; 982; 988; 991; 992.

Article 1 Parties to the Agreement

Section 1. Employees Covered

This Agreement covers, where already recognized, those employees who are employed as drivers, either over-the-road or city, as well as those employees engaged in dock **and clerical** work. A list of locations at which the TNUPSFNC has been recognized is appended to this Agreement as Addendum A.

Section 2. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any existing terminals at which the TNUPSFNC has been certified as the collective bargaining representative. **The Locals designated by the TNUPSFNC to administer the Agreement shall also be deemed parties to this Agreement.** A list of locations at which the Union has been recognized is appended to this Agreement. The following Locals affiliated with the TNUPSFNC have been designated by the TNUPSFNC to represent covered employees and, as such are parties to this Agreement: 7; 17; 20; 22; 24; 25; 30; 40; 41; 50; 61; 63; 70; 71; 79; 81; 87; 89; 90; 100; 104; 107; 118; 120; 135; 137; 150; 170; 171; 174; 175; 179; 186; 200; 206; 215; 217; 222; 229; 236; 245; 251; 270; 279; 287; 294; 299; 317; 325; 326; 340; 355; 364; 371; 375; 377; 381; 384; 385; 391; 397; 402; 404; 406; 407; 413; 414; 431; 439; 443; 453; 480;

Article 4 Stewards

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

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

When requested by the employee, there shall be a steward present whenever the Company meets with the employee to conduct investigatory interviews which may result in discipline or

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discharge or to discuss a grievance. If a steward is unavailable, the employee may designate a bargaining unit member who is immediately available at the service center at the time of the meeting to be present. Meetings or interviews shall not begin until the steward or designated bargaining unit member, if requested, is present. An employee who does not want a Union steward or designated available bargaining unit member present at any meeting or interview where the employee has a right to Union representation, must waive Union representation in writing. If the Union requests a copy of the waiver, the Company shall promptly furnish it.

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

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

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

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

Article 5

Section 1. Seniority

(a) Upon completion of the probationary period, the employee's seniority for all purposes shall be the first day worked as a probationary employee. Seniority shall be broken only by discharge, voluntary quit, normal retirement, or more than a two (2) year layoff, or leave, except for employees on workers compensation leave who shall not suffer a break in seniority unless on leave for more than three (3) years.

(b) A list of employees arranged in the order of their seniority shall be posted on the Union bulletin board no less often than once every six (6) months. A copy of the seniority posting shall be sent to the Local Union.

(c) Any controversy over the seniority standing of any employee on the seniority list shall be subject to the grievance procedure. An employee shall have thirty (30) days to protest his placement on the seniority list once it is first posted. If there is no written protest within this thirty (30) day period, the employee shall not have a right to challenge his placement on the list thereafter.

(d) For full-time employees there shall be two seniority lists, "local cartage" and "over-the-road." There shall also be a separate "casual local cartage" seniority list. Employees in the following classifications shall be included on the local cartage seniority list: all truck drivers, helpers, dock workers, jockeys, and such other employees as may be presently or hereafter represented by the Union, engaged in local pickup, delivery, and assembling of freight. The "over-the-road" seniority list shall include all over-the-road drivers whose primary job is to transport freight between the Employer's facilities. Nothing within this paragraph shall preclude the Company from requesting a road driver to make extra stops to pick up or deliver freight in connection with his regular run or performing other local cartage work as the Company may assign. It is not the intent of the Company that this provision be utilized to diminish cartage employees' work.

(e) The Company shall offer extra city or dock work to road employees who are on layoff and who are qualified and immediately available for city or dock work prior to using casual employees, except where there is a mutually agreed procedure to the contrary. No road employee shall gain "local cartage" seniority under this provision, but he/she shall accrue Company seniority.

(f) The following shall apply to casual employees:

(i) The date an employee is hired as a casual will be the casual seniority date.

(ii) A casual employees laid off due to lack of work for less than one year will retain his/her casual seniority. Company and job classification seniority shall be lost due to discharge, voluntary quit or retirement.

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(iii) The date of a casual employee obtains full-time employment shall be the employee's regular seniority date.

(iv) A casual employee whose layoff exceeds one (1) year shall be considered to have been terminated and shall lose seniority, but may reapply for employment.

(v) A full-time employee's seniority shall prevail over a casual employee's seniority in case of layoff.

(vi) If a full-time position is available for bid, and is not bid upon by a qualified regular full-time employee, the casual employee with the most seniority who bids on the position will be awarded the position if he or she meets the minimum qualifications of the position.

(vii) Casual employees will be laid off and recalled to their job classification in accordance with Section 2 below.

~~(viii) Casual employees hired prior to September 1, 2006 who possess a CDL shall become full-time employees after two (2) years. If the employee does not possess the CDL by January 1, 2009, this provision shall no longer apply.~~ **When a casual or combinations of casuals works the same shift for eight (8) continuous hours forty-five (45) days in ninety (90) consecutive calendar days, other than as a temporary replacement for an employee on vacation or leave of absence, the Company shall create a fulltime position that it may classify, at its discretion, as a full time dock with CDL or full time dock only; pay will be in accordance with Article 26.**

(g) In developing the initial Local Cartage seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority list.

Section 2. Layoffs

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

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

(b) An employee shall be entitled to a notice of layoff from

the Company if they are subject to the daily elimination of their job under paragraphs (c) or (d) below for a period of at least two (2) consecutive weeks. The notice shall be provided to the employee and the Local Union, upon request. If such notice is provided, the employee shall be considered laid off and have the right to exercise the privileges of the first paragraph of this Section.

(c) If a road driver's run is cut for the day, the road driver will have the option of (1) holding until his/her next bid, (2) dovetailing into the extra board or (3) working ahead of a casual employee. Option (2) and (3) will only be available to the driver if he/she will be able to meet their next bid start time.

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

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

Section 3. Recall

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

Section 4. Posting

(a) Starting times, by classification will be posted for bid on the Union bulletin board on a semi-annual basis **in June and December of each year**. The bids will contain a description of the run or job. Bids shall remain posted for **seven (7) calendar days, from Wednesday noon to Wednesday noon** ~~fourteen (14) calendar days~~. The most senior employee bidding on the job shall be awarded the bid. The Company retains all rights to change the contents of any job after the bid process as necessary to service its customers. If the start time of a job changes more than two (2) hours or more than ~~fifty (50)~~ **one hundred (100)** miles (total within a week) for an "over-the-road" driver, the job shall be subject to re-bid under paragraph (b) below ~~unless the employee currently holding the bid decides to remain in the job.~~ **In addition, if a bid job is cancelled more than ten (10) times in a calendar month,**

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the job shall be subject to rebid under paragraph (b) as well, provided the employee holding the job does not decide to remain in the job. Further, nothing written in this paragraph shall preclude the Company from using local cartage drivers in another area if operationally necessary.

(b) Available new or vacated bargaining unit positions will be posted for ~~fourteen (14)~~ **seven (7)** calendar days **from Wednesday noon to Wednesday noon** on the Union bulletin board. Such postings will include the start time and a description of the run for "over the road" jobs. The most senior employee bidding on the job who is below the employee currently holding the job on the seniority list shall be awarded the bid. There shall be a limit of four (4) moves as a result of the re-bid. The Company shall thereafter have the right to fill any remaining vacancy via the assignment of the junior available qualified employee. **In the absence of a local agreement to the contrary, if ten percent (10%) or more of the road driver bid jobs on the seniority list are posted for re-bid within the thirty (30) calendar days after the semi-annual bid process set forth in this section, an additional bid of all starting times will occur in the classification.**

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

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

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

Section 7. Unassigned Work

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

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

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

(b). When it becomes necessary to reduce the number of dock workers during a shift, unassigned dock work will be offered to dock workers who are waiting for assignment in seniority order, provided all contractual work guarantees are met and overtime status is equal.

Article 6

Suspension, Discipline and Discharge

Section 4. Prompt Action

The Employer must issue all discipline within ten (10) calendar days of knowledge of the underlying events, with the exception of issuing a letter of investigation regarding accidents. In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action. **During the period of the investigation the employee will be offered any available dockwork in his service center. The pay rate shall be the applicable full-time dockworker rate.** The twenty (20) days will be extended by mutual agreement, as necessary, if relevant information is not available to the Employer. Agreement will not be unreasonably withheld.

Section 5. Suspensions

Suspensions are to be served upon: (1) the employee's acceptance of the suspension; or (2) notification of a decision by the Regional Panel; or (3) failure of the employee to file a timely grievance.

Article 7

Local, Regional and National Grievance Procedures

Section 2.

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

Section 3. Resolution of Grievances

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

(a) The employee shall report it to his shop steward in writing within five (5) working days. The steward shall attempt to adjust the matter with the supervisor within two (2) working days.

(b) Failing to agree, the shop steward shall promptly report the matter to the Local Union which shall submit it in writing and attempt to adjust the same with the Company within five (5) working days.

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(c) If the Local Union and the Company fail to reach a decision or agree upon a settlement in the matter, it may be submitted in writing within ten (10) working days to the appropriate UPS Freight Joint Grievance Panel (UPSFJGP), as set forth in Section 5 below.

(d) A grievance to be heard by the appropriate UPSFJGP must be in writing and submitted to the Panel Secretary thirteen (13) working days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before the meeting.

(e) In the event a majority of a Panel cannot agree upon a decision, other than a case covered by Section 5(g) below, the matter shall be considered deadlocked. In such event, the Union shall have the right to request it to be heard by the National Grievance Panel (NGP) within ten (10) calendar days after receipt of the written decision. If an open grievance is not submitted to the NGP within the ten (10) days, it shall be considered resolved.

Section 5. Regional Grievance Panels

(a) There shall be four (4) UPS Freight Regional Joint Grievance Panels. The Panels shall be established based upon the corresponding geographical regions of the International Brotherhood of Teamsters: i.e. Eastern, Western, Central and Southern.

(b) In order that each Panel may operate quickly and efficiently, the parties agree that a person who may or may not be a member of a Panel shall be mutually selected and designated to serve as Secretary. Each Panel shall have its own Secretary. The Secretary shall have no voice in making decisions and shall perform only the duties assigned to him/her by the Panel. The Secretary shall docket cases, prepare the agenda and mail a copy prior to the scheduled meeting of the Panel to each member of the Panel, the Employer and Local Unions whose case appears on the agenda. The Secretary shall attend the meeting to prepare and keep the minutes and mail copies of the minutes to the members of the Panel and shall also mail copies of the decision of the Panel to all UPS Freight representatives and Local Unions who are parties to this Agreement.

(c) A grievance to be heard by a Panel must be put in writing and submitted to the appropriate Secretary thirteen (13) days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before the meeting. The Parties further agree that no grievance or grievances shall be discussed except those which have been received by the Secretary of the Panel before the deadline set forth above. It is agreed that in order for a Panel to hear a case there shall be an equal number of Employer Committee members and Union Committee members sitting, not to exceed three (3) Union Committee members and three (3) Employer Committee members and not less than two (2) Union Committee members and two (2) Employer Committee members. The

members of the Panel are to be selected from the overall geographical area covered by the Panel. The decision of the majority of the Panel hearing the case shall be binding on all parties.

(d) It is understood and agreed that the Employer representatives and the Local Union representatives who are representing the UPS Freight operation and/or Local Union involved in a proceeding before a Panel, will be ineligible to act as a member of that Panel during the proceeding.

(e) If a Local Union docket a case at a Regional Panel, the Company and the Union shall both be required to pay a fifty (\$50.00) dollar docketing or hearing fee. The expenses for operating a Regional Panel shall be borne equally by all the covered Local Unions on a pro rata basis and Company operations which are covered by this Agreement. **The parties reserve the right to modify the above fees or impose an assessment, by mutual consent.**

(f) All unresolved grievances must be referred to the appropriate Regional Panel. Each Regional Panel will meet every ~~two~~ **three (3)** months for a three (3) day period for the purpose of hearing grievances docketed on the agenda. During this three (3) day period, the Panel will hear cases in the following order: discharges, suspensions, and regular cases; provided however, that regular cases shall be heard at least on the third (3rd) day. **The Company may not postpone a discharge case in which the Grievant is off the job, provided a local hearing has been conducted.**

Upon the request of either chairman and by mutual agreement of both chairmen, the Regional Panel will hear discharge and suspension cases on Tuesday, Wednesday and Thursday, if necessary, in order to clear the docket. In these month(s), there will be a second Regional Panel established on the same days to hear regular cases on Tuesday, Wednesday and Thursday. Such request will be limited to two (2) times a year unless otherwise mutually agreed to by both the Company and the Union chairmen. **After one (1) year, the Co-Chairs of the Regional Panels shall evaluate whether meeting every three (3) months is effectively and expeditiously resolving pending grievances. If not, the schedule will be reverted to every two (2) months by mutual agreement.**

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

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Section 6. National Grievance Panel

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

(b) The Union and Employer may under this Section review and reverse, if necessary, decisions by any regional or local grievance committee which interprets Master language erroneously.

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

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

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

(c) Where the NGP fails to reach a majority decision as to any case submitted pursuant to this Article, either party shall have the right to refer the case to binding arbitration. Either party wishing to submit a grievance to arbitration must do so within ten (10) days of receipt by mail or hand delivery of the NGP deadlock decision. The arbitrator is to be selected from an American Arbitration Association national panel list and all aspects of the arbitration procedure shall be governed by the Rules of the American Arbitration Association.

(d) The arbitrator shall have the authority to apply the provisions of this Agreement and to render a decision on any grievance coming before him/her but shall not have the authority to amend or modify this Agreement to establish new terms or conditions of employment.

(e) The parties reserve the right to modify the above schedules, **fees and/or assessments** for Regional and NGP meetings by mutual consent.

Article 11 Uniforms

The Company agrees that if any employee is required to wear any kind of uniform as a condition of continued employment, such uniform, including uniform shorts, shall be furnished by the Company, free of charge, at the standard required by the Company. The Company will consider purchasing uniforms made in the United States by union vendors.

The Company shall replace all clothing, glasses, hearing aids and/or dentures not covered by Company insurance or workers' compensation which are destroyed or damaged in a wreck or fire with Company equipment while on Company business.

The Company has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

The Company shall place an order for replacement uniform parts within one (1) week of the date upon which an employee shows worn items to his or her manager. The worn items will be exchanged with replacement uniform parts when the Company receives the replacements from the vendor.

Article 13 Compensation Claims

(a) The Company agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. Upon request by an employee injured on-the-job, the Company will provide information outlining the procedure for submitting a workers' compensation claim.

(b) Road drivers sustaining an injury while being transported in Company-provided transportation for Company purposes at a layover service center shall be considered as having been injured on the job.

(c) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home service center, the Company shall provide transportation by bus, train, plane, or automobile to his/her home service center if and when directed by a doctor.

(d) The Company agrees to provide any employee injured locally transportation at the time of the injury, from the job to the medical facility and return to the job, or to his/her home if required.

(e) In the event of a fatality arising in the course of employment, while away from the home service center, the Company shall return the deceased to his/her home at the point of domicile.

(f) The Company may publish reasonable safety rules and procedures, provide the Local Union with a copy and require employees to acknowledge in writing that they have received such rules and procedures. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action.

(g) An employee who is sent home by the Company as a result of an injury on the job, or is sent to a hospital, or who must obtain medical attention that day, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular duties after sustaining a compensation injury who is required by the worker's compensation doctor to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time.

(h) The Company may continue a modified work program on a non-discriminatory basis. This program is designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury.

Article 14 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.

Employees on USERRA-approved military leave shall continue to accrue vacation to be used upon return as set forth below. To be eligible for accrual, employees must be (i) employed by UPS Freight for at least one (1) year, (ii) be a member of the uniformed services at time of call up, and (iii) be called onto active duty (other than for training) for a period of service exceeding thirty (30) days pursuant to a 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 vaca-

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tion period in which the employee returns from eligible military leave, as follows:

No. Wks.	Q1	Q2	Q3	Q4
<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>4</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>
<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

For the next contractual vacation period, the employee shall be credited with the vacation he/she would have accrued while he was on military leave.

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

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.

Article 15 Equipment and Safety

Section 1. Safe Equipment

The Company shall not require employees to take out on the streets or highways any vehicle that is not in a safe operating condition, including, but not limited to, equipment which is acknowledged as overweight or not equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement or basis for discipline where employees refuse to operate such equipment unless such refusal is unjustified.

It shall also not be a violation of this Agreement or considered an unjustified refusal where employees refuse to operate a vehicle when such operation constitutes a violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe condition of such equipment. **The Company shall be responsible for any citation issued if it occurred through no fault of the driver.**

Repairs to equipment will be certified on the Vehicle Condition Report.

Article 16 Examination and Identification Fees

Section 1. Required Examination

(a) Physical, mental or other examinations required by a government body or the Employer shall be promptly complied with by all employees; provided, however, the Employer shall not pay for any time spent in the case of applicants for jobs.

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The Employer shall determine the doctor that will perform the required examination and shall be responsible to these employees only for time spent at the place of examination or examinations where the time spent by the employee exceeds two (2) hours, and in that case only for those hours in excess of said two (2) hours. Examinations are to be taken at the employee's home area and are not to exceed one (1) in any one (1) year, unless the employee has suffered serious injury or illness within the year. Employees will not be required to take examinations during their working hours, unless paid by the Employer for all time spent. Employees shall be given reasonable notice of dates of examinations. The Employer shall pay for all such examinations for all regular and probationary employees.

DOT medical cards must be obtained from the doctor designated by the Company. For those drivers subject to DOT regulations who possess a valid medical certificate from a designated DOT provider, the Employer shall pay for any additional physical, mental, or other examinations required by the Employer to confirm the validity of the medical certificate.

(b) It is understood by the Employer and the Union that once an employee notifies the Employer that he/she has been released to return to work by the employee's doctor, the Company doctor must examine the employee within three (3) working days from the time the employee brings the return-to-work slip to the Employer.

The Employer reserves the right to select its own medical examiner or doctor, and the Union may, if it believes an injustice has been done an employee, have said employee reexamined at the Union's expense.

In the event of disagreement between the doctor selected by the Employer and the doctor selected by the Union, the Employer and Union doctors shall together select a third (3rd) doctor within seven (7) days, whose opinion shall be final and binding on the Company, the Union, and the employee. ~~Neither the~~ Company nor the Union ~~nor the~~ employee will attempt to circumvent the decision. The expense of the third (3rd) doctor shall be equally divided between the Employer and the Union. Disputes concerning back pay shall be subject to the grievance procedure.

If the third (3rd) doctor agrees that the employee should be returned to work, the employee shall be reimbursed at his/her daily guarantee, less any other monies received back to the date of the examination by the Company doctor. It shall exclude any time the employee was not available for examination or work.

Article 17 Pay Period

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

Not more than seven (7) days' pay shall be held on an employee. Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purpose. Verified payroll mistakes of twenty dollars (\$20.00) or more will be paid on the next business day if requested by the employee. Over-the-road employees shall receive their regular paychecks prior to their last dispatch or tour of duty, prior to payday, if available; with the understanding they shall not cash same until the date on the paycheck.

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

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

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

Article 18 Workday and Workweek

Section 1. Casual Employees

The schedule for casual employees shall be posted by Friday of the preceding workweek. A casual employee shall be guaranteed four (4) hours of pay on any day he/she is scheduled and reports to work. The Company may alter the casual employee's start time **or cancel the scheduled work day** provided the employee is notified prior to reporting to work. ~~The Company may cancel a scheduled day of work with twenty-four (24) hours prior notice.~~

Section 2. Full-time Employees

The scheduled for full-time employees shall be posted by Friday of the preceding workweek. The start time can be altered as a part of this posting by up to two (2) hours of the job's bid start time. The Company may alter the start time on a daily basis for more than two (2) hours provided the employee is notified prior to reporting to work. If an employee's start time is altered by more than two (2) hours more than fifty percent (50%) of the time in any sixty (60) day period, the employee may request it to be re-bid pursuant to Article 5. Ninety percent (90%) of the full-time employees holding bid jobs will be guaranteed a minimum of eight (8) hours pay per day when put to work and the standard guaranteed workweek shall be forty (40) hours per week. **The remaining ten percent (10%) of employees holding bid jobs shall have a four (4) hour guarantee when put to work.** Work shall be scheduled for five (5) consecutive days, **Sunday through Thursday**, Monday through Friday or Tuesday through Saturday. Notwithstanding the above, the Company shall also

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have the right to maintain a sufficient number of full-time employees without a posted or established schedule in order to handle unscheduled and extra ad hoc work.

One and one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) consecutive day of work falls on Sunday, in which case double time shall be paid.

Section 3. Overtime

All hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week shall be paid at the rate of time and one-half (1 ½) the regular hourly rate, but not both. Overtime shall not be pyramided. Pay for hours not worked shall not count toward the forty (40) hour threshold.

All hours worked on Sundays or holidays or on the seventh (7th) consecutive day or in excess of ten (10) hours per day shall not apply against the guarantee but must be paid in addition to the guarantee.

The Company will make a reasonable effort to notify non-driving employees at least one (1) hour in advance of overtime.

Article 20**Cooperation of Employees/Fair Day's Pay****Section 2. Fair Day's Work for Fair Day's Pay**

The Union and the Company recognize the principle of a fair day's work for a fair day's pay. Jobs and job security of employees working under this Agreement are best protected through efficient and productive operations of the Company and the trucking industry. This principle shall be recognized in the administration of this Agreement and the resolution of all grievances thereunder.

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 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.

Article 21**Union Activities/Leave of Absence****Section 1. Union Activities**

(a) Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Company's business, nor shall there be any discrimination against any employee because of Union membership or activities.

(b) The Company agrees to grant employees reasonable time off without pay without discrimination or loss of seniority rights to attend a labor convention or union meeting called by the Local Union, provided at least ~~one (1) week~~ **forty-eight (48) hours** written notice is given by the Local Union to the Company specifying the length of time off and provided that there shall be no disruption of the Company's operations. The Company's consent to such requests shall not be unreasonably denied.

(c) Authorized agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that this agreement is being adhered to, provided, however, that there is no interruption of the Company's working schedule.

Section 2. Leave of Absence

(a) When an employee in any job classification requiring driving has his/her operating privilege or license suspended or revoked for reasons other than **medical disqualification** or those for which the employee can be discharged by the Company, a leave of absence without loss of seniority, not to exceed ~~one (1) two (2) year(s)~~, shall be granted for such time as the employee's operating license has been suspended or revoked. The employee will be given available work opportunities to perform non-CDL required job functions.

(b) A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay.

Section 3. Medical Disqualification

(a) A driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or casual inside employee at such work until he/she can return to his/her driving job. However, if the displacement of a full-time employee with a CDL would negatively affect the employer's operation, the medically disqualified driver may only displace a casual inside employee. "Red-circled" non-CDL cartage employees shall not be subject to displacement in this process. While performing the inside work, the driver will be paid ninety percent (90%) of the appropriate rate of pay for the full-time classification of work being performed. The Company shall attempt to provide eight (8) hours of work, if possible, out of available work.

(b) In addition to those already covered by this section, disqualified drivers who are actively pursuing a waiver or exemption with the DOT may work inside pursuant to this section if there is a reasonable expectation that his or her waiver/exemption will be granted.

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Article 25 Benefits

Section 1. Medical Plans

~~Effective within ninety (90) days of ratification for employees outside of the Indianapolis facility, seniority full time and casual employees will be provided health coverage pursuant to the United Parcel Service Health & Welfare Package Select. Eligibility requirements for and detailed descriptions of the medical plan is contained in the Summary Plan Description (SPD). Each covered employee will be provided a copy of the SPD.~~

~~Employee premium costs for coverage, once the new plan becomes effective and thereafter for the life of the Agreement will be as follows per month: Individual coverage \$50.00; Employee/Plus \$100; and Family \$150. There shall be a second level of coverage offered through the Plan which will be made available to employees at no cost.~~

~~Life insurance, dental coverage, short term disability and long term disability benefits will be as described in the Summary Plan Description.~~

~~Medical coverage shall be provided pursuant to the terms of the United Parcel Service Health & Welfare Package Select to those employees who retire after ratification who are immediately eligible for a retirement benefit pursuant to the Section 7 below. The retiree contribution for health coverage per month for the life of this agreement shall be \$250.00 for individual coverage and \$500.00 for employee plus spouse coverage.~~

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

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

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

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

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

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

Section 2. Discretionary Days

~~Effective upon ratification, Full-time employees shall be eligible to receive **four (4) three (3)** discretionary personal days, **thirty-two (24-32)** hours each calendar year. These days may be used in scheduling time off for any purpose, including illness, appointments, care of family members, observance of religious holidays, etc. This time ~~may shall~~ be taken ~~in one-hour increments or~~ as a whole day (8 hours ~~maximum~~). Except for emergency situations, discretionary time must be scheduled and approved in advance by management. Unused time related to these discretionary personal days ~~will be paid out at a rate equivalent to the normal hourly rate at the end of the year~~ **may be accrued at the current rate and carried over from year to year for the life of the Agreement. An employee may request payment for any accrued discretionary days; payment will be made within ten (10) days of the request. Discretionary days will be paid at the rate at which they were accrued.** ~~New employees entering a full-time job classification after ratification will receive these days on January 1 following one (1) year of employment. All employees entering a full-time job classification will receive four (4) three (3) days after one (1) year of full-time employment, and will receive four (4) three (3) discretionary days each subsequent calendar year.~~~~

~~The three (3) discretionary days in the prior paragraph shall also be available from ratification through the end of the calendar year in which the contract becomes effective, provided the eligible employees have not already taken discretionary days under the policy in effect prior to ratification of this Agreement. If discretionary days have been used, then those days shall be subtracted from the three (3) available days.~~

Section 3. 401(k) Plan

~~No later than sixty (60) days after ratification of this Agreement, a~~ **All** full and casual employees shall **continue to** be eligible to participate in the Teamsters UPS National 401(k) Tax Deferred Savings Plan in accordance with the terms of that Plan. The Employer shall withhold from an employee's earnings, amounts mutually agreed between the Employer and the employee, and deposit such monies into a 401(k) account in the employee's name in compliance with the Internal Revenue Code and ERISA.

Section 4. Holidays

The Employer will pay full-time ~~and casual~~ employees for the following **eight (8) nine** holidays each year provided they work either the day before and the day after the holiday or are on an approved paid absence:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day

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- Day after Thanksgiving
- Christmas Eve
- Christmas Day

Floating Holiday (to be taken on any day selected by employee with manager's approval)

Casual employees will receive the above holidays plus an additional floating holiday to be taken on any day selected by the employee with his manager's approval.

Full-time employees will be eligible to receive eight (8) hours pay for each of the foregoing paid holidays. Casual employees are eligible to receive holiday pay for those holidays in the amount of one-fifth (1/5) of their week's pay of the work week preceding the week of the holiday.

Employees hired **after April 8, 2008** ~~after ratification of this Agreement~~ will be eligible for paid holidays only after one year of active employment.

Section 5. Vacations

a. Weeks of Vacation.

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

Vacation day awards are set forth in the following schedule:

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

b. Full-time Vacation Accrual

(i) To be eligible for employees' full vacation during the first (1st) calendar year in which the employee was employed, an employee must have worked one hundred and fifty-six (156) reports, but need not to have been employed for the full calendar year.

If the employee worked less than one hundred and fifty-six (156) reports during this calendar year, but did attain seniority, the employee's vacation shall be pro-rated by earning one (1) day of vacation for each forty (40) reports, and taken after the employee has been employed one (1) full year.

The employee who attains one hundred and fifty-six (156) reports during the first calendar year shall enjoy a January 1st date of the calendar year they were employed as a vacation

anniversary date for accumulating earned vacation. Employees who do not attain one hundred and fifty-six reports that year will have a January 1st date of the following calendar year as a vacation anniversary.

(ii) During each vacation year, the employee must work one hundred and fifty-six (156) reports to earn their vacation. Computation of the one hundred and fifty-six (156) reports shall include paid time off such as vacation, holidays, jury duty and funeral leave. Seniority employees who worked less than one hundred and fifty-six (156) reports during the calendar year, will be entitled to a pro-rata vacation day for each forty (40) reports times the weeks of vacation that they are entitled to.

c. Full-time Vacation Selection

(i) The Company will post a vacation schedule for bid by December 1 of each year showing the weeks available for vacation the next calendar year and the number of employees in each classification who may be on vacation each week. The Company will make vacation available for bid based upon the needs of the operation. Employees shall have fourteen (14) days to submit their bid. Awards shall be in seniority order within classification. Insufficient bidders will be assigned vacation week(s). If an employee desires pay in lieu of vacation, he shall be required to indicate such on his bid. The Company shall have the right to accept the offer of pay versus vacation or award the time off. Once scheduled, vacation weeks may only be moved by mutual agreement between the Company and employee or as a result of the application of the Family Medical Leave Act. **However, if the Company blocks out weeks for vacation as a part of the annual bid and thereafter determines that some of those weeks can be used for vacation, the Company shall make those vacation weeks available in seniority order.**

(ii) Full-time employees who have earned at least two (2) weeks of vacation will have the option of declaring that he/she wants to split one (1) of the available weeks of vacation into five (5) single days. The employee must declare this option at the time of the vacation selection. Seniority will prevail in the selection of the single day(s). Single vacation days must be selected in writing a minimum of seven (7) working days prior to the day the employee desires off. The Company will approve or deny the request within two (2) working days of receipt. Approval shall not be unreasonably withheld. Such vacation days will be paid at the same rate as vacation. Any days not used will be paid off at the end of the year.

d. Casual Vacations

Casual employees shall be entitled to five (5) days of unpaid vacation after one (1) year of active employment. These days shall be scheduled and taken by mutual agreement with the Company. On the next January 1 after a casual employee attains five years of service, he will be eligible for five (5) days of paid vacation. **A day of vacation shall be equal to**

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152nd of the prior years total paid hours divided by five (5). Such vacation will be scheduled, taken and/or paid by mutual agreement with the Company.

e. Accrued or Unused Vacation

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

Section 6. Retirement

Effective ~~upon ratification~~ **January 1, 2008**, full-time and casual employees ~~shall ceased~~ to be covered by the UPS Retirement Plan and instead became covered by the UPS Pension Plan. ~~The UPS Pension Plan will be amended to cover the employees based on the terms set forth in this subsection.~~ **Until December 31, 2013**, the benefit formula for current and future full-time and casual employees will remain unchanged from the benefit formula in effect for the UPS Retirement Plan ~~at the time of ratification of this Agreement on December 31, 2007.~~ **No additional benefits will accrue under that formula after December 31, 2013.**

Effective January 1, 2014, eligible full-time and casual employees who have an hour of covered employment on or after January 1, 2014 will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2013 (if any) plus one hundred and five dollars (\$105.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2014. In years in which an employee has less than fifteen hundred(1500) hours, he shall earn a prorated share of the one hundred and five dollars (\$105.00). There shall be no limit on the number of years for which the one hundred and five dollar (\$105.00) benefit may be earned.

The UPS Pension Plan is governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS Pension Plan administrative claims process.

Article 26 Wages

~~Employees, outside of Indianapolis, on the "Local Cartage" seniority list; casual employees and drivers on the "over the road" seniority list who have completed their progression as of the ratification of this Agreement shall receive an increase of thirty two and one half cents (\$0.325) per hour (or the mileage equivalent), less the amount of increase received since January 1, 2008, effective the first pay period after ratification, as well as an additional thirty two and one half cents (\$0.325) per hour in the first pay period in July 2008. Employees, outside of Indianapolis, who are in progression on the date of ratification will receive the general wage increase in the same manner as employees in progression covered by Sections 1 and 3, below.~~

Section 1. Full-Time Local Cartage Employees

a. In each of the calendar years ~~2009-2014~~ through ~~2013-2016~~, employees on the "Local Cartage" seniority list who have completed their progression shall receive the following increases **effective the first pay period in January of each year. The general wage increases for 2017 and 2018 which** shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in first pay period after July 1 of each year.

2009	70¢
2010	75¢
2011	80¢
2012	85¢
2013	90¢
2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

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

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

Start	\$14.63	\$16.75
Seniority	\$15.68	\$17.25
Twelve (12) months	\$16.72	\$18.25
Twenty-four (24) months	\$18.81	\$19.55
Thirty-six (36) months	Top Rate	\$23.40
Forty-eight(48) months		Top Rate

When an employee completes the above progressions he/she shall be eligible thereafter to begin receiving the general wage increases set forth in paragraph a. above. **Employees bidding into a new fulltime Non-CDL position after August 1, 2013, shall be paid eighty percent (80%) of the progression rates in (c) above. Once the progression is completed the employee shall receive eighty percent (80%) of the Top Rate.**

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

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Start	\$15.05	\$17.20
Seniority	\$16.13	\$17.70
Twelve (12) months	\$17.20	\$18.70
Twenty-four (24) months	\$19.35	\$20.00
Thirty-six (36) months	Top Rate	\$24.00
Forty-eight (48) months	Top Rate	

2009	.0175
2010	.0188
2011	.0200
2012	.0213
2013	.0225
2014	.0125
2015	.0125
2016	.0125
2017	.0125
2018	.0125

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

e. The "Top Rate" referred to in the full-time schedules in this Article shall be as follows:

	<u>Dock Leadman</u>	<u>Dock Worker (Full-Time)</u>	<u>Jockey</u>	<u>Local/Road Driver</u>
Ratified	\$21.475	\$21.225	\$21.475	\$21.825
7/1/08	\$21.80	\$21.55	\$21.80	\$22.15
1/1/09	\$22.15	\$21.90	\$22.15	\$22.50
7/1/09	\$22.50	\$22.25	\$22.50	\$22.85
1/1/10	\$22.875	\$22.625	\$22.875	\$23.225
7/1/10	\$23.25	\$23.00	\$23.25	\$23.60
1/1/11	\$23.65	\$23.40	\$23.65	\$24.00
7/1/11	\$24.05	\$23.80	\$24.05	\$24.40
1/1/12	\$24.475	\$24.225	\$24.475	\$24.825
7/1/12	\$24.90	\$24.65	\$24.90	\$25.25
1/1/13	\$25.35	\$25.10	\$25.35	\$25.70
7/1/13	\$25.80	\$25.55	\$25.80	\$26.15
1/1/14	\$26.30	\$26.05	\$26.30	\$26.65
1/1/15	\$26.80	\$26.55	\$26.80	\$27.15
1/1/16	\$27.30	\$27.05	\$27.30	\$27.65
1/1/17	\$27.55	\$27.30	\$27.55	\$27.90
7/1/17	\$27.80	\$27.55	\$27.80	\$28.15
1/1/18	\$28.05	\$27.80	\$28.05	\$28.40
7/1/18	\$28.30	\$28.05	\$28.30	\$28.65

Section 2. Full-Time Road Employees

Employees on the "Over the Road" seniority list who have completed their progression as of the date of ratification of this Agreement shall receive an increase of .0163 dollars per mile implemented in two equal installments: one half shall be implemented in the first pay period following ratification, less the amount of increase received since January 1, 2008, and the second half will be implemented in the first pay period in July 2008.

(a) In each of the calendar years ~~2009~~ **2014** through ~~2013~~ **2016**, employees on the "Over the Road" seniority list who have completed their progression shall receive the following increases **effective the first pay period in January of each year. The general wage increases for 2017 and 2018** which shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in first pay period after July 1 of each year.

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

c. Employees first entering the "Over-the-Road" driver classification after **August 1, 2013** ratification of this Agreement will be paid in accordance with the following progression.

	Start	Seniority	12 Months	24 Months	36 Months	48 Months
Single	.3807 .4342	.4079 .4468	.4350 .4720	.4894 .5049	Top Rate .6058	Top Rate
Sleeper (per dvr.)	.2057 .2290	.2204 .2357	.2351 .2490	.2645 .2663	Top Rate .3196	Top Rate
Triple	.3878 .4408	.4155 .4536	.4432 .4792	.4986 .5125	Top Rate .6150	Top Rate
Sleeper Triple (per dvr.)	.2092 .2330	.2242 .2397	.2391 .2533	.2690 .2709	Top Rate .3251	Top Rate

To the extent the road driver is paid on an hourly basis, the rates set forth in Section 1 for the local driver (including the "Top Rate") shall apply. Upon completion of this progression, the road driver shall be eligible thereafter to begin receiving the mileage rate increases set forth in paragraph a. above.

Section 3. Casual Employees

a. Casual employees who have completed their progression as of the ratification of this Agreement shall receive an increase of thirty two and one half cents (\$.325) per hour effective upon ratification, less the amount of increase received since January 1, 2008, and an additional thirty two and one half cents (\$.325) in the first pay period in July 2008.

In each of the calendar years ~~2009~~ **2014** through ~~2013~~ **2018**, casual employees who have completed their progression shall receive the following increases **effective the first pay period in January of each year, which The general wage increases**

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for 2017 and 2018 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in first pay period after July 1 of each year.

2009	70¢
2010	75¢
2011	80¢
2012	85¢
2013	90¢
2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

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

c. Casual employees hired after **August 1, 2013** ~~ratification of this Agreement~~ shall be paid in accordance with the following:

Start	\$12.00	70%
Twelve (12) months	\$13.00	80%
Twenty-four (24) months	\$14.50	90%
Thirty-six (36) months	\$15.50	Top Rate
Forty-eight (48) months	Top Rate	

The "Top Rate" referred to in the above schedule shall be ~~ffteen sixteen~~ **sixteen dollars and fifty cents (\$15.00) (\$16.50)**. Once a casual employee completes that progression, he/she shall be eligible thereafter to begin receiving the hourly wage increases set forth in paragraph a. above. A casual employee who is awarded a full-time job shall begin the full-time progression at the seniority rate if his/her rate is below the seniority rate of the new full-time job. If a casual employee's rate is higher than the seniority rate of the new job, he/she will be red circled until such time as the calculated progression rate exceeds the employee's rate.

Section 4 Clerical Rates

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

2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

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

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

Start	\$14.00
Seniority	\$15.00
Twelve (12) months	\$16.00
Twenty-four (24) months	\$17.00
Thirty-six (36) months	\$17.50
Forty-eight (48) months	Top Rate

The Top Rate shall be eighteen dollars (\$18.00)

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

Start	\$10.50
Twelve (12) months	\$12.00
Twenty-four (24) months	\$13.50
Thirty-six (36) months	\$14.00
Forty-eight (48) months	Top Rate
The Top rate shall be fifteen dollars (\$15.00).	

Section 5 ~~4~~ Paid for Time

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

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**Article 27
Drug and Alcohol Testing**

Section 3.3 – Off-Duty DUI

Any driver cited for Driving Under the Influence who does not have his/her license suspended, or who has limited driving privileges, shall immediately notify the Company of the citation and 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 Article 21, Section 3 (a) for up to two years. If rehabilitation is required, the SAP shall determine the terms upon which the employee may return to work. The employee shall be returned to driving once he/she successfully completes the rehabilitation program provided his/her driving privileges have been restored. The one time right to rehabilitation provided in this Article 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.

**Article 31
Lodging**

~~Air conditioned dormitories or motel rooms, if available, shall be furnished when seasonal and climatic conditions require. Motel rooms and dormitories shall be equipped with blinds or draperies or otherwise suitably darkened during daylight hours.~~

~~All dormitories shall have an adequate smoke detection system that is in compliance with the appropriate regulatory requirements. Motel rooms and bunk rooms shall have adequate heating and cooling systems, and, where practical and possible, individual room regulators shall be made available. All road drivers lodging shall be maintained on the basis of one (1) driver per room.~~

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

**Article 41
Existing Practices**

~~Within sixty (60) days of ratification, the Company and the Union shall establish a Joint Committee to document agreed upon work rules and practices in existence at the terminals now covered by this Agreement. Any disputes shall be referred to the Chairs of the Company and Union negotiating committees. Any agreed upon work rules and practices shall~~

~~be considered to be part of this Agreement for all purposes, including the grievance and arbitration process.~~

**Article 44
Subcontracting**

(a) For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. The Employer may not subcontract work **at a facility** in any classification if any employee who normally performs such work **at that facility** is on layoff **or is receiving less than his/her appropriate daily guarantee in his/her classification.**

(b) The Employer may subcontract work in order to meet service commitments if it does not possess the facility, equipment or personnel to perform such work. **In no event shall this paragraph be used as a basis to subcontract Road Driver work.**

(c) The Employer may continue its practice regarding runs that do not have loads returning to the home domicile or its practice (including pay equivalency) concerning the reassignment of Company drivers to cover peak periods. However, if sufficient freight is generated in the future to provide loads returning to the home domicile, the run shall be performed by members of the bargaining unit. **The parties agree these freight loads and/or loads assigned to an LHD will be converted to a scheduled run covered by a Road Driver if the two (2) way movements are sufficient to constitute a full-time job; occur for at least four (4) consecutive weeks; and can meet all customer and service commitments. Terminals within thirty (30) mile driving distance from each other shall be considered one (1) terminal for the purpose of determining if there is a "two-way" run.**

(d) **In order to create full-time bargaining unit jobs, enhance the Company's ability to compete, and reduce its reliance on outside vendors, the Company may create a new classification of employee named line haul driver (LHD). The attached Addendum shall control how LHD's are used and their terms of employment. If any Road Driver is displaced from his job classification for more than five (5) days and a LHD is operating into or out of that facility, then the driver shall have the right to take the job of the junior line haul driver who is domiciled in that facility without the loss of pay or benefits. If the facility is one (1) in which a LHD only terminates his run, the Company will re-domicile the LHD run to that facility if it can do so and still meet customer commitments.**

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(e) As part of this Agreement, the Company will recall all Road Drivers to full employment within their classification or the LHD classification as per the memorandum of understanding, at all facilities where subcontractors are being used no later than ninety (90) days from the effective date of this Agreement. Full employment shall be defined as a Road Driver receiving his/her daily guarantee in his/her classification. The recall shall include Road Drivers laid off to the street as well as those working outside their classification. Once a Road Driver is returned to work all provisions of the contract will apply.

Article 47 Mileage Rates

Section 1. Mileage Rates

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

	Single/Double	Sleeper (per driver)	Triple	Sleeper Triple (per driver)
Ratiff	0.5520	0.2941	0.5622	0.3001
7/1/08	0.5600	0.2982	0.5700	0.3042
1/1/09	0.5688	0.3025	0.5788	0.3085
7/1/09	0.5775	0.3069	0.5875	0.3129
1/1/10	0.5869	0.3116	0.5969	0.3176
7/1/10	0.5963	0.3163	0.6063	0.3223
1/1/11	0.6063	0.3213	0.6163	0.3273
7/1/11	0.6163	0.3263	0.6263	0.3323
1/1/12	0.6270	0.3316	0.6370	0.3376
7/1/12	0.6376	0.3370	0.6476	0.3430
1/1/13	0.6489	0.3426	0.6589	0.3486
7/1/13	0.6601	0.3482	0.6701	0.3542
Ratiff	0.6601	0.3482	0.6701	0.3542
1/1/14	0.6727	0.3549	0.6829	0.3610
1/1/15	0.6854	0.3615	0.6957	0.3678
1/1/16	0.6980	0.3682	0.7085	0.3745
1/1/17	0.7042	0.3715	0.7149	0.3779
7/1/17	0.7106	0.3748	0.7214	0.3813
1/1/18	0.7169	0.3782	0.7278	0.3847
7/1/18	0.7232	0.3815	0.7342	0.3881

Article 49 Duration

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

Memorandum of Understanding UPS Freight and the Teamsters UPS Freight Negotiation

Committee agree that:

The Company will implement a program to provide assistance to its employees who wish to obtain a CDL.

Letter of Agreement

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

Addendum to the UPS Freight Agreement Covering Over-the-Road and Local Cartage Operations

UPS Freight, hereinafter referred to as the "Employer" or "Company," and the Teamsters National Negotiating Committee, hereinafter referred to as "TNUPSFC" or "Union," representing Teamster Local Unions affiliated with the International Brotherhood of Teamsters, agree the UPS Freight Agreement ("UPSFA") shall apply to the employees covered by this Addendum as specified below:

1. The following Articles of the UPSFA shall apply to employees covered by this Addendum, except as may be modified in other sections of this Addendum:

Articles 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 27, 28, 29, 32, 33, 34, 35, 36, 38, 39, 40, 42, 46, 48 and 49.

2. The following sections of Articles of the UPSFA shall apply to employees covered by this Addendum: Article 5, Sections 1(a), (b), (c), (f), and 3 and 5; Article 10, Section 1; Article 13(a), (c), (d), (e), (f) and (g); Article 18, Section 3; Article 23, Sections 1(b) and (d), 2 and 3; Article 30, Section 3; and Article 37, Section 3.

3. The following Articles or portions of Articles shall not be applicable to employees covered by this Addendum: Article 5, Sections 1(d), (e), and (g), 2, 4, and 6; Article 10, Section 2; Article 13(b); Article 18, Sections 1, 2, and 4; Article 23, Section 1(a) and (c); Article 26; Article 30, Sections 1 and 2; Article 31; Article 37, Sections 1 and 2; Article 41, Article 43, Article 44, Article 45 and Article 47. Substitutions, if necessary, for these Articles or Sections are set forth below.

4. Article 1, Section 1 shall be modified to add a second paragraph that reads:

"This Agreement shall also cover, where already recognized, those employees who are employed as a manifest clerk, OS&D clerk, dispatch clerk, appointment clerk, outbound clerk, inbound clerk, or billing clerk. A list of locations at which covered employees have been recognized is Attachment A to the Clerical Addendum."

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5. Article 1, Section 2 shall be modified to add a second paragraph that reads:

“The execution of this Agreement on the part of the Employer shall also cover all employees described in the second paragraph of Article 1, Section 1 in the bargaining unit at any existing terminal at which the TNUPSFNC has been certified or designated to act as the collective bargaining representative. The following locals have been designated by the TNUPSFNC to represent covered employees and, as such, are parties to this Addendum: 25, 41, 63, 89, 107, 120, 135, 251, 299, 385, 431, 492, 523, 577, 612, 657, 667, 707, 710, 728, 745 ~~and~~ 891, and _____.”

6. As a substitution for those Article 5 provisions which the parties agree will not apply to the employees covered by this Addendum, the following will apply:

Section 1.(d) For employees covered by this Addendum there shall be two (2) seniority lists, one (1) for full-time clerks and one (1) for casual clerks.

Section 1.(g) In developing the initial Clerks' seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his/her current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority lists.

Section 2. When it becomes necessary to reduce the working force the last employee hired on the casual seniority list shall be laid off first. If a clerk job is eliminated, the affected employee may bump the most junior employee within the classification provided the bumping employee is qualified to do the job. If a full-time clerk displaces a casual clerk, he/she shall be governed by the four (4) hour guarantee. The bumping employee goes to the bottom of the classification seniority list. If the employee exercises the right to bump and receives a recall notice, the employee must return to the position from which he/she was laid off. Company benefits will be provided in accordance with the terms of the applicable SPD.

Section 4. (a) Starting times by classification will be posted for bid on the Union bulletin board on a semi-annual basis. The bids will contain a description of the clerical jobs that are posted. Bids shall remain posted for fourteen (14) calendar days. The most senior employee bidding on the job shall be awarded the job.

Section 4.(b) Available new or vacated bargaining unit jobs will be posted within seven (7) calendar days. The bid will remain posted for fourteen (14) calendar days on the Union bulletin board. Such postings shall include the start time and a description of the job. The most senior full-time employee bidding on the job shall be awarded the job, provided he or she is qualified. The resulting vacancy, or the initial vacancy, if no full-time employee is awarded it, shall be available for

bid by part-time clerical employees, if any, in that service center. If there are no part-time clerical employees in the service center, the Company shall have the right to fill the resulting vacancy, or the initial vacancy if it is not awarded, by a new hire. If a part-time employee is awarded the full-time vacancy, the Company shall have the right to fill it with a new hire.

If an employee is going to be off work for more than forty-five (45) days, the job will go up for bid, provided however, when the employee returns he/she shall return to his/her original bid job. Any bidder must be available and qualified to perform the work.

7. As a substitution for those Article 18 provisions which the parties agree will not apply to employees covered by this Addendum, the following will apply:

Section 2. Casual and full-time employees' schedules will be posted by Friday of the preceding workweek if there is any change. If there is no change, the schedules need not be posted. An employee's start time can be altered by this posting by up to two (2) hours of its normal time. The Company may also alter the start time on a daily basis by more than two (2) hours, provided the employee is notified prior to reporting to work. All employees shall be scheduled for five (5) consecutive workdays, either Monday through Friday or Tuesday through Saturday. Full-time employees shall be guaranteed eight (8) hours pay per day when put to work and the standard workweek shall be forty (40) hours per week. Casual employees shall be guaranteed four (4) hours per day on any day he/she is scheduled and reports to work.

One-and-one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) day of work falls on Sunday, in which case double time shall be paid.

8. Any Article or Section of the UPSFA that is applicable to employees covered by this Addendum and references "casual" employees shall be deemed to cover part-time clerks.

9. As a substitution for Article 44 of the UPSFA, the parties agree that the following will apply to employees covered by this Addendum:

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. The Employer may not subcontract work in any classification if any employee who normally performs such work is on layoff.

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10. As a substitution for Article 30, Sections 1 and 2, the following will apply:

All covered employees shall continue to receive their scheduled rest and lunch breaks.

11. As a substitution for paragraph 9 of the May 11, 2009 MOU between the parties, the following shall apply:

The Company will provide employees covered by this Addendum two (2) hour show-up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. The two (2) hour show-up pay shall apply if no work is available.

12. The parties agree that the following provisions shall constitute a new Article 23, Section 4 applicable only to those employees covered by this Addendum:

Section 4. Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of the bargaining unit or diminishes the number of workers in the bargaining unit.

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

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

(c.) The Employer shall be required to provide the National Teamster/UPS Freight Committee for Technological Change, upon written request, any relevant information to the extent available regarding the technological changes.

(d.) The Employer will meet with if requested, the National Teamster/UPS Freight Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

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

(f.) In the event that the National Committee cannot reach

agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 7 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

13. Article 25-[Economics]

14. Article 26-[Economics]

~~15. Within ten (10) days of the ratification of this Addendum, UPS Freight will notify those current or ex employees who have an active claim pending in the Company's Peer Review Process that they have thirty (30) days from notification by the Company to file a grievance under the UPSFA if they wish to continue to challenge the disciplinary action. If such a grievance is filed, it will be processed in accordance with the terms of the UPSFA. If they do not file a grievance within thirty (30) days their claim will be administratively closed.~~

~~15+6.~~ The only part of any prior Letter or Memorandum of Understanding, Letter of Agreement, or settlement between the parties under the UPSFA that will apply to the employees covered by this Addendum are:

(i) The Letter of Understanding on Article 8, Section 1; and

(ii) Paragraphs 2, 3, 4, and 7 (except for the reference to the 90% employee) of the May 11, 2009 MOU.

National UPS Freight Agreement "Zone" Addendum

UPS Freight ("Employer" or "Company") and the Teamsters National UPS Freight Negotiating Committee ("Union") agree to the following as an Addendum to the UPS Freight Agreement ("NFA"):

1. This Addendum applies to those employees represented by the Union who have been hired to perform functions described in the NFA, in geographical areas which were previously serviced by a vendor. The employees and geographical zones covered by this Addendum are as described in Attachment A;

2. The NFA shall apply to employees covered by this Addendum except as modified in this Section:

(a) Article 18, Section 2, shall be amended to delete the requirement to provide an eight (8) hour guarantee per day for the 90% employees. However, the parties agree that when drivers are not working a full 8 hours, vendors will not be used in that geographical area unless necessary due to equipment needs or service reasons;

(b) Employees whose pay rates are above the scale in Article 26, shall retain their current pay rates until such

time as the pay rate is commensurate with the Agreement. At such time, the employee will receive contractual increases due beyond that date;

(c) In recognition of the fact that employees covered by this Addendum do not have a service center in their established zone, Articles 19 and 33 of the NFA shall not apply, but any established practices in that zone relating to what is made available to the employees will continue to be observed.

(d) In recognition of the fact that employees covered by this Addendum may be requested to perform business development (“BD”) work in their assigned zones, the parties agree that such assignments shall not be a basis to claim that business development functions are covered bargaining unit work; and

(e) In recognition of the fact that the Company’s conversion of zones from vendor to employees is experimental and can only be successful if costs are controlled, Article 44 of the NFA shall be amended to also permit the use of vendors in the following circumstances:

(i) Vendors can be used if inbound and/or outbound volume exceeds the capacity of existing employees or the capability of existing equipment. The Company commits it will not use this provision to eliminate or reduce overtime or to avoid hiring additional new bargaining unit employees if the growth in volume makes it economically feasible;

(ii) Vendors may be used to cover for employee absences, including, but not limited to, vacations and any approved leave of absence. Before using a vendor, the Company is obligated to first order this work to any employee in the zone who is in a layoff status, if any; then to any UPS Freight qualified employee on lay-off within service center that feeds that zone area provided the Company has sufficient notice of the absence; and

(iii) The Company retains the right to revert to vendor coverage if volume levels do not make it economically feasible to continue to provide service in that area through Company employees. If the Company determines that it is not economically feasible to continue service in any area, it shall provide the Union thirty (30) days notice of the transition. The Company will meet with the Union within the thirty (30) days to review the data in order to determine if there is mutual agreement on the economic feasibility. Mutual agreement will not be unreasonably withheld by the parties. If a vendor is implemented then the Company will engage in effects bargaining with the Union.

3. This Addendum shall continue to apply to the zones listed in Attachment A until such time as the Company opens a service center in that zone. The terms of the existing NFA shall apply in full at that time.

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4. Additional employees may become covered by this Addendum if the Union obtains representational rights to any “Zone” employees in the future.

5. This Addendum shall remain in effect for the duration of the underlying NFA.

Memorandum of Understanding

UPS Freight agrees that it will notify the TNUPSFNC in the event it intends to increase in any significant way the number(s) of runs that include a lay over in excess of fourteen (14) hours. If such notice is provided, the Employer, upon request, will meet with the TNUPSFNC to determine the terms on which the layovers on these runs will be implemented.

Letter of Understanding

The Parties agree that employees on the payroll on the date of ratification who possess a CDL and are classified as Dock Leadman or Jockey will continue to receive a twenty cents (\$0.20) per hour premium. Employees on the payroll on the date of ratification with a CDL and are classified as Dock Worker will continue to receive a thirty-five cents (\$0.35) per hour premium. Casual employees on the payroll on the date of ratification with a CDL shall continue to receive a twenty-five cents (\$0.25) per hour premium.

Letter of Understanding

The parties agree that Article 8, Section 1 (Picket Lines) shall not apply to secondary (as opposed to primary) picketing activities or to informational leafleting or any other picketing not intended to prevent UPS employees from performing their assignments, whether such activities occur at the Company’s locations, en route, or at the locations of its customers. In the event the Company knows that it is dispatching employees to a customer at which picketing is occurring, or dispatching employees on routes on which employees will encounter such activities, it shall notify the Union prior to dispatch, if possible.

Article 8, Section 1 also shall not apply to activities against the Company by its employees which are in violation of this Agreement, or which have not been initiated or authorized the Union.

Memorandum of Understanding

Teamsters National UPS Freight Negotiating Committee (Union) and UPS Freight (“UPS” or “Employer”) agree to the following in connection with Article 5, Section 2 of their National Freight Agreement:

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

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2. This Memorandum of Understanding (MOU) shall become effective on the date it is signed and will be applied prospectively. However, the parties agree that any pending grievances concerning the Company's use of classification seniority to identify employees for layoff, shall be considered settled on the basis of this MOU. The Company shall apply the language in paragraph 1 in those cases and take the steps necessary to notify those employees who need to be recalled. No monetary payments shall be made.

3. This MOU shall not apply to any provision of the contract other than Article 5, Section 2.

Memorandum of Understanding

1. The parties agree that the Company may continue its practice regarding 4 day /10 hour work schedules where they were in place at the time of ratification. This would also apply to locations where the parties have negotiated 4/10's since ratification. Overtime will be after 10 hours, and any future implementations would need to be agreed to locally. Additionally, if any of the nine - (9) named Holidays in Article 25, Section 4 occur on the regular scheduled workday for a 4/10 employee, the employee shall receive 10 hours straight time pay for the Holiday. 4/10 drivers working on a holiday will be included in item # 4 below. Employees holding 4/10 job bids will be required to work 120 work reports as otherwise defined in Article 25, Section 5 to obtain vacation or 32 reports to obtain the partial vacation calculation.

2. The parties agree that the Company may continue its practice regarding Sunday through Thursday work week schedules as they existed at the time of ratification. This would also apply to locations where the parties negotiated Sun-Thur work schedules since ratification. Any future implementations would need to be agreed to locally.

3. The parties agree that Full-Time employees laid off and displacing casual employees shall not be reduced to the casual rate of pay; rather, they shall be paid the full-time rate for the job performed. Full-Time employees laid off and in progression will slot to the same progression step in the job they are performing. The full time employees that were paid the casual rate while on layoff shall receive back pay.

4. The parties agree that employees who start and work on a Holiday shall be compensated at one and one-half (1 ½) their hourly rate; this does not pertain to employees whose regular scheduled workday concludes on a Holiday. The Company may continue its practice of moving the Holiday for operational needs, but must pay one and one-half (1 ½) for employees who start work on a Holiday. The Company shall not change the start times in an effort to negate the Holiday Premiums.

5. The Company shall pay any sleeper team delays as follows: after 15 minutes each driver shall be paid the appro-

prate Local Cartage wage rate for P & D as specified in Article 26, Section 4 or equivalent progression step for the duration of the delay.

6. If a mileage road driver experiences a traffic delay in excess of 15 minutes, then he or she shall be paid the appropriate Local Cartage wage rate for P & D as specified in Article 26, Section 4 back to the first minute. A traffic delay is defined as the wheels being completely stopped for the duration of the delay. This does not include typical rush hour traffic where the truck may be moving very slowly or starting and stopping intermittently. An example of a traffic delay would be when a highway is completely shut down for 15 minutes or more due to an incident and the vehicles cannot move at all.

7. Extra work that is offered in seniority order on non-scheduled work days does not have an 8-hour guarantee for any 90% employee. The employee may choose to either (1) get paid actual hours worked for the day, or (2) ask for four (4) hours of work. If the employee asks for at least four (4) hours of work, then the Company shall provide at least four (4) hours provided that (a) the work is available, and (b) the employee is qualified to perform the work.

8. The Company shall continue its practice of 2-hour show up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. If no work is available and the employee was not informed of the run being cut (or other lack of work) until he or she arrived at the service center, then the 2-hour show up pay shall apply.

Memorandum of Understanding

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

(1) The parties agree that the following mileage rates will become applicable on the dates specified, to the movement of double 40's and 48's trailers within the state of Florida:

<u>7-1-2013</u>	<u>.6651</u>
<u>1-1-2014</u>	<u>.6778</u>
<u>1-1-2015</u>	<u>.6906</u>
<u>1-1-2016</u>	<u>.7033</u>
<u>1-1-2017</u>	<u>.7096</u>
<u>7-1-2017</u>	<u>.7160</u>
<u>1-1-2018</u>	<u>.7224</u>
<u>7-1-2018</u>	<u>.7287</u>

These rates will be applied in the same manner as the mileage rates in Article 47, Section 1 of the UPS Freight Agreement.

(2) The parties agree that this MOU will remain in effect until July 31, 2018.

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(3) This MOU shall be non-precedent setting and shall not be cited for any purpose except enforcement of its terms.

Memorandum of Understanding

UPS Freight (UPS) and the Teamsters National UPS Freight 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 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 dollars (\$150.00)/retiree plus-three hundred dollars (\$300.00)
- 2) Effective January 1, 2014, the current retiree medical plan 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) Nothing within this paragraph is intended to alter UPS rights with regard to the retiree plans as specified in the associated Summary Plan Descriptions.**

Memorandum of Understanding

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

- (1) The parties agree that the benefits to be provided UPS Freight employees upon transition to Central States Health & Welfare Plan (CS H&W Plan) will mirror those currently provided by the UPS Health & Welfare Package Select. This includes having Kaiser as an option in California.**
- (2) UPS will provide the benefits of the CS H&W Plan schedule MM200 as a no cost option for UPS Freight employees who elect not to make a monthly contribution.**
- (3) Nothing within this MOU is intended to change the powers or duties of the trustees of the CS H&W Plan.**

Letter of Agreement

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

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

Memorandum of Understanding

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

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

Memorandum of Understanding

The thirty (30) mile distance referenced in Article 44 shall include but not be limited to the following pairs of terminals:

FRM – BAY
HOU – HST
SAN – SDG
LOS – LAX
SCM – SAC
PRT – POR
FON – RIA
SAT – SEA
LAX – OCY
PEN – PHL
OCY – LOS
SOH – CGO
GAR – DAL
RFL – CLD
CRT – MOO
YOR – HRS
FWR – DAL
PAL – CGO

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Line Haul Driver Addendum

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

(a) All Articles of the UPS Freight Agreement ("UPSFA") shall apply to LHDs, except Articles 5, 18, 23.1c, 25, 26, 41, 43, 44 and 47. Further, Article 21, Section 3 and Article 27, Section 3.3 shall apply to LHDs provided the employee has the seniority and is qualified to perform the available inside work.

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

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

- (i) LHDs work week may be any combination of days in a work week.
- (ii) LHDs may have different start times within the work week.
- (iii) A LHD may be required to start his day at different times and facilities within the work week depending on the origin of his load.
- (iv) Runs shall be as assigned by the Company. However, if a particular workweek has consistent work days and start times it shall be subject to bid.

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

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

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

- (i) Medical Benefits: LHDs will be provided medical benefits through Central States. Plan B/UPS Freight shall be the schedule of benefits. However, casual employees that are awarded a LHD position shall maintain their current benefits.
- (ii) 401(K) Plan: The LHD shall be eligible to participate in the Teamster UPS National 401(K) Tax Deferred Savings Plan in accordance with the terms of that Plan. The Employer shall withhold from the employee's earnings, amounts mutually agreed between the Employer and the employee and deposit such monies into a 401(K) account in the employee's name in compliance with the Internal Revenue Code and ERISA.
- (iii) Holidays: LHDs shall become eligible for holiday pay after one (1) year of employment. All work performed by an LHD on a holiday shall be at a straight time rate.
- (iv) Vacations: Article 25, Section 5 shall apply to LHD, except the maximum number of paid vacation days shall be ten (10). A casual employee awarded a LHD position shall be given the appropriate credit for vacation accrual.
- (v) Retirement: New employees hired as LHDs shall not accrue benefits in the UPS Pension Plan for the first twenty-four (24) months of employment. However, all time in service as a LHD by any new or current employee shall count toward the vesting requirements in the UPS Pension Plan. After twenty-four (24) months of employment, LHDs will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2013 (if any) plus fifty dollars (\$50.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2014. In years in which an employee has less than fifteen hundred (1500) hours, he shall earn a prorated share of the fifty dollars (\$50.00). There shall be no limit on the number of years for which the fifty dollar (\$50.00) benefit may be earned. However, casual employees that are awarded LHD positions shall maintain their current benefits.
- (vi) Other Benefits: UPS Freight may decide, whether other existing benefits programs such as but not limited to safety bonuses, discounted stock purchase plans, and educational assistance may be extended, modified or discontinued for this job classification at the Employer's discretion.

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

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

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

(g) The Joint UPSF/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. UPSF and the Union also agree to review and approve proposed runs that may be inclusive of runs currently being performed by vendors. In the event the parties do not agree, the runs shall not be implemented.

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