

**TEAMSTERS****United Parcel Service National Negotiating Committee**

25 Louisiana Avenue, NW, Washington, DC 20001

To: UPS Teamster members

From: Teamsters UPS National Negotiating Committee

Date: April 23, 2014

Re: 2013 National Master United Parcel Service Agreement, All Supplements, Riders and Addenda

The 2013 National Master United Parcel Service Agreement and all Supplements, Riders and Addenda are in effect starting April 25, 2014. The Teamsters National Negotiating Committee took this action pursuant to Article XII of the International Brotherhood of Teamsters Constitution.

The economics contained in the Agreement are retroactive to August 1, 2013. UPS has committed to expediting payment of your retroactive wages. The retro check will be a separate check from your regular paycheck. UPS owes Teamster members and funds over \$300 million in wages and contributions. It is time to make Teamster members and their funds whole.

The changes to health care that were approved by a majority of UPS Teamsters in June 2013 will go into effect June 1, 2014. If your health care is changing as a result of this Agreement, you will be receiving information in the coming weeks regarding your benefits.

It was an honor to represent UPS Teamsters across the country in these negotiations. Through our united efforts we have negotiated a strong contract that includes pay increases, excellent benefits and new language that protects our jobs and improves our working conditions. We would like to thank the UPS Teamsters across the country who have waited patiently while our Teamsters collective bargaining process was completed.

We look forward to representing you under this new Agreement. If you have any questions regarding this contract please contact your Local Union or visit www.UPSContractFacts.org for more information.

UPS



**TEAMSTERS****United Parcel Service National Negotiating Committee**

25 Louisiana Avenue, NW, Washington, DC 20001

2013 National Master United Parcel Service Agreement, All Supplements, Riders and Addenda in effect starting April 25, 2014

The Teamsters UPS National Negotiating Committee, pursuant to Article XII of the IBT Constitution announced the 2013 National Master United Parcel Service Agreement, All Supplements, Riders and Addenda will be in effect starting April 25, 2014.

The wages contained in the Agreement are retroactive to August 1, 2013 and UPS has committed to expediting the checks for your retroactive wage increases. The retro check will be a separate check to avoid being taxed at a higher rate. In addition, UPS will begin making retroactive contributions to the health and welfare and pension funds immediately. UPS currently owes over \$300 million to Teamster members and funds. Now Teamsters will be made whole.

The Agreement contains unparalleled wage and benefit increases. New language offers strong protection from harassment and retaliation. In addition, the new 9.5 language, protections regarding SurePost and all of the other improvements and protections contained in the new Agreement will be in effect.

If you have any questions, please contact your Local Union.



Why is the Agreement in effect?

- A majority of UPS members voted in favor of the National Master Agreement in June of 2013.
- 95% of our UPS members have voted to approve their Agreements.
- UPS currently owes Teamster members and our funds more than \$300 million in wages and contributions.
- The union Chairs of the outstanding supplements/rider made it clear to the National Negotiating Committee in March, that the main issue causing rejection of the agreements is the move from UPS health insurance to TeamCare. That issue was voted on and ratified as part of the National Master Agreement and has been settled.
- Under Article XII of the International Constitution, the General Executive Board gave the National Negotiating Committee the authority to declare the contract in place when the members are repeatedly rejecting a supplement/rider based on language that has already been ratified.
- The National Committee voted overwhelmingly to declare the National Master UPS Agreement in effect.

What happens next?

- The contract goes into effect on April 25, 2014. The economics are retroactive to August 1, 2013.
- UPS will expedite payment of retroactive wages for UPS members. The payment will come in a separate check so that they are not taxed at the higher rate.
- UPS will begin making the retroactive contributions to health and welfare and pension funds immediately.
- Health care changes will go into effect on June 1, 2014. Members affected by the new healthcare language will receive mailings from the health care administrators in the coming weeks.

What are the highlights of the Agreement?

- **Wages** – full and part-time Teamsters will receive \$3.90 in raises over the term of the contract. And the start rate for part time will increase by \$1.50. Based on a 46-hour work week, a full-time driver will earn \$25,000 more under this contract than the last.
- **Harassment** – new language was added to deal with the underlying issues of harassment due to misuse of technology for discipline, understaffing, 9.5 rights and retaliation for grievance filing and exercising rights under the contract.
- **New jobs** – the contract provide for an additional 2,350 full-time jobs during the first three years and protects current 22.3 jobs.
- **SurePost** - new guidelines will protect Teamster jobs, limit the size and weight of SurePost packages, put more SurePost packages back in package cars and give the Union the right to address problems in arbitration.

**TEAMSTERS****United Parcel Service National Negotiating Committee**

25 Louisiana Avenue, NW, Washington, DC 20001

MEMORANDUM

To: UPS Local Unions

From: National Negotiating Committee

Date: April 23, 2014

Re: UPS National Master Agreement and all
Supplements/Riders/Addenda

Today, the National Negotiating Committee met to discuss the resolution of the outstanding Supplements/Rider to the National UPS Agreement. 95% of our UPS members have already voted to approve their Agreements and UPS currently owes Teamster members and our funds more than \$300 million dollars in wages and contributions. The three unresolved Agreements are the Western Pennsylvania Supplement, the Local 623 Supplement and the Local 89 Air Rider.

The National Committee met with Chairs and members of the Supplemental/Rider Negotiating Committees at the National Grievance Panel last month. The Chairs made it clear to the National Committee that the main issue causing the rejection of the Agreements is the move from the UPS health insurance to TeamCare. This issue has been voted on and ratified as a part of the National Master Agreement.

Under Article XII of the International Constitution, the General Executive Board gave the National Committee the authority to declare a contract in place when the members are repeatedly rejecting a Supplement/Rider based on language that has already been ratified. This authority is very narrow in scope and does not affect the autonomy of Supplements/Riders to negotiate over issues that are properly contained in their Agreements, nor does it affect the rights of members to vote on their Supplements/Riders.

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The National Committee voted overwhelmingly to declare the new National Master UPS Agreement and all of the Supplements, Riders and Addenda in effect. The Company's last, best, final offers on Western Pennsylvania, Local 623 and the Local 89 Air Rider are included. The Agreements become effective Friday, April 25, 2014. The changes to healthcare, where applicable, will occur on June 1, 2014. Members affected by the new healthcare language will receive mailings from the health insurance administrators in the coming weeks. All members will receive a letter from the National Negotiating Committee informing them that the contract is in effect. A copy of the letter is attached.

UPS has agreed to expedite the retro checks for your members. The payments will come in a separate check so that they are not taxed at the higher rate. In addition, UPS will begin making the retroactive contributions to the health and welfare and pension funds immediately.

Also attached are a posting announcing the effective date for the contract and some talking points you can use to answer any questions that your members may have.

Although this has been a long process, we are very proud of the new contract. It contains unparalleled wage and benefit increases. New language offers strong protections from harassment and retaliation. We also will be able to implement the new 9.5 language, protections regarding Surepost and all of the other improvements and protections contained in the new Agreement.

Thank you for your patience during this process. If you have any questions, please contact the Package Division @ (202) 624-8755.