



UPS DATE

AUGUST 22, 2013

A REPORT ON THE 2013 CONTRACT CAMPAIGN

Wage Increase, Other Improvements Await Passage of Area Supplements

National Agreement Not In Effect Until All Supplements, Riders Ratified

The UPS National Master Agreement, which was approved in June by a majority of UPS Teamsters who voted, achieves many contract enhancements that members identified as extremely important, including wage and benefit increases, additional full-time jobs and language improvements on issues such as harassment, 9.5, SurePost and military leave.

Those provisions, including a 70-cent per hour wage increase, were negotiated to take effect Aug. 1. But members probably have noticed the raises have not been reflected in their paychecks yet.

That's because the national agreement does not take effect until all regional supplements and riders have been approved. As of this press date, there are 17 supplements and riders that have not been approved. Bargaining committees are working diligently with their members and negotiating with the company to address issues so ballots can be sent out again. We have extended the current Agreement on a month-to-month basis to give the supplemental negotiating committees time to address issues.

Many supplements and riders failed because of confusion and misinformation about a change in some members' health care benefits in the national agreement. Members currently in a UPS health insurance plan are being moved to alternative plans in order to ensure that they continue to receive excellent health insurance benefits without having to pay a monthly premium.

Because health care is contained in the national agreement, votes against the 17 supplements and riders will not impact health care. Supplements deal strictly with local area issues, not the broader, national economic and language issues that are covered by the national agreement, which was approved.

The longer the approval process takes for the 17 supplements and riders, the longer members' wage and pension increases and other benefits will be delayed. Once all supplements and

riders are approved, wage and pension increases will be paid retroactively to Aug. 1.

Wage Increases

Under the new contract, both full- and part-time workers will receive the following wage increases:

- August 2013: 70 cents (delayed, but will be paid retroactively)
- August 2014: 70 cents
- August 2015: 70 cents
- August 2016: 40 cents
- February 2017: 40 cents
- August 2017: 50 cents
- February 2018: 50 cents

Based on a 46-hour work week, a full-time driver will earn \$25,000 more under the new five-year contract than under the previous agreement.

For part-timers, who will receive the same general wage increases as full-time workers, the start rate will increase by \$1.50.

Excellent Health Care Benefits

UPS was already moving forward to replace the current company health care plan with one that cut benefits, slashed retiree health care and required members to contribute thousands of dollars every year in premiums, deductibles and co-pays.

When negotiations began, UPS demanded major concessions in health care. The company announced it was terminating the existing company health plan and replacing it with a plan that would cost members thousands of dollars a year for less coverage, including a monthly premium for family care that would be deducted out of workers' paychecks. UPS recently severely cut the health insurance plan it offers its own management and was looking for similar savings in the Teamster contract.

The National Negotiating Committee stood firm and rejected those benefit cuts, premiums and out-of-pocket costs that UPS demanded. Instead, the committee proposed that Teamsters move out of the company plan. UPS Teamsters will be receiving more information about the new health care plans soon.

Both full- and part-time workers will continue to pay zero in premiums for health insurance. These new plans maintain exceptional coverage to UPS Teamsters and their families at low cost.

Harassment Addressed

The agreement adds new language to deal with the underlying issues of harassment based on technology, 9.5 and grievance filing. For example, new language makes it easier to get on the 9.5 list, provides access to 9.5 penalty pay on the first week of the violation after going on the list, provides protections against retaliation for filing 9.5 grievances, prohibits the company from piling on work at the end of the week and allows the union to address inadequate staffing.

Also, the new agreement specifically prohibits the company from retaliating against workers for exercising their rights under this agreement, including grievance filing.

SurePost, Military Service Protections, New Jobs

New language sets guidelines for the size and weight of packages, puts more packages back on UPS trucks and protects Teamster work.

Also, under the new contract, UPS employees who have been serving in the military will be able to continue accruing vacation to be used upon their return. This means that when they return to their jobs, they will have vacation available to use immediately.

The new contract also provides for an additional 2,350 full-time jobs during the first three years of the contract and protects current 22.3 jobs.