

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER**



**For the Period:
December 19, 2007 through July 31, 2013**

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
LOCAL UNION NOS. 63, 104, 186, 381, 396, 492,
542, 572, 631 AND 952**

**TEAMSTERS / UNITED PARCEL SERVICE SOUTHWEST SORT RIDER
LOCAL UNION NOS. 63, 104, 186, 381, 396, 492, 542, 572, 631 AND 952
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
For the Period: December 19, 2007 through July 31, 2008**

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SOUTHWEST SORT RIDER

THIS AGREEMENT made and entered into this 19th day of December, 2007, by and between UNITED PARCEL SERVICE; SOUTH EAST CALIFORNIA, WEST LOS ANGELES, SOUTH CALIFORNIA, GREAT BASIN (Southern Nevada) and DESERT MOUNTAIN (New Mexico and Arizona) DISTRICTS, hereinafter referred to as the "COMPANY" or the "EMPLOYER", and LOCAL UNION NOS. 63, 104, 186, 381, 396, 492, 542, 572, 631 AND 952, affiliates of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, hereinafter referred to as the "UNION".

WITNESSETH

That in consideration of the premises and of the respective promises of the parties hereto, they do hereby mutually agree as follows:

SECTION 1 - RECOGNITION

The Company recognizes the Union as the sole collective bargaining agent for all employees described as follows: drivers, sheet writer loaders, pickup unloaders and feeder loaders, checkers, cashiers, report clerks, center clerks, and all other package production employees, excluding those in supervisory capacity with authority to hire and discharge.

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

Seniority is defined as the length of an employee's continuous service within his classification in the center he is domiciled, from the date of hire or his requested transfer.

Probationary Period - Part-Time

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

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

Trial Period - Package Car Driver

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

The work of supervisors will not include assignments of work that is performed by Union members except for the purpose of training and demonstration. Supervisors will not perform Union members work until after all reasonable efforts have been exhausted to have the work covered.

A working supervisor is an employee whose duties require him to handle merchandise and also supervise the work of other employees.

SECTION 2 - EMPLOYMENT AND DISCHARGE

The Union agrees that the Company's business is of a specialized character which requires different and varied experience from that of other members of the Union. The Company shall have the right to hire any person who is over eighteen (18) years of age and who is a citizen of the United States or who has legally declared his intention of becoming a citizen. All such new employees, as well as present employees covered by this Agreement, if not already members of the Union, shall become members of the Union on the thirty-first (31st) day of continuous employment or thirty-one (31) days following the execution of this Agreement, whichever is later, and shall become and remain a member in good standing of the Union as a condition of continued employment.

The Employer shall not and the Union shall not discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of race, religion, color, sex, sexual orientation, disability, veteran status, national origin and/or age, as otherwise provided by law. Where the pronouns "he" or "she" or any other pronoun designating sex are used in this Agreement, it shall be deemed to refer to either/and both sexes.

The Company shall be the sole judge of the competency and qualifications of its employees, and reserves the right to discharge any person in its employ not deemed by it to be satisfactory. However, before the Company discharges a seniority employee, it agrees to notify the Union of its intention and will discuss the grievance with the Union and the employee.

The exception to the above rule will be cases of:

(1) Proven dishonesty; (2) Drinking of alcoholic beverages while on duty; (3) Recklessness resulting in a serious accident while on duty; (4) The carrying of unauthorized passengers; (5) Unprovoked assault on an employee or a supervisory employee while on duty; (6) Selling, transporting or use of illegal narcotics while in the employment of the Employer; (7) Willful,

wanton or malicious damage to the Employer's property, shall be dischargeable offenses without the necessity of a warning letter being in effect.

The first offense of signing for a package where dishonesty is not proven, will not result in discharge or suspension. The second such offense shall be cause for immediate discharge.

An employee who fails to report to work and is a "No Call-No Show" for three (3) consecutive working days, who has been given a warning notice for "No Call-No Show" within the nine (9) month period immediately preceding the three (3) consecutive working day "No Call-No Show", shall be subject to immediate discharge and loss of seniority. In instances of proven emergencies or extraordinary circumstances this language shall not apply.

Upon request of the Union, the Company shall provide copies of SPARC's reports.

Upon request of the employee, steward or Local Union, the Company shall provide copies of ODS messages. When such request is made on the same day the transmission(s) took place the operating center shall provide the printed copy of the transmission(s). When such request is made after the day the transmission(s) took place the printed copy of the transmission(s) shall be provided, for a period of thirty (30) calendar days from the date of transmission, by the Company entity that maintains such information database and as such database is implemented.

The Union agrees that the Company will be notified not less than seventy-two (72) hours before any employee of the Company, a member of the Union, be taken off the job because of his failure to maintain good standing in the Union.

The Employer recognizes the employee's right to be given requested representation by a steward, or designated alternate, at such time as the "employee" reasonably contemplates disciplinary action, unless specifically waived by the employee, in writing, with a copy to the Union.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing. Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicate the need for a fitness-for-duty medical evaluation. Refusal to submit to a reasonable cause drug test is a dischargeable offense.

SECTION 3 - SETTLEMENT OF CONTROVERSIES

See Western Region of Teamsters-United Parcel Service Supplemental Agreement (Articles 25, 26, 27 and 28).

(In conjunction with Article 25 of the WRT/UPS Supplemental Agreement, Teamsters Local Union No. 396 shall utilize the Letter of Agreement for Settlement of Controversies contained in Addendum No. 2 to the Teamsters/United Parcel Service Southwest Sort Rider.)

SECTION 4 - SAFETY

Drivers involved in their third (3rd) avoidable, or runaway accident in a nine (9) month period may request to be interviewed by the District Committee concerning the circumstances of the third accident prior to the final decision with respect to discipline. Upon request of the employee, a Shop Steward may attend the review.

SECTION 5 - UNION BULLETIN BOARD

The Employer agrees to supply a glass enclosed bulletin board to provide suitable display space for the Union in each center, hub or place of work. Keys to the Union bulletin boards will be in the custody of the Local Business Agent and the Company. Postings by the Union on such boards are to be confined to official business on Union letterhead and/or Titan messages of the Union.

SECTION 6 - METHOD OF OPERATION

The Company's rules, regulations, practices and methods of operation now in effect shall continue in full force and effect, at the option of the Company. However, with regard to the Company's bonus plan, the Company agrees to notify the Union prior to changes being made and, at the request of the Union, to discuss and explain its reasons or basis for having made such changes.

Effective May 1, 1979, the preloaders who are eligible for average hours, sick and holiday pay, shall have such determined by the average number of hours worked in each calendar year preceding May 1st.

SECTION 7 - SECURITY

No cash deposit of any amount shall be furnished by any member of the Union to the Employer as security. If the Employer desires security from employees, it may place them under proper bond at the Employer's expense.

SECTION 8 - UNIFORMS

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

Rain gear will be available for those employees assigned to moving vehicles on the Employer's premises.

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

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

Wearing of caps or jackets is optional with the employee, but if any headpiece or jacket is worn on the job, it shall be the Company's regulation uniform cap or jacket.

SECTION 9 - OVERTIME RATES OF PAY

All hours worked in excess of eight (8) hours per day and forty (40) hours per week shall be overtime hours and paid for at one and one-half (1½) times the regular rate of pay. All work performed on the sixth (6th) day shall be paid for at one and one-half (1½) times the regular straight time hourly rate of pay providing the employee has either worked or received paid for time for the previous five (5) consecutive days prior to the sixth (6th) day. Saturday shall be considered a straight-time workday for those employees whose regular scheduled workweek includes Saturday and for those employees performing Saturday work in accordance with Section 26 - Air Operation of this Agreement. Double time (2x) the regular rate of pay for any employee required to work on the seventh (7th) day.

Any employee who performs work in more than one classification, as set forth herein, shall be compensated for the full-time worked in each classification at the rate stated herein for such classification of work; provided, however, that regular Sorters who work a portion of the day in that classification shall receive the rate for that classification for the entire day. Employees who operate a UPS on-road vehicle, non-feeder, requiring a Class B license or with a trailer in tow, shall receive thirty-five cents (\$.35) per hour in addition to their regular hourly rate for all hours worked.

Any employee reporting for work on any day, as directed, shall be guaranteed full pay for his regular hours, unless excused at the employee's request.

(A) Present Part-time Employees

All part-time employees who have attained seniority as of August 1, 2008, will receive the following general wage increases for each contract year. In the first year, 2008, twenty cents (\$.20) has been re-allocated from the August 1, 2008 hourly pension contribution increase and has been added to the August 1, 2008 general wage increase. Therefore, the 2008 increase shall be a total of ninety cents (\$.90) per hour, with an August 1, 2008 general wage increase of fifty-

five cents (\$0.55) per hour and a February 1, 2009 general wage increase of thirty-five cents (\$0.35) per hour. In each of the remaining years, 2009, 2010, 2011 and 2012, the increase shall be paid in two (2) equal installments. The first-half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for each year will be as follows:

- 2008 - Ninety cents (\$0.90) per hour
 - August 1, 2008 Fifty-five cents (\$0.55) per hour
 - February 1, 2009 Thirty-five cents (\$0.35) per hour
- 2009 - Seventy-five cents (\$0.75) per hour
 - August 1, 2009 Thirty-seven and one-half cents (\$0.375) per hour
 - February 1, 2010 Thirty-seven and one-half cents (\$0.375) per hour
- 2010 - Seventy-five cents (\$0.75) per hour
 - August 1, 2010 Thirty-seven and one-half cents (\$0.375) per hour
 - February 1, 2011 Thirty-seven and one-half cents (\$0.375) per hour
- 2011 - Eighty-five cents (\$0.85) per hour
 - August 1, 2011 Forty-two and one-half cents (\$0.425) per hour
 - February 1, 2012 Forty-two and one-half cents (\$0.425) per hour
- 2012 - Ninety-five cents (\$0.95) per hour
 - August 1, 2012 Forty-seven and one-half cents (\$0.475) per hour
 - February 1, 2013 Forty-seven and one-half cents (\$0.475) per hour

In accordance with National Master United Parcel Service Agreement Article 22, Section 5, (Part-Time Employees – Wages) part-time employees still in progression on August 1, 2008 shall receive the above contractual increase and will be paid no less than what they are entitled to in accordance with the wage schedules in Section 9 (B) below. Between the date of ratification and August 1, 2008 part-time employees will continue to be paid in accordance with the progression contained in the prior Agreement. The progression set forth in (B) below shall be applied effective August 1, 2008.

(B) Newly Hired Part-time Employees

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

	<u>Hourly Rate</u>	
	<u>Preloader/ Sorter</u>	<u>All Others</u>
Start	\$9.50	\$8.50
Start plus ninety (90) calendar days	\$10.50	\$9.50
Seniority plus one (1) year	\$11.00	\$10.00
Seniority plus two (2) years	\$11.50	\$10.50
Seniority plus three (3) years	\$12.00	\$11.00

Seniority plus four (4) years

\$12.87

\$11.87

Employees working high volume direct or low volume direct shall receive the preload/sorter rates. Upon completion of training and certification, hazardous material responders (hired after July 2, 1982) shall receive the preload/sorter rates of pay. Hazardous material responders who are disqualified or who resign their position (in accordance with National Master United Parcel Service Agreement, Article 18, Section 21) shall no longer receive the preload/sorter rates of pay.

(C) The wage rates and increases provided in (A) and (B) shall be a minimum.

(D) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3 ½) hour guarantee.

Part-time employees hired prior to July 2, 1982, shall be red-circled at their current rates of pay and shall receive the contractual wage increases on August 1, 2008, February 1, 2009, August 1, 2009, February 1, 2010, August 1, 2010, February 1, 2011, August 1, 2011, February 1, 2012, August 1, 2012 and February 1, 2013.

Qualified part-time employees shall be afforded the first opportunity to perform peak season driver helper work, provided they can report to and complete their primary job, prior to the Company hiring from the street. Peak season driver helpers may be used between the dates of October 1st and December 31st only.

Part-time employees, including part-time air drivers, available for peak season driver helper work Monday through Friday shall be assigned the peak season driver helper work in seniority order first, prior to hiring from the street. Those part-time employees, including part-time air drivers, available less than the Monday through Friday work week shall be assigned the peak season driver helper work, in seniority order, as work is available. Part-time air drivers may only work as peak season driver helpers if they are not needed for air work. There is no obligation to the Company to work anyone on overtime.

Part-time employees shall be afforded the opportunity to sign a bid for peak season driver helper work which will be posted from September 1, to September 30, of each year. If additional peak season driver helpers are needed, the Company may hire from the street.

The peak season driver helper rate of pay for existing part-time employees who choose to work as peak season driver helpers shall be one dollar (\$1.00) per hour higher than the "All other" rate of pay. The rate of pay for employees hired off the street to work as peak season driver helpers shall be the "All other" rate of pay.

SECTION 10 - TIME CLOCKS

A daily time record shall be maintained by the Employer at its place of business for an employee's review, upon request. The Employer who employs five (5) or more drivers at any hub/center shall have time clocks at such hub/center when requested by the union, in writing.

SECTION 11 - REST BREAKS

Part-time employees working in three and one-half (3½) hour locations shall be entitled to a ten (10) minute rest break. Commencing after the fourth (4th) hour and each hour thereafter, the employee shall be entitled to a five (5) minute rest break not to exceed that time agreed to under the Labor Agreement for full-time employees. The Company shall have the option to;

1. Delay the hourly breaks in order to combine them.
2. Stop the entire operation for break purposes, or give as individual breaks.
3. Pay for those breaks earned after guaranteed hours.

SECTION 12 - HOLIDAYS AND PERSONAL DAYS

The following holidays shall be granted to Seniority employees without reduction in pay:

New Year's Day	Memorial Day
July 4 th	Labor Day
Thanksgiving Day	Day after Thanksgiving
Christmas Day	December 31 st

Every January each seniority employee shall be granted floating holidays to be taken each calendar year. Local Union Nos. 63, 186, 381, 396, 492, 542, 572 and 952 eligible seniority employees shall be entitled five (5) personal days to be taken each anniversary year and every January 1st each seniority employee shall be granted four (4) floating holidays to be taken each calendar year. Local Union Nos. 104 and 631 eligible seniority employees shall be entitled five (5) personal days to be taken each anniversary year and every January 1st each seniority employee shall be granted five (5) floating holidays to be taken each calendar year. Employees hired on or after October 1, 1993, shall be eligible for the floating holidays upon completion of one (1) year seniority.

Employees hired prior to August 1, 2008, shall be eligible for holiday time off for the named holidays above, but shall not be eligible for pay for the above-named holidays until they have six (6) months seniority with the Company. (This provision does not apply to Local 104 in the state of Arizona where employees are eligible for time off and pay effective with their date of hire.)

In accordance with National Master United Parcel Service Agreement Article 22, Section 7, (Part-Time Employees – Benefit Entitlements) employees hired on or after August 1, 2008, shall be eligible for holiday time off for the named holidays above in accordance with the previous paragraph but shall not be eligible for pay for the above named holidays until they have one (1) year seniority with the Company.

The employee shall designate on a form provided by the Company which of the selected days off are to be paid as floating holidays and which of the selected days off are to be paid as personal days. The employee shall be given a copy of this form once it is filled out and these days shall be paid from the appropriate entitlement bank.

Floating holidays and personal days shall be selected in the following manner. Floating holidays and personal days which are available for selection in accordance with the procedures and formulas contained in this section and are scheduled during the vacation selection process shall be guaranteed time off for the employee requesting such days. Those employees not selecting during the vacation selection period may request their floating holidays or personal days at any time during the calendar year. Seniority shall prevail when the floating holidays and personal days which are available for selection in accordance with the procedures and formulas contained in this section and have been selected at least ten (10) working days prior to the selected dates, and time off shall be guaranteed ten (10) working days prior to the dates the floating holidays or personal holidays occur. Floating holidays and personal days may be selected as individual days, blocks of days (two, three or four days) or combined in blocks of five (5) days and selected as full weeks.

Seniority shall prevail when an excessive number of employees have chosen the same day.

The Company shall make available for selection floating holidays in each center according to the following schedule regardless of the ten percent (10%) allowed off per week in each operation/sort for earned vacations;

In all operations/sorts a minimum of one (1) floating holidays/personal days per day shall be granted.

In all operations/sorts of thirty-one (31) or more employees, a minimum of two (2) floating holidays/personal days per day shall be granted.

The granting of floating and personal holidays may be limited from December 1st through December 25th.

If the Company decides to shut down its operation in the Southern California Area on another day, a floating holiday will be assigned to that day.

When a holiday falls on a Sunday, the following Monday will be observed as the same.

Employees absent for more than thirty (30) days due to non-industrial illness or injury will not be eligible for holiday pay. In the case of industrial injury, employees absent for more than ninety (90) days will not be eligible for holiday pay.

Except as described above, an employee, to be eligible for holiday pay, must have monies earned during the week in which the holiday falls.

The above holidays will be paid regardless of what day in the week they may fall.

The holiday pay for all eligible part-time employees shall be four (4) hours maximum.

Employees may elect, on their anniversary date, to receive five (5) personal days off (guaranteed hours) or pay in lieu thereof. These five (5) days may be selected, under seniority procedures, by the employee as part of the employee's vacation selection procedure.

Holidays worked: Pay shall be one and one-half (1 ½) times the hourly rate, plus the holiday pay.

SECTION 13 - MATERNITY/PATERNITY/FMLA LEAVE

A. It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties, and maternity leave must comply with applicable State and Federal laws. It is further understood that, pursuant to Section 13B-Family and Medical Leave Act, paternity leave for a male employee whose spouse is pregnant shall be granted with no loss of seniority, for each pregnancy, for a period not to exceed twelve (12) / six (6) weeks, with the exception of employees not able to meet the qualifications set out in Section 13B, who shall be granted leave not to exceed one (1) week, this week shall commence on the date of birth or the day the spouse is released from the hospital subject to the employee's choice.

B. All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one half (½) of the time provided by the FMLA.

Eligible employees are entitled up to a total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;

3. To care for a spouse, child or parent of the employee due to serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued vacation or other paid for leave for part of the 12/6 week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for the leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of the need for the leave under the Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employers expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

SECTION 14 - DISABILITY AND SICK LEAVE

Each part-time employee will be allowed seven (7) days sick leave (four (4) hours daily guarantee of straight time pay) upon attaining one (1) year seniority with the Company.

Each part-time employee will be allowed seven (7) days sick leave (four (4) hours daily guarantee at straight time pay) on each succeeding sick leave anniversary date.

On the employee's anniversary date, he/she shall have the option to:

- A. Accumulate any/all unused sick leave days, to a maximum of sixty (60) days.
- B. Receive pay for any/all accumulated unused sick leave.
- C. Use in conjunction with vacation time earned, as described below:

At the end of each succeeding twelve (12) months, any unused sick pay may be accumulated, paid, or used in five (5) day segments in conjunction with vacation time off at the option of the employee. These blocks of five (5) days, twenty (20) straight time hours, may be selected under the same procedure by the employee as part of the employees next vacation selection period. When accumulated unused sick leave is paid, it shall be paid at the employee's current rate of pay.

Sick pay contribution shall be allocated under the following conditions:

1. Sick pay to be allowed for the first day of any period of absence from work due to a bona fide sickness or disability, and shall start when an employee leaves the job because of injury on the job.

2. An employee unable to work because of sickness or disability must notify the Company one (1) hour or more before the employee is scheduled to report for work, unless conditions make it impossible to give such notification, and sickness shall be deemed to have commenced at the time the Company is so notified, unless notification is impossible.

3. No employee shall be entitled to disability leave pay when the sickness or injury is due to intoxication or the use of narcotics, nor shall it apply in case of injury while working for another employer or while self-employed for profit or compensation.

4. No employee shall be requested to have a medical release, from their physician, unless the employee has been on sick leave five (5) consecutive days or more, or in the event of any personal injury.

5. Prorated unused sick leave pay will be paid in cases of separation from the Company after one (1) year of employment. An employee who retires from the Company, and is entitled to receive payment for prorated unused sick leave pay, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused sick leave pay prior to retiring (i.e. the number of prorated unused sick leave pay hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example - 40 hours x \$6.60 per hour = \$264.00).

6. A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of sick pay eligibility. Sick pay days will be pro-rated.

7. Earned sick pay may be integrated with Worker's Compensation or Unemployment Compensation Disability Benefits when requested. An employee who is receiving such benefits shall be paid the difference between such benefit payments and his straight-time weekly earnings for each week such benefit payments are made until such sick pay benefits that the employee would be eligible for are exhausted.

SECTION 15 - VACATIONS

All employees covered by this agreement shall be entitled to one (1) week of vacation with pay after one (1) year seniority with the Company; two (2) weeks vacation with pay after three (3) years seniority with the Company; three (3) weeks vacation with pay after five (5) years seniority with the Company; four (4) weeks of vacation with pay after ten (10) years seniority with the Company; and five (5) weeks of vacation with pay after twenty (20) years seniority with the Company; and six (6) weeks vacation with pay after twenty-five (25) years seniority with the Company.

Vacation pay for each week of vacation shall be one-fifty second (1/52) of the gross annual earnings of the employee during the twelve (12) month period immediately prior to the employee's employment anniversary date. One-fifty-second (1/52) shall be defined as all monies paid to an employee for an anniversary year, excluding unused sick pay, pay in lieu of unused vacations or personal days. National negotiated monetary bonus shall be governed by the National Negotiating Committee.

Center seniority, by classification, to prevail for selection of vacation period, which may be taken all at one time, or may be split, provided it is earned at that time. All vacation dates are to be determined by mutual agreement between the manager and the employee.

A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of vacation eligibility. Vacation days will be pro-rated.

VACATION SELECTION PROCEDURE: For choice of vacation, once a vacation list is posted, the first full week of January is allowed for the top 25% to select in seniority order; the second week of January for the second 25% to select in seniority order; the third week of January for the third 25% to select in seniority order; and the fourth week of January for the fourth 25% to select in seniority order. Those not signing up in their scheduled week shall lose their choice of vacation and must take what is left. Vacation period shall be defined as February 1st through the week of Thanksgiving and December 26th through January 31st of the following year.

By seniority and classification, a minimum of ten percent (10%) of the eligible members in each operation/sort shall be allowed time off for earned vacation per week during the vacation period described above.

Earned vacations, for the vacation period scheduled, shall be paid for during the week prior to the date the vacation is taken. Employees who have earned vacation weeks not selected during the vacation selection period, may select at a later date, by mutual agreement for the available time not selected or may elect to sell back those unscheduled weeks at any time. The maximum number of weeks for sell back shall be limited to two (2) weeks. Vacation pay shall be paid on a separate check.

Vacation weeks earned during the current vacation period, declared for sellback, shall be paid two (2) weeks after the employee's anniversary date of hire. Vacation pay shall be paid on a separate check.

After one (1) year of seniority, vacation allowances will be pro-rated on a monthly basis and paid in the event of separation from the Company.

An employee who retires from the Company, and is entitled to receive payment for prorated unused vacation, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee

had the employee utilized all accumulated unused vacation prior to retiring (i.e. the number of prorated unused vacation hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example - 40 hours x \$6.60 per hour = \$264.00).

SECTION 16 - HEALTH INSURANCE COVERAGE

UPS will provide Health and Welfare benefits as described in their Plan Description titled "THE UPS HEALTH AND WELFARE PACKAGE" and benefit comparison that was proposed and presented on August 28, 1997.

Employees hired prior to August 1, 2008, and their eligible dependents, shall become eligible for this coverage six (6) months after their seniority date.

In accordance with National Master United Parcel Service Agreement Article 34, Section 2(b), (Health & Welfare and Pension - Part-Time Medical Coverage) employees hired on or after August 1, 2008, shall become eligible for this coverage after twelve (12) months of active employment and spousal or dependant coverage will be made available to these part-time employees eighteen (18) months after their initial date of employment.

It is recognized that health insurance coverage, "THE UPS HEALTH AND WELFARE PACKAGE", shall be provided for eligible retirees who meet eligibility requirements.

The Company shall print and make available a summary plan description book specifically for the Health and Welfare Plan that includes a detailed description of all benefits, including but not limited to medical benefits, dental benefits, vision benefits and retiree benefits, included in such plan.

Maintenance of benefits of Health and Welfare plans shall continue for the life of the Agreement.

SECTION 17 - PENSION BENEFITS

For Local Union Nos. 63, 186, 381, 542, 572 and 952 The Company shall pay into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, a monthly sum computed as follows:

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

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$0.10) (including \$0.01 for PEER/84 for part-time employees) during the probationary period as defined in Section 1 of this Agreement, but in no case for a period longer than the first ninety (90) calendar days from an employees first date of hire. If and

when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Section.

Effective August 1, 2008, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.10 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2009, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.75 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2010, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$6.40 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2011, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.05 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2012, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.70 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For Local Union Nos. 104 and 631 The Company shall pay into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, a monthly sum computed as follows:

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

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

Effective August 1, 2008, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.00 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2009, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.65 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2010, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$6.30 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2011, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$6.95 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2012, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.60 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For Local Union No. 492 The Company shall pay into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, a monthly sum computed as follows:

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

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

Effective August 1, 2008, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly

contribution rate of \$5.32 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2009, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.97 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2010, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$6.62 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2011, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.27 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2012, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.92 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For Local Union No. 396 The Company shall pay into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, a monthly sum computed as follows:

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

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

Effective August 1, 2008, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.10 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2009, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$5.75 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2010, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$6.40 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2011, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.05 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2012, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$7.70 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

SECTION 18 - SAVINGS

Unless designated by mutual agreement between the Union and the Company to divert the following contribution into the Western Conference of Teamsters Pension Trust Fund:

Effective August 1, 1996 United Parcel Service shall make contributions at the rate of forty cents (\$.40) per compensable hour for Local Union Nos. 104, 492 and 631, eighty-five cents (\$.85) per compensable hour for Local Union Nos. 63, 186, 381, 542, 572 and 952, one dollar (\$1.00) per compensable hour for Local Union No. 396, into the Pacific Coast Benefits Trust (herein "Trust") on behalf of all employees covered under this Rider on whose behalf United Parcel Service was obligated to make contributions in the Trust immediately prior to August 1, 1996. With respect to employees whose first hour of employment (or re-employment) with United Parcel Service is on or after August 1, 1996, United Parcel Service shall make contributions at the rate of forty cents (\$.40) per compensable hour for Local Union Nos. 104, 492 and 631, eighty-five cents (\$.85) per compensable hour for Local Union Nos. 63, 186, 381, 542, 572 and 952, one dollar (\$1.00) per compensable hour for Local Union No. 396, into the Pacific Coast Benefits Trust Fund on behalf of each such employee beginning on the earlier of the employee's achievement of seniority or the employee's completion of 600 hours of employment (or re-employment) within twelve consecutive calendar months, such contributions to be made retroactively for all compensable hours in the twelve consecutive months immediately preceding achievement of seniority or the completion of 600 hours of employment (or re-employment) as the case may be. Provided, however, that United Parcel Service shall not contribute for more

than 173 hours in any calendar month for each covered employee. The total amount due for each calendar month shall be remitted in a lump sum not later than the tenth day of the following month. United Parcel Service acknowledges that it has received a true copy of the Trust and shall be considered a party thereto. It is understood and agreed that United Parcel Service accepts the terms and conditions of this Trust and agrees that the Employer Trustees named pursuant to the Trust are its representatives and consents to be bound by the actions and determinations of the Trustees. United Parcel Service further agrees to abide by such rules as may be established by the Trustees of said Trust to facilitate the audit of hours for which contributions are due, the prompt and orderly collection of contributions, and the accurate recording of such hours.

SECTION 19 - TRUST FUND ACCEPTANCE

Overtime hours, production/incentive bonus hours, holidays, floating holidays, personal days, jury duty, funeral leave, sick pay and vacation time paid for but not worked shall be considered as time worked for the purpose of Section 17, but no payments shall be made for unused sick pay benefits or pro-rated payments made in cases of separation from the Company.

Holidays, floating holidays, personal days, jury duty, funeral leave, sick pay and vacation time paid for but not worked shall be considered as time worked for the purpose of Section 18, but no payments shall be made for overtime in cases of separation from the Company.

The Employer shall not be obligated to make payments into the Trust Funds of amounts in excess of those which are deductible from gross income by the Employer under Section 404 of the Internal Revenue Code.

The total amount due for each calendar month shall be remitted in a lump sum not later than the 20th day of the following month.

The Employer agrees to abide by such rules as may be established by the Trustees of the respective Trust Fund to facilitate the prompt and orderly collection of such amount and the accurate reporting of such amounts paid on account of the employees.

Failure to make the payments herein provided within the time specified shall be a breach of this Agreement.

During the calendar year, monthly and year to date pension contributory hours and monies shall be provided upon an employee's request.

SECTION 20 - LEGAL SERVICES TRUST

The Employer shall contribute fifteen cents (\$0.15) per hour, up to a maximum of twenty-five dollars and ninety-five cents (\$25.95) per month, for each regular employee into the Western Conference of Teamsters Legal Services Trust Fund for the purpose of providing for employees

and their eligible dependents, legal benefits as provided for in the Trust Agreement. (The increased hourly contribution of five cents (\$0.05) shall be re-allocated from the sixty-five cent (\$0.65) August 1, 2008, IBT/UPS National Master Agreement Pension contribution increase on behalf of the Local Unions that are participants in the Western Conference of Teamsters Legal Services Trust Fund.)

SECTION 21 - PROTECTION OF RIGHTS

See National Master United Parcel Service Agreement Article 9 – Protection of Rights.

SECTION 22 - GARNISHMENTS

See National Master United Parcel Service Agreement Article 31 – Garnishments.

SECTION 23 - JURY DUTY

See National Master United Parcel Service Agreement Article 29, Section 1 – Jury Duty.

SECTION 24 - FUNERAL LEAVE

In the event of a death of a member of the employee's family, a seniority employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite.

Members of the employee's family means: spouse, child, or step-child, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law and step-parents.

A regular full time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite. In cases involving the funeral of a relative listed in paragraph 2 above, an employee who attends the funeral or bereavement rite is guaranteed a minimum of two days off.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law or brother-in-law. The definition of a sister-in-law or brother-in-law is your spouse's sister or brother and your brother's or sister's spouse. Reimbursement for this day shall be the same as provided below.

Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided above. In no event will total compensated time off exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight time hourly rate for each day lost from work for those employees whose regular scheduled workweek is five (5) days, and ten (10) times the straight time hourly rate for those

employees whose regular scheduled workweek is four (4) days. Part-time employees will receive the same benefits as above, paid at four (4) times the employee's hourly rate. Better conditions contained in Supplements, Riders or Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

SECTION 25 - TRANSFERS

Part-time employees with at least six (6) months seniority may request shift transfers within the hub employed. Such transfer requests shall be in writing and consistent with the efficient operations of the hub.

Part-time employees may request, in writing, to be placed on the full-time employment list. Forms shall be provided for the employee to indicate the full-time classifications of work requested. A copy of the completed request form shall be returned to the employees' immediate supervisor or manager for approval before being forwarded to the personnel office for final approval and held in their file for ready reference when openings occur. Requests for full-time employment will not be considered during the period when seasonal help is being trained.

Part-time employees who wish to transfer to another location for educational purposes may submit a written request to the Employer. If approved, the transfer shall be allowed subject to the following conditions:

- A. A part-time opening exists at the desired location.
- B. Employees must have attained seniority and been employed by the Employer for at least one (1) year.
- C. Job Classification Seniority shall be end tailed.
- D. Company seniority shall be retained for the purpose of number of weeks of vacation, and number of holidays in accordance with the applicable Supplement, Rider or Addenda at the new location.
- E. Any expenses, including moving expenses associated with an approved transfer, shall be the responsibility of the employee.
- F. Employees transferring outside their current local's jurisdiction shall be placed at the bottom of the seniority list for the purpose of promotion.

A notation will be made on the Employee Record U6151 when transfers and requests for full-time employment are approved and/or disapproved. All such notations shall be signed by the immediate supervisor and the employee involved. A list of such requests shall be maintained in the Company's personnel departments.

An employee under this Agreement obtaining a position under the Package Agreement in accordance with this Section, who fails to successfully complete the probationary period in the position under the Package Agreement, shall be entitled to return to his former classification under this Agreement with no loss of seniority.

SECTION 26 - AIR OPERATION

See National Master United Parcel Service Agreement Article 40 – Air Operation.

SECTION 27 - LAYOFFS

The last employee hired within each classification in each center, will be the first employee laid off when reduction of force is necessary. The last employee laid off will be the first employee recalled.

In a multi-shift operation, a part-time employee permanently laid off will be allowed to replace the least senior part-time employee within the building, providing he/she is capable of performing the available work. Permanent layoff shall be considered to be at least one week in duration. On the first Monday following the week layoff, the replacement shall take effect.

The least senior part-time employee(s) may be subject to a layoff as a result of full-time employee(s) being laid off pursuant to the language and procedures set forth in Section 26 - Layoffs of the Southwest Package Rider.

SECTION 28 - COVER DRIVERS

Cover driver jobs will be filled by qualified seniority part-time employees, who have expressed their desire in writing to be on the list, in seniority order and who have been certified by the Employer. Cover drivers will not accrue full time seniority when driving under this section. When no cover work is available, cover drivers shall continue to accrue part-time seniority with their appropriate part-time benefits.

The starting rate for cover drivers will commence on the first day of orientation. Part-time employees by seniority who elect to become cover drivers will be allowed to select a specific center, in the building in which they are employed. The employee will be placed at the bottom of that center's cover driver seniority list along with the existing cover drivers upon successful completion of the qualifying period.

Employees who disqualify from cover driver positions for whatever reason will not be permitted the opportunity to re-qualify as a cover driver for a period of not less than one year from the date of disqualification. Additionally, after the one year time period has elapsed, a vacancy or new opening must exist and the position will be awarded to the qualified employee with the most

seniority. No disqualified cover driver will be denied part-time to full-time job opportunities.

Cover drivers will work as replacements for full time package drivers only for the purpose of covering vacations, holidays, jury duty, personal holidays, funeral leave, sick days and leaves of absence. The number of cover drivers will be determined by each center but may not exceed the number of persons off for reasons as described in this paragraph. In addition, cover drivers who are qualified or in the process of being qualified, shall be afforded the opportunity to work as peak season drivers, without gaining full time seniority, during October, November and December prior to hiring peak season drivers.

The Local Union will be notified, in writing, as to the number of cover drivers utilized in each center. Beginning with the effective date of the Southwest Rider, and continuing thereafter, the ratio of utility drivers to regular bid drivers shall be no less than the average ratio that was in effect during the months of March 1, 1997 through May 1, 1997. Seniority shall be observed when loaning out cover drivers to another center.

Cover drivers will be offered the opportunity to work as cover drivers in seniority order. After the process is completed and additional coverage is necessary the work will be assigned in inverse seniority order.

A cover driver that is scheduled to work a week in which a named holiday falls or has jury duty or funeral leave, he/she will receive eight (8) hours pay per day at their cover driver rate. A cover driver that is scheduled to work a week and has monies earned under that classification during the week, shall be paid eight (8) hours pay for eligible sick leave at the cover driver rate of pay.

Cover drivers who perform planned weekly coverage work shall be guaranteed five consecutive eight (8) hour days, forty (40) hours per week. If a cover driver is covering for a regular driver who is unable to complete his/her scheduled day, the cover driver will receive actual hours worked at their cover rate of pay.

No cover driver shall work less than eight (8) hours within the classification of cover driver. A cover driver shall receive eight (8) hours work as a cover driver or pay in lieu thereof, unless excused at the employee's request.

Cover Drivers working a five (5) day, forty (40) hour week as a package car driver may request to be placed at the bottom of the Saturday Air List.

The rate of pay for cover drivers shall be as follows:

Start Rate	70% of prevailing package car driver top rate of pay as of August 1 st of each succeeding year.
Cover Driver seniority plus six (6) months	75% of prevailing package car driver top rate of pay as of August 1 st of each succeeding year.

Cover drivers shall continue to receive all part time benefits, including any contractual increases in their primary job classification only, as described in the Southwest Sort Rider. Any employee who has performed the cover driver job prior to August 1, 1997, will be red-circled at their appropriate pay rate.

Cover drivers who are subsequently promoted to full time employment will be paid either their cover driver or their primary job classification wage rate, whichever is greater, until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for the purpose of applying the above progression.

All time as a cover driver shall be applied to his/her full-time package car progression period, for the life of this agreement only. Employees who self disqualify from the cover driver position shall not have their previous cover driver time applied to their full-time package car progression period.

Cover drivers will select vacations with the regular full-time package delivery drivers. Cover drivers will be offered all available weeks by seniority after all of the regular full-time drivers have selected.

Permanent full time job openings will be filled in accordance with Article 7 of the Western Region of Teamsters United Parcel Service Supplemental Agreement. Full time benefits shall commence as described in the Southwest Package Rider when employees are promoted to full time.

Cover drivers shall not be used to circumvent the terms of this agreement nor to avoid the hiring of full time package car drivers in a center. Cover drivers may be used as temporary replacements only and not to supplement the work force. If a cover driver continually works less than the cover driver guarantee, or is used for any reason other than as a replacement for full-time package drivers for the reasons listed in paragraph four (excluding October, November and December) and a total of thirty (30) days are worked out of a ninety (90) day period, the Company shall add a permanent regular full-time package car job. Cover drivers working in excess of one (1) year, either singularly or in combination, covering for a specific person out for either compensation or disability, will in itself create another full-time opening in that classification. Any alleged violation of this section will be subject to the grievance procedure. Cover drivers will not work if there are any full time package car drivers on layoff within that Local Union's jurisdiction.

Cover drivers that are used outside the parameters of the above-stated language shall be guaranteed eight (8) hours pay at the package driver's top rate of pay. Cover drivers who work an unscheduled single day(s) shall be considered outside the parameters of this agreement and shall be guaranteed eight (8) hours pay at the package driver's top rate of pay.

SECTION 29 - PEAK SEASON DRIVER HELPERS

Prior to each Peak Season, the Company shall meet with each Local Union and discuss their plans for the utilization of Peak Season Driver Helpers.

SECTION 30 - PENALTY PAY

See National Master United Parcel Service Agreement Article 17 – Paid For Time.

SECTION 31 - TERM OF AGREEMENT

This Agreement shall be effective on December 19, 2007 and remain in effect through July 31, 2013.

For the Union:

For the Company:

**Andrew A. Marshall - Local Union 104
Union Chairman**

**Al Gudim - Pacific Region
Company Chairman**

Date:_____

Date:_____

FOR THE UNION:

**Andrew A. Marshall – Chairman – Local 104
Sam Stewart – Co-Chair – Local 63
Ron Herrera – Co-Chair – Local 396
Randy Cammack - Local 63
Ken Haarala – Local 63
Karla Schumann – Local 104
Doug Saint – Local 186
Lynn Swenson – Local 381
Jay Phillips – Local 396
Mike Butler – Local 492
Phil Farias – Local 542
Rick Middleton – Local 572
Tommy Blitsch – Local 631
Bob Hahn – Local 952
Ralph Dominguez - Local 63
David Castro – Local 396
Bill Huff – Local 396
Marie Wilson – Local 492
Dwayne Garrett – Local 542
Dennis Watson – Local 572
Michael McHugh – Local 952**

FOR THE COMPANY:

**Al Gudim - Chairman
Mark Aaron
Dan Guerrero
Gary Medeiros
Tim Thompson
Jerry Dalzell
Rich Kubeck
Jay Bolda
Cheryl McKirnan
Greg Leslie
Kim Ades
Dan Powell**

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER
ADDENDA**



**For the Period:
December 19, 2007 through July 31, 2013**

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
LOCAL UNION NOS. 63, 104, 186, 381, 396, 492,
542, 572, 631 AND 952**

**ADDENDUM NO. 1
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER
APPLICABLE TO TEAMSTER LOCAL UNION NO. 104**

**Memorandums of Agreement between Teamster Local Union No. 104
and United Parcel Service**

Section 1 - Recognition:

The Company recognizes the Union as the sole bargaining agent for all sort employees, package return clerks, bad address clerks, post card room clerks, damage clerks, re-wrap clerks and hub and air hub return clerks.

Holidays (Section 11 - Holidays and Personal Days):

A paid holiday, which is not worked, may be applied against the employee's guaranteed work week if the holiday occurs on an employee's scheduled work day.

Death in the Immediate Family (Section 23 - Funeral Leave):

Inasmuch as the past Labor Agreements between the Employer and the Union have recognized foster parents as members of the employee's immediate family they will continue to be considered as such.

Part-Time Transfers from Airport/Gateway Hub (Section 24 - Transfers):

Part-time employees with one (1) year seniority who are employed at the United Parcel Service facility located at Sky Harbor Airport in Phoenix, shall have the right, in seniority order, to request a transfer to either the Tempe facility, the Mesa facility, the Estrella facility, or the Phoenix facility in order to fill vacancies and/or openings in those buildings prior to the Company hiring from the outside.

A maximum of one (1) employee per week shall be able to exercise this transfer privilege. However, no more than twenty-five percent (25%) of the total workforce per shift in any one (1) year shall be allowed the opportunity to transfer under this provision.

A part-time employee who transfers under this provision shall retain their Company seniority for the purpose of wages and fringe benefits, but shall be placed at the bottom of the center seniority list for all other purposes (bidding, layoff and recall, vacation selection, etc.)

Part-time employees choosing to utilize this ability to transfer under this provision shall submit their request in writing to the Human Resources Department. Transfers are not to be considered

during peak season.

Layoffs (Section 27 - Layoffs):

The last employee hired within each classification in each center, will be the first employee laid off when reduction of force is necessary. The last employee laid off to be the first employee rehired under the following provisions:

A laid off employee shall be given seven (7) days notice of recall. The employee must notify the Employer within three (3) days after receipt thereof as to whether or not he/she intends to report for work at the designated time within seven (7) days after receipt of notice.

Seniority:

Part-time employees shall work off separate center seniority lists. Each shift shall constitute a separate seniority list within a center. In an event of layoff, the last employee hired shall be the first employee laid off. In rehiring, the last employee laid off shall be the first rehired.

Whenever a center or hub is closed or partially closed, the employees affected will be entitled to follow the work and their seniority will be dovetailed in the new location. For the purpose of this paragraph, a closing is described as a transfer of work sufficient to cause a layoff in the center from which the work is taken.

In a multi-shift operation, a part-time employee laid off will be allowed on the second working day to replace the least senior part-time employee within the building, providing he/she is capable of performing the available work.

Pay Provisions:

Employee's pay shall begin immediately when reporting for work at a prearranged time. Employee's shall not be required, or permitted, to loiter on the premises when not on duty.

Miscellaneous:

Automotive equipment being transferred from one operation center to another within the state of Arizona are to be driven by employees of the bargaining unit provided such employees are available from their regular assignment. It is understood that the Employer may use alternative means for the transferring of vehicles interstate. It is further understood that the movement of vehicles between Phoenix and Tempe for the purpose of repair, painting, or maintenance work may be performed by mechanics.

In the case of a disabled vehicle on the road, the mechanic may drive a substitute vehicle to the scene. The mechanic will be obligated to repair the disabled vehicle, and if unable to do so, may

turn over the substitute vehicle to the driver.

For the purpose of exchanging a vehicle on the road (no repair work involved) then this exchange shall be performed by available bargaining unit employees.

Trucks are not to be loaded in such a manner that parcels might fall on or interfere with the driver.

If the Employer requires and requests that a driver move to another area the Employer will pay moving costs for such driver.

Bargaining unit employees are not required to clean rest rooms.

The Employer will not require polygraph test of employees or new applicants.

Part-time employees will not be disciplined for an accident or damage to a vehicle unless the part-time employee has been qualified to drive that vehicle.

MEMORANDUM AGREEMENT

This memorandum is an agreement to the Southwest Package/Sort Rider between United Parcel Service, hereinafter referred to as the "Company" and Teamster Local Union No. 104, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter referred to as the "Union".

The Company hereby recognizes the Union as the collective bargaining agent for auto and maintenance mechanics employed by it, in conjunction with its package delivery operations in Phoenix, Tempe, and Tucson facilities only.

Except as provided herein, the other terms and conditions of this Rider will apply to these employees.

JOB BIDDING:

Automotive and maintenance mechanics covered by this Addendum shall be given the first opportunity, by seniority, to fill Permanent full-time openings in their respective job classifications.

TRIAL PERIOD:

Automotive and Maintenance Mechanics moving into a different job/shop in the same building shall be given up to a thirty (30) working day training and trial period in which to demonstrate his/her ability to perform the work involved. All testing and job measurement skills shall be

reasonable and shall be administered in a reasonable and non-discriminatory manner. Failing to qualify in this period, the employee shall return to his/her former job/shop without loss of seniority.

TOOL INSURANCE:

The Employer shall be responsible for the reasonable value of an employee's tools stolen from the premises of the employer while such premises are closed for business or when the mechanical department is closed for business, or when the tools are secured by being locked up either during normal working hours or when the building is closed, or by reason of fire on the employer's premises at any time, or for damage to the employee's tools or tool box caused by an unforeseen accident. The employee will pay the first twenty-five dollars (\$25.00) on each such loss. The Union agrees that the employer has the right to implement reasonable rules for the purpose of providing protection against unwarranted claims under this provision. These rules shall include, but not be limited to: requirements for tool inventories, audits of tool inventories, restrictions of removal of tools from the employer's premises and proper safeguarding of tools by employees. The employee must keep his/her tools locked up when he is absent from the mechanical department. The employee must notify the employer whenever he removes his tools from the employer's premises.

It has been agreed by both parties that all special tools shall be listed as part of the employee's tool inventory. Such list shall be updated as necessary to cover instances where additional special tools may be required. It is also agreed by both parties that the Company will replace and/or repair any special tools furnished by either party.

TOOL ALLOWANCE:

All Automotive and Maintenance Mechanics shall receive an annual "Tool Allowance" of one hundred dollars (\$100.00) payable each year on December 1st, provided the employee has sixteen hundred (1600) paid hours within the past twelve (12) months.

SHIFT PAY:

For automotive and maintenance mechanics only, shifts commencing between 4:00 p.m. and midnight shall be paid twenty cents (\$.20) per hour in addition to the employee's regular hourly rate of pay. Shifts commencing between midnight and 5:30 a.m. shall be paid twenty-five cents (\$.25) per hour in addition to the employee's regular hourly rate of pay. Employees working on a shift commencing at or after 12:00 noon shall be paid the regular rate up to 4:00 p.m., and the bonus rate of twenty cents (\$.20) additional per hour for all hours worked after 4:00 p.m. Shifts beginning before 12:00 noon will not be paid a premium rate for time worked after 4:00 p.m.

RATES OF PAY:

Effective August 1, 2007

Classification:

Journeyman Auto Mechanics \$28.57

Journeyman Maintenance Mechanics \$28.57

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2008</u>	<u>Top Rate Effective 2/1/2009</u>	<u>Top Rate Effective 8/1/2009</u>	<u>Top Rate Effective 2/1/2010</u>	<u>Top Rate Effective 8/1/2010</u>
Auto Mechanic	\$29.12	\$29.47	\$29.845	\$30.22	\$30.595
Maintenance Mechanic	\$29.12	\$29.47	\$29.845	\$30.22	\$30.595

<u>Classifications:</u>	<u>Top Rate Effective 2/1/2011</u>	<u>Top Rate Effective 8/1/2011</u>	<u>Top Rate Effective 2/1/2012</u>	<u>Top Rate Effective 8/1/2012</u>	<u>Top Rate Effective 2/1/2013</u>
Auto Mechanic	\$30.97	\$31.395	\$31.82	\$32.295	\$32.77
Maintenance Mechanic	\$30.97	\$31.395	\$31.82	\$32.295	\$32.77

The progression for employees entering a package car driving, feeder, or other full-time job (other than an air driver or a job covered by Section 42, Subsection 3 of this Agreement) position after August 1, 2008 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	Top Rate

Employees who were hired into the journeymen classifications described in this addendum, prior to August 1, 2008, shall be paid in accordance with the following wage progression schedule:

Start	70%
Seniority	75%
Date of hire plus one (1) year	80%
Date of hire plus eighteen (18) months	90%
Date of hire plus two (2) years	100%

The top rate in effect on July 31, 2008 will be used to calculate the progression rates above.

**ADDENDUM NO. 2
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER
APPLICABLE TO TEAMSTER LOCAL UNION NO. 396**

**Memorandums of Agreement between Teamsters Local Union No. 396
and United Parcel Service**

Settlement of Controversies (Section 3 - Settlement of Controversies):

Both parties further recognize and agree that industrial peace is to be desired at all times in the area covered by this Rider, and to that end it is agreed. Should a controversy, dispute or disagreement arise during the period of this Rider, there shall be no cessation or stoppage of work authorized by the Union, and the Union will do its utmost to see that work is continued in a normal and orderly way and said controversy, dispute, or disagreement shall be adjusted in the following manner.

The grievance shall be discussed with the employer's immediate supervisor and/or manager within five (5) days of the known occurrence giving rise to the grievance.

If the grievance is not resolved at this meeting the grievant must submit a signed grievance through the Local Union to the Employer within fifteen (15) working days from the date of the occurrence.

Verbal warnings, warning notices and suspensions shall become inoperative after a nine (9) month period of time. After this time period, the employee shall not be discharged without following the steps of progressive disciplinary action.

Each of the parties shall make an earnest attempt to settle all differences, but in the event they fail, an Arbitrator shall be mutually selected for Arbitrations and his decision shall be final, binding and conclusive on both parties.

It is the intention of both the Local Union and the Employer that the grievant receive a hearing as soon as possible but not longer than 30 days from the time of the filing of the written grievance unless otherwise mutually agreed to.

The Arbitrator shall render a short formed decision within three (3) working days of such hearing.

Parking Charge:

The monthly parking charge, where applicable, for one parking space allocated by the Company to employees shall be one dollar and fifty cents (\$1.50).

Part-Time Employees Requesting Full-Time Package Car Positions:

Part-time employees, with 6 months or more seniority, requesting a full-time package driver position shall have the opportunity to place their names on the approved jurisdictional list. Part-time employees requesting to place their names on the request list must submit their requests in writing.

Rates of Pay and Methods of Payment (Section 28 - Rates of Pay and Methods of Payment):

PAID FOR TIME - It is agreed by both parties, that all employees covered by this agreement, promoted from, Part-time to Full-time will be paid all monies earned to include; unused sick days, personal days, floating holidays and pro-rated vacation days where applicable. All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the employee is effectively released from duty. All time lost due to delays as a result of overloads or certificate violations involving federal, state or city regulations, which occur through no fault of the driver, shall be paid for by the Employer.

**ADDENDUM NO. 3
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER
APPLICABLE TO TEAMSTER LOCAL UNION NO. 492**

**Memorandums of Agreement between Teamster Local Union No. 492
and United Parcel Service**

Premium Rates of Pay (Section 8 - Overtime Rates of Pay):

An employee that is required to work on Sunday shall be paid for such work at the rate of double time (2X), except where the regular schedule extends into Sunday, with a minimum guarantee of four (4) hours. This shall not apply to the employees on regularly assigned shifts starting Sunday.

Hourly Guarantees (Section 8 - Overtime Rates of Pay):

Part-time employees are defined as employees not otherwise regularly employed who when reporting to work as scheduled shall be guaranteed a minimum of three and one-half (3 ½) hours; however, should any part-time employee in case of emergency work beyond the fifth (5th) hour, the employee shall be paid time and one-half (1 ½) for all hours worked past the fifth (5th) hour per shift.

Premium Rates of Pay

Part-time Employees

An employee who works on the sixth (6th) report day shall be paid one and one-half (1 ½) times the straight time hourly rate for all worked performed on that day.

This is an agreement between Teamster Local Union No. 492 and United Parcel Service in New Mexico detailing the use of a Part-time Mechanic in the Espanola and Santa Fe Center only.

A Part-time mechanic shall be assigned to the Santa Fe Center and will maintain the position of Part-time mechanic as their primary job classification in Santa Fe.

Guaranteed hours and layoff provisions will be the same as those listed in the Sort Addendum for a part-time employee. The Part time mechanic will receive overtime after five (5) hours, but in the event of covering a regular full-time mechanic, overtime will be paid after eight (8) hours.

The Part-time mechanics rate of pay will follow the normal progression of a Full-time mechanic.

New Hire Mechanics hired prior to 08-01-08:

Start:	70%	\$19.94
Seniority	75%	\$21.36
12 Months	80%	\$22.78
18 Months	90%	\$25.63
24 Months	100%	\$Current Top Pay

Progression will be based on mechanics top pay as of 7-31-08 (\$28.48).

The progression for employees entering a package car driving, feeder, or other full-time job after August 1, 2008 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	Top Rate

It is understood that this mechanic shall be used as vacation and other absentee coverage for the mechanics in Espanola and Santa Fe Centers only. If in the event that this position works more than eight (8) hours in a day while covering for another mechanic, that day will not be counted towards attaining Full-time seniority status. In the event that both the Santa Fe and the Espanola mechanics are off at the same time, coverage for such time off will be covered as per past practice

There will be no compensation for time or travel when reporting to the Espanola Center to cover vacation or other absentee. The mechanics day will begin and end at the center he/she reports to.

This agreement is for the Espanola and Santa Fe Centers only. The Company will maintain the right to cover vacation and other absentees in the remaining outlying centers as established by past practice.

ADDENDUM NO. 4

**TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST SORT RIDER
APPLICABLE TO TEAMSTER LOCAL UNION NO. 631**

**Memorandums of Agreement Between Teamster Local Union No. 631
and United Parcel Service**

Section 2 - Employment and Discharge:

The parties hereto recognize that, under the laws of the United States, the Union, by virtue of its certification by the National Labor Relations Board as bargaining agent for all employees of the Employer within the bargaining unit, whether members of the Union or not, and further that, under the laws of the State of Nevada, it is unlawful for the Employer to pay an employee any wages, salary or compensation lower than that agreed upon through this Agreement, so that the benefits of the Agreement are extended by law to non-union as well as union employees, while the expense of negotiating this Agreement as well as the continuing expense of Administering its provisions and of processing grievances hereunder has been, and will continue to be, borne by the Union. For these reasons, the Employer agrees that all workers shall obtain a clearance from the Union before commencing work. For those individuals that sign an authorization slip to participate in dues checkoff, the procedure required to stop that arrangement will be clearly stated on the authorization slip.

The Employer also agrees to recommend to all employees that they become members of the Local Union and maintain such memberships during the life of this Agreement.

Payment to Bargaining Agent for Contract Administration:

A. Nothing in this Agreement shall be construed as requiring any person to become, or to remain, or not to remain, a member of the Union as a condition of employment.

B. The parties hereto recognize, however, that under the laws of the United States, the Union, by virtue of its certification by the National Labor Relations Board as bargaining agent, is the exclusive bargaining agent for all employees of the Employer within the bargaining unit, whether members of the Union or not and further that under the laws of the State of Nevada, it is unlawful for the Employer to pay an employee any wages, salary or compensation lower than that agreed upon through this Agreement, so that the benefits of the Agreement are extended by law to non-union as well as Union employees, while the expense of negotiating this Agreement as well as the continuing expense of administering its provisions and of processing grievances hereunder, has been, and will continue to be borne by the Union.

C. For these reasons, The Employer agrees that each of its employees who is not a member of the Union shall be required, as a condition of employment, to pay to the Union compensation for Union representation as bargaining agent an initial sum equal in amount to the initiation fee

regularly paid by new members of the Union, payable in four equal weekly installments, and the further sum equal to the regular monthly union dues paid by members of the Union, such payment to be due and payable monthly in advance on the first payday of each and every month after the effective date of the Agreement.

D. Such payments may be made to the Union by each of the employees directly or by means of payroll deduction pursuant to wage authorization signed by such employee, one signed copy of which shall be deposited with the Employer and one signed copy of which shall be deposited with the Union, which wage authorization shall be valid for the period of one (1) year from the date of its delivery to the Employer, and from year to year thereafter, until terminated in writing by the employee at least thirty (30) days prior to any annual anniversary date of such delivery of a written revocation signed by such employee to the Employer and one signed copy to the Union.

E. If the employee should fail to make such payments to the Union either directly or by wage authorization, the Employer agrees that upon request of the Union the Employer will terminate the employment of such employee in any job classification within the bargaining unit.

F. The Employer also agrees to at all times keep posted upon Employer bulletin boards where messages to its employees are customarily posted, a copy of this paragraph.

G. Should any provisions of the Article be determined to be in conflict with existing or hereafter enacted State or Federal legislation, the Union shall indemnify and save the Employer harmless from any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of its acting hereunder.

H. No cash deposit of any amount shall be furnished by any member of the Union to the Company as security. If the Company desires security from employees it may place them under proper bond at the Company's expense.

Warning Notices (Section 3 - Settlement of Controversies):

Warning notices shall become inoperative at the end of three months. After this period of time, the employee shall not be discharged without another warning letter served upon him and the Union.

Hourly Guarantees (Section 8 - Overtime Rates of Pay):

Part-time employees reporting to work as scheduled shall be guaranteed a minimum of three and one-half (3 ½) hours of work. Should a part-time employee work beyond the sixth (6th) hour, such employee shall receive time and one-half (1 ½) for all hours worked beyond the sixth (6th) hour.

Section 13 - Disability and Sick Leave:

Eligible seniority employees are entitled to six (6) sick days instead of seven (7) sick days. One sick day was converted to a floating holiday.

Part-Time to Full-Time Employment:

Part-time employees who are promoted to Full-time shall have all years served as a Part-time employee credited towards Full-time service for all purposes including bidding, earned vacation weeks, and all fringe benefits.

The years of Part-time served will not apply to the Full-time driver progression except as provided for in Section 38 of the Southwest Package Rider.