

UNITED PARCEL SERVICE

Southwest Sort Rider

Tentative Agreement

Local Union No.'s 63, 104, 186, 381, 396, 492, 542, 572, 631 and 952

For the Period Beginning Upon Ratification through July 31, 2013

covering:

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

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

THIS AGREEMENT made and entered into this 1st day of August, ~~2008~~ 2002, by and between UNITED PARCEL SERVICE; SOUTH EAST CALIFORNIA, WEST LOS ANGELES, SOUTH CALIFORNIA, **GREAT BASIN (Southern Nevada)** and DESERT MOUNTAIN (~~Southern Nevada~~, 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".

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.

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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 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 (1-1/2) times the regular rate of pay. All work performed on the sixth (6th) day shall be paid for at one and one-half (1-1/2) 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, 2002~~ will receive the following general wage increases **for each contract year. In the first year, 2008, twenty cents (\$0.20) 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 (\$0.90) 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:**

<u>2008</u>	<u>Ninety cents (\$0.90) per hour</u>
<u>2009</u>	<u>Seventy-five cents (\$0.75) per hour</u>
<u>2010</u>	<u>Seventy-five cents (\$0.75) per hour</u>
<u>2011</u>	<u>Eighty-five cents (\$0.85) per hour</u>
<u>2012</u>	<u>Ninety-five cents (\$0.95) per hour</u>

August 1, 2002	Seventy five cents per hour (\$0.75)
August 1, 2003	Seventy five cents per hour (\$0.75)
August 1, 2004	Eighty cents per hour (\$0.80)
August 1, 2005	Eighty cents per hour (\$0.80)
August 1, 2006	Ninety cents per hour (\$0.90)
August 1, 2007	One dollar per hour (\$1.00)

~~In addition to the general wage increase above, part-time employees who have attained seniority as of August 1, 2002 and were not red circled on or before 1982 shall receive the following increases:~~

August 1, 2002	Ten cents per hour (\$0.10)
August 1, 2003	Fifteen cents per hour (\$0.15)
August 1, 2004	Fifteen cents per hour (\$0.15)
August 1, 2005	twenty cents per hour (\$0.20)
August 1, 2006	twenty cents per hour (\$0.20)
August 1, 2007	twenty cents per hour (\$0.20)

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, on or after the ratification of this agreement~~ 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.**)

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.

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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, during the month of December.**

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 (1-1/2) times the hourly rate, plus the holiday pay.

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.

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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%. The third week of January for the third 25% to select in seniority order; and the fourth 25% to select the fourth week of January. 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

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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 pro-rated 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 pro-rated 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, on or after October 4, 1993,~~ and their eligible dependents, shall become eligible for this coverage six (6) months after their seniority date.

In accordance with National Master Agreement Article 34, Section 2(b) 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, 2002,~~ 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~~ ~~\$2.85~~ 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, 2003,~~ 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~~ ~~\$3.20~~ 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, 2004,~~ 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~~ ~~\$3.55~~ 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, 2005,~~ 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~~ ~~\$3.90~~ 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, 2006,~~ the Company shall pay into

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the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of ~~\$7.70~~ ~~\$4.25~~ 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, 2007, 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 \$4.70 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, 2002~~, 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~~ ~~\$2.75~~ 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, ~~2009, 2003~~, 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~~ ~~\$3.10~~ 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, ~~2010, 2004~~, 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~~ ~~\$3.45~~ 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, 2005~~, 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~~ ~~\$3.80~~ 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, 2006~~, 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~~ ~~\$4.15~~ 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, 2007, 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 \$4.60 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, 2002~~, 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~~ ~~\$3.07~~ 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, 2003~~, 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~~ ~~\$3.42~~ 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, 2004~~, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an

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hourly contribution rate of ~~\$6.62~~ ~~\$3.77~~ 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, 2005~~, 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~~ ~~\$4.42~~ 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, 2006~~, 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~~ ~~\$4.47~~ 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, 2007, 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 \$4.92 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, 2002~~, 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~~ ~~\$2.80~~ 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, 2003~~, 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~~ ~~\$3.15~~ 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, 2004~~, 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~~ ~~\$3.50~~ 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, 2005~~, 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~~ ~~\$3.85~~ 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, 2006~~, 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~~ ~~\$4.20~~ 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, 2007, 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 \$4.65 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.~~

SECTION 19 - TRUST FUND ACCEPTANCE

Overtime hours, production/incentive bonus hours, holidays, floating holidays, personal days, jury duty, funeral leave, sick pay, ~~pro-rated sick pay and vacation time payments made in cases of retirement from the Company~~ 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 ~~(excluding retirement)~~ from the Company.

SECTION 20 - LEGAL SERVICES TRUST

The Employer shall contribute ~~\$40~~ **fifteen cents (\$0.15)** per hour, up to a maximum of ~~\$17.30~~ **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 28 - COVER DRIVERS

Cover driver jobs will be filled by qualified seniority part-time

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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 drivers 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.

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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 one** (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.

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**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

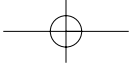
Part-Time Transfers from Airport/Gateway Hub (Section 24 - Transfers):

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.

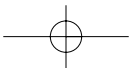
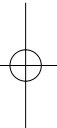
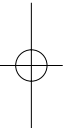
A part-time employee who transfers under this provision shall retain their Company seniority for the purpose of wages and fringe benefits, but shall be placed at the bottom of the center seniority list for all other purposes (bidding, layoff and recall, vacation selection, etc.)

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.



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