

August 2, 2007—Please Post and Distribute



PENSION UPDATE

Teamsters for a Democratic Union ■ www.tdu.org ■ (313) 842-2600

Will New Deal Let UPS Split Teamster Pensions?

Hoffa has all but made it official that he intends to let UPS rip 42,000 UPSers out of the Central States Pension Fund—a move that would undermine pension security for all Teamster members.

Concerned Teamsters can save our pensions if we speak up now.

In an August 2 letter, James Hoffa and Ken Hall have made it official: “UPS has reached an agreement in principle with the Central States pension establishing conditions for a potential UPS withdrawal from Central States.”

They go on to claim that the deal is a long way from final, and they will “protect all of our members” in bargaining with UPS. But they wouldn’t be going through all this if they weren’t trying to soften us up to accept the deal.

It’s up to us to stop it.

Pension Deal Would Hurt All Teamsters

Under the law, UPS would be required to pay some \$6 billion in withdrawal liability to Central States. This is a one-time payment. In return, UPS gets to walk away from the Central States Fund forever. As a result, the Central States Fund will lose \$600 million per year in contributions.

If allowed to go through, the UPS pension pullout will gravely undermine the Central States Fund. As ABF CEO Bob Davidson recently told employees, “A UPS withdrawal, or other adverse factors, would make [Teamster pension funds] even less stable or cause their complete collapse.”

UPS’s plan would remove 42,000 of the fund’s 143,000 participants, eliminating the fastest-growing segment of the fund. The result will be a smaller and older group of partic-

ipants—and a much weaker fund for the long term.

The UPS pullout would not just hurt Teamsters in the Central States. UPS management will look to pull out of other Teamster funds. So will other employers starting with ABF. Our union’s second largest freight company has already announced that they want to leave all Teamster pension plans and start a company 401(k).

We Don’t Have to Settle Short

Hoffa’s father started the Central States Fund. Teamsters built it up over decades. Now Hoffa Jr. is threatening to tear it apart. It doesn’t have to be this way.

UPS management is under pressure from shippers and stockholders to settle the contract early. This gives our union leverage and we need to use it.

UPS should not be given an early settlement unless they agree to realistic proposals to strengthen Teamster retirement security, including: higher pension and benefit contributions, the immediate restoration of affordable retiree healthcare and a timeline for increasing pension benefits.

UPS made more than \$4 billion in profits after taxes last year. Why are Hoffa and Hall surrendering on the pension issue a year before the contract even expires?

Get Involved to Save Our Pensions

Many Teamster members oppose this deal—including local officers and officials in the Freight Division. They know it sets a dangerous precedent for the NMFA, the carhaul contract and negotiations with UPS Freight—and that it recklessly undermines our Teamster benefit funds.

Concerned Teamsters need to act now to defend our pensions. Talk to your local officials. Call the International Union at 202-624-6800 and speak with the General President’s office. And join TDU, the national rank-and-file movement to defend our pensions and contracts.

For more information, visit www.tdu.org or contact Teamsters for a Democratic Union at 313-842-2600.