



TEAMSTERS

United Parcel Service National Negotiating Committee

25 Louisiana Avenue, NW, Washington, DC 20001

MEMORANDUM

To: UPS Local Unions

From: National Negotiating Committee

Date: April 23, 2014

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

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

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

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

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

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

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

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

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