

SUMMARY OF TENTATIVE AGREEMENT

THE NORTHERN CALIFORNIA SORT RIDER

BETWEEN

TEAMSTER LOCAL UNION NOS.

**70, 87, 94, 137, 150, 278, 287,
315, 386, 431, 439, 490, 533,
624, 665, 890, 912**

AND

UNITED PARCEL SERVICE

FOR THE PERIOD:

AUGUST 1, 2002 THROUGH July 31, 2008

LANGUAGE NOT INCLUDED AND SIGNED OFF ON IN THESE PAGES IS CONSIDERED AS BEING MAINTAINED AS THE CURRENT LANGUAGE AS FOUND IN THE NORTHERN CALIFORNIA SUPPLEMENTAL AGREEMENT DATED AUGUST 1, 1997 THROUGH AUGUST 1, 2002.

(OPENING PAGE)

NORTHERN CALIFORNIA
SORT RIDER TO THE
NORTHERN CALIFORNIA
SUPPLEMENTAL AGREEMENT

BETWEEN

TEAMSTER LOCAL UNION NOS.

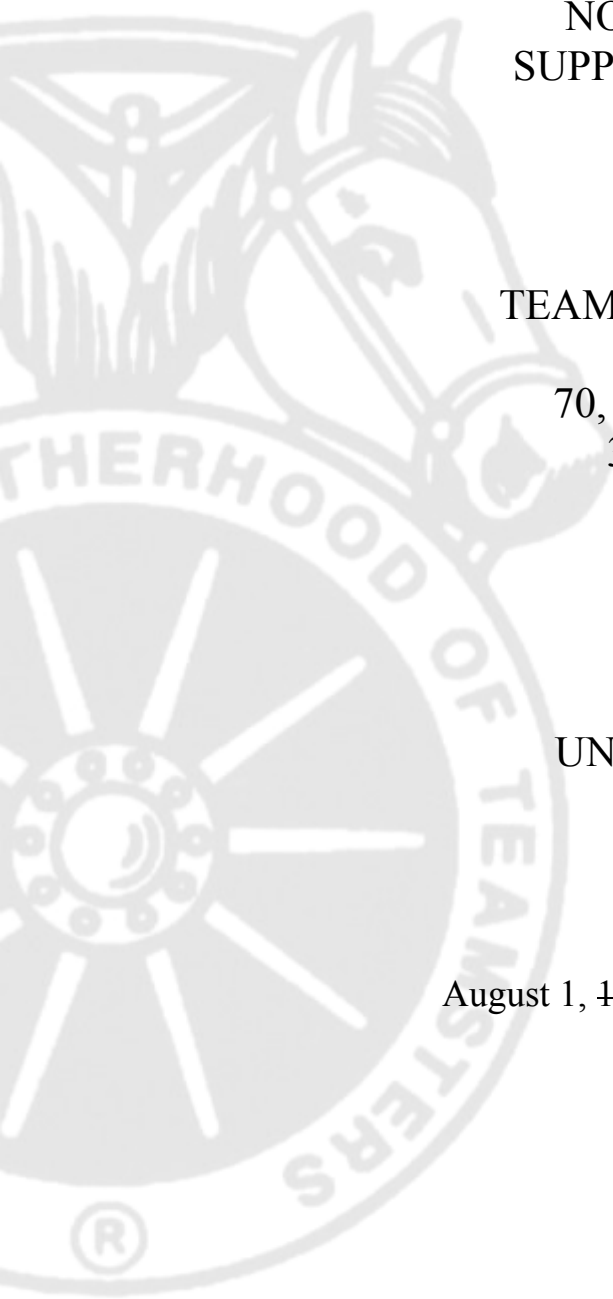
70, 87, 94, 137, 150, 278, 287,
315, 386, 431, 439, 490,
533, 624, 890, 912

AND

UNITED PARCEL SERVICE

For the Period:

August 1, ~~1997~~ 2002 Through July 31, ~~2002~~ 2008



(PREAMBLE)

AGREEMENT FOR THE PERIOD OF
AUGUST 1, ~~1997~~ 2002 THROUGH JULY 31, ~~2002~~ 2008

This Agreement has been entered into between UNITED PARCEL SERVICE, INC., or its successors, hereinafter referred to as the Employer and the below listed Local Unions of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFERS, WAREHOUSEMEN AND HELPERS OF AMERICA, hereinafter collectively referred to as the Union.

70, 87, 94, 137, 150, 278, 287, 315, 386, 431,
439,490, 533, 624, 890, 912

The Union consists of any Local Union which may become a party to this Agreement and any Addenda as hereinafter set forth. Such Local Unions are hereinafter designated as "Local Union".

ARTICLE 3 – SENIORITY AND LAYOFFS**SECTION 1 – PROBATIONARY EMPLOYEES PERIOD/TRIAL PERIOD**

~~(a) A new employee shall work under the provisions of this Agreement but shall be employed on a thirty (30) working day trial basis, during which period he may be discharged without further recourse; provided, however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discrimination against Union members. After working thirty (30) days within a ninety (90) consecutive day period, the employee shall be placed on the regular seniority list, and his seniority date shall be the first (1st) day worked within the ninety (90) day period.~~

~~Employees hired from October 1st through December 31st of any year shall not accrue seniority. Any such employee will be responsible for any Hiring Hall fees required by the Local Union involved.~~

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.

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 this provision or discrimination 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 a six (6) month period.

ARTICLE 3 – SENIORITY AND LAYOFFS

SECTION 3 – NOTICE OF LAYOFF

All employees are to be given written notice or notice posted on a bulletin board of impending layoffs not later than the beginning of the last shift worked prior to the commencement of such layoffs. **The Union will be provided a copy of the layoff notices by fax on the same day they are written and/or posted.** The above notice of layoff shall not apply during any emergency beyond the Employer's control, provided notification is given to the employee at least one (1) hour prior to the start of the employee's shift.

ARTICLE 3 – SENIORITY AND LAYOFFS

SECTION 6 – CLOSED OR PARTIALLY CLOSED CENTERS OR HUBS

(a)

Transfers. In cases of proven need it is agreed by the Employer and the Local Union involved, that an employee shall be permitted to transfer from one (1) company facility to another, provided said employee has a letter on file stating his/her reasons and desired facility into which they wish to transfer. Any such transfer shall take place only within the ~~district the employee is assigned to~~ **area covered by the Northern California Supplemental Agreement** and only prior to hiring from the outside. Any such transfer shall be limited to four (4) people, two (2) full time and two (2) part time per year per destination facility. Such employee shall retain company seniority for the purpose of fringe benefits but shall be placed at the bottom of the appropriate seniority list. **It is the employee's responsibility to verify all benefits at the requested transfer location. Benefits may vary by state and location. The medical, dental, vision retiree medical coverages and pension rates may be less or non-existent in the location you desire. Contact the Local Union having jurisdiction over the area you wish to transfer to for all information pertaining to the area benefits.**

ARTICLE 3 – SENIORITY AND LAYOFFS

SECTION 8 – SENIORITY LIST

The Employer shall post and maintain a current seniority list at all times in a conspicuous place at each operating center. Said list shall be considered to be correct as posted unless a protest is registered with the Employer and the Union within thirty (30) days from the date of posting. At the time of posting, a copy will be **faxed or** mailed to the Local Union, **or e-mailed upon request of the Local Union.**

**ARTICLE 7 – GRIEVANCE PROCEDURE
SECTION 2 – UNITED PARCEL SERVICE LABOR MANAGEMENT
COMMITTEE**

(a) Paragraph 3

Regular meetings of the Committee shall be held on the agreed-upon day of each month to pass upon matters referred to it. If no cases are on the agenda, meetings may be canceled. If grievances develop which require more immediate action, the Committee may meet on any other date which may be agreed upon. **The Committee shall be obligated to remain in session until the Agenda is completed.**



**ARTICLE 7 – GRIEVANCE PROCEDURE
SECTION 5 – SELECTION OF AN IMPARTIAL ARBITRATOR
PARAGRAPH 2**

The arbitrators mutually agreed to are:

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

If any of the above become unavailable, the replacement shall be mutually agreed on within forty-five (45) days of knowledge.

**ARTICLE 11 – GENERAL PROVISIONS
SECTION 6 – TIME CLOCKS**

The Employer shall install time clocks. Such time clocks must be kept accurate. Employees shall punch in on such time clocks when they report to work and shall punch out when all work is completed. The Employer shall not alter an employee’s time card in any manner without clearing the alteration with the employee. **Upon request, an employee may inspect the record of his/her time for the previous day’s work. An employee will be allowed to view the operation report for the current pay period for the purpose of checking his/her hours worked. The Employer agrees to provide forms for the employee to record his/her daily starting and ending times. The Company agrees to audit, on a regular basis, to ensure the availability of time clocks in all operations at the same locations as any other device used to record employees work time.**

All time clocks shall be converted so as to record time in hundredths.

**ARTICLE 11 – GENERAL PROVISIONS
SECTION 9 – PHYSICAL EXAMINATIONS**

NEW PARAGRAPH 5

The Employer or its designee shall not visit an employee at his/her home, without his/her consent. No representative of the Employer shall be permitted to accompany

an employee while he/she is receiving medical treatment and/or being examined by a medical provider, without the employee's consent.

ARTICLE 19 – HOURS OF WORK

SECTION 4 – PART-TIME TO FULL-TIME EMPLOYMENT

When filling full-time positions, part-time employees shall have preference of these full-time positions. The part-time employees will remain on the part-time seniority list for the first thirty (30) working days as a full-time employee. After the thirty-first (31st) working day, the part-time employee shall be considered a newly-hired full-time employee for all purposes except they shall retain their Company seniority for the purpose of fringe benefits. They shall be placed at the bottom of the appropriate full-time seniority list. **Part-time employees qualifying for package car positions shall receive a weekly accounting of their performance. This accounting shall be in written form in the presence of a Shop Steward.**

ARTICLE 20 – SICK LEAVE

SECTION 3

(b)

Employees who have doctor or dentist appointments will notify the Employer of such appointments **as soon as possible, but** no later than the day before and shall be granted time off for such appointment. The Employer may require the employee to take the entire day off if the employee's absence would create a service failure.

ARTICLE 22 – VACATIONS

SECTION 2

Paragraph 1

All accrued vacation pay for the amount of vacation time to be taken is to be paid to the employee one (1) day before the employee's last shift worked by separate check. **No employee shall be shorted his/her vacation pay for all vacations properly selected during the annual March selection. If there is a dispute regarding vacation pay, the Company will issue the disputed pay until such time that the Company provides proof of all other vacation payments for that current year. If the records prove that the employee has been overpaid the vacation pay, the Company may deduct this overpayment by deducting an equal amount of vacation from next years accrual.**

ARTICLE 22 – VACATIONS
SECTION 8
PARAGRAPH 3

For the following holidays: Memorial Day, July 4th, and Labor Day, employees will have the option to take the holiday off on the prior Friday or the following Monday as stated above, **receive an additional floating holiday** or to be paid six (6) days for five (5) days off.

ARTICLE 24 – PENSIONS

DELETE ALL CURRENT LANGUAGE AND REPLACE IT WITH THE FOLLOWING:

SEE NORCAL SUPPLEMENT ADDENDUMS 1 AND 2

ARTICLE 26 – MISCELLANEOUS PROVISIONS
SECTION 10
NEW PARAGRAPH 3

The Employer or its designee shall not visit an injured employee at his/her home, without his/her consent. No representative of the Employer shall be permitted to accompany an injured employee while he/she is receiving medical treatment and/or being examined by the medical provider, without the employee's consent.

ARTICLE 26 – MISCELLANEOUS PROVISIONS
SECTION 16 – COMPENSATION CLAIMS
NEW PARAGRAPH 4

The Company is willing to abide by the Arbitrator's decision regarding "voluntary" as it applies to TAW.

ARTICLE 31 – SUPERVISORS WORKING
NEW PARAGRAPH 3

Local practice as it relates to payment under this Article and under Article 3, Section 7 of the National Master United Parcel Service Agreement shall prevail.

ADDENDUM NO 1 (4 pages)

LOCALS NOS. 87, 94, 137, 150, 386, 431, 439,

533 (except for those employees specifically covered under Addendum 6 of the Northern California Supplemental Agreement)

SECTION 1 – PAYMENTS

Premiums and benefits in effect during the life of the 1993–1997 **1997-2002** Agreement will be continued.

The Employer shall pay into the Western Conference of Teamsters Pension Trust Fund for the account of each employee working under this Agreement, the applicable sum as listed below:

- (a) Monthly contributions for each employee on the payroll during the full calendar month who has ~~worked~~ **been compensated for** one hundred sixty (160) hours or more during such month are:

Effective August 1, 1997	2002	- \$501.71	<u>\$701.99</u>	per month
Effective August 1, 1998	2003	- \$536.30	<u>\$753.99</u>	per month
Effective August 1, 1999	2004	- \$570.90	<u>\$805.98</u>	per month
Effective August 1, 2000	2005	- \$614.15	<u>\$857.98</u>	per month
Effective August 1, 2001	2006	- \$648.75	<u>\$909.94</u>	per month
<u>Effective August 1, 2007</u>			<u>\$979.31</u>	per month

- (b) For each employee not covered under (a) above, the payment shall be computed at the rate of:

Effective August 1, 1997	2002	- \$2.90	<u>\$4.05</u>	per <u>compensable</u> hour
Effective August 1, 1998	2003	- \$3.10	<u>\$4.35</u>	per <u>compensable</u> hour
Effective August 1, 1999	2004	- \$3.30	<u>\$4.65</u>	per <u>compensable</u> hour
Effective August 1, 2000	2005	- \$3.55	<u>\$4.95</u>	per <u>compensable</u> hour
Effective August 1, 2001	2006	- \$3.75	<u>\$5.25</u>	per <u>compensable</u> hour
<u>Effective August 1, 2007</u>			<u>\$5.65</u>	<u>per compensable hour</u>

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$.10)(including \$0.01 for PEER/84 for part-time employees) during the probationary period as defined in Article 3, Section 1, but in no case for a period longer than the first ninety (90) 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 Article.

Effective August 1, 2002 the employer shall pay ten cents (10¢) per hour for all part-time employees to the Northern California General Teamsters Security Fund (the

Trust) in accordance with established remittance rules and practices. These monies are to be used to offset required retiree contribution amounts for retiree medical coverage.

- (c) Effective on the following dates, the Employer will pay total contributions split between amounts for benefit accrual and amounts to pay for PEER/84 under the Program for Enhanced Early Retirement (PEER). The contributions required to provide PEER will not be taken into consideration for benefit accrual purposes under the plan. The contribution for PEER/84 must at all times be 6.5% of the basic contributions and cannot be decreased or discontinued at any time.

	Basic Contribution	PEER/84	Total Contribution
August 1, 1997 <u>2002</u>	2.72 <u>3.80</u>	.18 <u>.25</u>	2.90 <u>4.05</u>
August 1, 1998 <u>2003</u>	2.94 <u>4.08</u>	.19 <u>.27</u>	3.10 <u>4.35</u>
August 1, 1999 <u>2004</u>	3.10 <u>4.37</u>	.20 <u>.28</u>	3.30 <u>4.65</u>
August 1, 2000 <u>2005</u>	3.33 <u>4.65</u>	.22 <u>.30</u>	3.55 <u>4.95</u>
August 1, 2001 <u>2006</u>	3.52 <u>4.93</u>	.23 <u>.32</u>	3.75 <u>5.25</u>
<u>August 1, 2007</u>	<u>5.31</u>	<u>.34</u>	<u>5.65</u>

- (d) Time paid for but not worked, such as holidays and vacation time, shall be considered as time worked for the purpose of this Article.
- (e) The total amount due for each calendar month shall be remitted in a lump sum not later than the 10th day of the following month. The Company agrees to abide to such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate reporting and recording 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.
- (f) **Effective August 1, 2002, ten cents (10¢) per hour shall be allocated from the new increase in pension monies to the Northern California General Teamsters Security Fund (the Trust) in accordance with established remittance rules and practices. Effective August 1, 2003 and August 1 of all subsequent years, five cents (5¢) per hour shall be allocated from each new increase in pension monies to the Northern California General Teamsters Security Fund (the Trust) in accordance with established remittance rules and practices. These monies are to be used to offset required retiree contribution amounts for retiree medical coverage. If the Trustees of the Trust determine that additional monies are needed to maintain this benefit, said additional monies shall be allocated from the aforementioned new pension increases.**

SECTION 2 – POSTING NOTICE

The Employer shall post on the employees' bulletin board a copy of the reporting form sent to the Administrator's Office of payments made to the Western Conference of Teamsters Pension Fund on behalf of the employees at the time payments are made.

SECTION 3 – SAVINGS

- (a) Effective August 1, 1997, UPS shall make contributions into the Pacific Coast Benefits Trust (herein "Trust") at the rate of 40 cents per hour on behalf of all employees on whose behalf UPS was obligated to make contributions into the Trust immediately prior to August 1, 1993. With respect to employees whose first (1st) hour of employment (or reemployment) with UPS is on or after August 1, 1993, UPS shall make contributions at the appropriate rate in effect per compensable hour 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 employees' completion of six hundred (600) hours of employment (or reemployment) within twelve (12) consecutive calendar months, such contributions to be made retroactively for all compensable hours in the twelve (12) consecutive months immediately preceding achievement of seniority or the completion of six hundred (600) hours of employment (or reemployment) as the case may be. Provided, however, that UPS shall not contribute for more than one hundred seventy-three (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 (10th) day of the following month.

UPS acknowledges that it has received a true copy of the Trust and shall be considered a party thereto. It is understood and agreed that UPS 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. UPS further agrees to abide by such rules as by 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.

- (b) **Effective August 1, 2002, ten cents (10¢) per hour shall be diverted from the allocation to the Pacific Coast Benefits Trust on behalf of all part-time employees qualified under Addendum 1 of the Northern California Sort Rider. Said monies shall be allocated to the Northern California General Teamsters Security Fund (the Trust) in accordance with established remittance rules and**

practices. These monies are to be used to offset required retiree contribution amounts for retiree medical coverage.

SECTION 4 – RETIREE SUPPLEMENT

Effective the first pay period after ~~March 1, 1998~~ **August 1, 2002**, the Employer shall withhold from the earnings of all **part-time** employees (from the Locals listed above) the amount of \$8.65 per month. These monies shall be sent to the Northern California General Teamsters Trust **Security** Fund (**the Trust**) in accordance with established remittance rules and practices. These monies are to be used to offset required **retiree** co-pay amounts for retiree medical coverage.

SECTION 5 – TRUST FUND ACCEPTANCE

Overtime hours, 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 this Addendum, 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.

ADDENDUM NO 2 (3 pages)

LOCALS NOS. 70, 278, 287, 315, 490, 624, 665, 890, and 912

SECTION 1 – PAYMENTS

Premiums and benefits in effect during the life of the ~~1993–1997~~ **1997-2002** Agreement will be continued.

The Employer shall pay into the Western Conference of Teamsters Pension Trust Fund for the account of each employee working under this Agreement, the applicable sum as listed below:

- (a) Monthly contributions for each employee on the payroll during the full calendar month who has ~~worked~~ **been compensated for** one hundred sixty (160) hours or more during such month are:

Effective August 1, 1997	2002	- \$501.71	<u>\$719.32</u>	per month
Effective August 1, 1998	2003	- \$536.30	<u>\$779.99</u>	per month
Effective August 1, 1999	2004	- \$570.90	<u>\$840.65</u>	per month
Effective August 1, 2000	2005	- \$614.15	<u>\$901.32</u>	per month
Effective August 1, 2001	2006	- \$648.75	<u>\$961.99</u>	per month
<u>Effective August 1, 2007</u>			<u>\$1039.98</u>	per month

- (b) For each employee not covered under (a) above, the payment shall be computed at the rate of:

Effective August 1, 1997 ~~2002~~- \$2.90 ~~\$4.15~~ per compensable hour
 Effective August 1, 1998 ~~2003~~- \$3.10 ~~\$4.50~~ per compensable hour
 Effective August 1, 1999 ~~2004~~- \$3.30 ~~\$4.85~~ per compensable hour
 Effective August 1, 2000 ~~2005~~- \$3.55 ~~\$5.20~~ per compensable hour
 Effective August 1, 2001 ~~2006~~- \$3.75 ~~\$5.55~~ per compensable hour
Effective August 1, 2007 ~~\$6.00~~ \$6.00 per compensable hour

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$.10) (including \$0.01 for PEER/84 for part-time employees) during the probationary period as defined in Article 3, Section 1, but in no case for a period longer than the first ninety (90) 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 Article.

- (c) Effective on the following dates, the Employer will pay total contributions split between amounts for benefit accrual and amounts to pay for PEER/84 under the Program for Enhanced Early Retirement (PEER). The contributions required to provide PEER will not be taken into consideration for benefit accrual purposes under the plan. The contribution for PEER/84 must at all times be 6.5% of the basic contributions and cannot be decreased or discontinued at any time.

	Basic Contribution	PEER/84	Total Contribution
August 1, 1997 2002	2.72 3.90	.18 .25	2.90 4.15
August 1, 1998 2003	2.91 4.23	.19 .27	3.10 4.50
August 1, 1999 2004	3.10 4.55	.20 .30	3.30 4.85
August 1, 2000 2005	3.33 4.88	.22 .32	3.55 5.20
August 1, 2001 2006	3.52 5.21	.23 .34	3.75 5.55
<u>August 1, 2007</u>	<u>5.63</u>	<u>.37</u>	<u>6.00</u>

- (d) Time paid for but not worked, such as holidays and vacation time, shall be considered as time worked for the purpose of this Article.
- (e) The total amount due for each calendar month shall be remitted in a lump sum not later than the 10th day of the following month. The Company agrees to abide to such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate reporting and recording 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.

SECTION 2 – POSTING NOTICE

The Employer shall post on the employees' bulletin board a copy of the reporting form sent to the Administrator's Office of payments made to the Western Conference of Teamsters Pension Fund on behalf of the employees at the time payments are made.

SECTION 3 – SAVINGS

Effective August 1, 1997, UPS shall make contributions into the Pacific Coast Benefits Trust (herein "Trust") at the rate of 40 cents per hour on behalf of all employees on whose behalf UPS was obligated to make contributions into the Trust immediately prior to August 1, 1993. With respect to employees whose first (1st) hour of employment (or reemployment) with UPS is on or after August 1, 1993, UPS shall make contributions at the appropriate rate in effect per compensable hour 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 employees' completion of six hundred (600) hours of employment (or reemployment) within twelve (12) consecutive calendar months, such contributions to be made retroactively for all compensable hours in the twelve (12) consecutive months immediately preceding achievement of seniority or the completion of six hundred (600) hours of employment (or reemployment) as the case may be. Provided, however, that UPS shall not contribute for more than one hundred seventy-three (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 (10th) day of the following month.

UPS acknowledges that it has received a true copy of the Trust and shall be considered a party thereto. It is understood and agreed that UPS 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. UPS 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 4 – TRUST FUND ACCEPTANCE

Overtime hours, 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 this Addendum, 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.