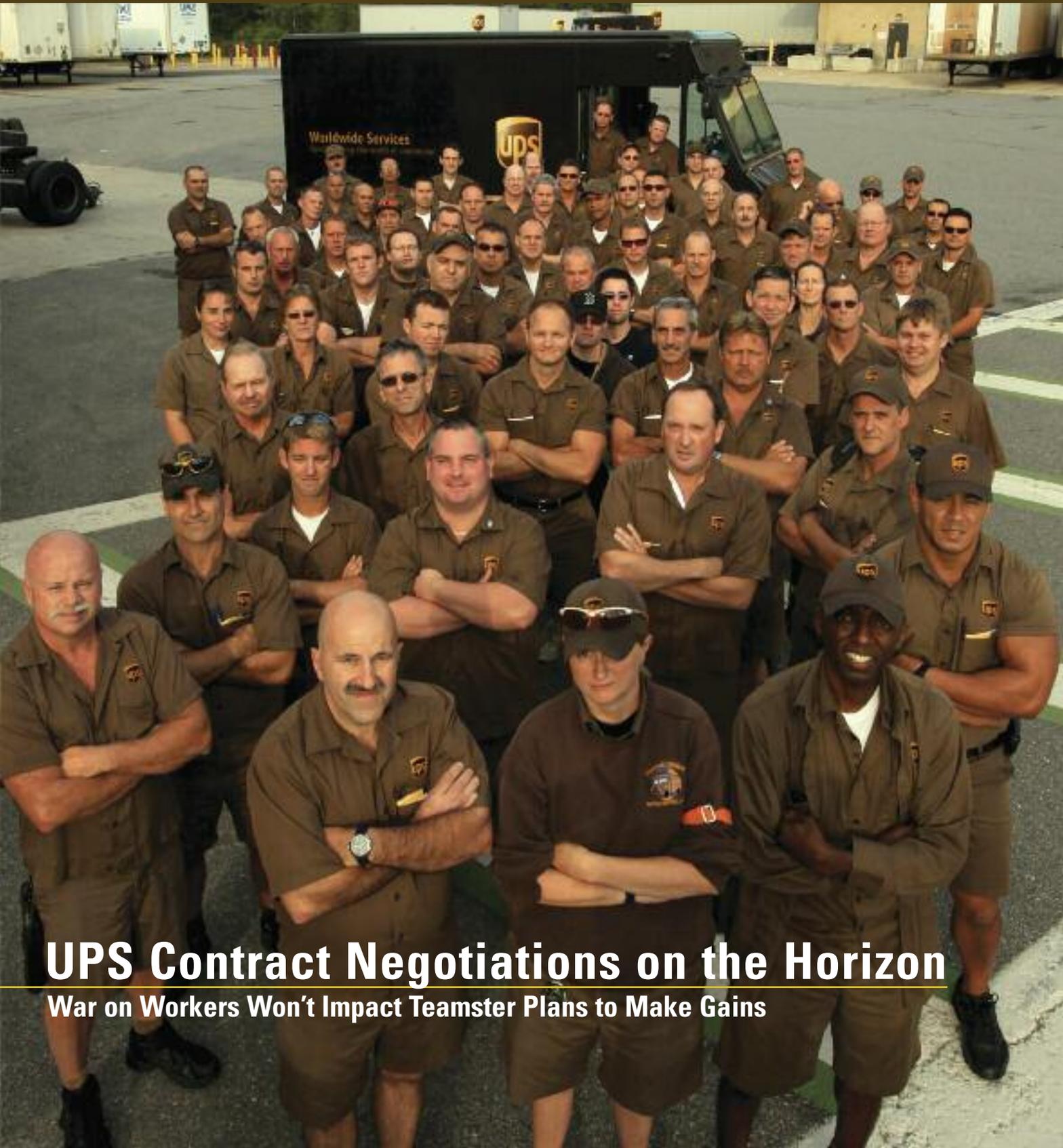


FALL 2011

ups TEAMSTER

A Magazine for Teamsters at United Parcel Service



UPS Contract Negotiations on the Horizon

War on Workers Won't Impact Teamster Plans to Make Gains



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2013 Contract

The current UPS National Master Agreement expires in August 2013.

Many UPS Teamsters are wondering whether the war on workers should concern them. You see what is going on with public employees nationwide and if anti-union politicians get their way, private sector unions will also suffer.

You, however, are luckier than most American workers. You have the protection of a Teamster contract.

For nonunion workers, though, wages, pensions and benefits have been declining. A dim worldwide economic outlook has made things even more difficult. But with progressively better Teamster contracts, UPS workers are weathering the economic storm better than most.

I have been asked by UPS Teamsters whether they might see cuts in their health insurance benefits or pensions during the next round of negotiations. With the current state of UPS' finances, I don't see how they could ask for concessions. We believe workers at UPS should be talking about improvements to the contract.

UPS has reported record profits in the wake of this country's economic turmoil. The company is on track to report record earnings at the close of 2011. UPS reported earnings of \$1.6 billion in its second quarter, and its profits were up by 26 percent.

When we sit at the bargaining table, we're not dealing with Scott Walker or some



other Tea Party politician who can try to blame state finances. We're dealing with a company that has a contract to comply with. We're dealing with a company that is making huge profits because of the hard work of Teamsters.

UPS made \$5.8 billion last year despite facing such a dim worldwide economic outlook. Teamsters made that happen and that hard work must be rewarded in your next contract.

It is up to us—rank-and-file UPS Teamsters in conjunction with the Teamsters Union and the Package Division—to take matters into our own hands when it comes to securing our own futures. That's why we are preparing now for the 2013 contract.

As negotiations progress, we will be calling on you again for your help in reminding the company that it is you, UPS Teamsters, who make the company successful.

Ken Hall

Your Right, Your Responsibility

election in 2001.

Not voting sends a clear message to the enemies of labor. It tells them Teamster members don't care what happens to the labor movement and that they aren't involved. A strong turnout tells them you're paying attention and care about your future.

In the following weeks, you will receive a ballot for the 2011 International Election. It is my hope that you take the ballot and cast it for the candidates of your choice.

You, rank-and-file Teamsters, have an unprecedented say in the future of your union that many other international union members don't have. I urge you to take advantage of this opportunity.

The only thing voting will cost you is the time you invest to learn about the issues and the ink it takes to mark the ballot. But not voting costs much more. It sends a message to employers and anti-union politicians that as voters, Teamsters don't value democracy.

Voter turnout is critical to building a healthy democracy. A union is not a corporation. Members are more than shareholders who are valued by their holdings. Each Teamster has an equal voice in our elections and every vote counts.

James P. Hoffa

The ongoing war on workers may not be on the front pages anymore, but the middle class is still under assault. Anti-union factions across the country are involved in a concerted effort to undermine rights it has taken working people a century to achieve.

Teamsters nationwide have rallied in below-freezing blizzards and hundred-degree heat waves; they have written and called their members of Congress; they've gone to town hall meetings; and they have even recalled politicians who trampled on the rights of working men and women.

In the upcoming Teamster election, you have a very simple way of showing your support for the rights of labor: All you have to do is vote.

Voter turnout in the last two International Union elections has been low. Only 21 percent of rank-and-file Teamsters voted in the 2006 election, and it was only slightly higher in the previous



SECOND QUARTER ECONOMIC REPORT

UPS Continues to Report Incredible Numbers

The U.S. economy is still struggling. Unemployment remains hovering near 10 percent and many workers lucky enough to have jobs are having trouble paying their bills, much less fuel the economy as consumers.

Despite the continued dire warnings from economic analysts, UPS continues to be a hugely profitable company.

On a July 26 conference call with analysts, UPS provided a glowing report of a company that was on track for a record year in earnings. Their U.S. domestic operating profit improved 31 percent over the second quarter numbers from last year.

Freight revenues increased 19 percent and the segment saw improved profitability, with the revenue of the Supply Chain and Freight business segment increasing 7 percent. Meanwhile, International Package results were strong, with volumes up 8.1 percent and revenue up 13.3 percent.

As far as the work of members at UPS is concerned, Teamster efforts con-

tributed in no small part to the company's successful quarter. The company reported shipping 957 million packages between April and June, or about 15 million per day.

"Teamsters are the hardest working people out there and I'm proud that the hard work of the UPS members has contributed to the success of this company," said Jim Hoffa, Teamsters General President. "I expect the company to recognize that contribution at the bargaining table."

Even in the face of a grim economy, UPS reported its highest-ever second quarter earnings per share. UPS earned \$1.06 billion, or \$1.07 per share, compared with last year's earnings of \$845 million, or 84 cents per share.

"All companies like to cry poverty as negotiations with their workers near, particularly when the economy is hurting" said Ken Hall, Package Division Director. "When UPS posts numbers like these, that argument is impossible to make."

TURKISH DELIGHT

TEAMSTERS AID IN UPS VICTORY IN TURKEY

With Teamster help, 162 unfairly dismissed Turkish transport workers won a 10-month fight for reinstatement and compensation from UPS recently. All were union members or were interested in union representation at the time they were fired by UPS Turkey management.

“If the labor movement is going to successfully challenge the global race to the bottom, international solidarity is essential,” said Ken Hall, Package Division Director. “I’m proud of the way our union and our members stood up for their co-workers half a world away.”

Their victory was gained following intensive support from the TÜMTİS (Turkish Road Transport Union) trade union and international union organizations, who described the return of the fired workers as a major step forward in the fight to bring union representation to the huge parcel delivery industry.

“This achievement is not only ours. It

is the result of the collaboration of many trade unions under the umbrella of the Global Delivery Network of the International Transport Federation (ITF), and especially the Teamsters Union in America, which represents hundreds of thousands of UPS workers in the company’s home country,” said Kenan Öztürk, general president of TÜMTİS.

Improving Conditions

With the support of their families, TÜMTİS and the TURK-İŞ labour confederation, the dismissed workers organised highly visible picket lines. Parcel delivery, transport and postal unions worldwide supported their demands through pressure on UPS and by supporting TÜMTİS.

“Because UPS, DHL, FedEx, TNT and Geopost operate in more than 100 countries, international action is essential to unionization,” said Ingo Marowsky, an

ITF coordinator. “Network members fight for decent industry labour standards around the globe. DHL workers in Panama and India recently achieved union recognition and collective bargaining agreements. TNT workers in Australia have voted for industrial action seeking a fair contract. FedEx workers in the United States are seeking union representation and an end to false self-employment.”

Non-stop picket lines, backed by an international campaign, won the right to return and compensation, and TÜMTİS has now triumphed again, after a majority of approximately 3,000 direct-hire employees filed for union recognition. Now Turkey’s government has legally certified the union as the workers’ representative.

This achievement is the culmination of the campaign by UPS workers and their union to improve job conditions at the workplaces of global delivery companies operating in Turkey.



Photos courtesy of the International Transport Federation.



Website Available for Participants of Pension Plan

Pension Plan Now Fully Funded on Accounting Basis This Year

Participants of the UPS/IBT Full-Time Pension Plan now have access to a website to gain more information about their benefits, the Teamsters Union recently announced.

The site, called dbConnect, is accessible through www.UPSers.com. It provides detailed information for Teamsters in the UPS/IBT Full-Time Employee Pension Plan about their retirement benefits.

“We are pleased to provide this important service to our members so they can stay informed and plan for their future and their families’ future,” Hall said. “I urge our eligible members to take advantage of this useful resource.”

The site allows members to:

- View personal data and service accruals;
- Calculate their accrued monthly benefit and estimate their future monthly benefit;

- Contact the plan through e-mail; and
- Access detailed plan information.

To access the new site, go to www.UPSers.com and click on the “My Life and Career” tab. Under the “My Money” section, look for the “Retirement and Savings” topic and click on the “Retirement Calculator” link.

At the dbConnect login screen, enter your seven-digit UPS employee ID as the user name.

The initial password is:

- First two letters of your last name, in lower-case;
- Last two digits of your birth year; and
- Last two digits of your Social Security number.

After logging in, members will change their password and create a security question.

Also, general plan information is

now available on a public website, www.ibtupspensionfund.ups.com. Anyone can access the site to review a summary and description about the plan and other general information. No personal information is available on the public site.

Hall also stressed that the plan is fully funded on an accounting basis this year.

“Despite the economic realities of the present, your trustees are committed to the goal of establishing and maintaining your plan so as to provide you with the pension benefits set forth in the collective bargaining agreement,” Hall said. “The plan has paid its benefit obligations and will continue to do so in the future.”

The first full year of operation for the pension plan was 2008. During negotiations that led to creation of the plan, UPS committed to the full funding of the plan in accordance with applicable law to provide Teamsters the pension benefits they have earned, Hall said.

To accomplish that goal, plan trustees retained a nationally recognized actuarial firm to study the plan and recommend appropriate levels of contributions to assure a sound and solvent plan. The plan’s actuaries, Towers Watson, regularly review the plan’s funding levels and also determine UPS’ minimum required contributions.

In 2010, UPS contributed \$980.2 million to the plan. In January, UPS contributed another \$1.2 billion in accelerated quarterly contributions that would have been required this year, and more than \$350 million in contributions that would not have been required until after 2011.

With that additional contribution, the plan was fully funded on an accounting basis. UPS has committed to continue to contribute so as to maintain the plan on a sound actuarial basis and in accordance with applicable law.

Still FIGHTING Mexican Trucks

After All These Years

Teamsters are responding to the call to get educated and get involved in the battle to close the border to dangerous Mexican trucks. That knowledge and commitment will prove invaluable as the fight intensifies.

At press time, the Federal Motor Carrier Safety Administration had not yet formally announced the start of another pilot program to open the border. However, the agency is expected to give the go-ahead sometime in the fall. Very few Mexican trucks are expected to participate in the first months and even years of the pilot program. The Teamsters, however, will work through political and legal channels to once again stop unsafe trucks from traveling our highways freely.

UPS Teamster Mario Leva, of Local 745 in El Paso, Texas, spoke at the 28th International Convention about how unsafe Mexican trucks threaten every American behind the wheel of a vehicle.

Teamsters submitted more than 1,000 comments opposing the plan to open the border during the 30-day comment period in the Federal Register, which ended in May. The comments posted were overwhelmingly against letting Mexican trucks travel freely on U.S. highways. Only groups representing multinational corporations and agribusiness supported the proposal.

“I urge Transportation Secretary Ray LaHood to listen to his conscience and to the vast majority of Americans, not to corporate interests that have no loyalty to the United States,” said Jim Hoffa, Teamsters General President. “He should show that the democratic process works by pulling the plug on this program.”

The Teamsters Union also formally submitted comments opposing the

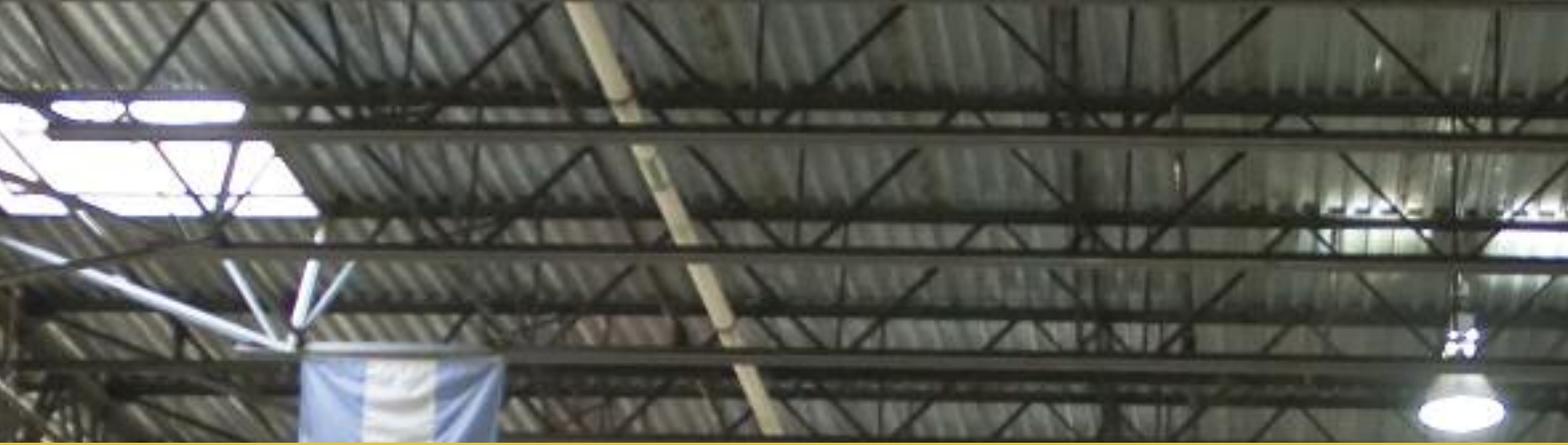
pilot program to the government. Hoffa said the plan to open the border “fails to adequately protect our members, their families and the traveling public from the potential danger of unsafe Mexican trucks and drivers, who do not meet or will not adhere to all U.S. safety standards.”

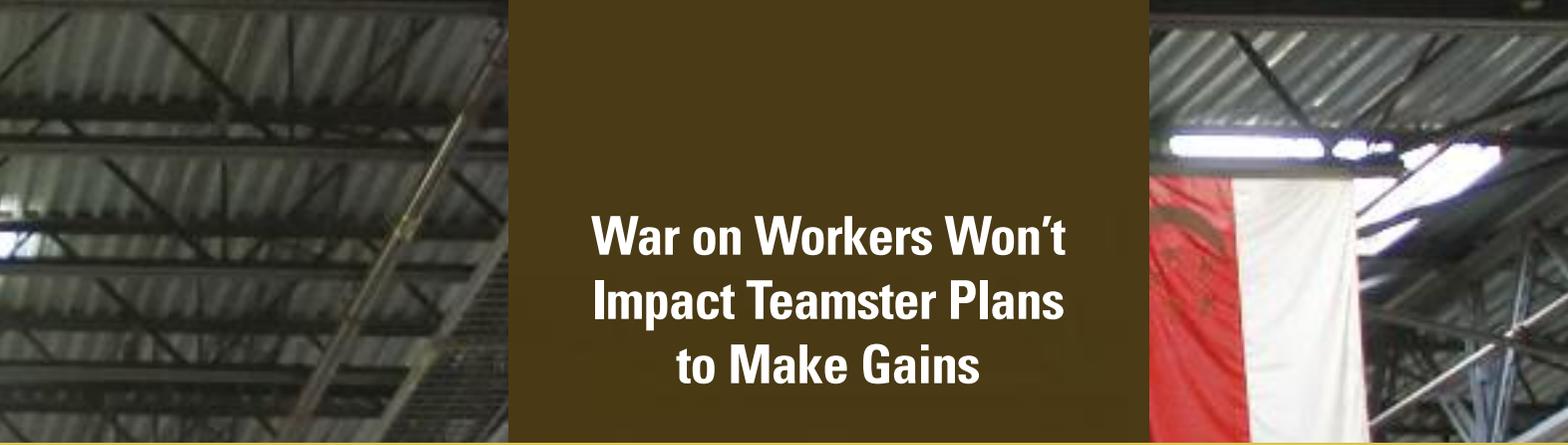
The Teamsters, along with the Sierra Club, filed comments that said FMCSA had failed to adequately assess the environmental impacts associated with the proposed U.S.-Mexico cross-border

trucking pilot program.

Hoffa blasted the proposal. “With this assessment, the FMCSA is recklessly ignoring the true environmental impact Mexican trucks will have if permitted to travel without restrictions throughout our country,” Hoffa said. “We contend that the FMCSA has violated the National Environmental Policy Act by not addressing the full, cumulative effects on our environment prior to starting the cross-border pilot program.”







War on Workers Won't Impact Teamster Plans to Make Gains



The War on the American Worker

It is now undeniable that there is a war on workers in our country. Executive pay is still rising, corporate profit margins are up and yet, American workers aren't reaping any of those rewards.

There's a vast corporate-funded campaign to weaken unions and lower the wages of middle-class workers. So called "right-to-work" (for less) bills have emerged in statehouses across the country, from Wisconsin and Ohio to New Hampshire.

Wages are falling and millions can't find work, while U.S. companies hoard the cash they're sitting on instead of creating new jobs. Workers lucky enough to have a union are increasingly being asked to give up more at the bargaining table. And with union membership in the private sector hovering around 7 percent, union workers are being pitted against their non-union and counterparts, asked to comply with a race to the bottom in wages and benefits. A race that's impossible for workers to win so long as our once good-paying, middle-class jobs continue to be off-shored.



UPS Teamsters Face a Different Landscape

Meanwhile, like its counterparts in corporate America, UPS continues to report record profits in the wake of this country's economic turmoil. The company is on track to report record earnings at the close of 2011. UPS earned \$1.6 billion in its second quarter, and its profits were up by 26 percent.

With the current UPS National Master Agreement set to expire in August 2013, many UPS Teamsters are starting to wonder whether the war on workers should concern them. They have started asking whether they might see cuts in their health insurance benefits or pensions during the next round of negotiations.

Package Division Director Ken Hall issued a firm response to those questions at the Teamsters Convention in June, saying "We're not dealing with Scott Walker or some other Tea Party politician who can try to blame state finances. We're dealing with a company that has a contract to comply with. We're dealing with a company that is making huge profits because of the hard work of Teamsters."

Joe LaGruth is a package car and preload steward with Local 407 in Cleveland. He works at the Middleburg Heights UPS hub and has worked for 33 years at the company. "Our wages and COLA adjustments are incredible in this economic time, especially when people around the

country are seeing nothing but cuts. Name me other places where they don't have a significant co-pay for health care, we're very fortunate in that" he said. But there is always room for improvement and with the company making so much money, he adds, "There's no doubt we should be entitled to their success."

A History of Fighting for UPS Teamsters

History has proven that the Teamsters Union has successfully negotiated contract after contract providing wage and benefit increases to the membership.

The 1997 strike at UPS was won on something that the company underestimated: Teamster power. United Parcel Service learned that the Teamster men and women who sorted and handled packages, and who drove package cars and trucks, were in fact, the UPS brand. The contract that followed the 1997 victory surpassed the expectations of members and onlookers alike with the gains that were made. Teamsters brought 10,000 new full-time jobs to part-timers in 1997. The 1997 contract also saw total gains of \$4.90 over the life of the contract, equaling 3.4 percent increases in wages and benefits.

"The new 22.3 jobs gave thousands of UPS employees the financial stability needed to exist in an economy that was rapidly headed in the wrong direction," says Brad Muller, a



32-year shop steward for Local 162 in Portland.

In 2002, the Teamsters negotiated a landmark contract that provided huge wage and benefit increases and set a new standard for American workers, many of whom were losing their retirement savings and having their health benefits slashed. The six-year agreement easily surpassed the economic and non-economic package negotiated following the 1997 strike, containing average wage and benefit increases of \$8.75 over the total life of the contract.

The 2002 agreement saw many other gains as well, including:

- A new cost-of-living (COLA) formula to secure workers gains during events of higher inflation;
- The members' first ever long-term disability plan;
- The creation of more than 10,000 new Teamster jobs through the elimination of subcontractors and union recognition for job classifications that had been diverted from the union;
- Language allowing UPS part-timers to be eligible for retiree health insurance;
- An increase of pension benefits for part-timers and full-timers with previous part-time credit;
- Stiffer penalties for violating the contract, such as

time-and-a-half penalties when supervisors do bargaining unit work.

Major Gains in 2007

Many were skeptical when the Teamsters entered into early negotiations with UPS in 2006. But the Teamster goal was to get ahead of the new legislation of the Pension Protection Act that could impact Teamster Pension funds in January 2008. The strategy worked, and the result was a contract with a record increase of \$5 per hour for health and welfare and pension contributions.

The 2007 UPS agreement saw unprecedented pension and health and welfare contribution increases. Under the current contract, UPS will contribute an additional \$5 per hour into all pension and health and welfare plans. In fact, the average benefit/wage increases were significantly higher in 2007 than the previous two contracts. The current five-year agreement contains average wage and benefit increases of \$1.80 per hour each year. This compares with \$1.46 per hour in the 2002 contract and .98 cents per hour each year in the 1997 contract.

Joe Burger, a feeder driver out of Livonia, Mich. and member of Local 243, has worked at UPS for over 33 years. He cited wage improvements and more secure pensions



resulting from the last round of negotiations as some of the positive recent developments at the bargaining table. Thinking about the future, Burger said, “UPS is a very healthy company, though they’ll cry poor at contract time.” He then noted, “UPS is a demanding company, and they’ll get their money’s worth out of their workers. We’re the best at what we do, we just want our fair share of the pie.”

Other gains in 2007 included even stronger penalties when supervisors perform bargaining unit work (from time-and-a-half to double-time penalties), and “9.5 language” designed to assist employees seeing to avoid excessive overtime (from double-time to triple-time penalties).

“The 2007 contract strengthened the foundation for things going forward, like the 9.5 language. We never had language like that before” said Scott Kucharski, a package car driver and member of Local 401 in Wilkes-Barre, Pa. “I think we often need to take a look at what people don’t have, like job stability. Just look to FedEx and FedEx Ground and you’ll see that their life is very different day-to-day, even for people doing the same jobs as ours.”

Part-timers at UPS have the benefits of contract language that so many part-timers in America lack. They can bid on preferred jobs so they can move into a better job with their seniority rather than watch their managers play favoritism or hire off the street.

While most part-time workers pay steep prices out of their own paychecks for insurance, if they are lucky enough to have it offered at all, part-timers at UPS have health insurance that is 100-percent company-paid, a “Cadillac plan” which includes a prescription drug card.

Suzanne Overton is a Trustee and shop steward for Local

90 in Des Moines, Iowa. She works the pre-load, is an exception air driver and has worked for UPS for the past 12 years. “I was hired under the 1997 contract as a part-timer and I am very happy with the contracts we have won,” said Overton. “What I often say to other part-time UPSers is this: Where else in America can you work 22 hours a week, have a pension, health insurance and two weeks vacation?”

After seeing the success that the Teamsters Union has at the bargaining table, Overton feels confident that the union will continue to deliver gains for the membership. “They’re making billions off of our work,” she said.

Concessions Not On the Table

So what can UPS Teamsters look forward to at the bargaining table? Looking at the economic reports that the company provides to Wall Street analysts, the Package Division believes that workers at UPS should be talking about improvements to the contract, not concessions.

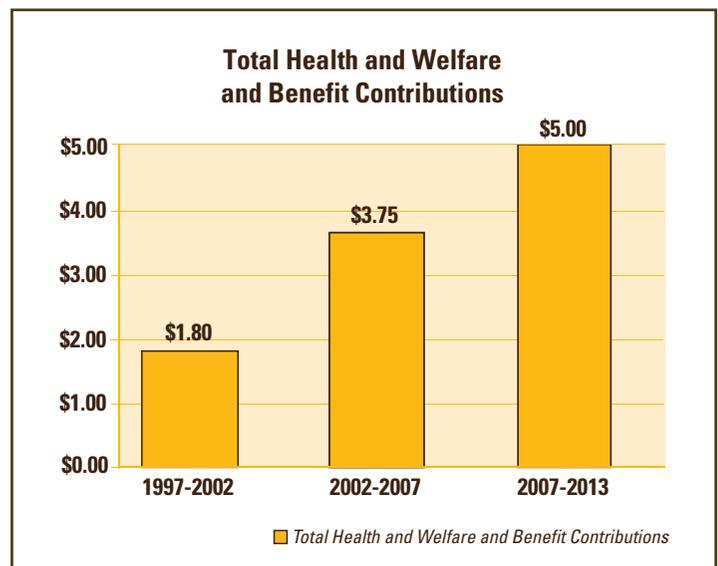
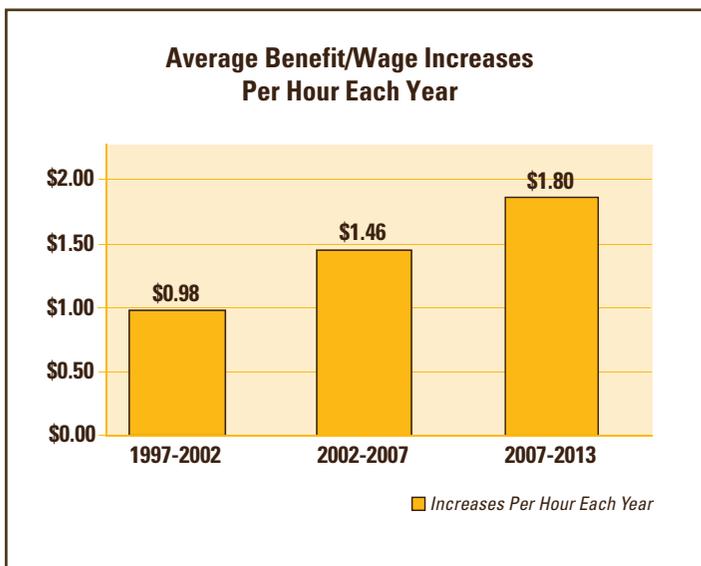
In 1997, after a nationwide Teamster strike, Teamsters at UPS won \$1.80 in health and welfare benefit contributions.

During the last round of negotiations, we won \$5.00 in pension and benefit contributions over the life of the agreement.

The power of Teamsters at the bargaining table must be put into proper perspective.

By the end of this current contract, a full-time package car driver will be making \$48.50 an hour in wages and benefits. That’s a 53 percent increase from the end of the 1997 agreement, when the full-time package car drivers was making \$31.59 in wages and benefits.

Mike Petro is a package car driver and steward out of Local 355 in Baltimore, with 21 years at UPS. “Every year



since I've been with UPS, our contracts have gotten better and better every time our negotiating committee went to the table," said Petro. "We have had great wage increases and health and welfare and pension increases built into our contract since the strike, and they did an outstanding job in 2007." Petro also added that everyone was really happy with the 12 cent raise that resulted from the COLA language in the contract.

Said Hall, "UPS made \$5.8 billion last year. I'm not complaining about that. I hope they make \$10 billion this year. When asked about negotiations I will say the following as many times as I have to: 'The more they make, the more we take.'"



- ✓ Your Right
- ✓ Your Responsibility

Ballots Mailed October 6, 2011
Ballots Counted November 14, 2011

2011 TEAMSTERS ELECTION



FOR THE ELECTION OF
INTERNATIONAL UNION OFFICERS



MORE UPS FREIGHT TEAMSTERS

For the past few years, UPS Freight clerical workers at terminals across the country have worked side-by-side with newly unionized drivers and dockworkers.

Many of the clerks, both part-time and full-time workers who see to it that freight dispatch, billing and operations run smoothly, witnessed first hand the efficient way that the Teamsters organized the former Overnite workers.

They saw the benefits that a Teamster contract could provide—both the economic ones, like improved wages and benefits, and the non-economic ones, like a grievance procedure. Armed with the knowledge that a strong union means power at the workplace, the clerks sought representation with the Teamsters.

Card Check

At the recent 28th International Convention, Package Division Director Ken Hall announced a victory for UPS Freight clerical workers in the form of their own card-check agreement.

The process used will be similar to the one

employed to organize more than 12,000 drivers and dockworkers at UPS Freight.

“It is important that we’re disciplined in our organizing efforts,” Hall said. “There are nearly 1,000 clerks at almost 200 terminals across the country, and we want to ensure that the process goes smoothly.”

80 Terminals

Local unions have jumped on the opportunity to organize. Just a few weeks after the card-check announcement, the company was put on notice that local unions were signing up clerks at over 80 terminals.

“There are some very excited operations clerks in Indianapolis who have been interested in joining the union since 2006 when the UPS Freight organizing drive began here,” said Brian Buhle, International Vice President and Secretary-Treasurer of Local 135.

“We are looking forward to having our majority certified and identifying the issues they would like to see addressed in contract negotiations down the road,” Buhle said.

CLERICAL WORKERS SIGN CARDS TO BECOME TEAMSTERS



Cards Signed

Equally excited are the UPS Freight clerks, including those who struck for recognition early on, who were organized by Local 63 in Fontana and Rialto, Calif.

“I am so proud of the courage exhibited by the many clerks who made their voices heard at their workplace,” said Ramiro Alonso, an organizer with Local 63. “We have had great success signing up majorities in our area, and are excited for the day when those majorities are certified,” Alonso said.

At press time majorities of clerks have been certified in terminals in Stoneham MA with Local 25; Farmingdale, NY with Local 707; Rialto and Fontana, Calif. With Local 63, and Indianapolis IN with Local 135. Other terminals in locations including Newburgh NY, Romulus MI, Palatine IL and Lubbock TX are awaiting certification by the arbitrator, per the terms of the card-check agreement.



COOL



LEGGI:

Stories by CNNMoney

Affording the Unaffordable

GETTING STARTED

If You Save Early and Wisely, College May be Affordable After All

Few people question the value of a college education, but the cost is enough to break the bank for a lot of families. With the cost of higher education rising faster than inflation, parents of today's 4-year-olds may face college bills of more than \$200,000.

Sure, the numbers are scary. But if you start saving regularly while your child is in diapers, you'll put yourself in a good position financially by the time your son or daughter is ready to hit the co-ed bathrooms. Also, don't forget that the availability of financial aid, loans, and education credits and deductions means you may not have to foot the entire bill yourself.

Indeed, you shouldn't if you're short on retirement savings. As a parent, you might think your most important financial duty is to pay for your children's education. You'd be wrong. Saving enough money for your own retirement is even more crucial.

Your children have a lot of resources besides you to help feed the tuition monster, but no one is going to help you finance your golden years. And, you don't have to worry that socking money into a 401(k) will be held against you if you apply for financial aid. Formulas used to assess need generally don't consider retirement savings as an available asset when determining how much parents can contribute to tuition.

Putting too much money in your child's name, however, might work against you. While it's true that a child's income is usually taxed at a lower rate than a parent's income, keeping funds in a child's name can reduce your financial aid package. Colleges use a formula for aid that assesses a family's need based on up to 5.64% of parents' available assets and on 20% of assets in a child's name or custodial account.



TAX-SAVVY SAVINGS OPTIONS

529s, Coverdell IRAs and College Savings Trusts May Work for You

Saving for college is hard not just because it's a huge expense, but because you can't predict how much, if any, financial aid you'll get.

That's why you need to save what you can now. Fortunately, you have a number of tax-advantaged federal and state college-savings vehicles at your disposal. The best option is the state-sponsored 529 plan, which comes in two flavors: the prepaid tuition plan and the savings plan.

A state's prepaid plan allows you to pay now at today's rates for school tomorrow. In return, your account (or contract as it's often known) is guaranteed to pay for the tuition and fees at the state's public universities and colleges by the time your child graduates from high school. A pre-paid plan often does not, however, cover the costs for room and board.

Your child also may use the pre-paid account to attend a private or out-of-state school but you might risk forfeiting some of its value depending on how the plan values its contracts. Note, too, that most pre-paid plans require that the account owner (you) or the beneficiary (your child) be a resi-

dent of the state in which the plan is offered.

At the same time states have been improving their prepaid plans, and private schools have been given the green light to offer their own such deals.

Under the 2001 Tax Relief Act, withdrawals from a private school's prepaid plan were made exempt from federal taxes as of 2004. (Prior to then, you would have been taxed on the increased value of a tuition contract from the date you bought it to the date you redeemed it.)

More than 270 private schools, ranging from tiny liberal arts schools like Ripon College in Wisconsin to well-known universities like the University of Chicago and Wake Forest, have joined forces to offer a prepaid tuition product called Independent 529 Plan. Parents can buy prepaid contracts good for tuition at any of the member schools.

What if your child does not get into any of the schools in the network? "To any of the 270? We check you for a pulse," quipped Douglas Brown, who is president and CEO of the plan. But, he added, if that's the case you can get a full refund with interest. To learn more about the plan, call 888-718-7878.

The 529 college savings plan, now offered in most states, is far more flexible than the pre-paid tuition schemes, and perhaps safer. (At times, some states have reported that their pre-paid plans were seriously underfunded.) The money may be



used at any school you choose and for all qualified higher education expenses, including room and board.

Each state determines what the lifetime contribution limit or account balance cap will be in its 529 plan, but typically such limits range between \$100,000 and \$270,000. Investment minimums are low (most plans let you sock away as little as \$25 a month as long as a minimum of \$500 is accumulated within two years of the initial purchase date), and there is no restriction on how much you may contribute every year unless the account is nearing the lifetime cap.

However, since 529 contributions are treated as gifts subject to gift-tax limitations, if you want to make a tax-free contribution, it shouldn't exceed \$13,000 annually (\$26,000 if you're contributing with your spouse). There's one exception, however: you may contribute as much as \$65,000 tax-free in one year (\$130,000 with your spouse), but that contribution will be treated as if it were being made in \$13,000 installments over the next five years. That means you can't make other tax-free gifts to the beneficiary during that time.

Most 529 savings plans offer a menu of age-based portfolios, and some also offer a small selection of stock and bond funds. In the former case, your annual contributions get invested in a pre-selected portfolio of stocks and bonds. Early on, the portfolio is tilted toward stocks, and as the time for college nears, the weighting shifts toward bonds. You can switch, and it's pretty easy to change. You can do it online. Before you could make only one rollover a year. But now the IRS allows two rollovers per calendar year.

The quality of 529 college savings plans varies by state, but in most instances you may open an account in any state you'd like.

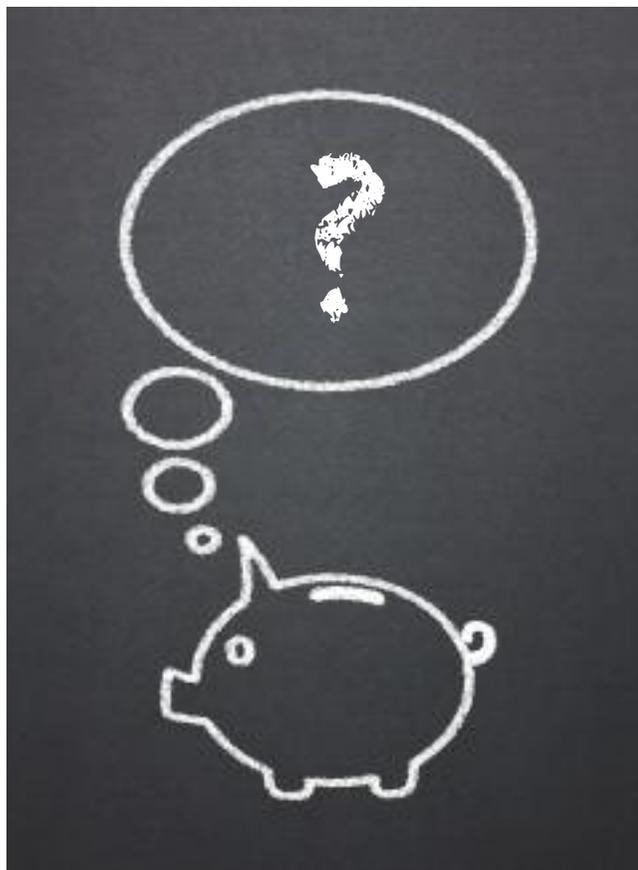
All 529 plans offer generous tax breaks, provided you use the money for qualified expenses. While your contribution is not deductible on your federal taxes, your investment will grow tax-deferred and withdrawals will not be subject to federal tax. In prior years your money had grown tax-deferred and earnings withdrawals were taxed at the student's income tax rate.

What's more, you get state-tax deductions on contributions or exemptions on withdrawals.

Another tax-advantaged option is the Coverdell Education Savings Account (formerly known as the Education IRA). You can contribute up to \$2,000 a year and withdrawals are tax-free. To qualify for a full or partial contribution, your adjusted gross income must be less than \$110,000 if you're single; \$220,000 if you're married and filing jointly.

One of the drawbacks is that the annual contribution cap is per child, meaning if you and your parents want to contribute to an account for your daughter, your combined contributions can't exceed \$2,000.

You may now contribute to both a 529 and a Coverdell Education Savings Account on behalf of the same beneficiary in the same year without penalty, but your contributions will be treated as gifts subject to gift-tax limitations. For more on 529 plans, check the Web site www.savingforcollege.com.



WHAT KIND OF AID IS OUT THERE?

From Grants to Loans, You Have Options

Even if you follow a regular savings plan for college, you may still come up short. Rest assured, you won't be alone.

During the 2008-2009 academic year, grants from all sources, federal loans, federal work-study, and federal tax credits and deductions offered more than \$168 billion in financial aid to families needing to bridge the gap between their savings and college and graduate school costs, according to the College Board. Students also borrowed about \$11.9 billion from state and private sources to help finance their education.

Several factors are considered for aid-eligibility, principal among them your income; your non-retirement assets; how many kids you have; how many of those children are in college; and their income and assets.

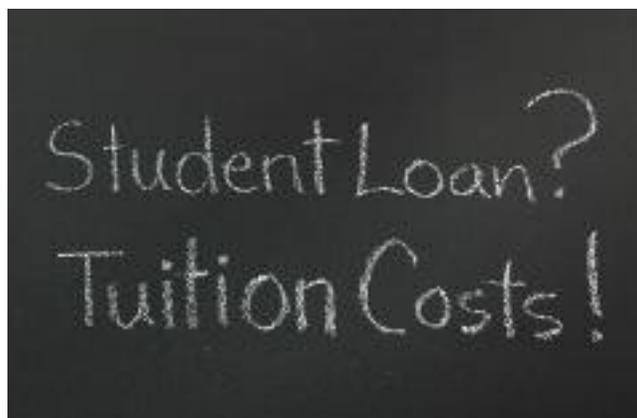
There are several sources of financial aid for college. Grants and scholarships are the best because the money is usually tax-free and never has to be repaid. These include federal Pell Grants, primarily for low-income families, which offer a maximum of \$5,550 per student for the 2010-2011 academic year. The max amount can change each award year and depends on program funding.

The Federal Supplemental Educational Opportunity Grant, which is administered by colleges, offers need-based awards up

to \$5,500 for undergraduate and \$8,000 for graduate students per year. Most students who receive need-based grants also are expected to participate in the federal Work-Study program, whereby students work part-time jobs to meet the family's remaining financial need.

Finally, there are loans, which come in two basic varieties: need-based, which help families who can't afford college costs; and non-need-based, designed to fill a gap when the family doesn't have available cash, but may have illiquid assets. Federal loans represented 45% of all financial aid for undergrads in the 2008-2009 academic year and 64% of aid for graduate students.

The two most common and attractive need-based loans are the Perkins and the Stafford, both federally funded.



"The two most common and attractive need-based loans are the Perkins and the Stafford, both federally funded."

The Perkins loan is made directly to students; parents need not co-sign this loan. Students don't need to begin repaying the

loan until nine months after they graduate, leave college, or fall below half-time student status; and they have 10 years to repay the loan. With a Perkins, one pays a low interest rate (5%), and interest doesn't accrue until repayment begins.

A school's financial aid office determines how much a student gets, but the cap on borrowing for undergrads is \$5,500 per year, with a cumulative limit of \$27,500. Graduate students can borrow \$8,000 per year to a maximum of \$60,000 (which includes amounts borrowed as an undergraduate).

With the subsidized Stafford, interest does not accrue until

**FOR GRADS
ONLY:**

PAYBACK TIME

Good Behavior Can Save You Dollars and Cents

As heavy a burden as student loans are to repay, there are five ways to lighten the load, or at least make it more manageable:

1. Pay regularly and on time.

If you direct your bank to transfer payments electronically from your checking account, many lenders will trim a quarter point off your rate.

2. Ask about alternate forms of repayment.

If you have difficulty meeting your payments, ask about alternate repayment plans. Assuming your salary will go up over time, you can arrange a graduated repayment plan. You begin with a low monthly payment that slowly rises over a period of 12 to 30 years, depending on the size of the loan.

If your income fluctuates because you're self-employed, you

can also set up an income-sensitive or income-contingent repayment plan. As your income rises and falls, so does the amount you owe. Under the income-contingency plan available through the Department of Education for direct-loan borrowers, any balance remaining after 25 years is forgiven, although the amount forgiven will be taxed as income. One caveat: Alternate repayment plans will cost you more in interest because you'll pay back your loan over a longer period of time.

3. Take advantage of tax breaks.

The federal government offers relief for taxpayers with student loans. Presuming your income makes you eligible, you may deduct the interest you pay up to a maximum of \$2,500 a year. The income limits to qualify for a full or partial deduction are less than \$70,000 annually for singles, and less than \$145,000 for couples filing jointly.

six months after a student graduates, leaves or falls below half-time status. Dependent students can borrow up to maximums that rise the longer a student remains in school, between \$3,500 freshman year and \$5,500 junior year and beyond.

The unsubsidized Stafford is a non-need-based loan for which most students who apply for aid are eligible. Interest accrues immediately, but payment may be postponed until after graduation. Dependent students can borrow up to \$2,000 per year.

Another common, non-need-based loan is the PLUS, or Parent Loans for Undergraduate Students. This loan is made to parents, not students. Parents can borrow up to the annual cost of attending college, minus any financial aid received. This loan is dependent on your credit history – but it's based on a lack of bad credit rather than a requirement of good credit, says Cindy Bailey of College Board.

If you have a bad credit rating, such as that resulting from judgments or liens against you, you may still be eligible for a PLUS if you can find a co-signer willing to take responsibility to pay the loan if you can't. For PLUS loans made to parents on or after July 1, 2008, the borrower has the option of beginning repayment either 60 days after the loan is fully disbursed, or six months after the student ceases to be in school on at least a half-time basis.

The repayment period can last 10 years. The interest rate is fixed at 7.9% for direct PLUS loans and 8.5% for federal PLUS loans.

There are also private loan options such as bank lines of credit; home-equity loans; and Signature Student loans, which are offered by Sallie Mae. Private loans such as these are less appealing than the unsubsidized Stafford, however, because repayment may start immediately, rather than being postponed until the student graduates.

TOP STRATEGIES TO MAXIMIZE AID ELIGIBILITY

(Source: *FinAid.org*)

1. Save money in the parent's name, not the child's name.
2. Spend down student assets and income first.
3. Pay off consumer debt, such as credit cards and car loans.
4. Maximize contributions to your retirement fund.
5. Accelerate necessary expenses, to reduce available cash.

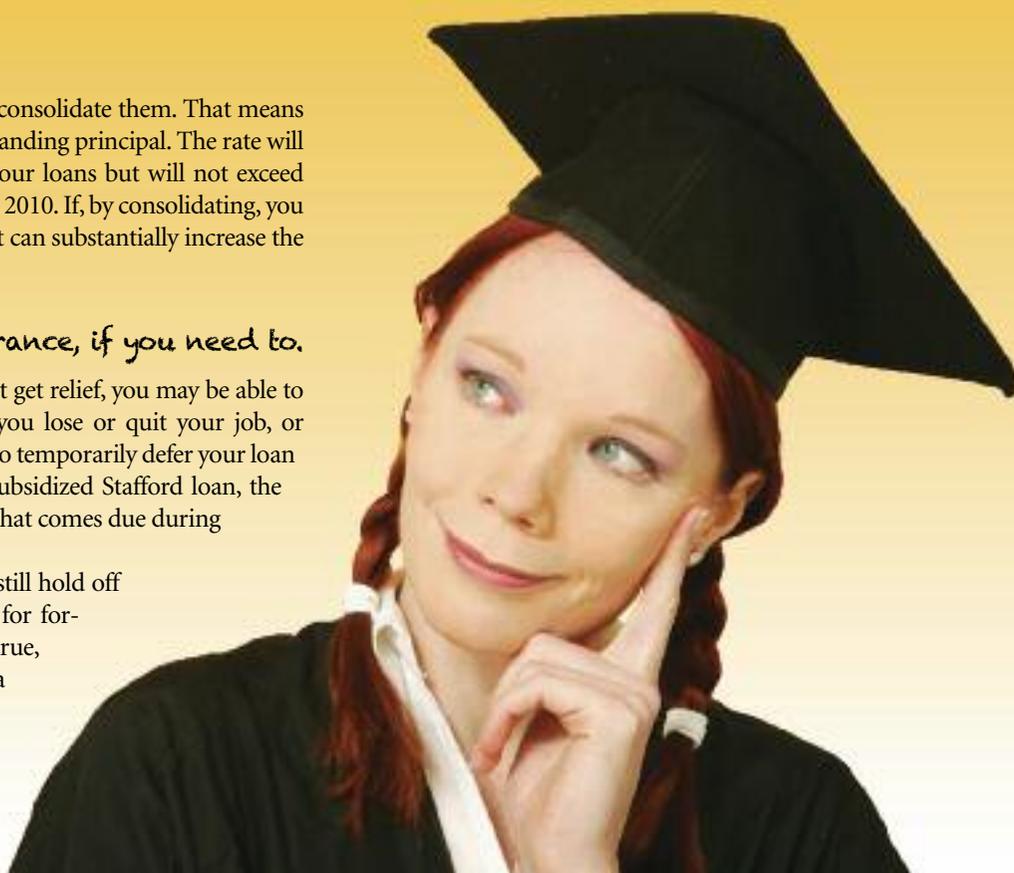
4. Consolidate your loans.

If you have more than one loan, you can consolidate them. That means a new interest rate is applied to your outstanding principal. The rate will be equal to the weighted average of all your loans but will not exceed 8.25%, a law in effect until at least June 30, 2010. If, by consolidating, you lengthen the term of your repayment, that can substantially increase the total interest you will pay.

5. Seek deferments or forbearance, if you need to.

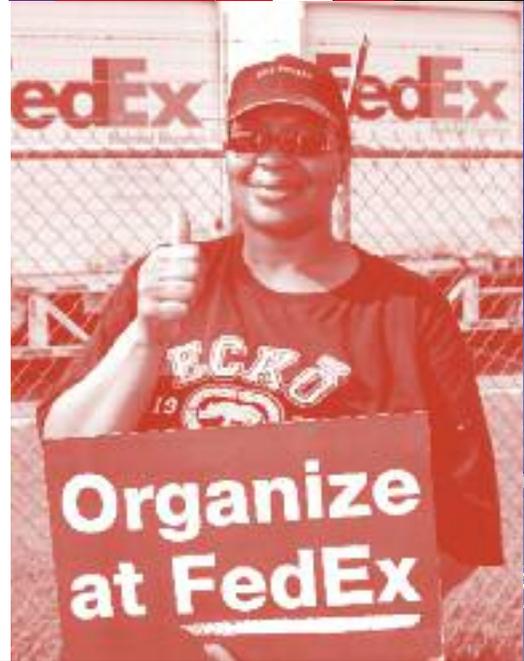
If you've exhausted your options and can't get relief, you may be able to suspend your payments temporarily. If you lose or quit your job, or return to school, you can ask your lender to temporarily defer your loan payments. If you get a deferment for a subsidized Stafford loan, the government will actually pay the interest that comes due during your suspended payment period.

If you can't get a deferment, you can still hold off on payments for up to a year by asking for forbearance. The interest will continue to accrue, but you avoid defaulting and getting a nasty strike on your credit record.



FIGHTING

FedEx on



Teamsters Leveling Playing Field to Organize UPS Competitor

The Teamsters Union has long reported on the house of cards argument served up by FedEx that their Ground drivers are independent contractors rather than employees eligible to join a union.

The union has worked with state attorneys general across the country to make FedEx play by the rules. In the process, Teamsters are spreading the word that FedEx is a tax cheat.

Though the Teamsters cannot legally organize workers classified as independent contractors, the union and its allies continue to seek ways to provide a voice on the job for workers at FedEx.

More Groups Taking Notice

While attorneys general attempt make the case in court that their states are losing precious revenues due to FedEx's misclassification of its drivers, other groups are also raising the alarm about FedEx's bad behavior.

One group, U.S. Uncut, is a nonprofit that uses creative direct actions to try to educate the American

public about corporate tax cheats. Recently, they added FedEx to their list of corporate targets.

On their website, they describe the package delivery company as follows: "When it comes to paying their fair share of taxes, FedEx simply does not deliver. When FedEx made \$1.9 billion in profits, they managed to pay less than .0005% of it in taxes by using 21 tax havens. FedEx also spent 42 times more on lobbying Congress than they did in taxes."

The Teamsters Union invested lots of energy into lobbying for an FAA Reauthorization Bill which would level the playing field in the Package Delivery industry. The mid-term elections of 2010 changed the composition of Congress, eliminating the support the legislation had.

A full-on effort to cover FedEx Express truck drivers under the same labor laws as their UPS counterparts has had to be scaled back. Nevertheless, the Teamsters have decided to take advantage of the opportunity to focus on another part of the company, a competitor to the Teamsters' unionized freight carriers.

Multiple Fronts



A Massive Undertaking

As massive an undertaking as it is, FedEx Freight is now an organizing target of the Teamsters Union. The first battles will be launched by Covina, Calif.'s Joint Council 42 in coordination with the International Union.

The comments of some FedEx Freight workers seeking to form a union have been reported in the pages of this magazine before. Now, after many years of conversations and quiet preparation with drivers and dockworkers in terminals in Southern California, the interest in forming a union has surged and the official campaign has begun.

The size of this campaign is formidable: More than 2,000 workers are eligible to join the Teamsters in Southern California alone. Reaching out to this many workers requires a massive war room dedicated to just FedEx, and the participation of many member organizers to build committees in their terminals.

"Given the scope of this campaign we will move slowly, purposefully and methodically," said Randy Korgan, Director of Organizing with Joint Council 42. "It's critical that we take our

time, especially given the very serious anti-union campaign by FedEx that is already in full swing."

Need for Representation

Workers at FedEx have many reasons for seeking representation, including the power that comes at the bargaining table for better wages and benefits.

The anti-union propaganda Fred Smith has distributed to all employees at FedEx Freight, including CDs and DVDs bad-mouthing the union, is evidence in itself of the need for representation.

FedEx Freight workers want to be able to voice concerns to the company without fear of retaliation. Unfortunately, they work for a company where even talking to one another about the things they would hope for in a contract, or the positive benefits of a union, poses a risk.

"The courage of our committee members is tremendous," Korgan said. "The slow and steady long-term committee building will prepare the thousands of FedEx Freight workers to move forward and stand up for their rights."



Burden of Proof

Mock Panel at Women's Conference Provides Guidance on How to File a Winning Grievance

Hurricane Irene didn't stop UPS Teamster women from across the country from gathering in New York City for the Teamsters Women's Conference, where they were treated to a mock grievance panel.

At the workshop, experienced UPS Teamster officers and business agents acted on the panel. Those who role-played company officials even wore ties, prompting laughter from the room.

Claudia Petit, Secretary-Treasurer of Local 90 in Des Moines, Iowa, took on the role of the UPS company chair, and Karla Schuman, Vice President of Local 104 in Phoenix, presided as the union's chair.

The workshop participants were given a fact sheet about a supervisor's working violation, and the mock grievance form that was presented in the panel. While the facts presented clearly indicated that the company violated Article 3.7 of the National Master Agreement, the grievance form, as filed, was missing key facts and witness statements.

The presenter of the evidence on the union side tried valiantly to convince the panel that the company committed a violation. However, participants saw first-hand that, with the burden of proof on the union to substantiate the case with evidence, it was not met.

Workshop attendees got a glimpse into what happens after a case is presented with a true-to-life, heated executive session, as union and company panel members argued the "case." They ended the role-playing before a decision could be rendered, but attendees saw that it wasn't looking good for the union side based on the lack of evidence presented.

"Witnesses would have helped to support this



grievance, as would information requests," Petit said. "It's up to every one of us, not just panel members, to keep our contract strong. We've got contract language and a grievance process to use, but we have to utilize it to its fullest."

Added Schuman: "There's a beat-down mentality out there right now, and the company loves that. Witnesses to a grievance can send a message to counter that. We have to get involved and step up, even when we're not the individual grievant. And stewards can teach all members to file a good grievance."

Attendees applauded the workshop. Mabelle Powers, Recording Secretary of Local 891 in Jackson, Miss., and chief steward on the pre-load, thought the panel was extremely helpful, especially coming from a right-to-work state.

"I want to take this type of workshop back to my facility to my other stewards," Powers said. "In fact, I think it would be great for us to do this workshop in all states."



Brad Muller began working for UPS in Portland, Ore., during peak the season of 1978. Hired the following year as an unloader and quickly promoted to the preload operation, Muller began a journey that would land him in the UPS record books: In 1983, he set the national record for packages preloaded per hour. Today, he is one of the first five members inducted into the UPS Hall of Fame and a shop steward for Local 162 at the Swan Island facility. This is his story, in his own words:

I was fortunate to get hired at UPS, because back then, it was the best-paying job in town. When I was hired during that peak season at UPS, it was an audition for future employment with the company. Those who gave the greatest effort were the employees given the chance of becoming a regular employee the following year. It was no easy audition. I had never worked so hard in my life.

I soon realized the need for the local union to be represented on the shop floor. I became a shop steward in 1983,

when you could count the number of stewards at the Swan Island facility on one hand.

Change Takes Time

I remained part-time until 1997, when the Teamsters fought for the implementation of the present 22.3 jobs, which combined part-time jobs into full-time employment. The new 22.3 jobs gave thousands of UPS employees the financial stability needed to exist in an economy that was rapidly headed in the wrong direction, as it had been since my earliest days at UPS.

These jobs would have never materialized without the two-week work stoppage in the summer of 1997. UPS Teamsters stood in unity for that contact and as a result, thousands of workers now have the ability to provide for and raise their families.

There is still much work to be done to create additional living wage jobs at UPS, as well as improve upon the contractual language for those already existing 22.3 jobs. Change comes slowly and it doesn't come easily. It's our

job as union members, stewards, business agents, and union officials to help secure the future for those who follow us. I'm happy to be just a small part of the labor movement.

Standing Together

Occupying the job of shop steward in 2011 is much more difficult than it was in 1983. The company is smarter than they were in the '80s. As a result, shop stewards have to be much more educated in order to fully represent our members. I have been very fortunate to have been surrounded by leaders throughout the years that have helped train me as a steward. I have a great deal of respect for our former steward and Secretary-Treasurer Roger Neidermeyer, past business agent Jack Selby, current Secretary-Treasurer Bob Sleight, as well as UPS agents Ben Vedus, Keith Allen, and our current President and agent, Mark Davison. Local 162 has benefited from the leadership of these Teamsters.

I enjoy fighting for the workplace rights that had been handed down by those Teamsters before us—members of the greatest union in the history of our country. I wouldn't have survived at UPS for 32 years without being a shop steward and a Teamster. My local union has always stood strongly behind me when adverse conditions called for it. I owe my greatest gift of gratitude to those Teamsters who paved the way for me to be paid honest wages and benefits, while also enjoying decent working conditions.

As I continue to raise a family in the year 2011 and see those working in our society, I feel very fortunate to be a member of the Teamsters Union. Many people don't live life as well as a Teamster does. As I view those workers trying to make an honest living in our present economy, my heart aches for them. I want to make them all Teamsters. We owe them a life like that.

PACKING THE PUNCH

GREG Rickert, a UPS package delivery driver and member of Local 776 in Harrisburg, Pa., achieved hero-like status after he helped police end a four-hour manhunt.

Rickert, though, doesn't see it that way. "You don't know what you're going to do until you're in that situation," he said. "It was just an instant reaction."

The incident started around 7:30 a.m. on a hot June morning when police pulled over a suspicious vehicle. After the stop, the driver, Joel Modesto, 29, fled, climbing over a fence into a nearby Caterpillar distribution plant. Inside the vehicle, police found two empty holsters leading them to believe that Modesto could be armed and dangerous.

Police evacuated the facility and spent the next four hours looking for Modesto inside the plant. Turning up empty handed, they called off the search around 11 a.m. and let Caterpillar employees return to their jobs.

Enter UPS Teamster Rickert.

He had tried making his delivery at the plant earlier that morning while the police were conducting their search but, like everyone else, was not allowed to enter the facility. Instead, he made other deliveries and returned to the plant once authorities said the coast was clear.

It was at the receiving dock that Rickert learned from a Caterpillar employee that the suspect may still be inside.

"After making my delivery, I headed toward the gate and saw a guy walking around carrying orange cones. He wasn't wearing a yellow or green vest as required, and his shirt was really dirty," Rickert said. "It occurred to me that this could be the guy."

Rickert slowly exited the facility, keeping an eye on the suspect. On his way out, Rickert alerted guards in the guard house about what he had seen. The guards immediately sprang into action, but it wasn't enough. As soon as a guard confronted Modesto, the suspect took off running toward the gate where Rickert was stationed.

"I was going to tackle him, but he drew his arm and fist back like he was getting ready to punch me," Rickert said. "I ducked under that and leg whipped him. As soon as he went down, another Caterpillar employee jumped on top of the suspect so he wouldn't get away."

Rickert's quick actions led the capture of Modesto, who is facing charges of fleeing and eluding and criminal trespass. For Rickert, it was all about doing the right thing.

"If you see something that doesn't look right, speak up," he said. "That can help a lot of people in more ways than one. If you don't say something, there could be negative consequences."



We Want to Hear from You

The *UPS Teamster* magazine focuses as much as possible on individual Teamsters working in the parcel industry, but there are plenty of untold stories about you. The only way we can know about them is if you let us know.

If you have an interesting story relating to your job or as a Teamster, please e-mail UPSTeamsterMagazine@teamster.org

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