



TEAMSTERS

UPS NEWS

FEBRUARY 2004

Fighting for Pension Relief

Senate Proposal Would Help Deal With Fund Losses

The Teamsters Union is fighting to win passage of a proposal in Congress that will help protect members' retirement security by providing some relief to the current pension crisis.

The proposal, passed in the U.S. Senate and pending in Conference Committee, would allow temporary relief, giving multi-employer pension plans more time to recover from the losses suffered during the recent stock market collapse. Those multi-employer plans cover more than one million

Teamster members and retirees, including many UPS workers.

"This legislation is critical to help protect our members who earn retirement benefits under these plans, and to the companies that contribute to multi-employer pension plans," said Tom Keegel, Teamsters General Secretary-Treasurer.

Unfortunately, UPS had also introduced legislation aimed at derailing the relief. However, UPS has now backed away from its proposal.

"UPS' attempt to undermine the legislation that would give our joint funds the option to suspend the amortization of recent investment losses is a direct attack on the pension security of our members at UPS and throughout the Teamsters Union," Hoffa wrote in a recent letter to Michael Eskew, CEO of UPS. "I'm glad that we were able to defeat UPS' proposal."

The UPS bills in the House and Senate would have dismantled all multi-employer plans that cover Teamster members, converting them into numerous smaller multiple employer plans subject to single-employer plan funding rules and the single-employer guarantee program under the Pension Benefit Guaranty Corporation, a quasi-governmental agency currently experiencing financial difficulty.

MEMBERS WIN \$50 MILLION ARBITRATION CASE

Company Failed to Give Credit for Progression

As the cold blast of winter weather hit the nation in early January, a \$50 million arbitration victory warmed the wallets of UPS Teamsters across the nation.

Arbitrator Howard Edelman ruled that UPS violated Article 41, Section 2(c) of the Master Agreement when it did not give effect to the various supplemental provisions which give part-time employees progression credit toward the full-time progression once that employee bids into a full-time driver job.

"We've said from day one that these workers deserved to be compensated at the higher rate of pay and receive credit for their part-time service," said Jim Hoffa, Teamsters General

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Arbitrator Orders UPS to Pay \$12 Million to Virginia Funds

Company Cited 'Error,' But Ruling Rebuffs Its Position

An arbitrator has ruled that UPS must pay about \$12 million in benefit contributions to the Joint Council 83 of Virginia Health and Welfare and Pension Funds.

The arbitrator ruled that UPS must continue paying into the Teamsters' plans on behalf of bargaining unit employees who were on vacation. Relying on a skewed interpretation of a provision in the collective bargaining agreement, UPS had argued that its 38-year history of contributing for vacation weeks had been a "mistake." Over the remainder of the contract, UPS will pay approximately \$12 million in vacation-week contributions.

"We keep a close eye on our members' benefits, and we will hold UPS's feet to the fire when it comes to their obligations," said Ken Hall, Parcel and Small Package Division Director.

Arbitrator David Vaughn ruled that UPS must contribute to the funds "for periods during which its 'regular employees' receive one or more full weeks of vacation pay." Vaughn reasoned that UPS had contributed for vacation weeks for more than 30 years because the contract required such contributions, not because of an "error" or as a gratuity to its employees. This decision binds UPS through the life of the contract, until July 31, 2008, and thereafter unless UPS persuades the Virginia UPS Local Unions to change the current contract language.

The decision has several important results. First, employees can take consecutive weeks of vacation within the same month without jeopardizing their eligibility for health and welfare benefits. Second, because UPS currently makes health and welfare and pension contributions attributable to vacation weeks at the rate of \$1.2 million a year to each fund, the arbitration award strengthens each fund's financial stability at a time when other funds are struggling to maintain current benefit levels.

A Message From Parcel and Small Package Division Director Ken Hall



A New Year, New Challenges

We begin 2004 with many challenges.

First, we start the year by aggressively fighting UPS's plan known as UPS Basic, which is an

attempt to win new customers by diverting some packages through the U.S. Postal Service.

UPS Basic is simply intolerable. It is a back-door attempt at getting around the contract prohibitions regarding subcontracting. We will fight this plan during a grievance hearing this month and won't stop fighting until UPS abandons the plan.

The longer, more complicated challenge involves pensions. As many of you know, the Central States Pension Fund has been forced to make some cuts. We will do everything in our power to address the pension crisis and make sure your retirement security is protected.

Tough challenges are ahead. But I am confident that when our more than 220,000 UPS members stay united, we will get through these trying times.

Fighting for Pension Relief

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Not Going to Take It

"The company needed to know that our members will not stand for another attack on their retirement security," said Ken Hall, Parcel and Small Package Division Director.

The contraction of the U.S. stock market during the past three years has had a devastating effect on defined benefit pension plans. An estimated 30 percent or more of all multi-employer defined benefit plans could encounter minimum funding problems over the next decade, with many occurring in the next few years.

West Virginian Wins Challenge Over Medical Qualification

Loa Boggs To Receive \$100,000

The Teamsters National Grievance Committee took on UPS over a longstanding dispute concerning medically unqualified drivers, and a package-car driver from West Virginia won more than \$100,000 in back pay and benefits.

“The Teamsters really stood by me during this ordeal,” said Loa Boggs, a Local 505 Teamster from Huntington, West Virginia.

An arbitrator ruled that UPS failed to offer Boggs alternative work when he failed his Department of Transportation (DOT) physical because of a blind spot due to a vision impairment known as lazy eye. Boggs, a full-time

package driver since 1979, was taken out of service and not permitted to return to work for more than a year.

Boggs finally obtained a DOT exemption but was taken out of service for more than a year. The union successfully argued that the company does not have the right to unilaterally determine whether a medical condition is temporary or permanent within the meaning of Article 20, Section 4 of the contract.

The arbitrator agreed with the union and the company was ordered to reimburse the driver for lost wages plus benefits during the 16-month period he was out of work.

Union Fights UPS Subcontracting Plan

The Teamsters Parcel and Small Package Division is vigorously



fighting UPS’s plan to shift some package deliveries to the U.S. Postal Service.

The Teamsters have filed a grievance, and a hearing by the National Grievance Committee is scheduled this spring.

The UPS plan, called UPS Basic, is an attempt to win new customers who want to send one- to five-pound packages. The plan would take advantage of a Postal Service

program called Parcel Select that offers discounts to people or companies that sort and deliver items to the post office nearest the item’s final destination. A U.S. Postal Service carrier delivers the packages the rest of the way.

“We will fight this plan all the way because it directly violates the National Master Agreement regarding subcontracting,” said Ken Hall, Teamsters Parcel and Small Package Division Director.

MEMBERS WIN \$50 MILLION ARBITRATION CASE

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President. “This is a tremendous victory for these hardworking Teamsters.”

Prior to this decision, UPS had refused to abide by the various supplemental provisions that give part-time cover or utility drivers credit toward the full-time progression once that employee bid into a full-time driver job. Instead, the company was reducing the employee’s rate of pay by starting that employee at the lower start rate once the employee bid into a full-time job.

“This decision will result in our members receiving more than \$50 million in back pay and future wage increases,” said Ken Hall, Director of the Parcel and Small Package Division.

The arbitrator ruled that the company must restore full-time credit previously accrued to the affected employees and that the company should make the affected employees whole for lost wages.

“Please consider this as a formal grievance filed on behalf of the Teamsters United Parcel Service National Grievance Committee.”



California UPS Worker Wins Back Pay, Benefits

Local 431 Member to Receive Estimated \$170,000

A UPS worker and member of Local 431 in Fresno, California has won an arbitration case and will collect an estimated \$170,000 in back pay and benefits, and will get

his job back.

On September 30, 2003, an arbitrator ruled in favor of UPS employee Rudy Avina, who first worked as a package-car driver and later as a clerk.



The arbitrator issued a decision related to Article 20 of the National Master United Parcel Service Agreement, finding that the company failed to have Avina examined by a company doctor within the three days required.

“The company circumvented the procedure,” said Local 431 Secretary-Treasurer Pete Nunez. “As a result, our member did not have the ability to return to work in a timely manner.”

UPS later fired Avina two years after his on-the-job injury, and he never had the right to return to work during that time.

The arbitrator ruled that Avina is entitled to two years of back pay and benefits – estimated at \$170,000 – and will get his job back. Avina is now awaiting a decision by a third doctor as to his return-to-work status.

Local 767 Fights for 23-Year Member

A 23-year employee of United Parcel Service won his job back and will receive more than \$100,000 in back pay and benefits.

Under the arbitrator’s decision released September 29, Tim Holliday, a member of Local 767 in Forest Hill, Texas, will also have his seniority fully restored, according to Local 767 Business Agent Gilbert Abalos, who handled the case on Holliday’s behalf.

Holliday, a feeder driver, was fired in January 2002. The company alleged that he was dishonest. However, the arbitrator ruled that the company unjustly fired him.

Local 767 has not determined the exact amount of back pay and benefits Holliday will be awarded, but “it will at least be \$100,000, probably much more,” Abalos said.

“This is another huge victory for Local 767,” said Wesley Jenkins, Local 767 President. “The wheels of justice will always prevail when management makes up its own rules and won’t follow the collective bargaining agreement.”

**New page with
missing contract
language**

Beating Back Management

Local 767 Member Wins \$1,400 in Penalty Pay; 50 Other Cases Pending



A member of Local 767 in Forest Hill, Texas who works at United Parcel Service has won more than \$1,400 in penalty pay levied against the company for allowing supervisors to perform bargaining-unit work.

Denise Tolman, a UPS employee for about two years who works at the Dallas/Ft. Worth International Airport, filed a grievance against UPS after she was sent home and supervisors did what would have been her work. The contract clearly prohibits supervisors from doing Teamster work, and Tolman prevailed during a recent local grievance hearing.

“As part of our local’s plan to educate our members, we handed out contract books to our UPS workers,” said Wesley Jenkins, Local 767 President. “Denise took advantage of that and read and learned the contract. She really took the bull by its horns and held the company accountable.”

“Denise really stepped up,” added Chris Trowbridge, a Local 767 Business Agent. “We need more people to do that and we have that happening. We have about 50 other griev-

ances pending over the same issue. We have sent out the message that we will not tolerate supervisors doing bargaining-unit work.”

UPS Settles Lawsuit Filed by Deaf Employees

United Parcel Service has agreed to pay \$10 million to more than 1,000 current and former deaf employees to settle a discrimination lawsuit, and Teamster leaders hailed the decision.

In the settlement announced last July, UPS promised to provide deaf workers with effective communications, including interpreters for interviews, orientation, training, safety meetings and disciplinary meetings.

“We’re pleased that UPS will take steps to better accommodate hearing impaired workers,” said Ken Hall, Director of the Teamsters Parcel and Small Package Division. “These workers have the right to be accommodated under the Americans with Disabilities Act.”

The settlement was announced after six weeks of trial in a federal courtroom in San Francisco. At the trial, Babaranti Oloyede, a member of Teamsters Local 70 in Oakland, California, testified that UPS refused to provide him with an interpreter during meetings and training sessions.

“Now that the legal case has been settled, we are moving ahead with a grievance that was filed in December 2000 over the issue,” said Marty Frates, a Local 70 Business Agent.

The company will pay \$4.1 million in lawyers’ fees and distribute \$5.8 million to the plaintiffs. The plaintiffs will likely receive payments ranging from \$5,000 to \$60,000.

ATTENTION UPS MEMBERS

The following text from the National Master United Parcel Service Agreement, Article 6, Section 1 (paragraph 2), was erroneously omitted from the contract books.

Please tear along the perforation and place this new page inside your contract books.

The omitted text is as follows:

“In addition, an employee’s refusal to sign a Company form relating to the principle of a fair day’s work shall not be used for disciplinary purposes unless the signing is required by law or by this Agreement.”



A Message from General President James P. Hoffa

Teamsters Lead Fight for Health Care, Pension Reform

The rising costs of health care and the growing number of under-funded pension plans are creating serious problems for millions of working Americans.

Health care costs are spiraling out of control. And while there has been a lot of rhetoric, neither the President or Congress have come up with any serious solutions. The Teamsters want to change that. The Union is currently playing a leading role in the national effort to win universal health insurance. In the near future, we will be drafting legislation that we will ask members of both political parties in Congress to introduce and support.

The Union is also very active in the upcoming U.S. presidential campaign. While the candidate we supported, Congressman Dick Gephardt, did not win the Iowa Caucuses, we convinced the other candidates to support some form of national health insurance. Our goal is to make sure the candidate who presents the best national health-care plan is elected. The plan must address the needs of the uninsured, and the 160 million workers cov-

ered by employer-provided plans.

The pension funding crisis is also impacting millions of Americans. The Teamsters and other unions are seeking relief in Congress that would give multi-employer pension plans more time to recover from the disastrous losses suffered during the recent stock market collapse.

Unfortunately, UPS was pushing different legislation that would have undermined the type of pension relief needed to help many Teamster plans. However, through aggressive action by the Union and with help from Local Unions and rank-and-file members, we soundly defeated UPS' proposal.

The President has been missing in action on these issues. I hope you join with your Union by electing a President this November who cares about working families and who has a plan to deal with the economic crisis facing this nation. During difficult times, Teamsters have always stood together. I am confident that through unity we will continue to prevail.

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25 Louisiana Avenue, NW
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