



General Drivers, Warehousemen & Helpers Local Union No. 89

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March 19, 2014

Ted Bunstine
UPS Division Director
Teamsters Joint Council 28
14675 Interurban Avenue South
Suite 303
Tukwila, Washington 98168-4652

Dear Sir and Brother,

I am in receipt of a message (enclosed) you sent March 17, 2014 to Local Unions affiliated with Joint Council 28 as a UPS Contract update. It is important for me to respond because the inaccurate information provided may lead to opinions based on inaccurate information.

First, you refer to the Central PA Supplement having been voted a second time and not passed. The Central PA supplement was passed in the first round of voting in July 2013. I suspect you are referring to the Local 623 Supplement. Further you state the healthcare provisions are "NOT in the supplements." As you can plainly see Health Care was negotiated in both the Local 623 and Western PA Supplements.

Teamsters Local 623 Supplement August 1, 2008 through July 31, 2013

ARTICLE 57 - HEALTH AND WELFARE SECTION 1

The Employer will establish and keep in force a Health and Welfare Plan for full time employees and retirees who are members of Local 623. The employee covered as well as the nature and amount of said benefits will be as outlined in the summary plan descriptions for "The United Parcel Service Health and Welfare Package" which is incorporated herein by reference. A current and revised copy of the summary plan description will be supplied to all participants upon request.



Western Pennsylvania Supplement – thru July 31, 2013

ARTICLE 58 - HEALTH AND WELFARE AND LIFE INSURANCE

The Employer will evaluate a number of alternative procedures for full-time and part-time employees and retirees including precertification and utilization reviews, managed care, health care provider contracting and other various programs. The Company will implement those procedures or programs deemed necessary to continue quality health care service in a cost effective manner. It is the intentions of the parties that managed care will continue to provide high quality health care.

A comprehensive medical expense benefits insurance for retired UPS members will be established for employees retiring after July 31, 1993. The employees covered, as well as the nature and amount of said benefits, will be as outlined in the booklet entitled "The UPS Health Program For Retirees" Form (#U-65). The minimum qualifying age for eligibility for the retiree health care plan is age fifty one (51).

Health & welfare and/or pension contributions shall be increased by forty dollars (\$40.00) per week on August 1, 2008 and on each subsequent August 1st during the life of the contract.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions for a period of three (3) months. If an employee is injured on the job, the Employer shall continue to pay the required contributions until such employee returns to work; however, such contributions shall not be paid for a period of more than six (6) months.

Disputes or questions of interpretation concerning the requirement to make contributions on behalf of particular employees or classifications of employees must be submitted directly to the Conference Joint Area Committee by either the local union or the trustees. In the event of such disputes or questions, the Company shall not be deemed to be delinquent, while the matter is being considered, but if the Conference Joint Area Committee, by majority vote, determines that contributions are required, the Company shall pay to the trust fund the amounts due together with any other charges uniformly applicable to past due contributions. The Conference Joint Area Committee may also determine whether the Company's claim was bona fide. In the event that the Conference Joint Area Committee is deadlocked, the matter shall be resolved by the National Grievance Committee.

For employees hired after ratification, the employee must be on the full-time seniority list for eighteen (18) months for eligibility for dental coverage, vision coverage and all dependent health care coverage.

This language will be revised and amended upon ratification of the Western Pennsylvania Supplemental Agreement.

Present employees covered under the Health Care Package and new employees will be covered under the new Teamster UPS Joint Council 40 Health Care Package. Employees covered under

the Indemnity program will be given an opportunity to convert to the new Teamster UPS Joint Council 40 Health Care Package.

ARTICLE 60 - PART TIME EMPLOYEES HEALTH AND WELFARE

Effective December 17, 1976, the Employer will provide full coverage for part-time employees equal in benefits to those of the fulltime employees in their area; (1) except for weekly accident and sickness benefits which shall be one-half (1/2) the amount a fulltime employee would receive. There shall not, however, be any duplication of Health and Welfare coverage for part-time employees hired after July 31, 1993, must be on the part-time seniority list for two (2) years for eligibility for dental, vision, and all dependent health care coverage.

Identification cards shall be provided for part-time employees which denote the schedule of coverage. Part-time employees shall be provided a schedule of benefits available to them.

The Employer will evaluate a number of alternative procedures for full-time and part-time employees and retirees including precertification and utilization reviews, managed care, health care provider contracting and other various programs. The Company will implement these procedures or programs deemed necessary to continue quality health care service in a cost effective manner. It is the intentions of the parties that managed care will continue to provide high quality health care.

This language will be revised and amended upon ratification of the Western Pennsylvania Supplemental Agreement.

Present employees covered under the Health Care Package and new employees will be covered under the new Teamster UPS Joint Council 40 Health Care Package. Employees covered under the Indemnity program will be given an opportunity to convert to the new Teamster UPS Joint Council 40 Health Care Package.

As for your comments regarding Local 89, you mischaracterize our agreement as the Louisville Air Rider. The proper name for our agreement is the Louisville Air Operations Supplement and has been for more than 25 years. It is not a rider. As I had stated in Florida it was a Company proposal to change the name to the Louisville Air Operation Rider which Local 89 rejects.

Likewise with Local 623 and Western PA, health care benefits for our members are negotiated in our supplement and are superior benefits to what is currently offered. You state that I was unable to articulate what reductions our members would suffer if the current plan was changed. That is not what I said. I told the committee I would provide them, upon request, a comparison sheet to outline the changes in the plan. To be perfectly clear, I told the committee I would not recommend an agreement which contained concessions to their health care benefits. Let me remind you when I was instructed to appear before the committee I was not told of its purpose. The fact is I did not have the comparison sheet with me and no one has requested it.

What is unfortunate is your position that we can't negotiate something different for ourselves other than what has been voted on. It is because our membership has rejected this concessionary contract that we have already obtained better conditions that you were ready to give up on.

Fraternally,

A handwritten signature in black ink, appearing to read "Fred Zuckerman". The signature is fluid and cursive, with the first name "Fred" being more prominent and the last name "Zuckerman" following in a similar style.

Fred Zuckerman – President
Teamsters Local Union 89

cc: Principle Officers Local 38, 58, 174, 231, 252, 313, 589, 690, 760, 839

JC-28 UNITED PARCEL SERVICE DIVISION

FACSIMILE TRANSMITTAL

Date: MARCH 17, 2014

To: ALL PRINCIPAL OFFICERS WITH UPS LOCAL UNIONS AFFILIATED WITH
JOINT COUNCIL NO. 28 - Locals 38, 58, 174, 231, 252, 313, 589, 690, 760
and 839

From: TED BUNSTINE, UPS DIVISION DIRECTOR
JOINT COUNCIL OF TEAMSTERS NO. 28

Subject: UPS CONTRACT UPDATE – REMAINING OPEN SUPPLEMENTS & RIDERS

Message:

Dear Brothers and Sisters,

Last week the Teamsters UPS National Negotiating Committee met with Union Leadership from each of the respective area supplements and riders that have yet to be ratified in an effort to continue to assess and assist those areas in finding resolution to their ongoing negotiations. Currently, there are two area supplements and one area rider that have not been able to reach resolution, as well as the Ohio Rider which is currently being voted by their membership for the second time and votes will be counted on March 19, 2014.

The Central PA and Western PA Supplements have both been voted a second time and have not passed. Based on the discussions with the Committees, it appears that while both have negotiated perhaps their best supplements to date, the outstanding issue for both supplements is their desire to remain in the company healthcare. As we know, the healthcare provisions are contained in the National Master Agreement and **NOT** in the supplements.

Facsimile

Re: UPS Contract Update – Remaining Open Supplements & Riders

March 17, 2014

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Both Central PA and Western PA fall under those provisions and they will go into the Central States C6 Healthcare (TeamCare) once all supplements and riders are passed and the new contract goes into effect. The reality of the situation is that they are unwilling to accept change despite the fact that the National Master Agreement has been voted on and passed. **Both areas are rejecting their supplement in a fruitless effort to try to maintain the company healthcare.**

It is unfortunate that these areas are using their supplemental agreements as a vehicle to try to obtain something different for themselves (which will not happen) other than what has already been voted on and passed by our members nationally.

Teamsters Local 89 – Louisville, KY's Air Rider also remains open. The IBT sent two representatives into negotiations with Local 89's committee to try to assist them in getting an agreement. While improvements were made, there are still supplemental issues that remain open. Local 89's negotiating committee made it clear that even if all of their issues in the rider were resolved they still would not recommend ratification of the rider because they feel that moving to the Central States C6 Healthcare (TeamCare) would be a reduction in benefits. When they were asked to itemize exactly what those reductions were, they were unable to articulate what those reductions were.

Again, the healthcare provisions of our contract are contained in the National Master Agreement and it has been voted on and passed by the members. It is unfortunate that members across the country are being held hostage by these remaining areas that simply want to continue to reject any settlement that includes moving to the Central States C6 Healthcare (TeamCare).

The Company presented Local 89 a firm and final offer last week which will soon be mailed out to their members for a ratification vote.

The IBT and the UPS National Negotiating Committee will continue to monitor, assist and seek final resolution in getting these remaining open supplements and riders resolved in these last few areas so we can start receiving the improved wages and benefits contained in our new Contract.

LET'S GET IT DONE!