



## THE STORY IS NOT OVER

At this time it appears that deal has been negotiated on a new National Master UPS Agreement with the Teamsters who represent approximately 260,000 United Parcel Service workers. The tentative agreement which covers drivers, package handlers and dock workers, calls for a new five-year labor deal.

Full-Time Employees will see significant increases to the full-time progression rates and general wage increases have been tentatively agreed to, totaling \$4.15 per hour over the life of the Agreement. A new classification of full-time combination driver starting at \$20.50 per hour has been established reaching a top rate of \$34.79 by August 1, 2022. This provision will help to resolve several employee concerns, including Saturday and Sunday delivery and excessive forced overtime.



The union has made significant improvements on the part-time wage structure and start rate as well. The current four-year wage progression (\$10.00 to \$12.50 per hour over four years) has been eliminated. Instead, there will be a start rate that increases significantly in each year of the contract, from \$13.00 per hour on August 1, 2018, reaching \$15.50 on August 1, 2022. The two-tier wage structure has been eliminated. All part-time employees hired after August 1, 2018 will make the new higher start rate. The new General Wage Increases total \$4.15 per hour over the five-year Agreement with no split wage increases. Existing part time employees will receive the General Wage Increases and make no less than the new start rate.

There is a significant increase to the new hire progression for sleeper teams. Mileage rates that far surpass any rates in the industry have been tentatively agreed to. In addition, the union has successfully negotiated a provision to pull many loads that are currently moved by the railroad from the rails and move those loads to newly created sleeper teams, resulting in at least 2,000 new full-time jobs for the members. Sleeper team jobs are the highest paying jobs in the bargaining unit.

The tentative agreement also includes increases in the company's contributions to benefit funds including pensions. From the company's perspective, the agreement sets the stage for the delivery of packages on Sunday. This key change was necessary because consumers tend to do a lot of online shopping over the weekend.

Negotiations are continuing on a labor contract for UPS Freight workers.

Avoiding the potential of a work stoppage through the new tentative agreement is very good news for shippers who would not have many options should a strike occurred. This story is not over however. The increased employee wages will have to be funded. That means UPS shippers must face the fact that, while technology can provide some offset to these costs, the majority of the increased labor cost will have to be funded by UPS customers.

*It is time to start thinking about the impact this agreement will have on your business. Data2Logistics is here to help. We understand the parcel marketplace and can provide expert advice to help minimize the impact of price increases that are sure to be imposed. Contact Harold B. Friedman at [harold.friedman@data2Logistics.com](mailto:harold.friedman@data2Logistics.com) or 609 577 3756. We are here to support you.*