Does the application indicate whether the plan is a plan described in § 432(e)(9)(D)(vii)(III) and, if so, how is that fact reflected in the proposed benefit suspension. See section 6.07.

Central States is a plan described in § 432(e)(9)(D)(vii)(III). The benefit suspension plan reflects this fact by applying different formulas and suspension caps to calculate the suspension for each of the categories of benefits or “tiers” described in subparts (I)-(III) of that statutory provision. A description of these differences is included under Sections 2.02 (Item #2) and 4.04 (Item #13) of this application.

Also attached are the following document numbers:

30.1 2002-2008 Relevant excerpts from UPS Master Agreement & Riders
30.2 2007-2013 Relevant excerpts from UPS Master Agreement & Riders
30.3 2013-2018 Relevant excerpts from UPS Master Agreement & Riders
30.4 Relevant excerpts from UPS-IBT Full-Time Employee Pension Plan
30.5 Spin-Off and Withdrawal Liability Agreement and Release
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For the Period:
August 1, 2002 through July 31, 2008
NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

For the Period:
August 1, 2002 through July 31, 2008

covering:

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No.____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1. PARTIES TO THE AGREEMENT

The Employer and the Union adopt this Article and enter into this Agreement with a mutual intent of preserving and protecting work and job opportunities for the employees covered by this Agreement. No bargaining unit work will be subcontracted, transferred, leased, assigned or converted except as provided in this Agreement.

Section 1. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any existing centers, new centers, new trailer repair shops, new air hubs and gateway operations, new buildings, and any other new operations of the Employer within the jurisdiction of the Local Union signatory to this Agreement as determined or may be deter-
mined by the International Brotherhood of Teamsters, with regard to wages, hours and other conditions of employment.

Section 2. Employees Covered

Employees covered by this Agreement shall be construed to mean, where already recognized, feeder drivers, package drivers, sorters, loaders, unloaders, loaders, office clerical, mechanics, maintenance personnel (building maintenance, car washers, United Parcel Service employees in the Employer’s air operation, and to the extent allowed by law, employees in the export and import operations performing lead and unload duties, and other employees of the Employer for whom a signatory Local Union is or may become the bargaining representative.

In addition, effective August 1, 1987, the Employer recognizes as bargaining unit members clerks who are assigned to package center operations, hub center operations, and/or air hub operations whose assignment involves the handling and processing of merchandise, after it has been transferred to United Parcel Service to facilitate delivery. These jobs cover: package return clerks, address clerks, post card room clerks, damage clerks, rework clerks, and hub and air hub return clerks. This Agreement also governs the classifications covered in Article 39 - Trailer Repair Shop. Effective no later than February 1, 2003, the Employer recognizes as bargaining unit members FDOOIX workers, international auditors, “smart label clerks and revenue auditors who work in the operating facilities.

Section 3. Transfer of Company Title or Interest

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event the entire operation, or portion thereof, or rights only, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation or use of such rights shall continue to be subject to the terms and conditions of this Agreement, for the life thereof.

On the sale, transfer or lease of an individual run or runs, or rights only, the specific provisions of this Agreement shall prevail. It is understood by this Section that the parties hereto shall not sell, lease, or transfer such run or runs or rights to a third (3rd) party to evade this Agreement.

In the event the Employer fails to require the purchaser, the transferee, or lessee to agree to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Local Union and to employees covered for all damages (including but not limited to monetary damages) sustained as a result of such failure to require assumption of the terms of this Agreement until its expiration date, but shall be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof, including rights only. Such notice shall be in writing with a copy to the Local Union, at the time the seller, transferee, or lessee executes a contract or transaction as herein described. The Teamsters United Parcel Service National Negotiating Committee and Local Unions involved shall also be advised of the exact nature of the transaction, not including financial details.

Section 4.

The Employer agrees that it will be a violation of this Section if it, any affiliate, or any other entity under its control enters into a business so as to duplicate the Employer’s common carrier operations as defined in Article 1 in any area. Affiliate for purposes of this Section means any entity which is owned, managed or controlled by the Employer or its parent. This Section will also cover an entity if the Employer or its parent maintains the ultimate right to control or approve a decision by such entity.

The Employer will be financially responsible for all losses resulting from a violation of this Section.
ARTICLE 2. SCOPE OF THE AGREEMENT

Section 1. Single Bargaining Unit

All employees covered by this Master Agreement and the various Supplements, Riders and Addenda thereto, shall constitute one (1) bargaining unit. The printing of this Master Agreement and the aforesaid Supplements, Riders and/or Addenda in separate agreements is for convenience only and is not intended to create separate bargaining units.

To the extent provided by law, this Agreement shall be applied to all subsequent additions to, and extensions of, current common carrier operations of the Employer and newly established operations of the Employer which are utilized as a part of such current operations of the Employer, without additional evidence of Union representation of the employees involved (provided that newly acquired operations of the Employer, which are not utilized as a part of such current common carrier operation of the Employer, shall not be deemed additions to, or extensions of, operations of the Employer). If the Employer purchases a related common carrier business, the Employer, to the extent allowed by law, recognizes the Teamsters UPS National Negotiating Committee as the bargaining representative and will meet to determine which applicable Supplement covers those employees, and negotiate a new Addendum covering economic terms if current Supplements do not cover the new job classifications or, if a current collective bargaining agreement is in place for the acquired employees, then the agreement shall continue by its terms until expiration.

Section 2. Riders

Present Supplements, Riders and Addenda shall remain in effect.

Any new Supplement, Rider or Addendum, or changes to Supplements, Riders or Addenda or in the contract affiliation of any Local Union covered by this Agreement must be submitted to the Joint National Negotiating Committee for review and approval. Failure to be approved by the Committee shall render said Supplement, Rider or Addendum null and void.

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the National Union Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees of the Employer in covered classifications. The employees and Unions covered under this Master Agreement and the various Supplements, Riders and Addenda thereto shall constitute one (1) bargaining unit.

(b) When the Employer needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

If employees are hired through an employment agency, the Employer shall pay the employment agency fee, if any, due from the employee. However, if the Union has been given equal opportunity to furnish employees, as provided herein, and if the employee is retained through the probationary period, this fee need not be paid until the thirty-first (31st) day of employment, except as otherwise provided in the Local Union Supplements, Riders and Addenda.

Business agents and/or stewards shall be permitted to attend new employee orientations in the right-to-work states. The Employer agrees to provide the Local Union at least one week’s notice of the date, time, and location of such orientation. The sole purpose of the business agent’s or steward’s attendance shall be to encourage new employees to join the Union. The steward shall remain on the
In the event that the index shall be revised or discontinued and in
the event the Bureau of Labor Statistics, U.S. Department of Labor,
does not issue information which would enable the Employer and
the Union to know what the index would have been had it not been
revised or discontinued, then the Employer and the Union will
meet, negotiate, and agree upon an appropriate substitute for the
Index. Upon the failure of the parties to agree within sixty (60)
days thereafter, the issue of an appropriate substitute shall be sub-
mitted to an arbitrator for determination. The arbitrator's decision
shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

Section 1.

(a) Health & welfare and/or pension contributions shall be
increased by twenty-six dollars ($26.00) per week on August 1,
2002, and twenty-four dollars ($24.00) per week on August 1,
2003, and twenty-four dollars ($24.00) per week on August 1,
2004, and twenty-four dollars ($24.00) per week on August 1,
2005 and twenty-four dollars ($24.00) per week on August 1,
2006, and twenty-eight dollars ($28.00) per week on August 1,
2007. Where the employees are covered by both Teamster Health
& Welfare and Pension Funds in a Supplement, Rider or
Addendum, the weekly health & welfare and pension contribu-
tions shall be allocated by the respective Joint Supplemen-
tal Area Negotiating Committees, subject to the
approval of the Joint National Negotiating Committee. In those
Supplements, Riders or Addenda, where some of the employees
are covered by a Teamster Health and Welfare Plan and some
of the employees are covered by the Company Health and Welfare
Plan, the amount of money allocated to the Company Health and
Welfare Plan shall be the same as the amount allocated to the
Teamster Health and Welfare Plan in the Supplement, Rider or
Addendum. The applicable Supplement, Rider or Addendum will
reflect the appropriate agreed-to increases to the Teamster
Pension Plans in those Supplements, Riders or Addenda where all
the employees are in the Company Health and Welfare Plan

and/or covered by Section (f) of this Article. These increases shall
be allocated as follows: twenty-five cents ($0.25) per hour to
Health and Welfare in each year of the contract. The remainder
of the contribution increase each year will be paid into pension.

It is the intent of the Employer and the Union that health & welfare
and pension monies will be allocated in a manner to keep wage
increases uniform. The increases accrued under this Article on
August 1st, of each year, can only be allocated to health & welfare
and/or pension. Any dispute concerning the allocation of health &
and/or pension money shall be determined and/or resolved by
the Joint National Negotiating Committee.

(b) Monthly, daily and hourly health & welfare and pension con-
tributions shall be converted from the weekly rate increases in
accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to
make applicable contributions to all IBT Health and Welfare Funds
and all IBT Pension Funds (or the successor funds in case of merger
of funds) for full-time and part-time employees in all Supplements,
Riders and Addenda where the Employer was making contributions
for full-time and/or part-time employees on May 1, 1982, unless
changes placing these employees in UPS plans are negotiated and
agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the
Employer was providing health & welfare and/or pension benefits
to employees (either full-time or part-time) on May 1,
1982, the Employer will continue to provide health & welfare
and/or pension benefits coverage under the Company plan(s), with
funding under the related trust(s) established by the Employer for
this purpose, for the life of this Agreement unless specified other-
wise in the applicable Supplemental Agreement, Rider and
Addendum.

(e) All contractual provisions relating to health & welfare and pen-
sions shall be provided in the respective Supplemental Agreements,
Riders and Addenda.
(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters Supplemental Agreement and in the Northern California Supplemental Agreement shall continue in full force and effect during the life of this Agreement.

(g) The Employer shall not be required to contribute to any jointly trustees health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 2002 an amount greater than the amount it contributed on July 31, 2002 plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that national health care legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(i) UPS Part-time Pension Plan

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2002 to fifty-five dollars ($55.00) for each year of past and future Credit Service to a maximum of thirty-five (35) years of Credit Service.

For example, the total monthly benefit will be equal to the following provided the employee meets the Credit Service requirement.

$1,025 for retirement at any age after 35 years of part-time Credit Service
$1,650 for retirement at any age after 40 years of part-time Credit Service
$1,375 for retirement at age 60 with 25 years of part-time Credit Service
$1,125 for retirement at any age with 25 years of part-time Credit Service (based on $45.00 per year of Credit Service)

(2) Part-time employees will receive one (1) year of Credit Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credit Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credit Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credit Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

(4) The UPS Pension Plan will be governed by the terms of the Plan document.

(5) Effective August 1, 2002 the Employer will grant additional years of Credit Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but were denied Credit Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.

(6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.

(j) Long-Term Disability

(1) Full-time seniority employees will become eligible for long-term disability (LTD) after six (6) months of employment for non-occupational illnesses or injuries that last longer than twenty-six (26) weeks.

(2) Long-term disability benefits will equal sixty percent (60%)
of the employee's base weekly pay to a maximum of five hundred dollars ($500) per week for up to five (5) years. Long-term disability benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later.

(3) Average weekly base pay is computed by averaging paid hours (maximum of forty (40) hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.

(4) The definition of disability, termination of eligibility, offers, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.

(5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee’s eligibility for LTD.

(k) Part-time Retiree Coverage

(1) Effective August 1, 2002 the Employer will provide health insurance coverage to all part-time employees, not covered by a Union plan, who retire or after that date.

(2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the CPS Pension Plan; (iii) be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.

(3) A retiree's legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age sixty-five (65).

(4) Coverage and benefit levels shall be as specified in the Summary Plan Description.

(5) Eligibility for coverage for retiree and spouse begins on the first (1st) day after the employee’s active coverage ends.

(6) The retired part-time employee will be required to make a contribution equal to the amount required by a retired full-time employee in the same Local Union. If there is no established rate, the contribution will be two hundred dollars ($200.00) per month.

ARTICLE 35. EMPLOYEE’S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 1. Employee’s Bail And/Or Court Appearance

When an employee is required to appear in any court for the purpose of testifying because of any accident the employee may have been involved in during working hours, each employee shall be reimbursed in full by the Employer for all earnings opportunity lost because of such appearance. The Employer shall furnish employees who are involved in accidents during working hours with bail bond and legal counsel and shall pay in full for same. Employees shall be compensated for time spent in jail at his/her regular rate of pay. Said bail bond and legal counsel shall remain assigned to the employee until all legal action in connection with said accident is concluded, provided the employee is not charged and convicted of criminal negligence. This Section shall not apply to employees who are found guilty of drunken driving when involved in an accident during working hours. The Employer shall assume all responsibility for all court costs, legal fees, and bail bond fees for any employee who is involved in any accident or accidents during working hours and shall assume all responsibility for all judgments and awards against any employee who is involved in accidents during working hours, which result through
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For the Period:
August 1, 2002 through July 31, 2008
Teamsters
Atlantic Area
UNITED PARCEL SERVICE
Supplemental Agreement

For The Period
August 1, 2002
thru July 31, 2008

For the Employer:

UNITED PARCEL SERVICE
NEGOTIATING COMMITTEE

James Maloney
Chairman

Chris Mahoney
Ed Burbage
Jack Dempsey
Ed Lentini
Joe Maloney
Dawn Shank
Joe Trinquart
Headley Chambers
John Fitzgerald
Jerry Gordanier
Brian McCabe
Marc Nadeau
Jerry Neronio
Ed Padowan
Harvey Quinn
Sharon Ring
Dick Turner
Tony Coleman

Tim Eckert
Denise Gosti
Dan Heyer
Mark Johnson
Norbert Kane
Pete Kean
Lindsay Marshall
Chuck Matcera
Tom McGowan
Sal Messina
Ron Miloro
Rich Perez
Mike Rosenstrater
Jack Royles
Tom Schultz
Ken Scott
Dan Smith
Ed Lynch
UNIVERSAL SERVICE
ATLANTIC AREA
SUPPLEMENTAL AGREEMENT
For The Period
August 1, 2002 thru July 31, 2006
ATLANTIC AREA SUPPLEMENT

This Supplement to the National Master Universal Service Agreement shall apply to all Universal Service employees working in the classifications set forth in the Wage Schedule and within the jurisdiction of Locals 22, 28, 29, 61, 71, 171, 175, 122, 355, 391, 453, 505, 509, 659, 897, 822, and 992. Except as provided herein, the provisions of the National Master UPS Agreement shall prevail.

ARTICLE 46 - ACQUISITION OF SENIORITY

Section 1
A new employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) days 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 discriminating against Union members. After working thirty (30) days within a thirty (30) consecutive day period, the employee shall be placed on the regular seniority list and his seniority date shall be the
Company premises before reporting for duty and change out of uniforms after being relieved from duty each day.

Rain slickers and rubber boots will be available to be used by employees working as shifters and/or car washers, if requested.

Full-time and part-time inside employees shall be permitted to bring water jugs filled with water to their work area, provided the container is transparent and is subject to security checks upon entering and exiting the facility.

ARTICLE 59 - BREAKDOWNS AND IMPASSABLE HIGHWAYS
In any instance of breakdown or impassable highway which prevents an employee from proceeding to his destination (or, if instructed, from returning to his rest area), the employee shall be paid for all time up to the time at which he arrives at a place of lodging with overtime payments, if appropriate. Once he has arrived at a place of lodging, the employee shall be considered to be relieved from duty and be entitled to his regular starting time the next day or until called to duty, whichever comes sooner. If more than one (1) day elapses before the employee is called to duty, he shall be paid not less than daily minimums guaranteed each twenty-four (24) hour period, each period to be measured from the employee’s regular starting time each day until he returns to his rest area or home. In addition, such an employee shall be furnished clean, comfortable, sanitary lodgings, plus meals. The meal allowance shall be ten dollars ($10.00) for breakfast, twelve dollars ($12.00) for lunch and fourteen dollars ($14.00) for supper.

ARTICLE 60 - AIR-CONDITIONING
All new tractor trailer forer equipment placed in service shall be equipped with air-conditioning.

Road tractors manufactured during the years 1974, 1975, 1976, 1977, shall be retrofitted with air-conditioning during a time schedule mutually agreed to with the Company and Local Unions.
Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay all attorneys' fees and cost of collection.

Pension

The Employer agrees to continue contributions to the Hagertown Motor Carriers and Teamsters Pension Plan as follows:

<table>
<thead>
<tr>
<th>Effective</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2002</td>
<td>$155.27 per month</td>
</tr>
</tbody>
</table>

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Hagertown Motor Carriers and Teamsters Pension Plan shall be signed by the Employer and become a part of this Agreement.

If the 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 twelve (12) months.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay all attorneys' fees and cost of collection.

Section 2 - Local Unions Nos. 28, 61, 71, 391 and 509 Health and Welfare

In the jurisdiction of the Local Unions party to this Agreement, the employer hereby agrees to contribute to the Central States, Southeast and Southwest Areas Health and Welfare Fund the following schedule for each employee covered by this Agreement who has been on the payroll thirty (30) days or more:

$20.70 per week

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

By the execution of this Agreement, the Employer authorizes the Employer's Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such Fund and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

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 four (4) weeks. 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 twelve (12) months. If an employee is grant-
ed a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the health and welfare fund during the period of absence.

There shall be no deductions from equipment rental of owner operators by virtue of the contributions made to the health and welfare fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner-driver compensation. Contributions to the health and welfare fund must be made for each week on each regular or extra employee even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the employer but not under the provisions of this contract, and although contributions may be made for those weeks into some other health and welfare fund. Employees who work either temporarily or in the case of emergency under the terms of this contract shall not be covered by the provisions of this paragraph.

Employers presently making payments to the Central States, Southeast and Southwest Areas Health and Welfare Fund, and Employers who may subsequently begin to make payments to such fund shall continue to make such payments for the life of this Agreement.

**Pension**

In the jurisdiction of the Local Unions parties to this Agreement, the Employer shall contribute to the Central States, Southeast and Southwest Areas Pension Fund for each employee covered by this Agreement who has been on the payroll thirty (30) days or more, the sum:

$16.00 per week

Effective Aug 1, 2003, Aug 1, 2004, Aug 1, 2005 and Aug 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents (60.00) per hour. Effective Aug 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents (70.00) per hour. 

Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined under resolution by the Joint National United Parcel Service Negotiating Committee.

There shall be no other pension fund under this contract for operations under this contract.

By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such funds, and to designate the Employer Trustees under such agreement, whereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

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 four (4) weeks. If an employee is injured on the job, the Employer shall continue to make the required contributions until said employee returns to work; however, such contributions shall not be paid for a period of more than twelve (12) months. If an employee is granted a leave of absence, the Employer shall collect from said employee prior to the leave of absence being effective, sufficient monies to pay the required contributions into the pension fund during the period of absence. There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the pension fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner-driver compensation.

Contributions to the pension fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the...
provisions of this contract, and although contributions may be made
for those weeks into some other pension fund. Employees who work
in or in cases of emergency under the terms of this
contract shall not be covered by the provisions of this paragraph.

Notwithstanding anything herein contained, it is agreed that in the
event the Employer is delinquent at the end of a period in the pay-
ment of his contributions to the health and welfare or pension fund
or funds created under this Agreement, in accordance with the rules
and regulations of the Trustees of such funds, the employee or
their representatives, shall be the proper official of the Local Union
shall be given seventy-two (72) hour's notice to the Employer of
such delinquency in health and welfare and pension payments,
shall have the right to take such action as they deem necessary until
such delinquent payments are made, and it is further agreed that in
the event such action is taken the Employer shall be responsible to
the employees for issues resulting therefrom.

Section 3 - Local Unions Nos. 22, 29, 171, 322

and 822 Health and Welfare:

(a) Effective August 1, 2002, the Employer shall contribute to the
Teamsters Joint Council No. 83 Health and Welfare Fund the sum
of $190.50 per week for each regular employee covered by this
Agreement who is domiciled in the jurisdiction of Local Unions
No. 22, 29, 171, 322 and 822.

Effective August 1, 2003, August 1, 2004, August 1, 2005 and
August 1, 2006, the Employer contributions to the Health and
Welfare and Pension shall be increased at the rate of twenty cents ($0.20)
per hour. Effective August 1, 2007, the Employer contributions to
the Health and Welfare and Pension shall be increased at the rate of
seventy cents ($0.70) per hour. Allocations shall be determined by
the Joint Supplemental Area Negotiating Committee, subject to
approval of the Joint National Negotiating Committee.

(b) By the execution of this Agreement, the Employer agrees to
enter into appropriate trust agreements necessary for the adminis-
tration of such Fund, and to designate the Employee Trustees under
such agreement, hereby waiving all notice thereof and ratifying all
actions already taken or to be taken by such Trustees within the
scope of their authority.

(c) If an employee is absent because of illness or off-the-job injury
and notifies the Employer of such absence, the Employer shall con-
tinue to make the required contributions for a period of four (4)
weeks. 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 twelve (12) months.

(d) Contributions to the health and welfare fund must be made for
each week on each regular or laid off regular employee who works
at least one (1) day in that week under the provisions of this
Agreement, including weeks where work is performed for the
Employer but not under the provisions of this Agreement and
although contributions may be made for those weeks into some
other health and welfare fund.

(e) When a leave of absence is granted, the employee shall state, in
writing, if he desires health and welfare coverage during the full
period of the leave of absence. If the elects not to make payments
close to the trust office of the health and welfare fund, he shall
have no coverage during the full period of the leave of absence.

If he elects in writing to be covered under the health and welfare
Fund, he shall make contributions direct to the trust office of the
health and welfare fund weekly or monthly in accordance with the
rules of the Trustees beginning with his leave of absence during the
allowable period as provided by the rules of the Trustee. The
Employer shall send a copy of the leave of absence to the trust
office of the health and welfare fund as soon as it is granted.

Pension Fund:

(f) Effective August 1, 2002, the Employer shall contribute to
Teamsters Joint Council No. 83 Pension Fund the sum of $181.20
per week for each regular employee covered by this Agreement
who is domiciled in the jurisdiction of Local Unions Nos. 22, 29,
171, 322 and 822.
30.1.15

Section 4 - Local Union No. 639

Health and Welfare

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

(g) By the execution of this Agreement, the Employer agrees to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice of the same and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

(b) 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 pay the required contributions for a period of four (4) weeks. 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 twelve (12) months.

(f) Contributions to the present fund must be made for each week on each regular or layoff employee who works at least one (1) day in that week under the provisions of this Agreement, including weeks where work is performed for the Employer but not under the provisions of this Agreement and although contributions may be made for more than twelve (12) months.

Employees who work either temporarily or in times of emergency under the terms of this Agreement shall not be covered by the provisions of this paragraph.
There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the health and welfare fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner-driver compensation.

Contributions to the health and welfare fund must be made in accordance with each Trust Agreement on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract and although contributions may be made for those weeks into some other health and welfare fund.

The Employer shall continue to make payments to the health and welfare fund of Drivers, Chauffeurs and Helpers, Local 639, for the life of this Agreement.

**Pension**

Effective August 1, 2002, the Employer shall contribute to the Teamsters 639 – Employers Pension Trust Fund the sum of $251.00 per week on each regular full time employee.

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents (70¢) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and resolved by the Joint National United Parcel Service Negotiating Committee.

There shall be no other Pension Funds under this contract for operations under this contract.

By the execution of this Agreement, the Employer party to this Agreement agrees to enter into appropriate Trust Agreements as necessary for the administration of such funds and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

If a regular full-time employee is absent because of illness or off the job injury and qualifies under the provisions of this Agreement, such Employee shall continue to be paid the required contributions for a period of four (4) weeks. If a regular full time employee is injured off 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 twelve (12) months. If a regular full time employee is granted a leave of absence, the Employer shall collect from the said employee prior to the leave of absence being effective, sufficient monies to pay the required contributions into the pension fund during the period of absence.

There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the pension fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner-driver compensation.

Contributions to the pension fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks into some other pension fund.

**Section 5 - Local Union No. 453-Health and Welfare**

The Employer agrees to contribute to the Western Pennsylvania Teamsters and Employers Welfare Fund, as follows:

<table>
<thead>
<tr>
<th>Effective</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2002</td>
<td>$677.10 per month</td>
</tr>
<tr>
<td>April 1, 2003</td>
<td>$782.77 per month</td>
</tr>
</tbody>
</table>
Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined under resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Western Pennsylvania Teamsters and Employers’ Welfare Fund shall be signed by the Employer and become a part of this Agreement.

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 contribution for a period of six (6) 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 twelve (12) months. Action for delinquent contributions may be instituted by either the Local Union, the Area Conference, or the Trustees. Delinquent Employer shall also pay all attorneys’ fees and cost of collection.

Pension
The Employer agrees to continue contributions to the Southwestern Pennsylvania and Western Maryland Area Teamsters and Employers’ Pension Fund as follows:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Per Employee</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2002</td>
<td>$938.07</td>
<td>$9,294.30</td>
</tr>
<tr>
<td>April 1, 2003</td>
<td>$951.40</td>
<td>$8,918.60</td>
</tr>
</tbody>
</table>

Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined under resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Southwestern Pennsylvania and Western Maryland Area Teamsters Pension Fund shall be signed by the Employer and become a part of this Agreement.

If the 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 the employee returns to work; however, such contributions shall not be paid for a period of more than twelve (12) months.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer shall also pay the attorneys’ fees and cost of collection.

Section 6 - Local Union No. 505
Health and Welfare
In the jurisdiction of the Local Union party to this Agreement, the Employer hereby agrees to contribute to the Central States, Southeast and Southwest Areas Health and Welfare Fund the following schedule for each employee covered by this Agreement who has been on the payroll thirty (30) days or more:

$201.70 per week

Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to
the Health and Welfare and Pension shall be increased a total of seventy cents (50.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

By the execution of this Agreement the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustee under such agreement, thereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

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 four (4) weeks. 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 twelve (12) months. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the health and welfare fund during the period of absence.

There shall be no deduction from equipment rental or owner operator per mile of owner operator by virtue of contribution made to the health and welfare fund, regardless of whether the equipment rental is at the minimum rate or more, and regarding the manner of computation of owner-operator compensation.

Contributions to the health and welfare fund must be made for each week or each regular or extra employee, even though such employee may work only part-time under the provisions of this Agreement, including weeks where work is performed for the Employer but not under the provisions of this Agreement, and although contributions may be made for those weeks into some other health and welfare fund. Employees who work either temporarily or in cases of emergency under the terms of this Agreement shall not be covered by the provisions of this paragraph.

Employers presently making payments to the Central States, Southeast and Southwest Areas Health and Welfare Fund and Employers who may subsequently begin to make payments to such fund, shall continue to make such payments for the life of this Agreement. Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Employers who are delinquent must also pay all attorneys' fees and costs of collection.

Pension

In the jurisdiction of the Local Union parties to this Agreement, the Employer shall contribute to the Central States, Southeast and Southwest Areas Pension Fund for each employee covered by this Agreement who has been on the payroll thirty (30) days or more, the sum:

$166.00 per week

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents (50.70) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents (50.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

This fund shall be the Central States, Southeast and Southwest Areas Pension Fund. There shall be no other pension fund under
this Agreement for operations under this Agreement or for operations under the Southeast and Southwest Areas agreements to which Employees who are party to this Agreement are also parties.

By the execution of this Agreement, the Employer authorizes the Employees' Association which are parties hereto to enter into appropriate trust agreements necessary for the administration of such fund and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and waiving all actions already taken or to be taken by such Trustees within the scope of their authority.

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 five (5) weeks. If an employee is hospitalized for more than two weeks, the Employer shall continue to make the required contributions until such employee returns to work, or until such contributions shall have been paid for a period of more than twelve (12) months. If an employee is granted a leave of absence for a period of one year or more, the Employer shall continue to make contributions to the Pension Fund during the period of absence.

There shall be no deduction from equipment rental or owner operator's contributions made to the Pension Fund, regardless of whether the equipment rental is at the minimum rate or more, and regardless of the manner of computation of owner operator's compensation. Contributions to the Pension Fund must be made for each week, or for each regular or extra employee, even though such employee may work only part-time under the provisions of this Agreement, including weeks where work is performed for the Employer by a person hired under the provisions of this Agreement and by the provisions of this Agreement and any other pension fund. Employees who work either temporarily or in cases of emergency under the terms of this Agreement shall not be covered by the provisions of this Agreement. All contributions made to the Pension Fund by the Employer shall be subject to the provisions of this Agreement and any other pension fund. Employees who are delinquent must also pay all benefits due and court costs.

Section 7 - Local Union No. 697
Health and Welfare

Health and Welfare benefits will be provided under Teamster/United Parcel Service Joint Council 40 Health Care Package. The employees covered as well as the nature and amount of such benefits will be as outlined in the booklet entitled, "United Parcel Service Health Care Package", which is incorporated herein by reference.

Effective August 1, 2002. Health and Welfare benefits will be provided for retirees who retire after the date of ratification under the Teamster/United Parcel Service Joint Council 40 Health Care Package which will provide a $500.00 maximum lifetime benefit as outlined in the booklet. There will be a fifty-dollar ($50.00) per month co-payment required for each retiree to participate in the Plan. The employee eligible to be covered as well as the nature and amount of such benefits will be as outlined in the booklet, "Teamster/United Parcel Service Health Care Package."

The Employer shall evaluate a number of alternative procedures for full-time employees and retirees including, but not limited to, utilization reviews, disease management, care management, and other programs. At such time as the Company implements those procedures or programs deemed necessary to continue quality health care service in a cost-effective manner, the plan booklet, "Teamster/United Parcel Service Joint Council 40 Health Care Package" shall become null and void for those affected employees. The employees covered under the new plan as well as the nature and amount of such benefits will be as outlined in the new plan document and will reflect the appropriate changes.

Pension

The Employer shall contribute to the Central States, Southeast and Southwest Areas Pension Fund the sum of $16.00 per week for each employee covered by this Agreement who has been on the payroll thirty (30) days or more.

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and
Welfare and Pension shall be increased a total of sixty cents (60.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents (70.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension must be determined under resolution by the Joint National United Parcel Service Negotiating Committee.

This fund shall be the Central States, Southeast and Southwest Areas Pension Fund. There shall be no other pension fund under this Agreement for operations under this Agreement or for operations under the Southeast and Southwest Areas agreements to which Employers who are party to this Agreement are also parties.

By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate cost agreements necessary for the administration of such fund and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

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 four (4) weeks. 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 twelve (12) months. If an employee is granted a leave of absence, the Employer shall continue to make contributions to the Pension Fund until such employee returns being effective, sufficient monies to pay the required contributions to the Pension Fund during the period of absence.

There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the pension fund, regardless of whether the equipment rental is at the minimum rate or more, and regardless of the manner of computation of owner operator compensation. Contributions to the pension fund must be made for each week on each regular or extra employee, even though such employees may work only part-time under the provisions of this Agreement, including weeks where work is performed for the Employer but not under the provisions of this Agreement and although contributions may be made for those weeks into some other pension fund. Employees who work either temporarily or in cases of emergency under the terms of this Agreement shall not be covered by the provisions of this paragraph.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Employers who are delinquent must also pay all attorneys' fees and costs of collection.

Section 8 - Local Union No. 175

Health and Welfare

Effective August 1, 2002, the Employer agrees to contribute the sum of $835.01 per month to the Employer/Contractor Local Union No. 175 and 505 Health and Welfare Fund for all regular employees covered by this Agreement and on the payroll of the Employer for thirty (30) days or more for insurance program to be administered jointly by the Employer and Unions in compliance with all applicable State and Federal laws and regulations. Premiums shall be paid on every qualified employee who has worked thirty (30) or more days and at the seniority list, provided such employee shall work five (5) days per month or be on paid vacation. 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 need not be paid for a period of more than twelve (12) months.

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents (60.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of
seventy cents ($0.70) per hour. A location is determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

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 four (4) weeks.

If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient money to pay the required contributions to the health and welfare fund during the period of absence.

Contributions to the Employer-Teamsters Local Unions Nos. 175 and 505 Health and Welfare Fund must be made monthly on each regular employee as provided herein; however, if the employee is covered under another fund by Employer contract, the Employer shall not be required to pay twice on the same employee for the same month.

**Pension**

Effective August 1, 2002, the Employer agrees to contribute the sum of $775.00 per month to the Employer-Teamsters Local Union Nos. 175 and 505 Pension Fund for all regular employees covered by this Agreement who have been on the payroll thirty (30) days or more for a pension program to be administered jointly by the Employer and Unions in compliance with all applicable state and federal laws and regulations. Premiums shall be paid on every qualified employee who has worked thirty (30) days or more and is on the seniority list provided such employee shall work five (5) days per month or is on paid vacation.

Effective August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased to a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased to a total of seventy cents ($0.70) per hour. Alternatives shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

Compliance with this provision shall supersede the Employer’s obligations to the Union to continue any life program provided at this time by the Employer for employees covered by this Agreement, further provided that no employee shall forfeit any accrued benefits in any pension or benefits plan in which he is participating now or at the time this Article becomes effective. There shall be no other pension fund under this Agreement for operations under this Agreement.

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 four (4) weeks.

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 need not be paid for a period of more than twelve (12) months. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient money to pay the required contributions into the pension fund during the period of absence.

Contributions to the Employer-Teamsters Local Unions Nos. 175 and 505 Pension Fund must be made monthly on each regular employee as provided herein; however, if the employee is covered under another fund by Employer contract, the Employer shall not be required to pay twice on the same employee for the same month.
By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken, or to be taken, by all such Trustees within the scope of their authority.

Section 9 - Local Union No. 355

Health and Welfare and Pension

Effective August 1, 2002 the Employer shall continue to pay into the health and welfare fund the amount of $2.22 per hour for each straight time hour or fraction thereof paid to each employee covered by this Agreement or by subsequent collective bargaining agreements between the parties hereto, up to but not in excess of fifty (50) straight time hours in any one workweek in the case of each employee.

Effective August 1, 2002, the Employer shall contribute $62.40 per week for each employee covered by this Agreement or subsequent collective bargaining agreements between the parties hereto, up to but not in excess of forty (40) straight-time hours in any one workweek in the case of each employee.

Effective August 1, 2002, the Employer agrees to pay into the pension fund the amount of $5.26 per hour for each straight time hour or fraction thereof paid to each employee covered by this Agreement or by subsequent collective bargaining agreements between the parties hereto, up to but not in excess of forty (40) straight time hours in any one workweek in the case of each employee.

It is understood that the Union shall determine during the life of this Agreement whether to apply future increases to health and welfare fund or pension fund.

Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to the approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

Eastern Shore Teamsters - Health & Welfare

Effective August 1, 2002, the Employer will contribute to the Eastern Shore Teamsters Health and Welfare Fund, Salisbury, Maryland, $4.30 per hour for each employee covered by this Agreement, not to exceed forty (40) straight-time hours in any week for each employee.

Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Eastern Shore Teamsters - Pension

Effective August 1, 2002, the Employer shall contribute to the Eastern Shore Teamsters Pension Fund, Salisbury, Maryland, the sum of $145.00 per week on each regular full time employee.

Effective August 1, 2003, August 1, 2004, August 1, 2005, and August 1, 2006, the Employer contributions to the Health and Welfare and Pension shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions to the Health and Welfare and Pension shall be increased a total of
severity cents (50.79) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension funds shall be determined under resolution by the Joint National United Parcel Service Negotiating Committee.

There shall be no other Pension Funds under this contract for operations under this contract.

By the execution of this Agreement, the Employer party to this Agreement agrees to enter into appropriate trust agreements necessary for the administration of such funds and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

If a regular full-time 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 four (4) weeks.

If a regular full-time 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 twelve (12) months. If a regular full-time employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the pension fund during the period of absence.

There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the pension fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the number of components of owner driver compensation.

Contributions to the pension fund must be made for each work on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks in some other pension fund.

Section 10

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 the Trust Fund the amounts due together with any other charges uniformly applicable to past due contributors. 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 deadlock, the matter shall be resolved by the National Grievance Committee.

ARTICLE 62

WEST VIRGINIA & EAST, SOUTH AND WEST CAROLINAS DISTRICTS OF UNITED PARCEL SERVICE, INC. AND TEAMSTER LOCAL UNIONS 28, 61, 71, 175, 391, 453, 505, 509 AND 697

This Article of the Atlantic Area Supplement to the National Master United Parcel Agreement for the period August 1, 2002 to July 31, 2006, shall apply exclusively to all maintenance employees in the classifications listed in Section 7 below, who are employed in the States of West Virginia and the Cumberland, Maryland Area, North Carolina and South Carolina. Except as otherwise provided hereinafter, the provisions of the National Master United Parcel Service Agreement and the Atlantic Area Supplement thereto shall apply to said employees.
Teamsters
Central Region
UNITED PARCEL SERVICE
Supplemental Agreement

For The Period
August 1, 2002
thru July 31, 2008

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Teamsters
Central Region
UNITED PARCEL SERVICE
Supplemental Agreement
to the
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For The Period
August 1, 2002 thru July 31, 2008
Central Conference Supplemental

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UNITED PARCEL SERVICE

The Central Region of Teamsters
Supplemental Agreement

For the Period August 1, 2002 through July 31, 2008

The following Articles and/or Sections of this Central Region of Teamsters Supplement shall supersede or be additions to the corresponding Articles and/or Sections of the National Master United Parcel Service Agreement.

ARTICLE 1 - PROBATIONARY EMPLOYEES—SEASONAL EMPLOYEES

Section 1

(a) Probationary employees: a new employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) working day trial basis, during which period he/she may be discharged without further recourse; provided however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discriminating 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/her seniority date shall revert back to the first (1st) day of the thirty (30) day period in which the employee gained seniority.

On days where the Employer has exhausted the air drivers list, precadre drivers may be used for air and these days would not count toward seniority. The Employer would be obligated to follow the conditions outlined under Article 41, Section 1 of the Master Agreement.

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- 155 -
ARTICLE 14 - HEALTH & WELFARE AND PENSIONS

Section 1 - Pension/Health and Welfare
Effective September 1, 1990, all new members signing up for the defined benefit plan shall receive a defined benefit pension plan.

Section 9 - Full-Time and Part-Time Employees
All work performed by the employees during the hours of employment shall be paid at the rate of time and a half for any work in excess of 40 hours per week. Overtime shall be paid at the rate of time and a half for any work in excess of 8 hours in a day or 40 hours in a week.

Section 10 - Safety and Health Rules

Effective September 1, 1990, all new members signing up for the defined benefit plan shall receive a defined benefit pension plan.

Section 2 -

Any disputes in the administration of the Health and Welfare and Pension Plans covered by this Agreement shall be subject to the provisions of Article 34 of the National Labor Agreement.
Section 6

Sections 2

The employees shall provide pension benefits to processing employees and their dependents. The Program shall be administered in accordance with the provisions of the National U.S. Postal Service Pension Plan.

Section 3

Section 4 - U.S. Postal Service Health and Retirement Plan

The Program shall provide retirement benefits to processing employees and their dependents. The Program shall be administered in accordance with the provisions of the National U.S. Postal Service Pension Plan.

Section 5

The Program shall provide for processing employees and their dependents, the following benefits:

- Health benefits
- Retirement benefits
- Life insurance
- Disability benefits

Section 6

The provisions of this Agreement shall apply to all processing employees and their dependents.
Ohio Rider
Central Region
UNITED PARCEL SERVICE
Supplemental Agreement

For The Period
August 1, 2002
thru July 31, 2008
Ohio Rider

To the Central Region of Teamsters
United Parcel Service
Supplemental Agreement and
National Master United Parcel Service Agreement

For the Period of August 1, 2002
through July 31, 2008
The following Articles and subsections of this Ohio State Rider shall supersede the corresponding Articles and subsections of the Supplemental Agreement and National Master Agreement.

GRIEVANCES
Ohio State Committee

There will be an Ohio State Committee composed of an equal number of representatives from the Company and the Union. The Committee's rules of procedure shall apply.

Clerical Employees Pension

When full-time employees bid into or out of clerical classifications that have different pension plans they shall have the right to choose what pension plan they shall be under.

All full-time clerical hired after 8/1/03, covered by this Agreement, shall be covered under the Central State Pension Plan.

Health and Welfare

All current and newly hired clerical employees shall be covered by a Health and Welfare plan provided by the Employer. All employees who bid into the clerical department shall be covered by the clerical Health and Welfare Plan provided by the Employer.

VACATIONS

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<th>$1.04</th>
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<td>$23.01</td>
<td>$23.26</td>
<td>$23.51</td>
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<td>All Other Full Time Inside Employees except for those covered by Article 22, Section 3 of the National Master Agreement.</td>
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<td>$22.46</td>
<td>$22.71</td>
<td>$22.96</td>
<td>$23.21</td>
<td>$23.46</td>
</tr>
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</table>

Past practice shall prevail as to the time of taking vacations. In addition to the above schedule, employees shall receive additional vacation as outlined in Article 16 of the Central Conference of Teamsters Supplemental Agreement language.

Vacation Administration will be changed to a January to December calendar pursuant to Article 16 of the Central Region of Teamsters Supplemental Agreement language.

Effective August 1, 2002 employees shall have the option at vacation selection time of selecting two weeks vacation pay in lieu of time off.

HOLIDAYS

All new employees shall be entitled to the day after Thanksgiving holiday pay after having seniority one calendar year.

DISCHARGE AND SUSPENSION

(a) Article 17 of the Central Conference of Teamsters Supplemental shall apply.

(b) Any employee who fails to report to work for three (3) consecutive working days and does not properly notify the Company at the beginning of their starting time on the third (3rd) day will be considered as having quit their job, unless it is proved by the employee that notification was beyond their control.
Part-Time Inside Employees Hired Prior to 7/2/82

$22.21 $22.96 $23.76 $24.56 $25.46 $26.46

Full Time employees hired after 8/1/97, in compliance with Article 22, Section 3, shall comply with the wages outlined in Article 41, Section 3.

Scat Trailer

When an employee pulls a scat trailer, he/she will be paid an additional ten cents (10 cents) per hour.

Part-time employees' wage schedule as contained in Article 22, Section 5 of the National Master Agreement.

Air employees' wage schedule as contained in Article 40 of the National Master Agreement.

Starting wages for Full-time employees as contained in Article 41, Section 2 of the National Master Agreement.

Any employee receiving a "red-circled" rate of pay for a classification listed above shall maintain that rate of pay as long as the employee remains in the same job.

The "red-circled" rates shall be increased seventy-five cents (75 cents) per hour effective August 1, 2002; seventy-five cents (75 cents) per hour effective August 1, 2003; eighty cents (80 cents) per hour effective August 1, 2004; ninety cents (90 cents) per hour effective August 1, 2005; ninety cents (90 cents) per hour effective August 1, 2006; and one dollar ($1.00) per hour effective August 1, 2007.

LOCAL #407

The following shall apply exclusively to the Delivery Information Center (D.I.C.) in the Cleveland Office under the jurisdiction of I.B.T. Local #407.

In addition to the current wage rate each employee shall receive the following hourly wage increase on the effective date.

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Letter of Understanding

It is understood the Employer (UPS) will have the right to present and vote an alternative Health and Welfare plan, to be submitted to the Union prior to ratification, once during the life of this agreement, to the affected employees in all Ohio Teamster Locals. Should a majority of the affected employees accept the alternative plan, the new plan will be implemented accordingly. The Union will give a pledge of neutrality in these presentations.

In lieu of this agreement, it is understood, the Employer (UPS) will improve the present Pension Plan of the full-time union clerks in
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT
and
SOUTHERN REGION
Supplemental Agreement

For the Period:
August 1, 2002 through July 31, 2008
ARTICLE 46 – ACQUISITION OF SENIORITY

SECTION 1 – PROBATIONARY PERIOD

A new employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) working day trial basis, during which period the employee may be discharged without further recourse, provided however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discriminating against Union members. On the thirty-first (31st) working day within one hundred and twenty (120) consecutive day period, the employee shall be placed on the regular seniority list and the employee’s seniority day shall be the first day worked within the one hundred and twenty (120) day period.

SECTION 2 – SEASONAL EMPLOYEES

No seasonal employee shall be hired prior to October 1st of each calendar year.

Any employee hired after October 1st shall not accrue days towards seniority in the months of October, November and December.
ARTICLE 64 – TIME OFF UNPAID
When time off is available it shall be offered in seniority order by classification as long as it does not result in economic cost to the Employer.

ARTICLE 65 – UNION COOPERATION
The Union, as well as the members thereof, agree at all times as fully as it may be within their power to further the interests of the Employer.

ARTICLE 66 – MANAGEMENT - EMPLOYEE RELATIONS

SECTION 1
The parties agree that the principle of a fair day’s work for a fair day’s pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer’s interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. The Employer will treat employees with dignity and respect at all times, which shall include but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

SECTION 2
Not more than one (1) member of management will ride with a driver at any time except for the purpose of training management personnel. No driver will be scheduled for more than one (1) day’s ride per year with more than one (1) member of management on the car. Such day will not be used for disciplinary purposes. The sole reason for two (2) management employees on the car is for supervisory training. If a supervisor assists a driver during an O.L.S., that day will not be used in determining a fair day’s work.

During scheduled safety training for feeder drivers, the supervisor will only drive for demonstration purposes and this will not exceed one (1) hour per weekday.

SECTION 3
Any alleged violation of this Article shall be subject to the applicable grievance procedure. Where an employee has submitted a grievance regarding an excessive number of rides, no member of management shall ride with that employee unless and until the local level hearing is concluded, provided such hearing is held within five (5) working days. If the Union has a legitimate reason for not being available within the five (5) working days, the period will be extended up to a total of ten (10) working days.

ARTICLE 67 – APPRENTICESHIP AGREEMENT
It is agreed that the established United Parcel Service Apprentice Mechanic and Maintenance Program may be used under the terms of this Agreement. Prior to the initiation of this Program the Employer and the Local Union will meet with the Southern Region Negotiating Committee for approval. Qualified part-time employees will be given first opportunity to fill these positions.

ARTICLE 68 – HEALTH AND WELFARE

Full-Time Employees
Effective August 1, 2002, the Employer contributions to the Central States, Southeast and Southwest Areas Pension and/or Health and Welfare Plan shall be increased a total of sixty-five cents ($0.65) per hour. Effective August 1, 2003, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2004, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2005, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2006, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.
August 1, 2002: $0.65 per hour
August 1, 2003: $0.60 per hour
August 1, 2004: $0.60 per hour
August 1, 2005: $0.60 per hour
August 1, 2006: $0.60 per hour
August 1, 2007: $0.70 per hour

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

Allocations of the above money shall be determined in accordance with the provisions of Article 34 of the National Master Agreement.

By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustee under such agreement hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such trustees within the scope of their authority. 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 four (4) weeks. 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 twelve (12) months.

If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient money to pay the required contributions into the Health and Welfare Fund during the period of absence.

There shall be no deductions from equipment rental of owner-operators by virtue of the contributions made to the Health and Welfare Fund, regardless of whether the equipment rental is at the minimum rate or more, and regardless of the manner of computation of owner-driver compensation. Contributions to the Health and Welfare Fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although such contributions may be made for those weeks into some other Health and Welfare Fund. Employees who work either temporarily or in cases of emergency under the terms of this contract shall not be covered by the provisions of this paragraph.

Employers presently making payments to the Central States, Southeast, and Southwest Areas Health and Welfare Funds and Employers who may subsequently begin to make payments to such funds, shall continue to make such payments for the life of this Agreement.

PART-TIME EMPLOYEES

The Employer will provide full coverage for part-time employees equal in benefits to those of the full-time employees in their area with the following exceptions:

1. Weekly accident, sickness and life insurance benefits which shall be one-half (1/2) the amount a full-time employee would receive.

2. Part-time employees will qualify for optical benefits six (6) months from their seniority date.

3. Part-time employees will qualify for dental benefits on their first anniversary seniority date. There shall not, however, be any duplication of Health and Welfare coverage for part-time employees.

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

ARTICLE 69 - PENSION

Section 1

Effective August 1, 2002, the Employer contributions to the Central
States, Southeast and Southwest Areas Pension and/or Health and Welfare Plan shall be increased a total of sixty-five cents ($0.65) per hour. Effective August 1, 2002, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2004, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2005, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2006, the Employer contributions shall be increased a total of sixty cents ($0.60) per hour. Effective August 1, 2007, the Employer contributions shall be increased a total of seventy cents ($0.70) per hour. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

Allocations of the above money shall be determined in accordance with the provisions of Article 34 of the National Master Agreement.

By the execution of this Agreement, the Employer authorizes the Employer's Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such Fund, and to designate the Employer Trustees under such agreement hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such trustees within the scope of their authority.

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 four (4) weeks. 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 or more than twelve (12) months. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient moneys to pay the required contributions into the Pension Fund during the period of absence.

There shall be no deductions from a judgment lien or that portion of a judgment lien which is for unemployment compensation, on the wages paid to the employee by the Employer or the amount of the employee's percentage of the contributions paid in respect of such wages. The Employer shall not be liable for any such amount for which it has made such contributions. Contributions to the Pension Fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks in some other Pension Fund. Employees who work either temporarily or in cases of emergency under the terms of this contract shall not be covered by the provisions of this paragraph.

Employers presently making payments to the Central States, Southeast and Southwest Areas Pension Fund, and Employees who may subsequently begin to make payments to such funds, shall continue to make such payments for the life of this Agreement.

SECTION 2

Effective January 1, 1977, the Employer shall provide Pension Benefit Coverage to part-time employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law. Effective August 1, 2002 the Company and Union agree that the part-time employees covered under the United Parcel Service Plan will receive the following improvement to the plan.

(1) The UPS Pension Plan covering only part-time employees working in areas where part-time employees are not covered by
Teaaters Pension Plans, will be improved to provide monthly benefits for a part-time employee with seven hundred and fifty ($750) paid hours of credit service per year.

For example, the total combined monthly benefit will be equal to the following provided the employee meets the credit service requirements:

$1650.00 for retirement at any age after 35 years of credited service.
$1375.00 for retirement at any age after 30 years of credited service.
$1125.00 for retirement at age 60 with 25 years of credited service.

The monthly benefit formula under the UPS Pension Plan will be listed in Article 34 Section 1 (g) (6) (1) of the National Master United Parcel Service Agreement.

$55.00 times part-time Credited Service years subject to a maximum 35 years service limit.

(2) Part-Time Employees will receive one (1) year of Credited Service for 750 or more paid hours.

Six months of P&T Time Credited Service will be granted for 375 to 500 hours worked in a calendar year and 9 months of part-time Credited Service will be granted for 501 to 749 hours worked in a calendar year.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits.

ARTICLE 70 – MECHANICS

Mechanical department employees shall have classification seniority within their Center and application for seniority shall be as stated below.

SECTION 1 – STARTING TIMES

(A) Full-time mechanics, in the order of their seniority within their classification and by Center, shall have the right to select their starting times semi-annually from the schedule posted by the Employer.

(B) Starting times for these employees shall be posted on the first (1st) Monday in February and August and shall remain posted for one (1) week before bidding.

(C) The schedule of starting times shall become effective by the first (1st) Monday of March and September, unless otherwise mutually agreed.

(D) When posting starting times, a description of the job will be given (1TD, Packages, Trailer, etc.) and the job will be awarded to the senior bidding mechanic provided he/she is qualified to perform the work. However, no mechanic shall be displaced if it will result in his/her being laid off because of lack of qualifications.

(E) If a mechanic's start time is changed by more than one (1) hour, the start time will be posted for bid on the first (1st) Monday after the change and the successful bidder will start on the first (1st) work day the following week provided he/she is qualified to perform the work. There shall be two (2) moves, and the Employer will fill the second (2nd) opening.

SECTION 2 – OVERTIME

Mechanics overtime assignments will be offered by seniority to qualified employees within the classification. The completion of work already started even though it extends into overtime is excluded from this provision.

SECTION 3 – TOOL INSURANCE

(A) The Employer shall be responsible for replacing mechanics personal tools, which he/she is required by the Employer to furnish for himself, if such personal tools are lost due to proven theft by forced entry, by fire, or the Act of God, while being used or stored on Company property. The Employer will not be responsible for tools lost by the mechanic due to his/her carelessness or neglect. The Employer's liability shall not, however, exceed the actual replacement cost of the tools stolen. Mechanics shall cooperate in safeguarding their personal tools.
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For The Period December 19, 2007
thru July 31, 2013
NATIONAL MASTER
UNITED PARCEL SERVICE AGREEMENT
For the Period:
December 19, 2007 through July 31, 2013

covering:

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _________ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement. United Parcel Service Cartage Services, Inc. ("CSI") and UPS Latin America, Inc. are also a party to this Agreement as specified in the Freight Pickup & Delivery Supplemental Agreement ("P&D Supplement") and Challenge Air Cargo Supplement, respectively.

ARTICLE 1. PARTIES TO THE AGREEMENT

The Employer and the Union adopt this Article and enter into this Agreement with a mutual intent of preserving and protecting work and job opportunities for the employees covered by this Agreement. No bargaining unit work will be subcontracted, transferred, leased, assigned or conveyed except as provided in this Agreement.

Section 1. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any
Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator’s decision shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

(a) Except as set forth in this Section, 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. Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committees, subject to the approval of the Joint National Negotiating Committee. In those Supplements, Riders or Addenda, where some of the employees are covered by a Teamster Health and Welfare Plan and some of the employees are covered by the Company Health and Welfare Plan, the amount of money allocated to the Company Health and Welfare Plan shall be the same as the amount allocated to the Teamster Health and Welfare Plan in the Supplement, Rider or Addendum. The applicable Supplement, Rider or Addendum will reflect the appropriate agreed-to increases to the Teamster Pension Plans in those Supplements, Riders or Addenda where all the employees are in the Company Health and Welfare Plan and/or covered by Section (f) of this Article. Except as set forth in Section (f) below, these increases shall be allocated as follows: thirty-five cents ($0.35) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase each year will be paid into pension.

The Employer’s contribution increases to the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty-two dollars ($22.00) per week effective August 1, 2008 and fourteen dollars ($14.00) per week effective on each August 1 thereafter during the life of this contract.
ARTICLE 34

It is the intent of the Employer and the Union that health & welfare and pension monies will be allocated in a manner to keep wage increases uniform. The increases accrued under this Article on August 1st, of each year, can only be allocated to health & welfare and/or pension except as provided within this Article. Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

If, in accordance with a duly adopted funding improvement plan or rehabilitation plan, an IBT Pension Fund is required to issue a schedule pursuant to ERISA Section 305 (added by the Pension Protection Act of 2006) that requires contributions in excess of those contained within this Article, the Union and the Employer shall promptly meet to negotiate changes in the Agreement to generate sufficient savings to cover the cost of the increased contributions. Agreement shall not be unreasonably withheld. Once completed, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all IBT Health and Welfare Funds and all IBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless stated to the contrary in this Article or changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for
the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider, Addendum or this Article.

(e) All contractual provisions relating to health & welfare and pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda.

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters Supplemental Agreement and in the Northern California Supplement Agreement shall continue in full force and effect during the life of this Agreement. The increase in the Northern California Supplemental Agreement shall be allocated as follows: fifty cents ($0.50) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase set forth in Section 1.(a) each year will be paid into pension.

(g) The Employer shall not be required to contribute to any jointly trustees health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 2008 an amount greater than the amount it contributed on July 31, 2008 plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that national health care legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(i) UPS Part-time Pension Plan

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars ($55.00) for each year of past and future Credited Service to a maximum of thirty-five (35) years of Credited Service. The benefit formula in the
ARTICLE 34

UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars ($60.00) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on August 1, 2008, he/she shall receive the sixty dollars ($60.00) benefit formula for the entire 2008 plan year.

The total monthly service pension benefit will be equal to the following provided the employee meets the Credited Service requirement.

$1,925 for retirement at any age after 35 years of part-time Credited Service
$1,650 for retirement at any age after 30 years of part-time Credited Service
$1,375 for retirement at age 60 with 25 years of part-time Credited Service
$1,125 for retirement at any age with 25 years of part-time Credited Service
(based on $45.00 per year of Credited Service)

(2) Part-time employees will receive one (1) year of Credited Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credited Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

(4) The UPS Pension Plan will be governed by the terms of the Plan document.

(5) Effective August 1, 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but
were denied Credited Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.

(6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.

(j) Long-Term Disability

(1) Full-time seniority employees will become eligible for long-term disability (LTD) after six (6) months of employment for non-occupational illnesses or injuries that last longer than twenty-six (26) weeks.

(2) Long-term disability benefits will equal sixty percent (60%) of the employee’s base weekly pay to a maximum of six hundred dollars ($600) per week for up to five (5) years. Long-term disability benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later.

(3) Average weekly base pay is computed by averaging paid hours (maximum of forty (40) hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.

(4) The definition of disability, termination of eligibility, offsets, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.

(5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee’s eligibility for LTD.

(6) In those situations where a Teamster Health and Welfare Fund pro-
vides a short term disability benefit, the employee receiving such benefit shall provide the UPS National LTD Plan sixty (60) days advance notice of the estimated termination date of the short term disability. If such notice is not provided, the UPS National LTD Plan shall have the right to delay the commencement of LTD payments.

(7) Any employee receiving LTD benefits pursuant to this Plan shall be entitled to receive health care coverage in accordance with the SPD for up to twelve (12) months only.

(k) Part-time Retiree Coverage

(1) Effective August 1, 2002 the Employer will provide health insurance coverage to all part-time employees, not covered by a Union plan, who retire on or after that date.

(2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the UPS Pension Plan; (iii) be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.

(3) A retiree’s legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age sixty-five (65).

(4) Coverage and benefit levels shall be as specified in the Summary Plan Description.

(5) Eligibility for coverage for retiree and spouse begins on the first (1st) day after the employee’s active coverage ends.

(6) The retired part-time employee will be required to make a contribution equal to the amount required by a retired full-time employee in the same Local Union. If there is no established rate the contribution will be two hundred dollars ($200.00) per month.
ARTICLE 34

(1) Jointly Trusteed UPS/IBT Full-Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter “UPS/IBT Plan”) to be created for employees who under the prior Agreement participated in the Central States Southeast and Southwest Areas Pension Fund (“CS Plan”) and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union will establish a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302 (c)(5) for full-time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

<table>
<thead>
<tr>
<th>Calendar Year Beginning</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2008</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>$135.50</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>$147.00</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>$158.50</td>
</tr>
<tr>
<td>January 1, 2013</td>
<td>$170.00</td>
</tr>
</tbody>
</table>
ARTICLE 34

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person’s age.
ARTICLE 34

There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be $2,000 per month if less than age 57 when benefits commence and $2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be $3,000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be $3,500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

<table>
<thead>
<tr>
<th>Years of Service Pension Credit</th>
<th>Age</th>
<th>Monthly Service Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 years</td>
<td>Any age</td>
<td>$3,500</td>
</tr>
<tr>
<td>30 or more years</td>
<td>Any age</td>
<td>$3,000 plus $100/yr of service for years over 30 up to $3,500</td>
</tr>
<tr>
<td>25 years</td>
<td>Any Age</td>
<td>$2,000 up to age 57</td>
</tr>
<tr>
<td>25 Years</td>
<td>57 or older</td>
<td>$2,500 plus $100/yr of service for years over 25 up to $3,500 maximum</td>
</tr>
</tbody>
</table>

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated here-in by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

- 85 -
Atlantic Area
and
United Parcel Service
Supplemental Agreement
to the
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For The Period December 19, 2007
thru July 31, 2013
UNITED PARCEL SERVICE

ATLANTIC AREA

SUPPLEMENTAL AGREEMENT

For The Period
December 19, 2007 thru July 31, 2013

ATLANTIC AREA SUPPLEMENT

This Supplement to the National Master United Parcel Service Agreement shall apply to all United Parcel Service employees working in the classifications set forth in the Wage Schedule and within the jurisdiction of Locals 22, 29, 61, 71, 171, 175, 322, 355, 391, 453, 505, 509, 639, 697, 822 and 992. Except as provided herein, the provisions of the National Master UPS Agreement shall prevail.

ARTICLE 46 - ACQUISITION OF SENIORITY

Section 1

A new employee shall work under the provisions of this Agreement but shall be employed only 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 discriminating 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 day worked within any ninety (90) day period of his employment. He shall be placed on the seniority list of the classification in which he worked. In case of discipline within the probationary period, the Employer shall notify the Local Union in writing.

- 167 -
employee’s regular starting time each day until he returns to his Center or home. In addition, such an employee shall be furnished clean, comfortable, sanitary lodgings, plus meals. The meal allowance shall be ten dollars ($10.00) for breakfast, twelve dollars ($12.00) for lunch and fourteen dollars ($14.00) for supper.

ARTICLE 60 - AIR-CONDITIONING

All new tractor trailer feeder equipment placed in service shall be equipped with air-conditioning.

Road tractors manufactured during the years 1974, 1975, 1976, 1977, shall be retrofitted with air-conditioning during a time schedule mutually agreed to with the Company and Local Unions.

ARTICLE 61 - HEALTH AND WELFARE AND PENSION

Section 1 - Local Union No. 992 Health and Welfare

The Employer agrees to contribute to the Hagerstown Teamsters and Motor Carriers Welfare Fund as follows:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2007</td>
<td>$977.46 per month</td>
</tr>
</tbody>
</table>

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Hagerstown Teamsters and Motor Carriers Welfare Fund shall be signed by the Employer and become a part of this Agreement.
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 the 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 twelve (12) months.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay all attorneys’ fees and cost of collection.

**Pension**

The Employer agrees to continue contributions to the Hagerstown Motor Carriers and Teamsters Pension Plan as follows:

<table>
<thead>
<tr>
<th>Effective</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2007</td>
<td>$1170.73 per month</td>
</tr>
</tbody>
</table>

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Hagerstown Motor Carriers and Teamsters Pension Plan shall be signed by the Employer and become a part of this Agreement.

If the 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 twelve (12) months.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay all attorneys’ fees and cost of collection.

**Section 2 - Local Unions Nos. 61, 71, 391 and 509 Health and Welfare**

In the jurisdiction of the Local Unions party to this Agreement, the Employer hereby agrees to contribute to the Central States, Southeast and Southwest Areas Health and Welfare Fund the following schedule for each employee covered by this Agreement who has been on the payroll thirty (30) days or more:

$237.70 per week.

(a) The Employer’s contribution increases to the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty-two dollars ($22.00) per week effective August 1, 2008 and fourteen dollars ($14.00) per week effective on each August 1 thereafter during the life of this contract.

By the execution of this Agreement, the Employer authorizes the Employer’s Associations which are parties hereto to enter into appropriate health and welfare trust agreement necessary for the administration of such Fund and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

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 four (4) weeks. 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 twelve (12) months. If an employee is granted a leave of
absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the health and welfare fund during the period of absence.

There shall be no deductions from equipment rental of owner operators by virtue of the contributions made to the health and welfare fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner-driver compensation. Contributions to the health and welfare fund must be made for each week on each regular or extra employee even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks into some other health and welfare fund. Employees who work either temporarily or in cases of emergency under the terms of this contract shall not be covered by the provisions of this paragraph.

Notwithstanding anything herein contained, it is agreed that in the event the Employer is delinquent at the end of a period in the payment of his contribution to the health and welfare or pension fund or funds created under this Agreement, in accordance with the rules and regulations of the Trustees of such funds, the employees or their representatives, after the proper official of the Local Union shall have given seventy-two (72) hour’s notice to the Employer of such delinquency in health and welfare and pension payments, shall have the right to take such action as they deem necessary until such delinquent payments are made and it is further agreed that in the event such action is taken the Employer shall be responsible to the employees for losses resulting therefrom.

Pension

(b) Jointly Trusteed UPS/IBT Full Time Pension Fund: Locals 61, 71, 391, 509 and 697

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter “UPS/IBT Plan”) to be created for employees who under the prior Agreement par-
participated in the Central States Southeast and Southwest Pension Fund ("CS Plan") and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union will establish a new, single employer, jointly trustees and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c)(5) for full-time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

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<thead>
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<th>Calendar Year Beginning</th>
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<tbody>
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<td>$147.00</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>$158.50</td>
</tr>
<tr>
<td>January 1, 2013</td>
<td>$170.00</td>
</tr>
</tbody>
</table>

(3) Eligible employees become participants on the first day of
the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One (1) year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he has one (1) hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2)
above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person’s age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be $2000 per month if less than age 57 when benefits commence and $2500 per month if at least age 57 when benefits commence. The benefit for thirty (30) year service retirement shall be $3000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be $3500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Age</th>
<th>Monthly Service Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 years</td>
<td>Any age</td>
<td>$3,500</td>
</tr>
<tr>
<td>30 or more years</td>
<td>Any age</td>
<td>$3,000 plus $100/yr of service for years over 30 up to $3,500</td>
</tr>
<tr>
<td>25 years</td>
<td>Any Age up to age 57</td>
<td>$2,000</td>
</tr>
<tr>
<td>25 years</td>
<td>57 or older</td>
<td>$2,500 plus $100/yr of service for years over 25 up to $3,500 maximum</td>
</tr>
</tbody>
</table>

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.
(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

(9) If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall ensure that the employee is credited with up to 190 hours of pension credit or four weeks of service pension credit (depending on the length of the absence). If an employee is injured on the job, the Employer shall ensure that the employee receives pension credit until such employee returns to work; however, such pension credit shall not exceed 1801 hours of service or 40 weeks of service pension credit (depending on the length of the absence).

Section 3 - Local Unions Nos. 22, 29, 171, 322 and 822 Health and Welfare

(a) Effective August 1, 2007, the Employer shall contribute to the Teamsters Joint Council No. 83 Health and Welfare Fund the sum of $222.10 per week for each regular employee covered by this Agreement who is domiciled in the jurisdiction of Local Unions Nos. 22, 29, 171, 322 and 822.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

(b) By the execution of this Agreement, the Employer agrees to enter into appropriate trust agreements necessary for the administra-
tion of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

(c) 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 four (4) weeks. 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 twelve (12) months.

(d) Contributions to the health and welfare fund must be made for each week on each regular or laid off regular employee who works at least one (1) day in that week under the provisions of this Agreement, including weeks where work is performed for the Employer but not under the provisions of this Agreement and although contributions may be made for those weeks into some other health and welfare fund.

(e) When a leave of absence is granted, the employee shall state, in writing, if he desires health and welfare coverage during the full period of the leave of absence. If he elects not to make payments direct to the trust office of the health and welfare fund, he shall have no coverage during the full period of the leave of absence.

If he elects in writing to be covered under the health and welfare fund, he shall make contributions direct to the trust office of the health and welfare fund weekly or monthly in accordance with the rules of the Trustees beginning with his leave of absence during the allowable period as provided by the rules of the Trustees. The Employer shall send a copy of the leave of absence to the trust office of the health and welfare fund as soon as it is granted.

**Pension Fund**

(f) Effective August 1, 2007, the Employer shall contribute to Teamsters Joint Council No. 83 Pension Fund the sum of $273.60 per week for each regular employee covered by this Agreement who
is domiciled in the jurisdiction of Local Unions Nos. 22, 29, 171, 322 and 822.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

(g) By the execution of this Agreement, the Employer agrees to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

(h) 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 four (4) weeks. 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 twelve (12) months.

(i) Contributions to the pension fund must be made for each week on each regular or laid off employee who works at least one (1) day in that week under the provisions of this Agreement, including weeks where work is performed for the Employer but not under the provisions of this Agreement and although contributions may be made for those weeks into some other pension fund.

Employees who work either temporarily or in cases of emergency under the terms of this Agreement shall not be covered by the provisions of this paragraph.
Section 4 - Local Union No. 639 Health and Welfare

Effective August 1, 2007 the Employer shall contribute to the Teamsters 639 Employers Health Trust Fund the sum of $4.72 per hour for each hour worked by each employee.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

By the execution of this Agreement, the Employer, party to this Agreement, agrees to enter into appropriate trust agreements necessary for the administration of such fund and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such trustees within the scope of their authority.

If a regular full-time 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 on the basis of a forty (40) hour week for a period of four (4) weeks. If a regular full-time 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 twelve (12) months. If a regular full time employee is granted a leave of absence the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the health and welfare fund during the period of absence.

There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the health and welfare fund, regardless of whether the equipment rental is at the minimum.
rate or more and regardless of the manner of computation of owner-driver compensation.

Contributions to the health and welfare fund must be made in accordance with each Trust Agreement on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract and although contributions may be made for those weeks into some other health and welfare fund.

The Employer shall continue to make payments to the health and welfare fund of Drivers, Chauffeurs and Helpers, Local 639, for the life of this Agreement.

**Pension**

Effective August 1, 2007, the Employer shall contribute to the Teamsters 639-Employers Pension Trust Fund the sum of $307.00 per week on each regular full time employee.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

There shall be no other Pension Funds under this contract for operations under this contract.

By the execution of this Agreement, the Employer party to this Agreement agrees to enter into appropriate trust agreements necessary for the administration of such funds and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such
Trustees within the scope of their authority.

If a regular full-time 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 four (4) weeks. If a regular full time 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 twelve (12) months. If a regular full time employee is granted a leave of absence, the Employer shall collect from said employee prior to the leave of absence being effective, sufficient monies to pay the required contributions into the pension fund during the period of absence.

There shall be no deduction from equipment rental of owner operators by virtue of the contributions made to the pension fund, regardless of whether the equipment rental is at the minimum rate or more and regardless of the manner of computation of owner driver compensation.

Contributions to the pension fund must be made for each week on each regular or extra employee, even though such employee may work only part-time under the provisions of this contract, including weeks where work is performed for the Employer but not under the provisions of this contract, and although contributions may be made for those weeks into some other pension fund.

Section 5 - Local Union No. 453-Health and Welfare

The Employer agrees to contribute to the Western Pennsylvania Teamsters and Employers Welfare Fund, as follows:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2007</td>
<td>$1043.77 per month</td>
</tr>
</tbody>
</table>

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.
Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Western Pennsylvania Teamsters and Employers Welfare Fund shall be signed by the Employer and become a part of this Agreement.

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 contribution 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 twelve (12) months. Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay all attorneys’ fees and cost of collection.

**Pension**

The Employer agrees to continue contributions to the Southwestern Pennsylvania and Western Maryland Area Teamsters and Employers Pension Fund as follows:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2007</td>
<td>$1128.74 per month</td>
</tr>
</tbody>
</table>

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

The Trust Agreement covering the Southwestern Pennsylvania and
Western Maryland Area Teamsters and Employers Pension Fund shall be signed by the Employer and become a part of this Agreement.

If the 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 twelve (12) months.

Action for delinquent contributions may be instituted by either the Local Union, the Area Conference or the Trustees. Delinquent Employer must also pay the attorneys’ fees and cost of collection.

Section 6 - Local Union No. 697 Health and Welfare

Health and Welfare benefits will be provided under Teamster/United Parcel Service Joint Council 40 Health Care Package. The employee covered as well as the nature and amount of said benefits will be as outlined in the booklet entitled, “United Parcel Service Health Care Package”, which is incorporated herein by reference.

Effective, August 1, 2002, Health and Welfare benefits will be provided for retirees who retire after the date of ratification under the “Teamster/United Parcel Service Joint Council 40 Health Care Package” which will provide a $500,000 maximum lifetime benefit as outlined in the Plan. There will be a fifty dollar ($50.00) per month co-payment required for each retiree to participate in the Plan. The employee eligible to be covered as well as the nature and amount of said benefits will be as outlined in the booklet, “Teamster/United Parcel Service Health Care Package.”

The Employer will evaluate a number of alternative procedures for full-time employees and retirees including, pre-certification and utilization reviews, managed care, health care provider contracting and other various programs. At such time that the Company implements those procedures or programs deemed necessary to continue quality health care service in a cost effective manner, the plan booklet, “Teamster/United Parcel Service Joint Council 40 Health Care..."
the appropriate changes.

Section 7 - Local Unions Nos. 175 and 505 Health and Welfare

Effective August 1, 2007, the Employer agrees to contribute the sum of $999.68 per month to the Employer-Teamsters Local Union Nos. 175 and 505 Health and Welfare Fund for all regular employees covered by this Agreement and on the payroll of the Employer for thirty (30) days or more for an insurance program to be administered jointly by the Employer and Unions in compliance with all applicable State and Federal laws and regulations. Premiums shall be paid on every qualified employee who has worked thirty (30) or more days and is on the seniority list, provided such employee shall work five (5) days per month or is on paid vacation. 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 need not be paid for a period of more than twelve (12) months.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

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 four (4) weeks.

If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being
effective, sufficient monies to pay the required contributions to the health and welfare fund during the period of absence.

Contributions to the Employer-Teamsters Local Union Nos. 175 and 505 Health and Welfare Fund must be made monthly on each regular employee as provided herein; however, if the employee is covered under another fund by Union contract, the Employer shall not be required to pay twice on the same employee for the same month.

**Pension**

Effective August 1, 2007, the Employer agrees to contribute the sum of $1148.35 per month to the Employer-Teamsters Local Union Nos. 175 and 505 Pension Fund for all regular employees covered by this Agreement who have been on the payroll thirty (30) days or more for a pension program to be administered jointly by the Employer and Unions in compliance with all applicable State and Federal Laws and regulations. Premiums shall be paid on every qualified employee who has worked thirty (30) days or more and is on the seniority list provided such employee shall work five (5) days per month or is on paid vacation.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

Compliance with this provision shall supersede the Employer’s obligation to the Union to continue any like program provided at this time by the Employer for employees covered by this Agreement, further provided that no employee shall forfeit his accrued interest in any pension or bonus plan in which he is participating now or at the time this Article becomes effective. There
shall be no other pension fund under this Agreement for operations under this Agreement.

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 four (4) weeks.

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 need not be paid for a period of more than twelve (12) months. If an employee is granted a leave of absence, the Employer shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the pension fund during the period of absence.

Contributions to the Employer-Teamsters Local Union Nos. 175 and 505 Pension Fund must be made monthly on each regular employee as provided herein; however, if the employee is covered under another fund by Union contract, the Employer shall not be required to pay twice on the same employee for the same month.

By the execution of this Agreement, the Employer authorizes the Employers' Associations which are parties hereto to enter into appropriate trust agreements necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken, or to be taken, by all such Trustees within the scope of their authority.

Section 8 - Local Union No. 355 Health and Welfare and Pension

Effective August 1, 2007 the Employer shall continue to pay into the health and welfare fund the amount of $2.22 per hour for each straight time hour or fraction thereof paid to each employee covered by this Agreement or by subsequent collective bargaining agreements between the parties hereto, up to but not in excess of fifty (50) straight time hours in any one workweek in the case of each employee.
Effective August 1, 2007, the Employer shall contribute $132.40 per week for each employee covered by this Agreement or subsequent collective bargaining agreements who shall receive pay during that week. Effective August 1, 2008, August 1, 2009, August 1, 2010, August 1, 2011, August 1, 2012, increases to the health and welfare fund shall be allocated to the above weekly contributions rate. Should an increase allocated by the Joint National Negotiating Committee be based on an hourly basis, said figure shall be multiplied by forty (40) hours and added appropriately to the weekly contribution rate.

Effective August 1, 2007, the Employer agrees to pay into the pension fund the amount of $6.91 per hour for each straight time hour or fraction thereof paid to each employee covered by this Agreement or by subsequent collective bargaining agreements between the parties here-to, up to but not in excess of forty (40) straight time hours in any one workweek in the case of each employee.

It is understood that the Union shall determine during the life of this Agreement whether to apply future increases to health and welfare fund or pension fund.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to the approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

**Eastern Shore Teamsters - Health & Welfare**

Effective August 1, 2007, the Employer will contribute to the Eastern Shore Teamsters Health and Welfare Fund, Salisbury, Maryland, $5.95 per hour for each employee covered by this Agreement, not to exceed forty (40) straight-time hours in any week for each employee.
Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Eastern Shore Teamsters - Pension
Effective August 1, 2007, the Employer shall contribute to the Eastern Shore Teamsters Pension Fund, Salisbury, Maryland, the sum of $253.00 per week on each regular full time employee.

Employer contributions to the Health and Welfare and Pension shall be increased a total of one dollar ($1.00) per hour on August 1, 2008 and on each subsequent August 1st during the life of the contract. Allocations shall be determined by the Joint Supplemental Area Negotiating Committee, subject to approval of the Joint National Negotiating Committee.

Any dispute in the allocation of Health and Welfare and Pension money shall be determined and/or resolved by the Joint National United Parcel Service Negotiating Committee.

There shall be no other Pension Funds under this contract for operations under this contract.

By the execution of this Agreement, the Employer party to this Agreement agrees to enter into appropriate trust agreements necessary for the administration of such funds and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

If a regular full-time 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 four (4) weeks.

If a regular full-time employee is injured on the job, the Employer
shall continue to pay the required contributions until such employ-
ee returns to work; however, such contributions shall not be paid for
a period of more than twelve (12) months. If a regular full-time
employee is granted a leave of absence, the Employer shall collect
from said employee, prior to the leave of absence being effective,
sufficient monies to pay the required contributions into the pension
fund during the period of absence.

There shall be no deduction from equipment rental of owner opera-
tors by virtue of the contributions made to the pension fund, regard-
less of whether the equipment rental is at the minimum rate or more
and regardless of the manner of computation of owner driver com-
ensation.

Contributions to the pension fund must be made for each week on
each regular or extra employee, even though such employee may
work only part-time under the provisions of this contract, including
weeks where work is performed for the Employer but not under the
provisions of this contract, and although contributions may be made
for those weeks into some other pension fund.

Section 9
Disputes or questions of interpretation concerning the requirement
to make contributions on behalf of particular employees or classifi-
cations 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, deter-
mines that contributions are required, the Company shall pay to the
Trust Fund the amounts due together with any other charges uni-
formly applicable to past due contributors. 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.
Teamsters
Central Region
and
UNITED PARCEL SERVICE
Supplemental Agreement
to the
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For The Period
Beginning Upon Ratification
thru July 31, 2013
UNITED PARCEL SERVICE

The Central Region of Teamsters

Supplemental Agreement

For the Period beginning upon ratification through July 31, 2013

The following Articles and/or Sections of this Central Region of Teamsters Supplement shall supersede or be additions to the corresponding Articles and/or Sections of the National Master United Parcel Service Agreement.

ARTICLE 1-PROBATIONARY EMPLOYEES-SEASONAL EMPLOYEES

Section 1

(a) Probationary employees: a new employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) working day trial basis, during which period he/she may be discharged without further recourse; provided however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discriminating 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/her seniority date shall revert back to the first (1st) day of the thirty (30) day period in which the employee gained seniority.

On days where the Employer has exhausted the air drivers list, pre-seniority drivers may be used for air and these days would not count toward seniority. The Employer would be obligated to follow the conditions outlined under Article 40, Section 1 of the Master Agreement.
ARTICLE 14 -HEALTH & WELFARE
AND PENSIONS

Section 1

Contribution increases to benefit plans covering members of Local Unions 344, 135 and 688 shall be made in accordance with Article 34 of the National Master Agreement.

(a) The Employer’s contribution increases to the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W Fund) shall be increased twenty-two dollars ($22.00) per week effective August 1, 2008 and fourteen dollars ($14.00) per week effective on each August 1 thereafter during the life of this contract.

(b) Jointly Trusteed UPS/IBT Full Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter “UPS/IBT Plan”) to be created for employees who under the prior Agreement participated in the Central States Southeast and Southwest Pension Fund (“CS Plan”) and for future employees who would have participated in the CS Plan absent this Agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union will establish a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c)(5) for full-time employees who under the prior Agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only appli-
cable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

<table>
<thead>
<tr>
<th>Calendar Year Beginning</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2008</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>$135.50</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>$147.00</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>$158.50</td>
</tr>
<tr>
<td>January 1, 2013</td>
<td>$170.00</td>
</tr>
</tbody>
</table>

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit
for the service pensions only, full-time employees will receive one week of service credit if he/she has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he/she shall not receive any service credit for that calendar year. If he/she has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he/she shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person’s age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be $2000 per month if less than age 57 when benefits commence and $2500 per month if at least age 57 when benefits commence. The benefit for thirty (30) year service retirement shall be $3000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be $3500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

<table>
<thead>
<tr>
<th>Years of service Pension Credit</th>
<th>Age</th>
<th>Monthly Service Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 years</td>
<td>Any age</td>
<td>$3,500</td>
</tr>
<tr>
<td>30 or more years</td>
<td>Any age</td>
<td>$3,000 plus $100/yr of service for years over 30 up to $3,500</td>
</tr>
</tbody>
</table>
25 years  Any Age
up to age 57  $2,000

25 years  57 or older  $2,500 plus $100/yr of service for years over 25 up to $3,500 maximum

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated here-in by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

Section 2
The Employer shall provide pension benefit coverage to part-time employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law.

Section 3
The Employer and the Union agree that they will undertake to attempt to establish appropriate reciprocity agreements to protect the pension rights of employees.

Section 4 Part-Time Medical Coverage
(a) If there are any part-time employees covered by a Teamster Health and Welfare Fund they will continue to be covered by those funds.
Teamsters
Southern Region
and
UNITED PARCEL SERVICE
Supplemental Agreement
to the
NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT

For The Period
Beginning Upon Ratification
thru July 31, 2013
ARTICLE 46 – ACQUISITION OF SENIORITY

SECTION 1 – PROBATIONARY PERIOD
A new employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) working day trial basis, during which period the employee may be discharged without further recourse, provided however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discriminating against Union members. On the thirty-first (31st) working day within one hundred and twenty (120) consecutive day period, the employee shall be placed on the regular seniority list and the employee’s seniority date shall be the first day worked within the one hundred and twenty (120) day period.

SECTION 2 – SEASONAL EMPLOYEES
No seasonal employee shall be hired prior to October 1st of each Calendar year.

Any employee hired after October 1st shall not accrue days towards seniority in the months of October, November and December.

Seasonal employees, when hired, shall be notified they are seasonal by signing a seasonal-employee notice.

The Employer and the Local Union will meet to review the possibility of utilizing present part-time employees to perform seasonal work for the months of October, November and December.
funds, shall continue to make such payments for the life of this Agreement.

In the event the Central States Southeast and Southwest Areas Health and Welfare Fund does not maintain the benefit coverage and retiree contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this agreement, the Union and the Employer shall meet to determine and agree if there is a substitute multi-employer plan which will provide comparable coverage. If mutual agreement is reached to provide a suitable plan, the contribution payable by the Employer pursuant to Article 34 Section 1(a) shall be paid to the new plan.

PART-TIME EMPLOYEES

(a) Effective January 1, 2008 Health and Welfare coverage for all part-time employees on the payroll at that time and those hired thereafter will be provided pursuant to the terms of an Employer sponsored nationwide healthcare plan, namely, the UPS National Health Plan for Part-time Employees. (A copy of the Summary Plan Description will be provided.) Features of the Plan will include a prescription card. This paragraph shall supersede any provisions on the same subject in any Supplement, Rider or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full time medical benefits.

(b) Notwithstanding any contrary provision in this Supplement or any Rider or Addendum, individual health care coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and spousal or dependent coverage will be made available to these part-time employees eighteen (18) months after their initial date of employment.

ARTICLE 69 – PENSION

SECTION 1 – JOINTLY TRUSTEE UPS/IBT FULL TIME PENSION FUND

The following provisions pertain to the UPS/IBT Full-Time
Employee Pension Plan (hereinafter “UPS/IBT Plan”) to be created for employees who under the prior Agreement participated in the Central States Southeast and Southwest Areas Pension Fund (“CS Plan”) and for future employees who have participated in the CS Plan absent this Agreement who have one (1) hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008, the Employer and the Union will establish a new, single Employer, jointly trustee and administered defined benefit plan within the meaning of 29 U.S.C. Section 302(c) (5) for full time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS plan and will have no other obligation to provide such employees with future benefits accruals under the CS Plan.

(2) The benefit formula for current or future full time employees who are participants in the UPS/IBT Plan will be set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with twenty (20) years of credited service. Benefit payments may begin as early as Early Retirement Age (age 50 with 5 years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

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(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the
employee completes one (1) year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this Plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least five (5) years of vesting credit or has reached Normal Retirement Age while an employee. One (1) year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e. one (1) month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one (1) week of service credit if he has one (1) hour of service in Covered Employment in that week. For service pension only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for the calendar year, he shall receive one (1) year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person’s age.
There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five (25) years of service regardless of age, which shall be $2,000 per month if less than age 57 when benefits commence and $2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be $3,000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years of service retirement shall be $3,500 per month regardless of the age of the retiring employee. The Plan Document shall specify the amounts for the twenty (20) year service pension, eligibility criteria and how the benefits are calculated.

<table>
<thead>
<tr>
<th>Years of Service Pension Credit</th>
<th>Age</th>
<th>Monthly Service Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 Years</td>
<td>Any Age</td>
<td>$3,500</td>
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<tr>
<td>30 or More Years</td>
<td>Any Age</td>
<td>$3,000 plus $100/yr of service for years over 30 up to $3,500</td>
</tr>
<tr>
<td>25 Years</td>
<td>Any Age Up To 57</td>
<td>$2,000</td>
</tr>
<tr>
<td>25 Years</td>
<td>57 or Older</td>
<td>$2,500 plus $100/yr of service for years over 25 up to $3,500 maximum</td>
</tr>
</tbody>
</table>

The USP/IBT Plan will recognize full time service in the CS Plan for determining eligibility for the benefits in this Section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the Plan Document and Trust Agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resou-
tion solely through the UPS/IBT Plan administrative claims process.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall ensure that the employee is credited with up to 190 hours of pension credit or four (4) weeks of service pension credit (depending on the absence). If an employee is injured on the job, the Employer shall ensure that the employee receives pension credit until such employee returns to work; however, such pension credit shall not exceed 1801 hours of service or 40 weeks of service pension credit (depending on the length of the absence).

SECTION 2

Effective January 1, 1977, the Employer shall provide Pension Benefit Coverage to part-time employees under the terms and conditions as may be contained in the United Parcel Service Pension Plan as required by law. Effective August 1, 2002 the Company and Union agree that the part-time employees covered under the United Parcel Service Plan will receive the following improvement to the plan.

(1) The UPS Pension Plan covering only part-time employees working in areas where part-time employees are not covered by Teamsters Pension Plans, will be improved to provide monthly benefits for a part-time employee with seven hundred and fifty (750) paid hours of credit service per year.

The total monthly service pension benefit will be equal to the following provided the employee meets the credit service requirements:

$1,925.00 for retirement at any age after 35 years of credited service.
$1,650.00 for retirement at any age after 30 years of credited service.
$1,375.00 for retirement at age 60 with 25 years of credited service.
$1,125.00 for retirement at any age with 25 years of credited service.
The monthly benefit formula under the UPS Pension Plan will be listed in Article 34 Section 1 (g) (i) of the National Master United Parcel Service Agreement.

$55.00 times part-time Credited Service years subject to a maximum 35 years service limit.

The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for the purpose of the monthly accrued benefit, effective August 1, 2008 to sixty dollars ($60.00) for each year of future Credited Service to a maximum of thirty-five (35) years of Credited Service. If a participant is in Covered Employment on August 1, 2008 he/she shall receive the sixty dollar ($60.00) benefit formula for the entire 2008 plan year.

(2) Part-Time Employees will receive one (1) year of Credited Service for 750 or more paid hours. Six months of Part-Time Credited Service will be granted for 375 to 500 hours worked in a calendar year, and 9 months of part-time Credited Service will be granted for 501 to 749 hours worked in a calendar year.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits.

ARTICLE 70 – MECHANICS

Mechanical department employees shall have classification seniority within their Center and applications and provisions for seniority shall be as stated below.

SECTION 1 – STARTING TIMES

(A) Full-time mechanics, in the order of their seniority within their classification and by Center, shall have the right to select their starting times semi-annually from the schedule posted by the Employer.

(B) Starting times for these employees shall be posted on the first (1st) Monday in February and August and shall remain posted for one (1) week before bidding.

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NATIONAL MASTER
UNITED PARCEL SERVICE AGREEMENT

For the Period Beginning August 1, 2013 through July 31, 2018
covering:

The parties reserve the right to correct inadvertent errors and omissions.
Where no reference is made to a specific Article or Section thereof, such Article and Section
are to continue as in the current Master Agreement, as applied and interpreted during the life of
such Agreement. Additions and new language are **bold and underlined**.

operations in, between and over all of the states, territories, and possess-
sions of the United States and operations into and out of all con-
tiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio
Corporation, and a New York Corporation, in their Common Carrier
Operations hereinafter referred to as the “Employer,” and the TEAM-
STERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING
COMMITTEE representing Local Unions affiliated with the INTER-
ATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union
No. _____ which Local Union is affiliated with the INTER-
ATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the
terms and conditions of this Agreement. United Parcel Service
Cartage Services, Inc. (“CST”) and UPS Latin America, Inc. is also a
party to this Agreement as specified in the Freight Pickup & Delivery
Supplemental Agreement (“P&D Supplement”) and Challenge Air
Cargo Supplement, respectively.

**ARTICLE 4. STEWARDS**
The Employer recognizes the right of the Local Union to designate
Job Stewards and alternates from the Employer’s seniority list. The
authority of Job Stewards and alternates so designated by the Local
Union shall be limited to, and shall not exceed, the following duties and activities:

(a) The investigation and presentation of grievances with the
Employer or the designated company representative in accordance
with the provisions of the collective bargaining agreement:

(b) The collection of dues when authorized by appropriate Local
Union action; and

(c) The transmission of such messages and information, which
shall originate with, and are authorized by the Local Union or its
officers, provided such messages and information:

(1) have been reduced to writing; or

(2) if not reduced to writing, are of a routine nature and do not
involve work stoppages, slowdowns, refusal to handle goods, or
any other interference with the Employer’s business.

Job Stewards and alternates have no authority to take strike action
or any other action interrupting the Employer’s business, except as
authorized by official action of the Local Union. The Employer
recognizes these limitations upon the authorized Job Stewards and
their alternates, and shall not hold the Union liable for any unau-
thorized acts. The Employer in so recognizing such limitations shall
have the authority to impose proper, nondiscriminatory disci-
pline, including discharge. However, in the event the Job Steward
or the designated alternate has led, or instigated or encouraged
unauthorized strike action, slowdown or work stoppages in violation
of this Agreement he/she may be singled out for more serious
discipline, up to and including discharge. Stewards and/or alternate
stewards shall not be subject to discipline for performing any of the
duties within the scope of their authority as defined in this Section,
in the manner permitted by this Section.

Recognizing the importance of the role of the Union Steward in
resolving problems or disputes between the Employer and its
employees, the Employer reaffirms its commitment to the active
involvement of union stewards in such processes in accordance
with the terms of this Article.

The Job Steward or the designated alternate shall be permitted rea-
sonable time to investigate, present and process grievances on the
Company’s property without interruption of the Employer’s opera-
tion. Upon notification to his or her supervisor, a steward shall be
afforded the right to leave his/her work area for a reasonable period
of time to investigate, present and process grievances and to repre-
sent a fellow employee concerning grievances or discipline so long
as such activity does not interrupt the Employer’s operations. This
shall include the steward’s right to represent an employee in
connection with any grievance concerning safety issues. The
Master

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one week of service credit if he has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person’s age. There is a twenty-five (25) year service retirement benefit for anyone who has twenty-five years of service regardless of age, which shall be $2,000 per month if less than age 57 when benefits commence and $2,500 per month if at least 57 when benefits commence. The benefit for the thirty (30) year service retirement shall be $3,000 per month regardless of the age of the retiring employee. The benefit for thirty-five (35) years service retirement shall be $3,500 per month regardless of the age of the retiring employee. The plan document shall specify the amounts for the 20 year service pension, eligibility criteria and how the benefits are calculated.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Age</th>
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<tbody>
<tr>
<td>35 years</td>
<td>Any age</td>
<td>$3,500</td>
</tr>
<tr>
<td>30 or more years</td>
<td>Any age</td>
<td>$3,000 plus $100/yr of service for years over 30 up to $3,500</td>
</tr>
<tr>
<td>25 years</td>
<td>Any Age</td>
<td>$2,000 up to age 57</td>
</tr>
<tr>
<td>25 Years</td>
<td>57 or older</td>
<td>$2,500 plus $100/yr of service for years over 25 up to $3,500 maximum.</td>
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Effective January 1, 2014, the following enhancements will be implemented:

<table>
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<th>Years of Service</th>
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<td>35 years</td>
<td>any age</td>
<td>$3,700</td>
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<td>30 or more years</td>
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<td>$3,200 plus $100/yr of service for years over 30 up to $3,700</td>
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Effective January 1, 2017, the following enhancements will be implemented:

<table>
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<td>any age</td>
<td>$3,900</td>
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<tr>
<td>30 or more years</td>
<td>any age</td>
<td>$3,400 plus $100/yr of service for years over 30 up to $3,900</td>
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</table>

The UPS/IBT Plan will recognize full-time service in the CS Plan for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

(8) The UPS/IBT Plan will be governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS/IBT Plan administrative claims process.

Section 2. Part-Time Medical Coverage Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W)

(a) Part-time and full-time employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.

(a) (b) Notwithstanding any provision in any Supplement, Rider or Addendum Section (d) above, effective January 1, 2008, health and welfare coverage for all full-time and part-time employees on the payroll at that time and those hired thereafter who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through the CSH&W Fund regardless of the employee’s work location. Weekly payments for covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to the CSH&W Plan to provide the medical coverage.

will be provided pursuant to the terms of an Employer sponsored nationwide health care plan, namely, the UPS National Health Plan for Part-Time Employees. (A copy of the Summary Plan Description will be provided.) Features of the plan will include a prescription card.

(c) This paragraph shall supersede any provisions on the same subject in any Supplement, Rider, or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full-time medical benefits.

(b) (d) Notwithstanding Section (d) above or any contrary provision in any Supplement, Rider, or Addendum, (i) individual health coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and (ii) spousal or dependant coverage will also be made available to these part-time employees eighteen (18) twelve (12) months after their initial date of employment.
(e) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the CS&H&W Fund.

Section 3. CSI Health and Pension Coverage

(i) Any full-time or part-time CSI employee who is a participant in a Company sponsored health & welfare plan shall be covered by the CS&H&W Fund set forth in Section 2 above, effective January 1, 2008.

(ii) The UPS Pension Plan shall be modified to provide a one hundred and seven dollar ($107.00) accrual effective January 1, 2014 for all years accrued under the UPS Pension Plan.

Section 4. Re-allocations of Contributions/Wages

The Teamsters UPS National Negotiating Committee may re-allocate designated increases in Health & Welfare and pension contributions (HWPC) and/or general wage increases (GWI) provided in this Agreement in accordance with the following rules:

1. Thirty-five cents ($0.35) Any portion of any GWI may be re-allocated as an increased contribution to a Teamster Pension or Health & Welfare Fund. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the Pension or Health & Welfare Fund.

2. Twenty-five cents ($0.25) of a HWPC may be re-allocated as a GWI. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the Pension or Health & Welfare Fund.

3. Once a re-allocation becomes effective, it may not be changed.

4. A specified HWPC cannot be re-allocated to a GWI if the pension fund has been certified as being in endangered or critical status (as defined in ERISA section 305(b)(1) or (b)(2).

5. The Employer must be notified of any re-allocation, in writing, at least thirty (30) days prior to the effective date of the GWI or HWPC.

Section 5. Substitute Health Plan

In the event the Central States Southeast and Southwest Areas Health and Welfare Fund does not maintain the benefit coverage and retiree contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this Agreement, the Union and Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the contribution payable by the Employer pursuant to Article 34 Section 1 (a) shall be paid to the new plan.

ARTICLE 35. EMPLOYEE’S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 3. Controlled Substances Testing

The parties have agreed that the procedures as set forth in Article 35, Section 3 shall be the methodology for all testing and will be modified only in the event that further federal legislation or Department of Transportation regulations require revised testing methodologies or requirements during the term of this Agreement. To the extent that a subject is not covered by this Article the appropriate regulation shall control.

Should other categories, modifications or types of testing be required by the government, the parties will meet as expeditiously as possible to develop a mutually agreeable procedure.

The provisions of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive drug test. Employees may use the United Parcel Service Employee Assistance Program, a Union sponsored program, as well as any other referral service in choosing an approved program for treatment.

Section 3.1 Employees Who Must Be Tested

UPS employees subject to Department of Transportation mandated drug testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a commercial driver license (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

In addition to testing mandated employees, controlled substance testing will be part of pre-qualification conditions for feeder driver employment, and those persons transferring to a feeder driver position. Individuals who are on a "bid list" for tractor-trailer employment or other similar classification type jobs are subject to being tested for controlled substances before being accepted into such a position.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing as provided herein. The substances for which testing shall be conducted, and cut-off levels thereto, shall be consistent with those listed for the DOT-covered employees. This provision also applies to testing conducted pursuant to rehabilitation and after care programs.

Section 3.2 Testing

Because of the consequences that a positive test result has on an employee, UPS will employ a very accurate, two-stage testing program. Urine samples will be analyzed by a highly qualified independent laboratory which is certified by the Department of Health and Human Services (HHS). All samples will be tested according to DOT drug testing requirements. Validity testing for the presence
UPS/IBT Full-Time Employee Pension Plan

EFFECTIVE January 1, 2008
UPS/IBT FULL-TIME EMPLOYEE PENSION PLAN, a jointly trusteed, defined benefit employee benefit plan

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UPS/IBT FULL-TIME EMPLOYEE PENSION PLAN

WHEREAS, United Parcel Service, Inc. ("Company") and the Teamsters United Parcel Service National Negotiating Committee representing Local Unions affiliated with the International Brotherhood of Teamsters ("Union") have established this Plan for the exclusive benefit of (1) eligible employees of the Company who were or would have been eligible to participate in the Central States, Southeast and Southwest Areas Pension Plan and (2) certain former employees of the Company who immediately before January 1, 2008 were participants in the Central States, Southeast and Southwest Areas Pension Plan.

NOW THEREFORE, the provisions of this Plan shall be applicable to every such employee and former employee who becomes a Participant of this Plan on and after January 1, 2008, and to every beneficiary of such a Participant.
ARTICLE 1. DEFINITIONS

As used in this Plan, the following words and phrases have the following meanings:

1.1 ACCRUED BENEFIT

The Accrued Benefit of a Participant as of any computation date is the monthly amount of retirement income payable to a Participant in a Single Life Only Annuity at his Normal Retirement Date, or if the Participant works past his Normal Retirement Date, his Deferred Retirement Date, computed in accordance with Sections 2.1, 2.3 or 2.4, whichever section results in the largest monthly amount, based on (a) the Participant’s Years of Service Credit for the benefit determined under Section 2.1, (b) the Participant’s Years of Service Pension Credit for the benefit determined under Section 2.3 and (c) the Participant’s Years of Combined Service Credit for the benefit determined under Section 2.4, each as determined as of such computation date.

The Accrued Benefit shall never be less than the Accrued Benefit determined at the end of any preceding calendar year.

1.2 ACTIVE PARTICIPANT

An Active Participant means a Participant who completes at least one Hour of Service in Covered Employment on or after the Effective Date and thereafter continues to be employed by an Employer in Covered Employment.

1.3 ACTUARIAL EQUIVALENT

Actuarial Equivalent means, in determining the amount of a benefit payable in a different form or at a different time, a benefit having in the aggregate equality in value to the amounts expected to be received under a Single Life Only Annuity payment based upon an interest rate of 6% and the RP 2000 Mortality Table for Males adjusted for Blue Collar Employees with Mortality Improvement Through 2010 using Scale AA for Males for Participants and the RP 2000 Mortality Table for Females adjusted for Blue Collar Employees with Mortality Improvement Through 2010 using Scale AA for spouses, beneficiaries and alternate payees.

1.4 AFFILIATE

Affiliate means any company that is treated as a member of the Company’s controlled group within the meaning of Sections 414(b), (c), (m) and (o) of the Code.

1.5 BREAK-IN-SERVICE

A Break-in-Service is sustained when a Participant has the greater of:

(a) 6 consecutive One-Year Breaks-in-Service; or
(b) a number of consecutive One-Year Breaks in Service equaling or exceeding the number of Years of Vesting Service he earned prior to the first of his consecutive One-Year Breaks-in-Service.

A Vested Participant cannot sustain a Break-in-Service.

An individual who sustains a Break-in-Service is no longer a Participant, and he shall lose all right and claim to any benefit from the Plan and all prior Years of Eligibility Service, Years of Service Credit, Years of Combined Service Credit, Years of Service Pension Credit and Years of Vesting Service.

1.6 CENTRAL STATES PENSION PLAN

The Central States Pension Plan means the Central States, Southeast and Southwest Areas Pension Plan, as in effect immediately prior to the Effective Date.

1.7 CENTRAL STATES PENSION PLAN OFFSET

The Central States Pension Plan Offset means the reduction described in Section 2.8.

1.8 CODE

The Code means the Internal Revenue Code of 1986, as from time to time amended.

1.9 CBA

A CBA means a written agreement between the Union and an Employer requiring Plan participation of Employees whose classification of work is covered by the agreement.

1.10 COMPANY


1.11 COVERED EMPLOYMENT

Covered Employment means employment with an Employer in a work classification that is subject to participation in the Plan under a CBA. Covered Employment shall also include employment with an Employer (or, for a Grandfathered Central States Pension Plan Participant, another non-UPS or UPS-affiliated company) before the Effective Date provided such employment was in a category of employment for which an Employer (or, for a Grandfathered Central States Pension Plan Participant, another non-UPS or UPS-affiliated company) agreed to provide pension benefits under the Central States Pension Plan.
1.12 Deferred Retirement Date

Deferred Retirement Date means, for a Participant who continues in employment after his Normal Retirement Date, the first day of the month after his termination of employment with all Employers and Affiliates. In no event, however, shall any benefit payable to a Participant begin any later than the date required by Section 2.17.

1.13 Disabled or Disability

Disabled or Disability means a total and permanent disability which is a result of any physical or mental condition which qualifies the Participant for benefits and for which an application for benefits has been approved pursuant to the disability benefit provisions of the Social Security Act. The Trustees shall require evidence that the application for such Participant’s benefits has been approved by the Social Security Administration.

1.14 Early Retirement Pension

Early Retirement Pension means the benefit described in Section 2.2.

1.15 Effective Date

Effective Date means January 1, 2008.

1.16 Employee

(a) An Employee means an individual who on or after the Effective Date is employed by an Employer under the terms and conditions of a CBA that expressly provides for participation by the Employee in the Plan.

(b) The determination of whether a person is an Employee shall be made on a uniform basis consistent with the intent expressed herein and in accordance with the Code. Notwithstanding the foregoing, an Employee shall not include any individual (i) classified as an independent contractor by an Employer, (ii) being paid by or through an employee leasing company or other third party agency, or (iii) classified by an Employer as a leased employee, during the period the individual is so paid or classified even if such individual is later retroactively reclassified as a common-law employee of an Employer during all or any part of such period pursuant to applicable law or otherwise.

1.17 Employer

The Employer means the Company and any Affiliate that is a party to a CBA.
1.18 **EXECUTIVE DIRECTOR**

Executive Director means the Executive Director as defined in the Trust Agreement.

1.19 **FULL-TIME PUERTO RICO PARTICIPANT**

Full-Time Puerto Rico Participant means each Employee who completes an Hour of Service in Covered Employment on or after the Effective Date and who immediately before the Effective Date is a participant under Benefit Schedule M, IBT Local 901 Members in Full-Time Employment in Puerto Rico (URPLAN), of the UPS Pension Plan.

1.20 **GRANDFATHERED CENTRAL STATES PENSION PLAN PARTICIPANT**

Grandfathered Central States Pension Plan Participant means each Non-Retired Central States Pension Plan Participant who as of the Effective Date (a) is an employee of an Employer and not employed by another employer (non-UPS or UPS-affiliated) who as of the Effective Date is a “contributing employer” (as defined in the Central States Pension Plan) or (b) is a UPS Terminated Participant.

1.21 **HOUR OF SERVICE**

Hour of Service means each hour (whether completed before, on or after the Effective Date) for which an Employee is (a) paid or entitled to be paid for the performance of duties for an Employer or Affiliate; (b) each hour for which an Employee is paid or entitled to be paid by an Employer or Affiliate for periods during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty which gives rise to reemployment rights under Federal law, or leave of absence and (c) each hour for which back pay is awarded or agreed to by an Employer or Affiliate if not already credited under this sentence.

Notwithstanding any of the foregoing, except as provided below, no more than 501 Hours of Service will be credited to an Employee for any single continuous period during which the Employee performs no duties and he is paid or entitled to be paid by an Employer or Affiliate. Hours of Service credit will not be given for a period for which duties are not performed if payment is made under a plan maintained solely to comply with applicable workmen’s compensation, unemployment or disability insurance laws, and no credit shall be given for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee; provided, however, that an Employee will receive up to 1801 Hours of Service or up to 40 weeks of service pension credit during any single period for which duties are not performed while payment is being made under a plan maintained solely to comply with applicable workmen’s compensation laws and up to 190 Hours of Service or up to four weeks of service pension credit for any single period for which duties are not performed while
payment is made for disability. A payment shall be deemed to be made by or due from the Employer or Affiliate whether made by or due from the Employer or Affiliate directly or indirectly through a trust fund, insurer or other entity to which the Employer or Affiliate contributes or pays premiums, regardless of whether such contributions are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate. Hours of Service shall be credited under the terms of Department of Labor Regulations, Section 2530.200b-2 and -3. If (a) an Employer or an Affiliate does not maintain hourly records with respect to an Employee, (b) an Employee is credited for service for years before 1976 or (c) an Employee is credited with service for a period in which he performs no duties, Hours of Service will be credited as follows (subject to the limitations of the first sentence of this paragraph when no duties are performed):

(i) For all purposes other than determining a Year of Service Pension Credit, 190 Hours of Service for each calendar month in which he is credited with an Hour of Service; and

(ii) For purposes of determining a Year of Service Pension Credit, one week of service pension credit for each calendar week in which he is credited with an Hour of Service in Covered Employment.

1.22 HOUR OF SERVICE IN COVERED EMPLOYMENT

Hour of Service in Covered Employment means each Hour of Service while a Participant is employed in Covered Employment.

1.23 INACTIVE PARTICIPANT

Inactive Participant means a Participant who no longer meets the definition of an Active Participant and who is not a Pensioner. No benefits may be accrued under the Plan during a period in which a person is an Inactive Participant.

1.24 MONTHLY UNIT OF SERVICE CREDIT

A Monthly Unit of Service Credit means 1/12th of a Year of Service Credit.

1.25 NON-RETIRED CENTRAL STATES PENSION PLAN PARTICIPANT

Non-Retired Central States Pension Plan Participant means a person who as of the Effective Date is a "participant" in the Central States Pension Plan (as defined in the Central States Pension Plan) and is not a "pensioner" (as defined in the Central States Pension Plan) or has not submitted a valid and bona fide application to become a "pensioner" and commence to receive payments from the Central States Pension Plan before the Effective Date.

1.26 NORMAL RETIREMENT AGE

Normal Retirement Age means:
(a) for a Grandfathered Central States Pension Plan Participant, the 65th birthday of a Participant; or

(b) for a Participant other than a Grandfathered Central States Pension Plan Participant, the later of (i) the Participant’s 65th birthday or (ii) the Participant’s completion of five Years of Vesting Service or, if earlier, the first to occur of the 5th anniversary of the date on which an Employee (A) first became an Active Participant or (B) became a participant in the Central States Pension Plan.

Normal Retirement Age is used to determine the date on which a Participant’s Vested Pension becomes payable without reduction.

1.27 NORMAL RETIREMENT DATE

Normal Retirement Date means the first day of the month coincident with or next following Normal Retirement Age.

1.28 NORMAL RETIREMENT PENSION

Normal Retirement Pension means the benefit described in Section 2.1.

1.29 ONE-YEAR BREAK-IN-SERVICE

A One-Year Break-in-Service means a calendar year during which an Employee is credited with not more than 500 Hours of Service.

1.30 OTHER BENEFIT PLAN OFFSET

Other Benefit Plan Offset means the reduction described in Section 2.9.

1.31 PARTIAL SERVICE PENSION

Partial Service Pension means the benefit described in Section 2.4.

1.32 PARTICIPANT

A Participant means an Employee or a UPS Terminated Participant who has satisfied the following requirements:

(a) An Employee who was a participant in the Central States Pension Plan immediately prior to the Effective Date shall become a Participant as of the Effective Date; provided he is in Covered Employment on the Effective Date.

(b) An Employee who was a participant in the UPS Pension Plan under Benefit Schedule M, IBT Local 901 Members in Full-time Employment in Puerto Rico (URPLAN), immediately prior to the Effective Date shall become a Participant as of the Effective Date; provided he is in Covered Employment on the Effective Date.
(c) An Employee who is not a Participant under (a) or (b) above shall become a Participant as of the first day of the month coincident with or immediately following the date the Employee completes one Hour of Service in Covered Employment and one Year of Eligibility Service.

(d) A Grandfathered Central States Pension Plan Participant who does not become a Participant under (a) shall become a Participant as of the Effective Date to the extent of the benefit transferred to the Plan from the Central States Pension Plan and, for each Grandfathered Central States Pension Plan Participant who is employed by an Employer or an Affiliate on the Effective Date in employment covered under a collective bargaining agreement (i) between United Parcel Service Kansas District Missouri District and the International Association of Machinists and Aerospace Workers, Local Lodge 778 District # 9, or (ii) between United Parcel Service and the International Brotherhood of Teamsters Local 505, any Partial Service Pension earned under Section 2.4.

(e) A Participant shall no longer be a Participant on the date following his death, or on the date he receives all benefits due him, or on the date he sustains a Break-in-Service.

(f) Each Employee who has been a Participant in the Plan but is transferred to a work classification that is not Covered Employment shall remain a Participant until his benefit is fully distributed to him under the Plan, but shall be an Inactive Participant no longer eligible to accrue a benefit under Article 2 while employed in a work classification that is not Covered Employment.

1.33 PENSIONER

A Participant becomes a Pensioner on the date he begins to receive payment of any benefit for which he is eligible, other than a disability benefit under Sections 3.1 or 3.2

1.34 PENSION FUND

Pension Fund means the UPS/IBT Full-Time Employee Pension Fund established by the Trust Agreement.

1.35 PLAN

Plan means the UPS/IBT Full-Time Employee Pension Plan described in this document as well as any amendments to this document as are incorporated in the CBA or are duly adopted in accordance with Section 6.2.

1.36 PLAN YEAR

Plan Year means the calendar year.
1.37 PRESENT VALUE

Present Value means the single sum amount of a benefit based on the applicable interest rate and the applicable mortality table. The applicable interest rate is described in Section 417(e)(3) of the Code for the “lookback month” preceding the “stability period” that includes the date the distribution is made. The term “lookback month” means the fifth month preceding the first day of the stability period containing the date of distribution. The term “stability period” means the calendar year in which the distribution is made. The applicable mortality table is the table prescribed by the Secretary of the Treasury for purposes of Section 417(e)(3) of the Code.

1.38 QUALIFYING AGE

Qualifying Age means the Participant’s attained age as of the anniversary date of his birthday that was immediately prior to or coincident with the date that benefit payments commence from the Plan.

1.39 SERVICE PENSION

Service Pension means the benefits described in Section 2.3.

1.40 SINGLE LIFE ONLY ANNUITY

Single Life Only Annuity is the payment form described in Section 2.13(a).

1.41 TCI PARTICIPANT

TCI Participant means a Participant who has at least one Hour of Service in Covered Employment with Trailer Conditioners, Inc. on or after the Effective Date.

1.42 TCI SERVICE PENSION

TCI Service Pension means the benefit described in Section 2.3(f).

1.43 THIRTY YEAR SERVICE PENSION

Thirty Year Service Pension means the benefit described in Section 2.3(c).

1.44 THIRTY-FIVE YEAR SERVICE PENSION

Thirty-Five Year Service Pension means the benefit described in Section 2.3(d).

1.45 TRUST AGREEMENT

Trust Agreement means the Agreement and Declaration of Trust of the UPS/IBT Full-Time Employee Pension Fund as originally made and entered into as of January 1, 2008, together with any amendments.
1.46 **TRUSTEES**

Trustees means the Union Trustees and the Employer Trustees collectively as appointed according to the Trust Agreement to administer the Pension Fund and the Plan.

1.47 **TWENTY YEAR SERVICE PENSION**

Twenty Year Service Pension means the benefit described in Section 2.3(a).

1.48 **TWENTY-FIVE YEAR SERVICE PENSION**

Twenty-Five Year Service Pension means the benefit described in Section 2.3(b).

1.49 **UNION**

The term Union means the Teamsters United Parcel Service National Negotiating Committee representing Local Unions affiliated with the International Brotherhood of Teamsters.

1.50 **UPS TERMINATED PARTICIPANT**

UPS Terminated Participant means a person, as reported to the plan administrator by the Central States Pension Plan, who was a “participant” (as defined in the Central States Pension Plan) as of the Effective Date, who has not sustained a “break-in-service” (as defined in the Central States Pension Plan), who is not employed by an Employer on the Effective Date and who as of his last “hour of service” (as defined in the Central States Pension Plan) completed before the Effective Date was employed by an Employer.

1.51 **VESTED PARTICIPANT**

A Participant becomes a Vested Participant if:

(a) he reaches his Normal Retirement Age while employed with an Employer or an Affiliate; or

(b) he completes at least 5 Years of Vesting Service. Vesting Service is also earned for Continuous Compensated Employment of a Participant by an Employer. “Continuous Compensated Employment” means non-Covered Employment with an Employer if such employment is performed immediately before or after Covered Employment with that Employer and is not interrupted by a quit, discharge or retirement.

1.52 **VESTED PENSION**

Vested Pension means the benefit described in Section 2.5.
1.53 YEAR OF COMBINED SERVICE CREDIT

For purposes of determining eligibility for (but not the amount of) a Partial Service Pension, a Participant’s Years of Combined Service Credit shall equal the sum of:

(a) his Years of Service Pension Credit,

(b) for each Participant who has satisfied the eligibility requirements for and was a participant in the UPS Pension Plan (all as described in the UPS Pension Plan) while in part-time service covered by a CBA providing for participation in that plan, his years of “service credit” attributable to part-time service under the UPS Pension Plan;

(c) for each Grandfathered Central States Pension Plan Participant, other than for purposes of Section 2.4, his “non-contributory service credit” (as defined in the Central States Pension Plan) earned before the Effective Date as reported to the plan administrator by the Central States Pension Plan;

(d) for each Participant who has satisfied the eligibility requirements for and was a participant in the UPS Retirement Plan, his years of “benefit service” attributable to his service while classified as an “employee” under the UPS Retirement Plan (all as defined or described in the UPS Retirement Plan); and

(e) all employment with the Company or an Affiliate with respect to which contributions are made to a multiemployer plan as reported to the plan administrator by the applicable multiemployer plan.

A Participant shall not earn more than one Year of Combined Service Credit during a calendar year and a Participant shall lose the Years of Combined Service Credit he earned if he sustains a Break-in-Service.

1.54 YEAR OF ELIGIBILITY SERVICE

A Year of Eligibility Service means a calendar year during which an Employee is credited with at least 750 Hours of Service. In addition, an Employee shall also be credited with a Year of Eligibility Service if he is credited with at least 750 Hours of Service during the first 12 months following the date on which the Employee completes his first Hour of Service. For each person who as of the Effective Date is a Grandfathered Central States Pension Plan Participant, a Year of Eligibility Service also includes each “year of participation” (as defined in the Central States Pension Plan) completed on or before December 31, 2007 that had not been disregarded as a result of a “break-in-service” (as defined in the Central States Pension Plan) as reported to the plan administrator by the Central States Pension Plan. A Participant shall lose the Years of Eligibility Service he earned if he sustains a Break-in-Service.
1.55 YEAR OF SERVICE CREDIT

A Participant shall accumulate Years of Service Credit:

(a) for calendar year 2008 and calendar years thereafter, in Monthly Units of Service Credit based on his Hours of Service in Covered Employment in accordance with the schedule in the CBA, which for convenience is set forth below:

<table>
<thead>
<tr>
<th>Hours of Service in Covered Employment in each Calendar Year</th>
<th>Monthly Units of Service Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 150 hours</td>
<td>0 months</td>
</tr>
<tr>
<td>150 – 300</td>
<td>1 months</td>
</tr>
<tr>
<td>301 – 450</td>
<td>2 months</td>
</tr>
<tr>
<td>451 – 600</td>
<td>3 months</td>
</tr>
<tr>
<td>601 – 750</td>
<td>4 months</td>
</tr>
<tr>
<td>751 – 900</td>
<td>5 months</td>
</tr>
<tr>
<td>901 – 1050</td>
<td>6 months</td>
</tr>
<tr>
<td>1051 - 1200</td>
<td>7 months</td>
</tr>
<tr>
<td>1201 – 1350</td>
<td>8 months</td>
</tr>
<tr>
<td>1351 – 1500</td>
<td>9 months</td>
</tr>
<tr>
<td>1501 – 1650</td>
<td>10 months</td>
</tr>
<tr>
<td>1651 – 1800</td>
<td>11 months</td>
</tr>
<tr>
<td>1801 or over</td>
<td>12 months</td>
</tr>
</tbody>
</table>

(b) for calendar years prior to 2008, for each Grandfathered Central States Pension Plan Participant, a Year of Service Credit also includes each year of “contributory service credit” (as defined in the Central States Pension Plan) completed on or before December 31, 2007 that had not been disregarded as a result of a “break-in-service” (as defined in the Central States Pension Plan), as reported to the plan administrator by the Central States Pension Plan.

(c) for calendar years prior to 2008, for each Full-Time Puerto Rico Participant, a Year of Service Credit also includes each “year of service” (as defined in Benefit Schedule M of the UPS Pension Plan) completed on or before December 31, 2007 that had not been disregarded as a result of a “break-in-service” (as defined in the UPS Pension Plan).

Notwithstanding any provision of this Plan to the contrary, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. A Participant shall not earn more than one Year of Service Credit during a calendar year and a Participant shall lose the Year of Service Credit if he sustains a Break-in-Service.
1.56 YEAR OF SERVICE PENSION CREDIT

A Participant shall accumulate Years of Service Pension Credit:

(a) for calendar year 2008 and calendar years thereafter in accordance with the schedule in the CBA, which for convenience is set forth below:

<table>
<thead>
<tr>
<th>Weeks of Service Pension Credit in each Calendar Year</th>
<th>Years of Service Pension Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 19 weeks</td>
<td>0</td>
</tr>
<tr>
<td>20 – 39 weeks</td>
<td>Number of weeks of Service Pension Credit divided by 40</td>
</tr>
<tr>
<td>40 or more weeks</td>
<td>1</td>
</tr>
</tbody>
</table>

A Participant shall earn one week of Service Pension Credit if he has one Hour of Service in Covered Employment in a calendar week.

(b) for calendar years prior to 2008, for each Grandfathered Central States Pension Plan Participant, a Year of Service Pension Credit also includes each year of “contributory service credit” (as defined in the Central States Pension Plan) completed on or before December 31, 2007 that had not been disregarded as a result of a “break-in-service” (as defined in the Central States Pension Plan), as reported to the plan administrator by the Central States Pension Plan.

(c) for calendar years prior to 2008, for each Full-Time Puerto Rico Participant, a Year of Service Pension Credit also includes each “year of service” (as defined in Benefit Schedule M of the UPS Pension Plan) completed on or before December 31, 2007 that had not been disregarded as a result of a “break-in-service” (as defined in the UPS Pension Plan).

Notwithstanding any provision of this Plan to the contrary, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. A Participant shall not earn more than one Year of Service Pension Credit during a calendar year and a Participant shall lose the Year of Service Pension Credit he earned if he sustains a Break-in-Service.

1.57 YEAR OF VESTING SERVICE

A Year of Vesting Service means a calendar year during which an Employee is credited with at least 750 Hours of Service. For each person who as of the Effective Date is a Grandfathered Central States Pension Plan Participant, a Year of Vesting Service also includes each “vesting service year” (as defined in the Central States Pension Plan) completed on or before December 31, 2007 that had
not been disregarded as a result of a "break-in-service" (as defined in the Central States Pension Plan), as reported to the plan administrator by the Central States Pension Plan. A Participant shall lose the Years of Vesting Service he earned if he sustains a Break-in-Service.

Notwithstanding any provision of this Plan to the contrary, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. A Participant shall not earn more than one Year of Vesting Service during a calendar year and a Participant shall lose the Year of Vesting Service if he sustains a Break-in-Service.

ARTICLE 2. RETIREMENT PENSION BENEFITS

2.1 NORMAL RETIREMENT PENSION

(a) A Vested Participant who terminates employment with all Employers and Affiliates on his Normal Retirement Date shall receive during the remainder of his lifetime, with the first payment to be made as of his Normal Retirement Date, a monthly benefit equal to the sum of A+B+C+D, which amount shall then be reduced by E, where:

A = For each Vested Participant who is a Grandfathered Central States Pension Plan Participant, the cumulative monthly "accrued benefit" (as defined in the Central States Pension Plan) that would have been payable to him under the Central States Pension Plan determined as if he had incurred a "break-in-service" (as defined in the Central States Pension Plan) immediately before the Effective Date and there had been no transfer of liabilities from the Central States Pension Plan to this Plan, as reported to the plan administrator by the Central States Pension Plan;

B = For each Vested Participant who is a Full-Time Puerto Rico Participant, the "monthly accrued benefit" (as defined in Benefit Schedule M of the UPS Pension Plan) that would have been payable to him under the UPS Pension Plan as if he had incurred a "break-in-service" (as defined in the UPS Pension Plan) immediately before the Effective Date;

C = the monthly benefit (as set forth in the CBA) for each calendar year in which he earns one full Year of Service Credit;

D = the monthly benefit for each calendar year in which he earns a partial Year of Service Credit (as determined under 2.1(c) below); and

E = the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

(b) For convenience, the monthly benefit rates for calendar years 2008 and thereafter are set forth below:
Monthly Benefit Rates for Participants other than TCI Participants:

<table>
<thead>
<tr>
<th>Calendar Year Beginning</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2008</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>$132.00</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>$135.50</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>$147.00</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>$158.50</td>
</tr>
<tr>
<td>January 1, 2013</td>
<td>$170.00</td>
</tr>
</tbody>
</table>

Monthly Benefit Rate for TCI Participants:

<table>
<thead>
<tr>
<th>Calendar Year Beginning</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2008</td>
<td>$ 47.50</td>
</tr>
<tr>
<td>January 1, 2009</td>
<td>$ 47.50</td>
</tr>
<tr>
<td>January 1, 2010</td>
<td>$ 52.00</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>$ 56.00</td>
</tr>
<tr>
<td>January 1, 2012</td>
<td>$ 60.50</td>
</tr>
<tr>
<td>January 1, 2013</td>
<td>$ 65.00</td>
</tr>
</tbody>
</table>

(c) The monthly benefit for calendar years 2008 and thereafter in which a Participant earns less than 12 Monthly Units of Service Credit shall be equal to the product of the monthly benefit (as set forth in the CBA) for such year multiplied by a fraction, the numerator of which is the number of Monthly Units of Service Credit and the denominator of which is 12.

2.2 EARLY RETIREMENT PENSION

A Vested Participant who terminates employment with all Employers and Affiliates on or after his 50th birthday shall receive during the remainder of his lifetime, with the first payment to be made as of his Normal Retirement Date, a monthly benefit equal to the sum of A+B+C+D, which amount shall then be reduced by E, where:

A = For each Vested Participant who is a Grandfathered Central States Pension Plan Participant, the cumulative monthly "accrued benefit" (as defined in the Central States Pension Plan") that would have been payable to him under the Central States Pension Plan determined as if he had incurred a "break-in-service" (as defined in the Central States Pension Plan) immediately before the Effective Date and there had been no transfer of liabilities from the Central States Pension Plan to this Plan, as reported to the plan administrator by the Central States Pension Plan;

B = For each Vested Participant who is a Full-Time Puerto Rico Participant, the "monthly accrued benefit" (as defined in Benefit Schedule M of the UPS Pension Plan) that would have been payable to him under
the UPS Pension Plan as if he had incurred a "break-in-service" (as defined in the UPS Pension Plan) immediately before the Effective Date;

C = the monthly benefit (as set forth in the CBA) for each calendar year in which he earns a full Year of Service Credit,

D = the monthly benefit for each calendar year in which he earns a partial Year of Service Credit (as determined under 2.1(c) above); and

E = the Central States Pension Plan Offset described in Section 2.8 and Other Benefit Plan Offset described in Section 2.9.

If the Vested Participant so elects in accordance with Section 2.11, he may begin receiving a reduced benefit as of the first day of any month after his termination of employment. If the Participant elects to begin receiving his Early Retirement Pension before his Normal Retirement Date, the sum of A+B+C+D will be reduced by ½ % for each month by which the commencement of his benefit precedes his Normal Retirement Date prior to applying the offsets described in E.

Notwithstanding the foregoing, if the sum of a Participant's Years of Service Credit and his non-contributory service credit, if any, as described in Section 1.53(c) is at least 20 and he elects in accordance with Section 2.11 to begin receiving his Early Retirement Pension before his Normal Retirement Date, the sum of A+B+C+D shall not be reduced for early retirement if the first payment is made on or after the first day of the calendar month coincident with or next following his 62nd birthday and shall be reduced for early retirement by ½ % for each month by which the commencement of his benefit precedes the first day of the calendar month coincident with or next following his 62nd birthday.

2.3 SERVICE PENSIONS

(a) Twenty Year Service Pension. Subject to Section 2.3(g), a Vested Participant, other than a TCI Participant, who satisfies the minimum Qualifying Age and service requirements set forth in the CBA (which for convenience are set forth below) shall be entitled to receive a Twenty Year Service Pension after he terminates employment with all Employers and Affiliates.

<table>
<thead>
<tr>
<th>Minimum Qualifying Age</th>
<th>Minimum Years of Service Pension Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 or older</td>
<td>20</td>
</tr>
<tr>
<td>Under 50</td>
<td>30</td>
</tr>
</tbody>
</table>

For purposes of satisfying the service requirement for the Twenty Year Service Pension, a Participant's service shall be the sum of (1) his Years of Service Pension Credit and (2) for each Grandfathered Central States Pension Plan Participant, his "non-contributory service credit" as described in Section 1.53(c).
The monthly benefit amount of the Twenty Year Service Pension shall be equal to A - B where:

A is the monthly benefit (as set forth in the CBA) which, for convenience, is set forth in Table 1 in Appendix A; and

B is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

The Twenty Year Service Pension shall be paid during the remainder of the Participant’s lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.

If a Vested Participant’s, other than a TCI Participant’s, Qualifying Age is younger than age 57 but he satisfies the minimum service requirement for his Qualifying Age, the amount set forth in A above shall be based on a Vested Participant with a Qualifying Age of 57 reduced for early retirement by ½ % per month for each month by which the Vested Participant’s Qualifying Age precedes age 57.

For convenience, the amount determined under A above at or after a Qualifying Age of 47 is set forth in Table 2 of Appendix A.

(b) **Twenty-Five Year Service Pension.** Subject to Section 2.3(g), a Vested Participant, other than a TCI Participant, who satisfies the minimum Qualifying Age and service requirements set forth in the CBA (which for convenience are set forth below) shall be entitled to receive a Twenty-Five Year Service Pension after he terminates employment with all Employers and Affiliates.

<table>
<thead>
<tr>
<th>Minimum Qualifying Age</th>
<th>Minimum Years of Service Pension Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 50</td>
<td>25</td>
</tr>
<tr>
<td>50</td>
<td>20</td>
</tr>
</tbody>
</table>

The monthly benefit amount of the Twenty-Five Year Service Pension shall be equal to A - B, where:

A is the monthly benefit (as set forth in the CBA) which, for convenience, is set forth in Table 3 in Appendix A; and

B is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

The Twenty-Five Year Service Pension shall be paid during the remainder of his lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.
(c) **Thirty Year Service Pension.** Subject to Section 2.3(g), a Vested Participant, other than a TCI Participant, who as of the date he terminates employment with all Employers and Affiliates has completed at least thirty Years of Service Pension Credit but less than thirty-five Years of Service Pension Credit shall be entitled to receive a Thirty Year Service Pension at any age.

The monthly benefit amount of the Thirty Year Service Pension shall be equal to $A - B$, where:

- $A$ is the monthly benefit (as set forth in the CBA) which, for convenience, is set forth in Table 3 of Appendix A; and
- $B$ is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

The Thirty Year Service Pension shall be paid during the remainder of his lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.

(d) **Thirty-Five Year Service Pension.** Subject to Section 2.3(g), a Vested Participant, other than a TCI Participant, who as of the date he terminates employment with all Employers and Affiliates has completed at least thirty-five Years of Service Pension Credit shall be entitled to receive a Thirty-Five Year Service Pension at any age.

The monthly benefit amount of the Thirty-Five Year Service Pension shall be equal to $A - B$, where:

- $A$ is the monthly benefit (as set forth in the CBA) which, for convenience, is $3,500; and
- $B$ is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

The Thirty-Five Year Service Pension shall be paid during the remainder of his lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.

(e) **Alternative Service Pension.** Subject to Section 2.3(g), a Vested Participant who is a Grandfathered Central States Pension Plan Participant, other than a TCI Participant, and who as of January 1, 2004 (i) has completed at least 30 years of "contributory service credit" (as defined in the Central States Pension Plan) or (ii) is at least age 55 and has completed at least 25 years of "contributory service credit" (as defined in the Central States Pension Plan), shall, after he terminates employment with all Employers and Affiliates, be entitled to begin receiving an Alternative Service Pension at any age.
The monthly benefit amount of the Alternative Service Pension shall be equal to 
\((A + B + C) - D\), where:

A is the monthly “contributory credit pension” (as defined in the Central States Pension Plan) that would have been payable to him under the Central States Pension Plan determined as if he had incurred a “break-in-service” (as defined in the Central States Pension Plan) immediately before the Effective Date and there had been no transfer of liabilities from the Central States Pension Plan to this Plan, as reported to the plan administrator by the Central States Pension Plan;

B is the monthly benefit (as set forth in the CBA) for each calendar year beginning on and after the Effective Date in which he earns one full Year of Service Credit;

C is the monthly benefit (as set forth in the CBA) for each calendar year beginning on and after the Effective Date in which he earns a partial Year of Service Credit; and

D is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.

For convenience, the monthly benefit for a full Year of Service Credit completed in 2008 or later is $132 and the monthly benefit for a partial Year of Service Credit, which is less than 12 Monthly Units of Service Credit in a calendar year, is the product of $132 and a fraction, the numerator of which is the number of Monthly Units of Service Credit and the denominator of which is 12.

If the Vested Participant so elects in accordance with Section 2.11, he may begin receiving a benefit as of the first day of any month and after his termination of employment with the Employer and all Affiliates. The sum of \(A + B + C\) shall not be reduced if the first payment is made on or after his 62\(^{nd}\) birthday. Otherwise, \(A\) will not be reduced, but the sum of \(B + C\) will be reduced by ½% per month for each calendar month by which the first payment precedes the first day of the calendar month coincident with or next following his 62\(^{nd}\) birthday.

(f) \(\text{TCI Service Pension}\). A Vested Participant who is a TCI Participant and who satisfies the minimum Qualifying Age and service requirements set forth in the CBA (which for convenience are set forth below) shall be entitled to receive a TCI Service Pension after he terminates employment with all Employers and Affiliates.

<table>
<thead>
<tr>
<th>Minimum Qualifying Age</th>
<th>Years of Service Pension Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Age</td>
<td>30</td>
</tr>
</tbody>
</table>

36.4.24
The monthly benefit amount of the TCI Service Pension shall be equal to \( A - B \), where:

\[
A \text{ is the monthly benefit (as set forth in the CBA) which, for convenience, is set forth in Table 4 in Appendix A;}
\]

\[
B \text{ is the Central States Pension Plan Offset described in Section 2.8 and the Other Benefit Plan Offset described in Section 2.9.}
\]

The TCI Service Pension shall be paid during the remainder of his lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.

(g) **Grandfathered Central States Pension Plan Participant.** Notwithstanding any contrary provision, a Grandfathered Central States Plan Participant shall not be eligible for a Service Pension under this Section 2.3 or a Partial Service Pension under Section 2.4 unless he is a Vested Participant and he completes at least one Hour of Service in Covered Employment after the Effective Date.

### 2.4 PARTIAL SERVICE PENSION

Subject to Section 2.3(g), a Vested Participant who has at least twenty-five Years of Combined Service Credit shall be entitled to receive a Partial Service Pension after he terminates employment with all Employers and Affiliates. For purposes of this Section 2.4, Vested Participant includes a Grandfathered Central States Pension Plan Participant who is employed by an Employer or an Affiliate on the Effective Date in employment covered under a collective bargaining agreement (i) between United Parcel Service Kansas District Missouri District and the International Association of Machinists and Aerospace Workers, Local Lodge 778 District # 9, or (ii) between United Parcel Service and the International Brotherhood of Teamsters Local 505.

The Partial Service Pension shall be equal to \((A \times B) - C\) where:

\[
A \text{ is the monthly benefit amount determined under Sections 2.3(b), (c), (d) or (f) by substituting his Years of Combined Service Credit for the Years of Service Pension Credit required under Sections 2.3(b), (c), (d) or (f);} 
\]

\[
B \text{ is a fraction, not more than one, the numerator of which is the number of Years of Service Pension Credit actually completed by the Participant and the denominator of which is the Participant's Years of Combined Service Credit actually completed but not more than the minimum number of Years of Service Pension Credit required under Section 2.3(b), (c), (d), or (f) as applicable, e.g. thirty-five Years of Combined Service Credit for the Thirty-Five Year Service Pension; and}
\]
C is the Central States Pension Plan Offset described in Section 2.8.

The Partial Service Pension shall be paid during the remainder of his lifetime, with the first payment to be made as early as the first day of the month following his termination of employment with all Employers and Affiliates.

2.5 VESTED PENSION

A Vested Participant is eligible for a Vested Pension and may elect in accordance with Section 2.11 to have such Vested Pension become payable on the first day of any month coincident with or next following the date he terminates employment with all Employers and Affiliates, but in no event later than his Normal Retirement Date.

The monthly amount of the Vested Pension is determined in accordance with Section 2.1(a), as follows:

(a) If benefit payments commence on the Participant's Normal Retirement Date, the monthly amount is equal to his benefit determined under Section 2.1(a).

(b) If benefit payments commence before the Participant's Normal Retirement Date, the sum of A+B+C+D in Section 2.1(a) will be reduced for early retirement by 1/2 % for each month by which the commencement date of his benefit precedes his Normal Retirement Date or, if the Vested Participant has at least 20 Years of Service Credit, his 62nd birthday, prior to applying the offsets described in E.

2.6 DEFERRED PENSION

A Vested Participant who terminates employment with all Employers and Affiliates after his Normal Retirement Date shall receive a Deferred Pension equal to the greater of (1) his benefit determined under Section 2.1(a) or (2) his Service Pension or Partial Service Pension. Such benefit shall be based on his Years of Service Credit for the benefit determined under Section 2.1(a), in the case of Service Pension, his Years of Service Pension Credit, and in the case of a Partial Service Pension, his Years of Combined Service Credit, as of the date he terminates employment with all Employers and Affiliates, and shall be payable as of his Deferred Retirement Date.

2.7 MINIMUM BENEFIT

Notwithstanding any contrary provision of this Plan, the benefit payable under this Plan to a Grandfathered Central States Pension Plan Participant as of any date before his Normal Retirement Date (or, if earlier, the Offset Date described in Section 2.8) shall not be less than the benefit that would have been payable to him under the Central States Pension Plan determined as if he had incurred a "break-in-service" (as defined in the Central States Pension Plan) immediately before the Effective Date and there had been no transfer of liabilities from the Central States Pension Plan to this Plan, all as reported to the plan administrator by the Central
States Pension Plan; provided, however, that if a Grandfathered Central States Pension Plan Participant would be entitled to a benefit from the Central States Pension Plan as a result of the terms of the National Reciprocal Agreement for Teamster Pension Funds, effective January 1, 1973, as between the Central States Pension Plan and United Parcel Service, Inc. (whether payable before or after Normal Retirement Date), such benefit shall be payable under this Plan.

2.8 **CENTRAL STATES PENSION PLAN OFFSET**

The benefit payable under this Plan to a Participant, spouse, or alternate payee shall be reduced by the Central States Pension Plan Offset as of the earlier of (a) the earliest date as of which the Participant receives or is entitled to receive a benefit under the Central States Pension Plan or (b) the later of the Participant's Normal Retirement Date or his Deferred Retirement Date (the "Offset Date"). The Central States Pension Plan Offset is the amount of any benefit the Participant, spouse or alternate payee actually receives or would be entitled to receive from and after the Offset Date under the Central States Pension Plan in a single life annuity, determined as if the Participant had incurred a "break-in-service" (as defined in the Central States Pension Plan) immediately before the Effective Date as reported to the plan administrator by the Central States Pension Plan (the "Participant's Central States Accrued Benefit"). An alternate payee shall be deemed to have obtained a qualified domestic relations order applicable to the Central States Pension Plan that is identical to the qualified domestic relations order applicable to this Plan. Further, the Central States Pension Plan Offset payable in a single life annuity shall be converted to the Actuarial Equivalent form of benefit being paid to the Participant, spouse or alternate payee under this Plan. Notwithstanding any provision in this Plan to the contrary, if the benefit paid from the Central States Pension Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in the Central States Pension Plan Offset.

2.9 **OTHER PLAN BENEFITS OFFSET**

(a) The benefit payable under this Plan, other than a Partial Service Pension, to a Participant, spouse, or alternate payee shall be reduced by the amount of any benefit the Participant receives or is entitled to receive under the UPS Pension Plan attributable to his full-time service under a CBA between the Employer or an Affiliate and the Union to the extent that such benefits under such other plan or program are based on a period of time included in the calculation of Years of Combined Service Credit, Years of Service Credit or Years of Service Pension Credit for purposes of this Plan and are not attributable to contributions made to such other plan or program by the Participant.

(b) If the form of benefit under the UPS Pension Plan is different from the form of benefit under this Plan, the offset shall be based on the Actuarial Equivalent form of benefit under the UPS Pension Plan.
(c) If the benefit from the UPS Pension Plan is payable at a different time than the benefit payable under this Plan, then the benefit under the UPS Pension Plan shall be adjusted to reflect such difference as follows:

(i) If the UPS Pension Plan permits payment of a benefit at the same time that the benefit is payable under this Plan, the benefit under the UPS Pension Plan shall be adjusted based on the factors that would apply under such plan.

(ii) If the benefit under the UPS Pension Plan is not payable at the same time that the benefit is payable under this Plan (either because the UPS Pension Plan does not permit it or the Participant chooses to commence benefits at a different time), the benefit under the UPS Pension Plan shall be adjusted as follows:

(A) If the benefit payable under the UPS Pension Plan is paid after the benefit payable under this Plan, the benefit under the UPS Pension Plan shall be adjusted by ½% per month for each month that the benefit commencement date under this Plan precedes the Participant’s Normal Retirement Date and is on or follows the first day of the calendar month coincident with or next following his 55th birthday and if the benefit payable under this Plan is payable before his 55th birthday, an Actuarial Equivalent adjustment shall be made for each month that the benefit commencement date under this Plan precedes the first day of the calendar month coincident with or next following his 55th birthday.

(iii) In no event will the adjusted benefit under the UPS Pension Plan be less than the Actuarial Equivalent of the benefit under the UPS Pension Plan payable at that plan’s normal retirement date.

2.10 EFFECT OF CBA

The provisions of this Plan may be amended from time to time by the CBA which governs participation in this Plan and the terms of the CBA are incorporated herein by reference from the date such agreement becomes binding on an Employer.

2.11 APPLICATION FOR BENEFITS

Each Participant shall make written application for the benefits, if any, to which he is entitled under this Plan and, if he is a Grandfathered Central States Pension Plan Participant, under the Central States Pension Plan, at least sixty (60) days, but not more than ninety (90) days, in advance of the first day of the month on which the benefits applied for are to be paid, on a form or forms to be provided by the Trustees for this purpose and, if the benefit application is not made in advance of the first payment, within the time period specified in Section 6.14. The Trustees may require each Participant to submit such information as may
reasonably be required for the proper administration of the Plan. To the extent permitted by applicable law, except for good cause, or unless the delay is due to the failure of the Trustees to furnish the necessary information to the Participant at his last known address as indicated on an Employer’s records, failure to submit such an application within the time prescribed shall result in the forfeiture of any benefits that would have been payable, had the application been timely filed, prior to the date on which such an application is delivered to the Trustees. When any Participant elects any of the options provided by the Plan, he must make such election on a properly completed pension application form and in the manner and within the time prescribed above. As a precondition to receiving any benefits under this Plan, a Grandfathered Central States Pension Plan Participant shall make a written application requesting commencement of benefits under the Central States Pension Plan at the same time and in the same form as the benefit requested under this Plan.

2.12 ELIGIBLE FOR MORE THAN ONE PLAN BENEFIT

If a Participant is eligible for more than one benefit under this Plan, such Participant’s benefit shall be the benefit that provides the largest monthly dollar amount payable as of the date his benefit is scheduled to commence.

2.13 FORMS OF PAYMENT

(a) Normal Form. If a Participant is entitled to receive any retirement benefit under this Plan, such benefit shall be paid in the normal form unless he elects a different form of benefit in accordance with Section 2.13(c). The normal form of benefit for a married Participant is a qualified joint and survivor annuity, as described in paragraph (i) below and, for a single Participant, the lifetime with limited surviving spouse option, as described in paragraph (ii) below.

(i) Qualified Joint and Survivor Annuity. Under the qualified joint and survivor annuity, the Pensioner shall be paid his reduced pension for his lifetime; and his spouse as of the date his retirement benefit commences who survives the Pensioner shall be entitled to receive a lifetime survivorship benefit following the Pensioner’s death in a monthly amount equal to 50% of the reduced monthly amount which had been payable to the Pensioner. The last payment of the qualified joint and survivor annuity shall be made as of the first day of the month in which the death of the last to die of the Pensioner and his spouse has occurred.

The qualified joint and survivor annuity shall be the Actuarial Equivalent of a normal form for the single Participant provided, however, that if the lifetime benefit determined using the applicable adjustment factor listed in Appendix C is greater than the Actuarial Equivalent of the normal form for a single Participant, the Participant’s lifetime benefit under the qualified joint and survivor annuity shall be determined using the factor listed in Appendix C.
Notwithstanding the foregoing, a Pensioner who is preceded in death by his spouse shall have his retirement benefit restored to the amount he would have received if he and his spouse had rejected the qualified joint and survivor annuity and the retirement benefit were paid in the normal form for a single Participant. Additionally, if a Pensioner’s spouse executes a specific written waiver of any right to and interest in the qualified joint and survivor annuity, and if that waiver is incorporated in a court-approved property settlement agreement that is part of a judgment or order entered by a court of competent jurisdiction in a divorce, marriage dissolution or marital separation proceeding that is determined to be a qualified domestic relations order, then the Pensioner shall have his retirement pension restored to the amount he would have received if he and his spouse had rejected the qualified joint and survivor annuity; such restoration shall be effective the first day of the month following the month in which the judgment or order is entered.

(ii) **Lifetime with Limited Surviving Spouse Option.** The lifetime with limited surviving spouse option provides an unreduced lifetime retirement benefit to a Pensioner for life.

If a Pensioner dies after the benefit commencement date no further benefits are payable; provided, however, if the Pensioner (i) (A) has completed at least 20 Years of Service Pension Credit, (B) has completed at least 30 Years of Combined Service Credit or (C) is at least age 50 and has completed at least 20 Years of Combined Service Credit, and (ii) dies before receiving 60 monthly payments, the lifetime with limited surviving spouse option provides:

(A) for a single Pensioner, a $1,000 lump-sum death benefit payable in equal shares to the members of the highest level of survivors as follows: dependent children; non-dependent children; parents; brothers and sisters; estate.

(B) for a married Pensioner, a monthly benefit payment paid to the person who was the Pensioner’s spouse at death and who survives the Pensioner until a total of 60 payments have been made to the Pensioner or the Pensioner’s surviving spouse.

(b) **Optional Forms of Benefit for Married Participants.** In lieu of the normal form described in Section 2.13(a), a married Participant, with written consent from his spouse, may elect at any time prior to receiving a first payment under Section 2.13(a) to receive his retirement benefit in one of the following options:

(i) A lifetime with limited surviving spouse option as described in Section 2.13(a)(ii); or
(ii) A qualified joint and 75% survivor annuity, under which the Pensioner shall be paid his reduced pension for his lifetime; and his spouse as of the date his retirement benefit commences who survives the Pensioner shall be entitled to receive a lifetime survivorship benefit following the Pensioner's death in a monthly amount equal to 75% of the reduced monthly amount which had been payable to the Pensioner. A qualified joint and 75% survivor annuity shall be the Actuarial Equivalent of a normal form for a single Participant as described in Section 2.13(a). The last payment of the qualified joint and 75% survivor annuity shall be made as of the first day of the month in which the death of the last to die of the Pensioner and his spouse has occurred.

Notwithstanding the foregoing, a Pensioner who is preceded in death by his spouse shall have his retirement benefit restored to the amount he would have received if he and his spouse had rejected the qualified joint and survivor annuity and the retirement benefit were paid in the normal form for a single Participant. Additionally, if a Pensioner's spouse executes a specific written waiver of any right to and interest in the qualified joint and survivor annuity, and if that waiver is incorporated in a court-approved property settlement agreement that is part of a judgment or order entered by a court of competent jurisdiction in a divorce, marriage dissolution or marital separation proceeding that is determined to be a qualified domestic relations order, then the Pensioner shall have his retirement pension restored to the amount he would have received if he and his spouse had rejected the qualified joint and survivor annuity; such restoration shall be effective the first day of the month following the month in which the judgment or order is entered.

(c) Form of Election. An election to waive the normal form of benefit described in Section 2.13(a) must be in writing in a form approved by the Trustees, and shall not be effective if the Participant is married unless:

(i) the spouse of the Participant consents to the election, and such consent is in writing,

(ii) the spouse of the Participant acknowledges the Participant's election of an alternative form of benefit and/or beneficiary, which may not thereafter be changed without spousal consent,

(iii) the spouse of the Participant acknowledges the effect of the election, and

(iv) such election is witnessed by a notary public: or

(v) it is established to the satisfaction of the Trustees that the spouse's consent cannot be obtained because:

(A) he Participant has no spouse,
(B) the Participant’s spouse cannot be located, or

(C) one of the conditions prescribed in Treasury regulations is satisfied.

(d) Revocation of Election. A Participant may revoke an election made under this Section 2.13 and make another election under this Section 2.13 at any time on or before the 90th day after he becomes a Pensioner and begins to receive payment of his retirement benefit. If the Participant is married, his spouse’s consent is required to select any form of benefit other than the normal form described in Section 2.13(a). A spouse’s consent to the waiver of the qualified joint and survivor annuity (as described in Section 2.13(a)) and to the optional form designation made by the Participant is irrevocable unless the Participant revokes his waiver election. A Grandfathered Central States Pension Plan Participant’s revocation and new election is subject to the requirements of the last sentence of Section 2.11.

2.14 SMALL BENEFIT PAYMENTS

Notwithstanding any contrary provision, if the Present Value of the benefit payable to a Pensioner, to a Pensioner and his spouse, an alternate payee or to a surviving spouse is less than $1,000, the Trustees shall pay such Present Value to the Pensioner or the alternate payee or if the Participant is deceased, to the surviving spouse in a lump sum in lieu of all other benefits under the Plan. If the Present Value of a Participant’s nonforfeitable benefit under this Plan is zero as of the Participant’s termination of employment with all Employers and Affiliates, such Participant shall be deemed to have received a distribution of such nonforfeitable benefit when the Participant terminates employment. If the Participant’s benefit is cashed out pursuant to this Section 2.14, service with respect to which the distribution of the Present Value was made shall be disregarded for purposes of the Plan, provided, however, that such service shall be counted in determining the Employee’s service for vesting and benefit accrual if, upon reemployment, the distribution is repaid by the Employee to the Trustees, together with interest at 5% or such other rate as may in the future be established or otherwise made effective by regulation or administration action implementing Section 204(c)(2)(C) ERISA.

2.15 RULES AND PROCEDURES FOR SUSPENSION OF BENEFITS

If (a) a Pensioner returns to employment with an Employer or an Affiliate or (b) a Participant remains in employment with an Employer or an Affiliate after attaining Normal Retirement Age, the payment of benefits to said Pensioner or Participant shall be permanently suspended for the period in which the Participant remains so employed, but not beyond the required beginning date set forth in Section 2.17. In the case of a reemployed Pensioner or a Participant who remains in employment after attaining Normal Retirement Age, benefit payments will be resumed no later than the first day of the third calendar month after the month in
which the Pensioner or Participant ceases to be employed with all Employers and
Affiliates, provided the Pensioner or Participant has informed the Trustees that he
has ceased such employment.

For purposes of this Section, a period of employment as to which benefits shall be
suspended for a Pensioner means any calendar month or a four or five week
period ending in a calendar month, if the Participant completes at least forty hours
of service (as defined in 29 CFR § 2530.200b-2(a)(1) and (2)) with an Employer
or an Affiliate in such month or payroll period.

Any Participant coming under this provision will be notified by first-class mail or
personal delivery within the first calendar month or payroll period in which the
Plan withholds the payment of retirement benefits.

Any Participant may request a determination of whether specific contemplated
employment will be considered employment for purposes of this Section 2.15.
Request for status determinations may be submitted in accordance with the
Benefit Claims and Appeals Procedures set forth in Appendix B.

2.16 SERVICE AFTER RETIREMENT DATE

If a Participant who continued in employment with an Employer or an Affiliate
after Normal Retirement Age is entitled to commence benefits or a Pensioner
whose benefits were suspended is entitled to recommence benefits under
Section 2.15, his benefits shall be calculated or recalculated on the basis of his
total Years of Service Credit, Years of Service Pension Credit or Years of
Combined Service Credit, as applicable, including service credited during a
period of reemployment or continued employment after Normal Retirement Age
and no actuarial or other adjustment shall be made to such Participant’s benefit so
as to reflect payments permanently suspended pursuant to Section 2.15. The Plan
is entitled to repayment of all monthly benefit payments that are made to a
Pensioner for any period described in Section 2.15 for which the Pensioner was
not entitled to receive such payments. The Plan may obtain such amount from
any future monthly benefit payments to which the Pensioner may be entitled for
periods after the end of a suspension, provided that such repayment will consist of
100% of the gross amount of the first three monthly benefit payments and 25% of
the gross amount of each monthly benefit payment thereafter. The Plan may
also obtain that repayment by any other available remedy at law or equity.

2.17 PERIOD OF BENEFIT DISTRIBUTION

The entire benefit and interest of each Participant shall be distributed in a period
beginning no later than April 1 of the year after the calendar year in which he
attains age 70-1/2 (the “Required Beginning Date”) and ending no later than his
death or the death of his spouse or other beneficiary eligible for a benefit
according to this Plan, whichever death is later. Distributions of all benefits and
interests will be made by the Pension Fund in a manner consistent with
Section 401(a)(9) of the Code and regulations issued pursuant to authority of that section.

ARTICLE 3. DISABILITY BENEFITS

3.1 MONTHLY DISABILITY BENEFITS

(a) To become eligible for a monthly disability benefit, a Participant must have at least 10 Years of Service Credit at the time he stops working in Covered Employment and become Disabled before his 62nd birthday and while he is an Active Participant or within 2 calendar years after becoming an Inactive Participant.

(b) The amount of the monthly disability benefit of a Participant is an amount which is based upon his age as of the date he is found to be Disabled, in accordance with the following table:

<table>
<thead>
<tr>
<th>Age at Disability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 (and younger)</td>
<td>$650</td>
</tr>
<tr>
<td>51</td>
<td>700</td>
</tr>
<tr>
<td>52</td>
<td>750</td>
</tr>
<tr>
<td>53</td>
<td>800</td>
</tr>
<tr>
<td>54</td>
<td>850</td>
</tr>
<tr>
<td>55</td>
<td>900</td>
</tr>
<tr>
<td>56</td>
<td>950</td>
</tr>
<tr>
<td>57 (and older)</td>
<td>1,000</td>
</tr>
</tbody>
</table>

(c) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 2.15), the Service After Retirement Date (as described in Section 2.16) and the Benefits Claim Filing Procedures (as described in Section 6.14), the monthly disability benefit becomes payable to a Disabled Participant on the 1st day of the 6th month following the date the Participant became Disabled. Monthly disability benefit payments shall continue to be made to a Disabled Participant until the end of the month preceding the month in which the earliest of the following occurs:

1. he becomes a Pensioner; or
2. he recovers from his Disability; or
3. he dies.
3.2 LUMP SUM DISABILITY BENEFITS

(a) To become eligible for a lump sum disability benefit, a Participant must become Disabled on or after his 45th birthday, and while he is an Active Participant or within 2 calendar years after becoming an Inactive Participant, and meet each of the following requirements at the time he stops working in Covered Employment:

(1) he must have at least 10 Years of Service Credit; and

(2) he must not be eligible to receive the monthly disability benefit described in Section 3.1 or, if eligible, he chooses not to receive such benefit.

(b) The amount of the lump sum disability benefit payable to a Disabled Participant shall be $3,000.

(c) The amount of the lump sum disability benefit determined in (b) above, shall be reduced by any amounts previously paid as a lump sum disability benefit.

(d) The lump sum disability benefit shall become payable to the Disabled Participant on the 1st day of the 6th month following the date he became Disabled.

3.3 50% SURVIVING SPOUSE BENEFIT

(a) In the event of the death of a Disabled Participant before his Normal Retirement Date and while he is married and receiving or eligible to receive a monthly disability benefit described in Section 3.1, his surviving spouse will receive the 50% Surviving Spouse Benefit provided in Section 4.1, if the conditions of that section are satisfied, in an amount determined as if he were a Participant but not a Disabled Participant on the date of his death.

(b) In the event a Disabled Participant is alive on his Normal Retirement Date, he will begin receiving the retirement benefit to which he is entitled under Article 2 determined as if he were a Participant but not a Disabled Participant and such benefit shall be payable in the normal form under Section 2.13(a) unless the Disabled Participant is married and selects an optional form (with spousal consent).

3.4 CHOICE OF DISABILITY BENEFITS

Only one type of retirement pension or disability benefit shall be payable to a Disabled Participant. If a Disabled Participant is eligible for both a retirement pension and a disability benefit, he must elect the benefit he is to receive. The election made by a Disabled Participant shall be irrevocable before his Normal Retirement Date, except as provided by Section 2.15 (Rules and Procedures for Suspension of Benefits) and Section 2.16 (Service After Retirement Date). On his Normal Retirement Date, a Disabled Participant will begin receiving the
retirement benefit to which he is entitled under Article 2 determined as if he were a Participant but not a Disabled Participant and such benefit shall be payable in the normal form under Section 2.13(a) unless the Disabled Participant is married and selects an optional form (with spousal consent).

ARTICLE 4. BEFORE RETIREMENT DEATH BENEFITS

4.1 50% SURVIVING SPOUSE BENEFIT

(a) For his surviving spouse to become eligible for a 50% surviving spouse benefit, a Participant must have met each of the following requirements at the time of his death:

(i) he must have been married; and

(ii) he must have been a Vested Participant or eligible for a Normal Retirement Pension, Service Pension, Partial Service Pension or Early Retirement Pension.

(b) The monthly amount of a 50% surviving spouse benefit is 50% of the monthly amount a deceased Participant could have received under the qualified joint and surviving annuity form of payment (as described in Section 2.13(a), but not subject to the Central States Pension Plan Offset described in Section 2.8 or the Other Benefit Plan Offset described in Section 2.9), and is determined as if he had retired on the earlier of his actual date of termination of employment or the day before his death, and he had retired during the month preceding the "effective date of payment" elected by his surviving spouse as described in (c), below.

(c) Subject to the Benefit Claims and Appeals Procedures (as described in Appendix B), the surviving spouse of a deceased Participant may elect an effective date of payment which is not earlier than the later of the first day of the month following the month in which the death of the Participant occurs, or the earliest date on which the Participant could have received immediate payment of a retirement pension from this Plan if he had survived.

4.2 OTHER DEATH BENEFIT

A death benefit consisting of a $10,000 payment to the surviving spouse of a deceased Participant or, if none, to his dependent children (if any) in equal shares is payable if the Participant met each of the following requirements at the time of his death:

(a) He died while an Active Participant or within 2 calendar years after he became an Inactive Participant; and

(b) He had at least 10 Years of Service Credit; and

(c) He died prior to his Normal Retirement Date.
The death benefit is payable in addition to any survivor benefit payable in accordance with Section 4.1.

ARTICLE 5. FUNDING OF BENEFITS

An Employer shall make contributions to the Pension Fund as required by the Trust Agreement. The funding policy shall be consistent with the Trust Agreement and the objectives of the Plan. Forfeitures arising under this Plan, if any, shall be applied to reduce Employer contributions and shall not be used or applied to increase the benefits any Employee would otherwise be entitled to receive hereunder. All contributions made to this Plan shall be made only by an Employer. No Employee contributions shall be required or permitted, except upon reemployment to restore distributions previously made to the Employee and interest thereon, as described in Section 2.14. Any amounts contributed by an Employer pursuant to this Article 5 may be contributed by such Employer in cash or other property (subject to the approval of the Trustees). In no event and under no circumstances shall such contributions, or any part thereof, revert to or be recoverable by an Employer until all obligations under this Plan have been fully satisfied, except as follows:

(a) in the case of a contribution, or any part thereof, made under a mistake of fact, an Employer shall be entitled to recover such contribution within one year of payment;

(b) in the case of a contribution which cannot be deducted by an Employer in accordance with Section 404 of the Code, such Employer shall recover such contribution, to the extent the deduction is disallowed, within one year after the disallowance of the deduction.

The amount which may be returned to an Employer is the excess of: (a) the amount contributed by such Employer over (b) the amount that would have been contributed by such Employer had there not occurred a mistake of fact or a mistake in determining the deduction. Earnings attributable to the excess contribution may not be returned to an Employer, but losses attributable thereto must reduce the amount to be so returned.

The determination as to whether an Employer has made a contribution or other payment to the Pension Fund by a mistake of fact or whether such contribution is tax-deductible, and whether such contribution or payment should be returned to such Employer, shall be made in accordance with ERISA and other applicable law, taking into account all of the evidence submitted by the Employer to demonstrate that such contribution or payment was made by mistake; provided, however, that the Employer shall have the burden of proving that such contribution or payment was made by mistake or that such contribution was not tax-deductible.
Notwithstanding the foregoing, Employer contributions shall be deemed to be conditioned on the initial qualification of this Plan and the Trust Agreement, respectively, under Sections 401 and 501 of the Code and upon the deductibility of the contributions under Section 404 of the Code; if qualification is denied as to an Employer, the contribution shall be repaid to that Employer within one year after the date of denial of qualification, and if the deduction of all or part of any contribution is disallowed it may, to the extent disallowed, be repaid within one year after the date of disallowance.

The Trustees (or their duly authorized designee) shall adopt refund policies consistent with the provisions of this Article 5.

ARTICLE 6. ADMINISTRATION

6.1 ADMINISTRATION AUTHORITY

The Executive Director shall be responsible for the day-to-day administration of the Plan in accordance with the Trust Agreement. The Executive Director shall, subject to the directions of the Trustees with respect thereto, be responsible to the Trustees and/or any committee thereof for coordinating the administration (but, not the investment of) of the Pension Fund’s assets, office and personnel, for the coordination and administration of accounting and actuarial services, for the preparation of all reports and other documents required to be filed or issued in accordance with law, for the performance of ministerial duties in conformance therewith, and for such other duties duly assigned to him by action of the Trustees. The Executive Director shall be the custodian of the documents and other records of the Pension Fund. The Executive Director shall not have or exercise any discretionary authority or discretionary control respecting management of the Pension Fund, or have or exercise any authority or control respecting management or disposition of any assets of the Pension Fund, or render any investment advice for any fee or other consideration, or have or exercise any discretionary authority or discretionary responsibility in the administration of the Pension Fund.

6.2 AMENDMENT OF THE PENSION PLAN

The Plan may be amended by the Trustees, provided that the Company and the Union consent in writing, and provided further that such amendments comply with the sections of the then applicable Code, ERISA, all applicable federal statutes and regulations and the purposes set forth in the Trust Agreement. No amendment shall alter the terms and purpose of the Plan or divert the Fund to any use other than for the exclusive benefit of Participants or their dependents or beneficiaries. The amendment of the Plan pursuant to this Section 6.2 shall not be inconsistent with the terms of the CBA then in effect nor increase in any manner an Employer’s obligations hereunder (including without limitation the cost of the Plan) or change the powers or duties of the Company or the Executive Director hereunder or increase the duties or responsibilities of the Trustees under
the Plan without the prior written consent of the Company and the Union (only with respect to an amendment increasing the duties or responsibilities of the Trustees). Additionally, and not by way of limitation, the Plan may be amended, in the future, or retroactively, where deemed necessary to maintain the continuation of the Fund's tax-exempt status or to preserve compliance with the then applicable Code, applicable federal statutes, and any regulations or rulings issued with respect thereto. A copy of each amendment of the Plan shall be adopted and filed by the Trustees as part of the records and minutes of the Trustees, and one copy thereof shall be distributed to the Union and the Company signatories to this Plan.

6.3 DECISIONS OF TRUSTEES

The Trustees will decide all questions arising in the administration of the Plan and will have the exclusive right and complete discretion and authority to control the operation, management and administration of this Plan, with all powers necessary to enable the Trustees to properly carry out such responsibilities, including, but not limited to, the power to interpret the Plan, to construe the Plan's terms, and, subject to the benefit claims and appellate procedures in Section 6.4, to decide any matters arising in and with respect to the administration and operation of the Plan. All decisions by the Trustees made pursuant to the terms of this Plan and the Trust Agreement, including all rules and regulations adopted by the Trustees, all amendments of the Trust Agreement and this Plan by the Trustees and all interpretations by the Trustees of any of said documents, shall be final binding upon the Company, the Union, each Employer, all individuals claiming benefits pursuant to this Plan or any amendment thereof and all other individuals engaging in any transaction with the Pension Fund.

6.4 BENEFITS CLAIM AND APPELLATE PROCEDURES

The Trustees have adopted procedures to afford a fair and expeditious method for the processing of claims for pension and other benefits provided by this Plan. Appendix B attached to this Plan contains the Benefits Claims and Appeals Procedures effective at the present time (subject to possible amendment). Compliance with these procedures is a condition precedent to any legal action by a claimant with respect to a partial or complete denial of a claim for benefits.

6.5 RECOVERY OF OVERPAYMENTS

Any misrepresentation in a claim by a claimant to the Pension Fund for pension or other benefits or in the course of a review in accordance with the procedures described in Section 6.4 of this Plan, shall constitute grounds for adjustment of the claim and of the requested benefits, for recovery by the Pension Fund of any benefit payments in reliance upon said misrepresentation and for any other equitable or legal remedies available to the Pension Fund.
No person is entitled to any benefit under this Plan except and to the extent expressly provided under this Plan. The fact that payments have been made from this Plan in connection with any claim for benefits under this Plan does not (a) establish the validity of the claim, (b) provide any right to have such benefits continue for any period of time, or (c) prevent the Plan from recovering the benefits paid to the extent that the Trustees determine that there was no right to payment of the benefits under this Plan or that there was a mistake in the calculation of benefits under this Plan. Thus, if a benefit is paid under this Plan and it is thereafter determined by the Trustees that such benefit should not have been paid, or that such benefit was overpaid (whether or not attributable to an error by the Participant, Pensioner, the Trustees or any other person), then the Trustees shall have full authority, in their sole and absolute discretion, to take such action as they deem necessary or appropriate to recover the overpayment (plus interest and costs), including, without limitation, deducting the amount of any overpayment theretofore made to or on behalf of the Participant or Pensioner from any succeeding payments to or on behalf of the Participant or Pensioner or his surviving spouse, alternate payee or beneficiary or instituting legal action to recover such overpayments (plus interest and costs). The period over which the Trustees may recover any benefit overpayment shall not be limited by the period during which the error occurred.

6.6 FORFEITURE IN CASE OF PARTICIPANT WHO CANNOT BE LOCATED/CHECKS NOT PRESENTED

If the Trustees are unable to pay benefits to any Participant, spouse, alternate payee or beneficiary who is entitled to benefits hereunder when such benefits are due because the identity or whereabouts of such person cannot be ascertained or because checks delivered to Participants, spouses, alternate payees or beneficiaries are not timely presented for payment, the Trustees shall proceed as follows:

As soon as administratively possible after the Trustees have determined that a Participant, spouse, alternate payee or beneficiary cannot be located or that a Participant, spouse, alternate payee or beneficiary has not timely presented one or more benefit checks, the Trustees shall submit the last known address, and any other information the Trustees deem appropriate, to a locator service in accordance with IRS procedures.

If the locator service provides the Trustees with a new address for the Participant, spouse, alternate payee or beneficiary, the Trustees shall mail the benefit payment to the new address as soon as administratively possible after such new address is known.

If the locator service fails to identify an address for the Participant, spouse, alternate payee or beneficiary, all amounts held for his benefit shall be forfeited as of the last day of the Plan Year in which the locator service notifies the Trustees that it cannot locate the individual. Upon forfeiture, all liability for payment of
the benefit shall thereupon terminate. However, if an individual subsequently makes what the Trustees determine to be a valid and proper claim to the Trustees for such amounts, the benefit will be restored and will be distributed in accordance with the terms of this Plan. However, no interest will be paid on any checks that were not timely presented for payment.

If the locator service provides the Trustees with the same address for the Participant, spouse, alternate payee or beneficiary that the Trustees currently have on file, the Trustees shall deem such individual to be located and continue to mail the benefit payments to the address on file, regardless of whether such benefit payment checks are being presented for payment. If such Participant or beneficiary subsequently makes what the Trustees determine to be a valid and proper claim to the Trustees for such amounts, the outdated checks that have not been presented for payment will be replaced with current checks as soon as administratively practicable. However, no interest will be paid on any checks that were not timely presented for payment.

6.7 PAYMENT OF BENEFITS FOR INDIVIDUALS UNDER LEGAL DISABILITY OR IN SIMILAR MENTAL OR PHYSICAL CONDITION

In the event benefit payments pursuant to this Plan are payable to an individual who is under legal disability, or to an individual who, while not adjudicated to be an incompetent, is shown to the satisfaction of the Trustees to be unable, by reason of a mental or physical condition, to administer properly such payments, then such payments may be paid for the benefit of such individual in one of the following ways as the Trustees determine to be appropriate:

(a) directly to such individual; or

(b) to the legally appointed guardian or conservator of such individual; or

(c) to a spouse, parent, brother or sister of such individual for his welfare, support or maintenance; or

(d) to an institution providing care to such individual for his support, maintenance and welfare.

6.8 SPENDTHRIFT CLAUSE

No right to pension benefits or other benefits provided by this Plan may be anticipated, assigned (either at law or in equity), alienated or subject to attachment, garnishment, levy, execution or other legal or equitable process, except as provided in this section and except as otherwise required or permitted by law, including a direction to pay all or any portion of a benefit to a third party. Any authority and direction to the Pension Fund by a recipient of monthly benefit payments, to make such deductions and transfers to third parties, is revocable at any time by the recipient.
Notwithstanding the foregoing, the provisions of the preceding paragraph shall not apply with respect to a "qualified domestic relations order." As used herein, a "qualified domestic relations order" shall mean a judgment, decree or order (including approval of any property settlement agreement) which relates to a provision of child support, alimony payments or marital property rights of a spouse, child or other dependent of a Participant and which is made pursuant to the domestic relations or community property laws of any State. Any such order must comply with the provisions of Section 414(p) of the Code and with any regulations issued thereunder. The Trustees, in their sole discretion, shall establish such rules and regulations as it deems necessary to determine whether an order meets the requirements of Section 414(p) of the Code.

6.9 TERMINATION OF THE PLAN

It is the intention of the Trustees that this Plan shall continue to operate in full force and effect, although the Trustees reserve the power and right to terminate this Plan in whole or in part in accordance with the terms of the Trust Agreement and applicable federal law. In the event of full or partial termination of this Plan, the rights of all Participants to benefits accrued to the date of such full or partial termination, to the extent funded as of such date, shall be nonforfeitable; provided, however, that in the event of a partial termination, the nonforfeitable rights shall be applicable only to the portion of the Plan that is terminated. In the event of a termination of the Plan, amounts held in the Trust Fund, after reserving an amount sufficient to pay all expenses and charges, including the payment of all expenses incurred in effectuating such termination (such as the fees and retainers of any actuary, accountant, custodian, counsel, administrator or other specialist) shall be allocated among the Participants and beneficiaries as provided in Section 4044(a) of ERISA. The Union and the Company agree to meet in good faith to negotiate the disposition of any assets remaining after all obligations for payment of accrued benefits have been satisfied in accordance with Section 4044(a) of ERISA and after all expenses of termination have been paid. Such negotiations may provide for a return of such excess to the Company, allocation to and among Participants, or a combination of either.

6.10 MERGERS

The Trustees have the authority to approve and effect any merger between the Pension Fund and another pension fund in accordance with the terms of the Trust Agreement and applicable federal law, and provided that the Company and the Union consent to such merger. No participant’s or beneficiary’s accrued benefit will be lower immediately after the effective date of any such merger than the benefit immediately before that date. Notwithstanding the forgoing, the Trustees may not authorize or approve a merger that will create a multiple employer plan or a multiemployer plan.
6.11 CONSTRUCTION

This Plan is created and administered in the State of Georgia. All questions pertaining to the validity of construction of this Plan shall be determined in accordance with the laws of the State of Georgia and, to the extent of pre-emption with the laws and regulations of the United States. Whenever used in this Plan, the words “he”, “she”, “his” and “her” are interchangeable.

6.12 SAVINGS CLAUSE

If any provisions of this Plan shall be held to be unlawful, or unlawful as to any individual or instance, such fact shall not affect adversely any other provision contained within the Plan or the application of such provision to any other individual or instance unless and until such illegality shall make impossible the administration of this Plan.

6.13 CHANGE OF ADDRESS

A Pensioner or other individual receiving benefit payments who fails to notify the Pension Fund of a change of address shall have all benefit payments which are undeliverable held without interest unless and until a claim therefor is made or such benefits are forfeited in accordance with Section 6.6.

6.14 BENEFITS CLAIM FILING PROCEDURES

The Benefit Claims and Appeals Procedures (as described in Appendix B) shall be applied to any written claim for benefits filed by a Participant, surviving spouse or other individual claiming benefits under this Plan.

A Participant, surviving spouse or any other individual claiming benefits under this Plan shall be required to file a written claim for benefits with this Pension Fund within the 12 month period following the event (retirement, disability or death) for which benefits are being claimed. In addition, if the Participant, surviving spouse or any other individual claiming benefits under this Plan did not in his or her initial claim for benefits specify when the benefit payments were to begin, such individual must notify the Pension Fund, in writing, of the date he would like benefit payments to begin. Such written notice must be provided to the Pension Fund within the 12 month period following the date from which he intends benefit payments to begin.

If a Participant, surviving spouse or any other individual claiming benefits under this Plan fails to comply with the requirements of the preceding paragraph, he shall, in addition to future benefits, receive benefits only for the 12 calendar months preceding the month which follows the month in which he designates, in writing, when he would like benefit payments to begin.
6.15 MAXIMUM BENEFIT LIMITATIONS

No benefits payable in accordance with this Plan shall exceed applicable maximum benefit limitations established by the Code, including past and future amendments of the Code. The compensation limit established by Section 415(b)(1)(B) of the Code, which is incorporated by reference in this Plan, as that limit applies to the actual compensation of any Vested Participant whose Years of Service Credit is concluded, shall be adjusted by multiplying the Participant’s actual compensation limit amount by a fraction, the numerator of which is the adjusted maximum dollar limitation (to be prescribed by the Secretary of the Treasury pursuant to Section 415 of the Code) for the current year and the denominator of which is the adjusted maximum dollar limitation for the final year of the Participant’s Years of Service Credit. If a Pensioner is also entitled to benefits from one or more defined benefit plans and the required combination of the Pensioner’s benefit from the Pension Fund and the other plan or plans requires some benefit adjustments to maintain compliance with applicable maximum benefit limitations of the Code, the benefit adjustments will be made by all such plans and the adjustment of each plan will be based upon its proportionate share of the aggregate benefits that would be payable by all such plans if such adjustments were not made.

The term “compensation”, for purposes of this Section 6.15 and of Section 415 of the Code, includes those items specified in paragraph (d)(2)(i) of 26 CFR 1.415-2 and excludes those items specified in paragraph (d)(3) of 26 CFR 1.415-2, if applicable. For purposes of applying the compensation limit of this Section 6.15 and of Section 415 of the Code, compensation paid or made available during such limitation years shall include any elective deferral as defined in Section 402(g)(3) of the Code as well as any elective amount which is not includible in the gross income of the Employee by reason of Sections 125, 132(f)(4) or 457 of the Code.

6.16 DIRECT ROLLOVER PAYMENTS TO ELIGIBLE RETIREMENT PLANS

Notwithstanding any provision of this Plan to the contrary that would otherwise limit a distributee’s election under this Section 6.16, a distributee may elect, at the time and in the manner prescribed by the Trustees, to have an eligible rollover distribution (either the entire distribution or a portion no less than $500) paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Definitions:

Eligible rollover distribution: An eligible rollover distribution is any distribution from this Plan of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life of the distributee or the joint lives of the distributee and the distributee’s designated beneficiary, or for a specified period
of ten years or more; and any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

Eligible retirement plan: An eligible retirement plan is any one of the following entities which accepts the distributee’s eligible rollover distribution: an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible plan which is both described in Section 457(b) of the Code and maintained by an eligible employer defined in Section 457(e)(1)(A) of the Code ("a State, political subdivision of a State, and any agency or instrumentality of a State or political subdivision of a State"). This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse of a Participant or Pensioner, or to the spouse or former spouse of a Participant or Pensioner who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code.

Distributee: A distributee includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving spouse, and the Employee’s or former Employee’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

Direct rollover: A direct rollover is a payment by the Pension Fund to the eligible retirement plan specified by the distributee.

6.17 RETROACTIVE ANNUITY STARTING DATES

To the extent any Participant is permitted to elect a benefit pursuant to Section 6.14 based upon a retroactive annuity starting date, the following terms, conditions and requirements are applicable.

(a) all future benefit payments must be the same as the future benefit payments that would have been paid to him if his payments had actually commenced on the retroactive annuity starting date, and he must receive a make-up payment to reflect all missed payments for the period from the retroactive annuity starting date to the date the actual make-up payment begins, with an interest adjustment using the annual rate of interest on 30-year Treasury securities for the month of August prior to the date of distribution from the date each missed payment would have been made to the date of the actual make-up payment;

(b) a retroactive annuity starting date may not precede the date upon which benefit payments could have otherwise started;

(c) an explanation (as described in Treasury Regulation § 1.417(a)(3)-1(c)(1)) (a “QJSA Explanation”) shall be provided to each Participant no less than 30
days, and no more than 180 days (or a longer interval if caused solely by administrative delay), before the date on which distribution of his benefit actually commences, except that such explanation may be provided on a date which is less than 30 days before the date on which distribution of the benefit actually commences if the following conditions are satisfied:

(i) the QJSA Explanation must clearly inform the Participant that the applicable election period, both for the election to waive the qualified joint and survivor benefit (as described in Section 2.13(a)) and for his revocation of any such waiver election, continues until 30 days after the date on which distribution of his benefit actually commences; and

(ii) payment of the benefit in accordance with an affirmative election to waive the qualified joint and survivor annuity (as described in Section 2.13(a)) or with a revocation of any such waiver election cannot commence before expiration of 10 days after the date on which the Participant receives the QJSA Explanation;

(d) the term “applicable election period” (for an election by a Participant to waive the qualified joint and survivor annuity and for his revocation of any such prior waiver) means the period which begins 180 days before the annuity starting date of the Participant and ends on the 90th day after the date on which distribution of his benefit actually commences;

(e) if the spouse of the Participant as of the retroactive annuity starting date is no longer his spouse determined as of the date on which distribution of his benefit actually commences, that former spouse is not entitled to a qualified joint and survivor annuity and the consent of that former spouse is not needed to waive the qualified joint and survivor annuity unless otherwise required by a qualified domestic relations order;

(f) the requirements of a spouse’s consent described in Section 2.13(c) are applicable to the spouse of the Participant determined as of the date on which distribution of his benefit actually commences (including an alternate payee who is treated as his spouse based upon a qualified domestic relations order), and no election of a retroactive annuity starting date shall take effect without consent to the election by that spouse if such election will reduce the amount of the potential future benefit which, absent such election would be payable to the spouse; and

(g) for purposes of this Section, the term “retroactive annuity starting date” means an annuity starting date affirmatively elected by a Participant which occurs on or before the date on which the QJSA Explanation is provided to the Participant.
APPENDIX A
SERVICE PENSION TABLES

Table 1

The following Table 1 describes the monthly benefit amount for part A of the Twenty Year Service Pension formula in Section 2.3(a):

<table>
<thead>
<tr>
<th>Qualifying Age</th>
<th>Monthly Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>$700</td>
</tr>
<tr>
<td>58</td>
<td>$750</td>
</tr>
<tr>
<td>59</td>
<td>$800</td>
</tr>
<tr>
<td>at least 60 but not 65</td>
<td>$900</td>
</tr>
<tr>
<td>65 or older</td>
<td>$1,100</td>
</tr>
</tbody>
</table>

Table 2

The following Table 2 describes the reduced monthly benefit amount for part A of the Twenty Year Service Pension formula in Section 2.3(a) for Qualifying Ages between 47 and 56:

<table>
<thead>
<tr>
<th>Qualifying Age</th>
<th>Reduced Monthly Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>$280</td>
</tr>
<tr>
<td>48</td>
<td>$322</td>
</tr>
<tr>
<td>49</td>
<td>$364</td>
</tr>
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<td>50</td>
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<td>$616</td>
</tr>
<tr>
<td>56</td>
<td>$658</td>
</tr>
</tbody>
</table>
Table 3

The following Table 3 provides the monthly benefit amounts under part A of the Twenty Five Year Service Pension formula in Section 2.3(b) and the Thirty Year Service Pension formula in Section 2.3(c):

<table>
<thead>
<tr>
<th>Years of Service Pension Credit</th>
<th>20 - 24</th>
<th>25</th>
<th>26</th>
<th>27</th>
<th>28</th>
<th>29</th>
<th>30</th>
<th>31</th>
<th>32</th>
<th>33</th>
<th>34</th>
<th>35 +</th>
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<td>$2,100</td>
<td>$2,200</td>
<td>$2,300</td>
<td>$2,400</td>
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<td>$3,100</td>
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<tr>
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<td>$2,400</td>
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<td>$2,200</td>
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</table>

Table 4

The following Table 4 provides the monthly benefit amounts under part A of the TCI Service Pension formula in Section 2.3(f):

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<th>Qualifying Age</th>
<th>Years of Service Pension Credit</th>
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<td>$950.00</td>
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<tr>
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<tr>
<td>60</td>
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<td>64</td>
<td>$1,400.00</td>
</tr>
<tr>
<td>65+</td>
<td>$1,500.00</td>
</tr>
</tbody>
</table>
APPENDIX B
BENEFIT CLAIMS AND APPEALS PROCEDURES

Section I. CLAIMS FOR BENEFITS

(a) All claims for benefits hereunder shall be directed to the Trustees or to a Trustee designated for that purpose. Within ninety (90) days following receipt of a claim for benefits, the Executive Director, as defined in the Trust Agreement (the "Initial Reviewer") shall determine whether the claimant is entitled to benefits under the Plan, unless additional time is required for processing the claim. In this event, the Initial Reviewer shall, within the initial ninety (90)-day period, notify the claimant that additional time is needed, explain the reason for the extension, and indicate when a decision on the claim will be made. The initial decision must be made within 180 days of the date the claim is filed. If prior to the end of the initial thirty (30)-day extension, the Initial Reviewer determines that, due to matters beyond the control of the Plan, a decision cannot be made within the extension period, the period may be further extended for up to an additional thirty (30) days, provided that the Initial Reviewer notifies the claimant prior to the expiration of the first thirty (30)-day extension of the circumstances requiring the extension and the date as of which the Plan expects to make a decision. The claimant shall have forty-five (45) days within which to provide the specified information unless the Initial Reviewer gives a longer period in the notification of the extension.

(b) A denial by the Initial Reviewer of a claim for benefits shall be stated in writing and delivered or mailed to the claimant. Such notice shall set forth the specific reasons for the denial, written in a manner calculated to be understood by the claimant. The notice shall include specific reference to the Plan provisions on which the denial is based and a description of any additional material or information necessary to perfect the claim, an explanation of why this material or information is necessary, and the steps to be taken if the claimant wishes to submit his claim for review, and a description of the Plan’s review procedures, and the time limits applicable to such procedures, and a statement of the claimant’s right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination upon review.

(c) The Trustees shall afford a reasonable opportunity to any claimant whose request for benefits has been denied for a review of the decision denying the claim. The review must be requested by written application to the Trustees within sixty (60) days following receipt by the claimant of written notification of denial of his claim. Pursuant to this review, the claimant or his duly authorized representative may review any documents, records and other information which are pertinent to the denied claim and submit issues and comments in writing. A claimant may also submit documents, records and other information relating to his claim, without regard to whether such information was submitted in connection with his original benefit claim.
(d) A decision on the claimant’s appeal of the denial of benefits shall ordinarily be made by the Trustees at the next regularly scheduled meeting that immediately follows the receipt of the request for review, unless the request for review is received within thirty (30) days of such meeting date. In that case, the review will occur at the second regularly scheduled meeting following the Plan’s receipt of the request for review. If an extension of time is required because of special circumstances, the Trustees will provide the claimant with written notice of the extension describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. A benefit determination will be made no later than the third regularly scheduled meeting of the Trustees following the Plan’s receipt of the request for review.

(e) The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, specific reference to the Plan provisions on which the decision is based, and a statement that the claimant or his authorized personal representative may review any documents and records relevant to the claim determination, a statement describing further voluntary appeals procedures, if any, and a statement of the claimant’s right to bring civil action under ERISA Section 502(a).

(f) It is a condition precedent to any civil action by a claimant or other individual to recover benefits covered or payable in accordance with this Plan and/or to clarify any individual’s rights to past, present or future benefits covered or payable in accordance with this Plan, including any civil action pursuant to Section 502 of the Employee Retirement Income Security Act, that the claimant or other individual files a benefit claim and initiates and actively pursues appellate review of any adverse benefit determination upon any claim, and secures all related benefit determinations by the Plan, in accordance with this APPENDIX B, prior to the commencement of any civil action.
APPENDIX C
TABLE OF SEX NEUTRAL ADJUSTMENT FACTORS

(for purposes of determining Participant’s lifetime benefits under a qualified joint and survivor annuity; age difference is determined by the difference between the Participant’s year of birth and the spouse’s year of birth)

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<tr>
<td>19</td>
<td>.760</td>
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<tr>
<td>20 or more</td>
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<table>
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<th>Adjustment Factor</th>
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</thead>
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<td>18</td>
<td>.770</td>
</tr>
<tr>
<td>19</td>
<td>.760</td>
</tr>
<tr>
<td>20 or more</td>
<td>.750</td>
</tr>
</tbody>
</table>
RESOLUTION OF THE BOARD OF TRUSTEES
UPS/IBT FULL-TIME EMPLOYEE PENSION PLAN

WHEREAS, the trustees of the UPS/IBT Full-Time Employee Pension Plan (the “Plan”) have been duly appointed in accordance with the UPS/IBT Full-Time Employee Pension Fund trust document (the “Trust”); and

WHEREAS, the trustees have the authority under Section 1 of Article VII of the Trust to formulate and establish the Plan.

NOW THEREFORE BE IT RESOLVED, the trustees hereby formulate, establish and adopt the UPS/IBT Full-Time Employee Pension Plan (“Plan”) effective as of January 1, 2008 in the form of the attached Plan document.
SPIN-OFF AND WITHDRAWAL LIABILITY AGREEMENT AND RELEASE

This Agreement ("Agreement") is entered into by and on behalf of the Trustees ("Trustees") of the Central States, Southeast and Southwest Areas Pension Fund ("CSPF") and United Parcel Service, Inc. ("UPS") and all trades and businesses under common control with it, as described in section 4001(b)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (with UPS, the "Employer") effective as of the first date signed by all parties ("Effective Date").

RECITALS

WHEREAS, UPS and certain other trades or businesses under common control with it are obligated pursuant to certain collective bargaining agreements to contribute to the CSPF for its employees covered by the CSPF; and

WHEREAS, subject to this Agreement, the Employer intends to amend, terminate or otherwise revise the certain collective bargaining agreements such that it will cease permanently to have an obligation to contribute to the CSPF; and

WHEREAS, subject to this Agreement, the CSPF intends to accept the Employer's amendment, termination or other revision of the certain collective bargaining agreements as constituting the Employer's complete withdrawal from the CSPF; and

WHEREAS, the Employer intends to accept the transfer of certain liabilities for its current and former employees from the CSPF to a single-employer, defined benefit plan or plans maintained by the Employer; and

WHEREAS, the Employer and the CSPF wish to resolve all matters relating to the Employer's liability or other obligations to the CSPF as a result of the Employer's status as a contributing employer to the CSPF and the permanent cessation of its obligation to contribute to the CSPF and to obtain the Trustees' agreement to the transfer
of certain liabilities from the CSPF to the single-employer, defined benefit plan or plans maintained by the Employer; and

WHEREAS, the Trustees and the Employer wish to avoid disputes between them concerning the resolution of all issues relating to the Employer's liabilities to the CSPF and the transfer of liabilities from the CSPF to the UPS Transfer Plan;

NOW THEREFORE, the Trustees and the Employer hereby agree as follows.

Section 1: Definitions

1.1 "Accrued Benefit Payable at Age 65" means the CSPF Benefit that has been earned as of the Withdrawal Date, including post-retirement death benefits that are part of an annuity form of benefit, and that will be or would have been payable from and/or after the first of the month following the 65th birthday of a Participant who is a member of the Transfer Group, if the Participant had incurred a Break in Service as of the Withdrawal Date and there had been no transfer of the CSPF liabilities to the UPS Transfer Plan.

1.2 "All Other Benefits" means all benefits that the CSPF would have paid to the Transfer Group if there had been no transfer of the CSPF liabilities to the UPS Transfer Plan, including all disability and death benefits other than post-retirement death benefits that are part of an annuity form of benefit, except the Accrued Benefit Payable at Age 65.

1.3 "Beneficiary" means an individual who is entitled to a benefit from the CSPF under the terms of the CSPF Plan that is payable to such individual in connection with or as a result of the benefits accrued by the Participant under the terms of the CSPF Plan.

1.4 "Break in Service" means a break in service as defined under Section 1.05
of the CSPF Plan.

1.5 "Code" means the Internal Revenue Code of 1986.

1.6 "CSPF Benefit" means a participant's Accrued Benefit under Section 1.01 of the CSPF Plan as of the Withdrawal Date, including eligibility for a benefit, and optional payment forms and actuarial equivalence or reduction factors.

1.7 "CSPF Plan" means the CSPF Plan document, as amended through the Transfer Date.

1.8 "CSPF Plan Documents" means the CSPF Plan, trust document, summary plan description, and any other documents (including, without limitation, participation agreements) and instruments governing the CSPF Plan.

1.9 "CBAs" means, collectively, the collective bargaining agreements pursuant to which the Employer has an obligation to contribute to the CSPF as of the Withdrawal Date, including all national collective bargaining agreement between UPS and the Teamsters UPS National Negotiating Committee Representing Local Unions Affiliated with the International Brotherhood of Teamsters for the period August 1, 2002 through July 31, 2008; (ii) collective bargaining agreement between the Southern Region of Teamsters and Trailer Conditioners, Inc. (TCI) for the period April 1, 2003 through March 31, 2009; and (iii) collective bargaining agreement between United Parcel Service Kansas District Missouri District and International Association of Machinists and Aerospace Workers, Local Lodge 778 District #9 for the period from February 23, 2003 through July 31, 2009.

1.10 "International Union" means the International Brotherhood of Teamsters and any other international union, whose members work for the Employer and are participants in the CSPF as of the Transfer Date.
1.11 "IRS" means Internal Revenue Service.

1.12 "Local Union" means a local union of the International Union whose local members work for the Employer and are participants in the CSPF as of the Transfer Date.

1.13 "Mass-withdrawal liability" means liability described in section 4219(c)(1)(D) of ERISA, including, without limitation, redetermination and reallocation liability.

1.14 "Non-Retired UPS Participant" means each individual identified by the CSPF at any time pursuant to section 3.6 who: (A) as of the Transfer Date, is a CSPF Participant Who is Not in Pay Status and (B) either (i) is, as of the Transfer Date, employed by the Employer and not employed by any other employer that is a Contributing Employer (as defined in Section 1.07 of the CSPF Plan), or (ii) as of the last Hour of Service (as defined in Section 1.17 of the CSPF Plan) earned by the individual under the CSPF prior to the Transfer Date, was employed by the Employer. A "CSPF Participant Who is Not in Pay Status" is a Participant who, as of the Transfer Date: (i) is not a Pensioner (as defined in Section 1.25 of the CSPF Plan) or (ii) has not submitted a valid and bona fide application for a CSPF retirement benefit to become a Pensioner and commence to receive payments from the CSPF before the Transfer Date.

1.15 "Participant" means a Participant under the CSPF as defined in Section 1.24 of the CSPF Plan and who is a member of the Transfer Group.

1.16 "Participant Data" means the name and other participant information maintained by the CSPF for determining and paying benefits under the CSPF.

1.17 "Payment" means $6.1 billion ($6,100,000,000).

1.18 "PBGC" means the Pension Benefit Guaranty Corporation.

1.19 "Plan Year" means, with respect to the CSPF for years through 2007, a
calendar year, and for years thereafter, the plan year designated by the CSPF.

1.20 "Reciprocal Agreement" means the National Reciprocal Agreement for Teamster Pension Funds, effective January 1, 1973, as between the CSPF and the UPS Pension Plan.

1.21 "Transfer Date" means January 1, 2008.

1.22 "Transfer Group" means the Non-Retired UPS Participants whose benefits are transferred from the CSPF to the UPS Transfer Plan pursuant to section 3.1.

1.23 "UPS Transfer Plan" means the single-employer, defined benefit plan or plans maintained by the Employer that is intended to accept the transfer of certain liabilities from the CSPF for the Non-Retired UPS Participants as described in this Agreement.

1.24 "UPS Transfer Plan Documents" means the UPS Transfer Plan's plan document, trust document, summary plan description, and any other documents and instruments governing the UPS Transfer Plan.

1.25 "Welfare Fund" means the Central States, Southeast and Southwest Areas Health and Welfare Fund.

1.26 "Withdrawal Date" means December 26, 2007.

Section 2: Cessation of Obligation to Contribute to the CSPF

2.1 On or before December 25, 2007, the Trustees will (a) waive any right under the CSPF Plan Documents to require the Employer to continue to contribute to the CSPF for the entire term of a CBA, and/or (b) amend the CSPF Plan Documents to permit the Employer's obligation to contribute to the CSPF to terminate effective December 26, 2007.

2.2 The Employer permanently will cease to have an obligation to contribute
to the CSPF on December 26, 2007 and will withdraw from the CSPF in a complete withdrawal within the meaning of Section 4203 of ERISA, with a date of withdrawal of December 26, 2007, upon the occurrence of the following events on or before December 25, 2007:

(a) UPS and the appropriate International and Local Unions will have amended or entered into CBAs that, in either event are final, binding, and ratified by members of the appropriate International and Local Unions and such CBAs provide that (i) the Employer's existing obligations to contribute to the CSPF will continue through December 25, 2007 and (ii) the Employer's obligation to contribute to the CSPF permanently ceases effective December 26, 2007.

(b) If the requirements of section 2.2(a) have been met, the Employer so notifies the CSPF prior to December 26, 2007.

2.3 If the Employer does not permanently cease to have an obligation to contribute to the CSPF on December 26, 2007, and provide notice to the CSPF as provided in section 2.2, then this Agreement will be null and void and will have no effect.

Section 3: Transfer of Benefit Liabilities to UPS Plan

3.1 Effective on the Transfer Date, the Trustees will cause to be transferred from the CSPF to the UPS Transfer Plan in accordance with section 4232 of ERISA:

(a) All Other Benefits, determined as of the Transfer Date, for each Non-Retired UPS Participant, and

(b) All benefit liabilities (whether payable before or after age 65), determined as of the Transfer Date under the CSPF arising as a result of the terms of the Reciprocal Agreement for each Non-Retired UPS Participant.

3.2 No accrued benefit of a Participant or Beneficiary under the combination
of the CSPF and UPS Transfer Plan will be lower immediately after the Transfer Date than the accrued benefit under the CSPF immediately before the Transfer Date. No benefit that is included in All Other Benefits will be reduced by reason of the transfer of such benefit from the CSPF to the UPS Transfer Plan, provided, however, that nothing in this Agreement will prevent benefits under the UPS Transfer Plan from later being modified to the extent such reduction is permitted by Code section 411(d)(6).

3.3 No benefit of a Participant or Beneficiary from the CSPF as of the Transfer Date will be increased within the CSPF as a result of the transfer of such benefit to the UPS Transfer Plan. No benefit of a Participant or Beneficiary from the CSPF as of the Transfer Date will be increased (to a benefit greater than that to which the Participant or Beneficiary was entitled to receive from the CSPF on the Transfer Date) within the UPS Transfer Plan as a result of the transfer of such benefit to the UPS Transfer Plan; provided, however, that the foregoing does not limit any additional benefit that results from the terms of the UPS Transfer Plan or from a Participant becoming covered by the UPS Transfer Plan through active employment as of the Transfer Date. For any Participant in the Transfer Group who commences benefits under the UPS Transfer Plan prior to age 65, the monthly benefit payable by the CSPF will not be greater than the monthly benefit paid by the UPS Transfer Plan in the month in which the Participant attains age 65.

3.4 No assets will be transferred from the CSPF to the UPS Transfer Plan. Immediately after the Transfer Date, all liabilities transferred from the CSPF to the UPS Transfer Plan will cease to be liabilities of the CSPF and will be assumed by the UPS Transfer Plan. The CSPF will have no responsibility for payment of liabilities transferred to the UPS Transfer Plan. Neither the Employer nor the UPS Transfer Plan
will have any responsibility for the payment of liabilities of the CSPF that are not transferred to the UPS Transfer Plan.

3.5 Not later than ninety (90) days before the Transfer Date, UPS will provide to the CSPF a draft of the UPS Transfer Plan Documents, which will conform in substance to the provisions of this Agreement. The CSPF may provide comments to UPS on the draft UPS Transfer Plan Documents not later than sixty (60) days before the Transfer Date. UPS shall consider in good faith comments to the UPS Transfer Plan Documents received from the CSPF, but UPS shall not be required to accept or adopt any such comments, provided, however, that the UPS Transfer Plan will conform in substance to the provisions of this Agreement. Not later than thirty (30) days before the Transfer Date, UPS will provide the CSPF with the final UPS Transfer Plan Documents, which will conform in substance to the provisions of this Agreement, including but not limited to, the following provisions, unless prohibited by law.

(a) The terms of the UPS Transfer Plan will condition retirement under the UPS Transfer Plan on retirement under the CSPF for the Accrued Benefit Payable at Age 65 that remains with the CSPF.

(b) Each individual in the Transfer Group will elect his or her benefit under the UPS Transfer Plan and under the CSPF pursuant to a joint application form submitted to the UPS Transfer Plan and the CSPF at the same time and specifying the same form of benefit payment under the UPS Transfer Plan and the CSPF.

(c) The claim of any individual in the Transfer Group for a benefit under the UPS Transfer Plan that was transferred from the CSPF pursuant to section 3.1 and the claim of any individual in the Transfer Group for a benefit under the CSPF will be finally decided under the claim and appeal provisions of the UPS Transfer Plan.
Documents and the CSPF Plan Documents, respectively, in a substantially parallel time frame (to the extent reasonably practicable) and if an individual challenges in court the determination of either the UPS Transfer Plan or the CSPF, the UPS Transfer Plan or the CSPF, as the case may be, will notify, and will not oppose intervention by, the other in such action.

3.6 Not later than forty-five (45) days before the Transfer Date, the CSPF will provide to UPS the Participant Data for the Transfer Group, which shall include, but not be limited to, a list of Non-Retired UPS Participants and with respect to each such individual the monthly amount of his or her Accrued Benefit Payable at Age 65 based on the Participant Data in the CSPF's possession and reasonably accessible to it as of the date such list is prepared by the CSPF (the "Accrued Benefits List"). As soon as it is available, UPS will provide the CSPF with any updated Participant Data to reflect any new or changed information concerning the Transfer Group through December 26, 2007. As soon as practicable thereafter, but in no event later than March 31, 2008 or, if later, thirty (30) days after the CSPF receives any updated Participant Data, the CSPF will provide UPS with an updated Accrued Benefits List through December 26, 2007 for the Transfer Group. Thereafter, in the event of corrections or additions to the Participant Data or the Accrued Benefits List, such corrections or additions will be made by the parties in a manner that places any affected Participant or Beneficiary in the position he or she would have been in if the information had been correct and available on the Transfer Date.

3.7 The Trustees and the CSPF agree that the CSPF shall pay to the Non-Retired UPS Participants the amount (and to their Beneficiaries the appropriate amount) under the CSPF Plan of the monthly benefits not transferred to the UPS Transfer Plan
under section 3.1 commencing as of the first day of the month after a Non-Retired UPS Participant attains age 65 (or, with respect to a Beneficiary, would have attained age 65 had the Participant survived). The amount of the monthly benefits not transferred to the UPS Transfer Plan under section 3.1 to be paid by the CSPF shall not be actuarially reduced due to a Non-Retired UPS Participant's retirement prior to the attainment of age 65, except that for any Participant in the Transfer Group who commences benefits under the UPS Transfer Plan prior to age 65, the monthly benefit payable by the CSPF will not be greater than the monthly benefit required to be paid by the UPS Transfer Plan in the month in which the Participant attains age 65, increased if and as required by law for late commencement and provided that the transfer under Sec. 3.1 has been completed and remains in effect. The monthly payments payable under the UPS Transfer Plan to the Non-Retired UPS Participants (or their Beneficiaries) shall be reduced: (i) in the case of Non-Retired UPS Participants who commenced receiving monthly pension payments from the UPS Transfer Plan before attaining age 65, as of the first day of the month after such Participant attains age 65 (or, in the case of Beneficiaries, would have attained age 65 had the Participant survived) by the monthly amount payable by the CSPF, and (ii) in the case of Non-Retired UPS Participants who have not commenced receiving monthly pension payments from the UPS Transfer Plan before attaining age 65, as of the first day of the month in which such Participant commences to receive monthly payments from the CSPF, by the amount payable by CSPF, increased if and as required by law for late commencement.

3.8 Before the expiration of the applicable remedial amendment period under Code section 401(h), UPS will file or will cause to be filed an application for a determination from the IRS that the UPS Transfer Plan and its trust are qualified within
the meaning of section 401(a) and 501(a) of the Code, respectively. UPS will cause the plan sponsor of the UPS Transfer Plan timely to make or cause to be made any modification to the UPS Transfer Plan and its trust required by the IRS as a condition of issuing a favorable determination. Effective as of the Transfer Date, UPS will obtain the agreement of the plan sponsor of the UPS Transfer Plan to abide by the terms of this Agreement, to the extent applicable.

3.9 Before the expiration of the applicable remedial amendment period under Code section 401(b), the Trustees will file or will cause to be filed an application for a determination from the IRS that the CSPF and its trust are qualified within the meaning of section 401(a) and 501(a) of the Code, respectively. The Trustees will timely make or cause to be made any modification to the CSPF and its trust required by the IRS as a condition of issuing a favorable determination.

3.10 Before December 26, 2007, the Trustees will file an application with PBGC for a determination pursuant to section 4232(c)(2) that the CSPF will not be liable to PBGC under section 4232(c)(1) of ERISA in the event of termination of the UPS Transfer Plan within 60 months after the Transfer Date. The CSPF and the Employer each will endeavor in good faith to obtain the determination under section 4232(c)(2) and the Employer will cooperate in providing the Trustees with information and assistance reasonably requested to support the Trustees' application for a determination under section 4232(c)(2) of ERISA. PBGC's determination, or lack thereof, under section 4232(c)(2) of ERISA will not affect the validity of this Agreement.

Section 4: Accrual and Payment of Benefits

4.1 The Reciprocal Agreement with respect to the Employer is terminated effective December 26, 2007.
4.2 On and after the Transfer Date, the UPS Transfer Plan will be responsible for paying all benefits transferred from the CSPF under section 3.1. The CSPF and not the UPS Transfer Plan will remain responsible for the payment of all benefits to the Transfer Group not transferred from the CSPF under section 3.1.

4.3 On and after the Transfer Date, the Transfer Group will accrue no additional benefits under the CSPF.

4.4 Nothing in this Agreement is intended to or shall preclude or prohibit the Employer after the Transfer Date from amending the UPS Transfer Plan to reduce the benefits (including, without limitation, disability benefits, death benefits, and optional payment forms and actuarial equivalence or reduction factors) of the Transfer Group, including, without limitation, liabilities transferred to the UPS Transfer Plan under section 3.1, but only to the extent permissible under and in a manner consistent with, applicable law, including, without limitation, Code section 411(d)(6).

4.5 The CSPF, the Employer, and the UPS Transfer Plan will cooperate in ensuring that payment of benefits to participants under the CSPF and the UPS Transfer Plan is accurate and timely. UPS will fund the UPS Transfer Plan in accordance with applicable law.

4.6 UPS will indemnify or will cause the UPS Transfer Plan to indemnify the CSPF and the Trustees against any liability arising from claims and causes of action, for damages actually incurred including, but not limited to, liability for reasonable attorneys fees and litigation expenses, including fees and expenses of the CSPF's in-house attorneys at the market rates generally sought by the CSPF for such CSPF in-house attorneys, and benefit payments, related to any failure of the UPS Transfer Plan to satisfy all benefit liabilities transferred from the CSPF under section 3.1, provided that UPS
indemnification obligation under this section 4.6 will be subject to the following terms and conditions: (i) a determination must be made by a court of competent jurisdiction in a final, non-appealable decision that the UPS Transfer Plan failed properly to pay benefits (that were transferred from the CSPF under section 3.1) in accordance with applicable law; (ii) within thirty (30) days after it (A) receives valid service of process in litigation and (B) determines that the litigation challenges the failure of the UPS Transfer Plan to pay a benefit to be owed under the UPS Transfer Plan, the CSPF must provide UPS and UPS Transfer Plan with written notice of the matter and the claim or potential claim, except that this condition will apply only to the extent that UPS or the UPS Transfer Plan is actually prejudiced by the CSPF’s failure to provide such notice; (iii) the CSPF must use reasonable, good faith efforts to defend such litigation; (iv) if UPS or the UPS Transfer Plan fully acknowledge an indemnification obligation under this section with respect to a specific claim for benefits, the CSPF and Trustees may not settle that claim for benefits for which it is or they are seeking to make a claim for indemnification under this provision without the advance, written approval of UPS and/or the UPS Transfer Plan, such approval not to be unreasonably withheld; and (v) the claim for indemnification of the CSPF and/or Trustees under this section 4.6 may not be for liabilities or losses arising as a result of the intentional wrongdoing or fraudulent acts of the CSPF or Trustees.

4.7 On or before the Transfer Date, the Employer and the UPS Transfer Plan will implement an arrangement that permits Non-Retired UPS Participants to elect have their co-payment obligation to the Welfare Fund deducted from their benefit payment under the UPS Transfer Plan and transferred to the Welfare Fund.
Section 5: Payment of Withdrawal Liability

5.1 UPS will make the Payment to the CSPF by wire transfer received by the CSPF on or before 12:00 noon, Central time, December 26, 2007. The Payment will satisfy in full any and all complete and/or partial withdrawal liability owed or incurred by the Employer to the CSPF, provided, however, that the Payment will not satisfy the Employer's liability to the CSPF, if any, for (a) the Employer's allocable share of mass withdrawal liability relating to a mass withdrawal of the CSPF that occurs within the three (3) consecutive Plan Years immediately following December 26, 2007, (b) unpaid contributions payable by the Employer in accordance with the Audit provisions set forth in section 6, (c) unpaid contributions to the CSPF incurred or coming due from the Effective Date to the Withdrawal Date, (d) any increased withdrawal liability payable by the Employer in accordance with section 6.6, or (e) the Employer's allocable share of any accumulated funding deficiency for Plan Years through 2007 that arise in the event that the CSPF loses the benefit of the amortization period funding extension that the CSPF received from the Department of the Treasury, by letter dated July 13, 2005, pursuant to Code section 412(e).

5.2 Except for reduction of the Payment under section 6.6 or the return of contributions to the Employer in accordance with the Audit provisions set forth in section 6, the Employer waives and covenants not to pursue any rights or claim to reduction of the Payment for any reason, including but not limited to reduction based on section 4211(e) of ERISA.
5.3 All payments made by or on behalf of the Employer to the CSPF under Section 5 of this Agreement shall be treated as withdrawal liability payments under section 4201 through section 4225 of ERISA.

Section 6: Post-Withdrawal Contribution Audit

6.1 The Employer will, to the extent and in the manner provided in the CSPF Plan Documents in effect on July 26, 2007, allow the CSPF to review its books and records for the purpose of verifying that the Employer has paid to the CSPF all contributions legally required (the "Audit"). The Employer will cooperate fully in the Audit. As part of the Audit, the Employer will provide all documents requested by the CSPF, to the extent reasonably available to the Employer, including, without limitation, the following documents:

(a) Payroll ledgers/registers,
(b) Individual earnings cards,
(c) IRS Forms W-2 and W-3,
(d) IRS Forms 941 and 941C,
(e) IRS Forms 1096 and 1099,
(f) OSHA Summary of Occupational Injuries and Illnesses,
(g) Personnel files and/or other documentation that would support job classifications,
(h) Time cards,
(i) Manifests/Trip Sheets/Daily driver logs,
(j) UPS - dbConnect Pension Calculator Profile Report – GEMS Screens, and

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30.5.15
(k) Codes/Keys/Explanatory Materials concerning any of the documents listed in (a) through (j).

The Employer agrees and acknowledges that it will provide the requested documents with respect to all employees covered under a CBA or predecessor to a CBA or who the CSPF believes are covered under a CBA or predecessor to a CBA and independent contractors regardless of whether UPS believes it had or has an obligation to contribute to the CSPF on behalf of the individuals in question.

6.2 The Audit may be performed by employees of the CSPF and/or the Trustees may engage an outside third party to assist the CSPF's employees for such purpose, as provided in this Section 6.1. UPS must be given at least thirty (30) days advance written notice prior to the commencement of the Audit. If the Trustees intend to use an outside third party to assist the CSPF's employees in connection with the performance of the Audit, the CSPF must provide the Employer with fifteen (15) business days advance written notification prior to the commencement of the Audit of the identity of any such third party entity. The CSPF and any third party will enter into a confidentiality agreement in the form attached hereto as Exhibit 1.

6.3 The Audit will not commence until after the Transfer Date and must commence no later than December 27, 2008. The CSPF agrees to provide the Employer with the results of the Audit.

6.4 If the Trustees retain an outside third party to assist the CSPF in the performance of the Audit, the Employer agrees to pay the reasonable fees and expenses of such outside third party, except as provided otherwise in this section 6.4. The Trustees' current intention is to audit two Plan Years, but they reserve the right to audit additional Plan Years or parts of Plan Years ("Additional Plan Years") if they deem it
appropriate in their sole discretion. The CSPF will complete the audit of the first two (2) Plan Years within three (3) calendar years after December 27, 2008, and will complete its audit of each Additional Plan Year, if any, within 18 months after the commencement of the audit of such Additional Plan Year; provided, however, that the foregoing time limits will be extended as necessary if the Employer does not fully cooperate with the audit. In the event that the CSPF audits Additional Plan Years, the CSPF and the Employer each will pay one half the reasonable fees and expenses of an outside third party if the CSPF hires an outside third party to assist in such audits; provided, however, that the Employer will pay all of the reasonable fees and expenses of such outside third party if the Employer does not pay the contributions and associated interest with respect to the Additional Plan Years in full upon demand by CSPF; and provided further, however, that in the event the Employer challenges the audit findings for such Additional Plan Years and the Employer's challenge is upheld in a final, non-appealable order issued by a court of competent jurisdiction, the Employer shall only be required to pay half of the reasonable fees and expenses with respect to the pro rata portion of the audit findings that are not upheld, and the full amount of the reasonable fees and expenses with respect to the pro rata portion of the audit findings that are upheld.

6.5 Any delinquencies and/or overpayments identified by the Audit will be resolved in the manner provided in the CSPF Plan Documents in effect as of the Effective Date.

6.6 If the net amount of the delinquencies and/or overpayments determined to be due and owing under the Audit pursuant to agreement of the parties or, if no such agreement is reached, following a final, non-appealable determination by a court of competent jurisdiction exceeds $10 million ($10,000,000), the Payment will be revised
accordingly (either upward or downward) by the amount of the Adjustment determined under the following formula:

(a) \[ \text{Adjustment} = \frac{\text{UPS 10 year contributions} + X}{\text{Total 10 year contributions} + \text{X}} \times \text{Allocable Unfunded Vested Liability}, \text{less Original UPS Withdrawal Liability} \]

(b) For purposes of the Adjustment,

(i) \[ X = \text{the delinquency or overpayment} \]

(ii) \[ \text{UPS 10 year contributions} = 3,393,795,665 \]

(iii) \[ \text{Total 10 year contributions} = 10,256,016,000 \]

(iv) \[ \text{Allocable Unfunded Vested Liability} = 17,614,021,210 \]

(v) \[ \text{Original UPS Withdrawal Liability} = 5,828,616,963 \]

If the net amount of the delinquencies and/or overpayments determined to be due and owing under the Audit pursuant to agreement of the parties or, if no such agreement is reached, following a final, non-appealable determination by a court of competent jurisdiction is less than a total of $10 million ($10,000,000), there shall be no adjustment to the Payment (either upward or downward).

6.7 If any entities under common control with UPS, as described in section 4001(b)(1) of ERISA, during the period from January 1, 1997 to the Withdrawal Date (the "Allocation Period"), other than UPS itself, TCI, and UPS Cartage Services, Inc. ("Non-Disclosed Controlled Group Members"), had an obligation to contribute to the CSPF within the meaning of section 4212(a) of ERISA, there shall be a Supplemental Adjustment to the Payment in accordance with the formula shown in section 6.6 above, modified as follows:

(a) \[ \text{Supplemental Adjustment} = \frac{\text{UPS 10 year contributions} + X}{\text{Total 10 year contributions} + \text{X}} \]
divided by (Total 10 year contributions + X) times Allocable Unfunded Vested Liability, less Original UPS Withdrawal Liability and less any amount previously paid to the CSPF for a complete withdrawal by any Non-Disclosed Controlled Group Member.

(b) For purposes of this Supplemental Adjustment,

(i) \( X = \) any contributions owed to CSPF during the Allocation Period by any Non-Disclosed Controlled Group Members at a time any such Non-Disclosed Controlled Group Members were under common control with UPS and

(ii) All other capitalized terms will have the meanings ascribed in section 6.6(b).

The Supplemental Adjustment to the Payment will not be subject to the ten million dollar ($10,000,000) delinquency or overpayment limitation referred to in section 6.6 and will be applied regardless of amount; provided that in the event the Supplemental Adjustment is less than zero (0), the Supplemental Adjustment shall be deemed to be zero (0).

Section 7: Releases

7.1 In consideration of the Employer's obligations under this Agreement, the CSPF and each of its Trustees, Executive Director, employees, administrators, agents, predecessors, successors and assigns and its or their respective past, present or future trustees, executive directors, employees, administrators, agents, officers, agents, representatives, attorneys, both in their representative and individual capacities (collectively referred to hereinafter as the "CSPF Releasor") hereby unconditionally and forever release and discharge UPS and all trades and businesses under common control with UPS, as described in section 4001(b) of ERISA (and all trades or businesses under common control with UPS as described in Code sections 414(b), 414(c), 414(m) and
414(o) solely with respect to minimum funding obligations not otherwise excluded in clause (c) of this section 7.1) as of the Withdrawal Date, and each of its or their past, present, or future directors, officers, shareholders, partners, agents, managers, attorneys, advisors, actuaries, owners employees, successors and assigns, both in their representative and individual capacities and each of its (or their) heirs, agents, executors, administrators, attorneys, advisors, actuaries, predecessors, successors and assigns (collectively referred to hereinafter as the "Employer Releasor") from any and all disputes, controversies, suits, actions, causes of action, claims, charges, expenses or costs (of whatever nature), assessments, demands, debts, sums of money, damages, judgments, liabilities, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that any CSPF Releasor ever had, now has, or hereafter can, will or may have, from the beginning of time to the day after the Transfer Date against the Employer Releasor by reason of any matter, cause or thing whatsoever, relating in any way, directly or indirectly, to the Employer's participation in, contributions to, or withdrawal from the CSPF (including, without limitation, relating to the Employer's complete withdrawal from the CSPF as of the Withdrawal Date, mass withdrawal liability, contributions paid or payable by the Employer to the CSPF, minimum funding obligations and payments required or arising under the Pension Protection Act of 2006), except for (a) the Employer's allocable share of mass withdrawal liability relating to a mass withdrawal of the CSPF that occurs within the three (3) consecutive Plan Years immediately following December 26, 2007, (b) unpaid contributions payable by the Employer in accordance with the Audit provisions set forth in section 6, (c) unpaid contributions to the CSPF incurred or coming due from the Effective Date to the
Withdrawal Date, (d) any increased withdrawal liability payable by the Employer in accordance with sections 6.6 or 6.7, (e) the Employer’s allocable share of any accumulated funding deficiency for Plan Years through 2007 that arise in the event that the CSPF loses the benefit of the amortization period funding extension that the CSPF received from the Department of the Treasury, by letter dated July 13, 2005, pursuant to Code section 412(e), and (f) actions to enforce this Agreement (the "Trustee Released Claims").

7.2 In consideration of the obligations of the CSPF and the Trustees under this Agreement, the Employer and each of its employees, agents, predecessors, successors and assigns (collectively referred to hereinafter as the "Employer Releasor") hereby unconditionally and forever releases and discharges the CSPF and its past, present, and future Trustees, and each of its (or their) past, present, and future fiduciaries, shareholders, partners, officers, directors, employees, agents, owners, and each of its (or their) heirs, agents, executors, administrators, attorneys, advisors, actuaries, predecessors, successors and assigns (collectively referred to hereinafter as the "CSPF Releasee") from any and all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown which the Employer Releasor ever had, now has, or hereafter can, will or may have, from the beginning of time to the to the day after the Transfer Date against the CSPF Releasee by reason of any matter, cause or thing whatsoever, relating in any way to the CSPF, including, but not limited to, any right or claim under ERISA § 4211(e) or otherwise to reduce the Payment, except for (a) benefits as a participant or beneficiary under the
CSPF, (b) refund of contributions pursuant to the Audit determined under section 6, (c) reduction of the Payment determined under section 6.6, and (d) actions to enforce this Agreement (the "Employer Released Claims").

Section 8: No Other Claims.

8.1 The CSPF Releasors agree, promise and covenant, to the fullest extent permitted by law, that neither they nor any person or entity controlled by them shall commence, maintain, or prosecute any action, charge, complaint, arbitration, claim or proceeding of any kind (on its own behalf and/or on behalf of any other person or entity, including, without limitation, the CSPF, its participants and beneficiaries) in any court, or before any administrative or investigative body or agency (whether public, quasi-public or private), against any of the Employer Releasees or any other party with respect to the Trustee Released Claims. Also, the CSPF Releasors agree that neither they nor any person or entity controlled by them shall investigate, encourage, assist, support, fund or participate in any action, charge, complaint, arbitration, claim or proceeding of any kind commenced by anyone else against any of the Employer Releasees or any other party with respect to the Trustee Released Claims (except in response to a valid subpoena or judicial order, in which case it shall promptly notify UPS in accordance with section 11). The CSPF Releasors hereby give up their right to recover any amount in connection with any administrative, court or other proceeding with respect to the Trustee Released Claims. Nothing in this section 8.1 is intended to impair in any way the ability of Employer Releasor to enforce the provisions of this Agreement.

8.2 The Employer Releasors agree, promise and covenant, to the fullest extent permitted by law, that neither they nor any person or entity controlled by them shall commence, maintain, or prosecute any action, charge, complaint, arbitration, claim or
proceeding of any kind in any court, or before any administrative or investigative body or agency (whether public, quasi-public or private), against any of the CSPF Releasees or any other party with respect to the Employer Released Claims. Also, the Employer Releasors agree that neither they nor any person or entity controlled by them shall investigate, encourage, assist, support, fund or participate in any action, charge, complaint, arbitration, claim or proceeding of any kind commenced by anyone else against any of the CSPF Releasees or any other party with respect to the Employer Released Claims (except in response to a valid subpoena or judicial order, in which case it shall promptly notify the CSPF in accordance with Section 11 of this Agreement). The Employer Releasors hereby give up their rights to recover any amount in connection with any administrative, court or other proceeding with respect to the Employer Released Claims. Nothing in this section 8.2 is intended to impair in any way the ability of the CSPF Releasor to enforce the provisions of this Agreement.

8.3 The Trustees and the CSPF agree, represent and warrant that they have not assigned, sold, subrogated, transferred, or conveyed (and will not do so in the future) to any party any of the Trustee Released Claims and hereby agree to defend entirely at the CSPF's own expense and to fully indemnify and forever hold harmless the Employer Releasees from any and all actions, causes of action, claims, or demands that may be brought against any Employer Releasee by anyone to whom the Fund or the Trustees assigned, sold, subrogated, transferred or conveyed any such actions, causes of action, claims or demands, whether such are asserted by third-party complaint, cross-claim or otherwise, or whether such are asserted for indemnity, contribution, or otherwise. The Employer agrees, represents and warrants that it has not assigned, sold, subrogated, transferred, or conveyed (and will not do so in the future) to any party any of the
Employer Released Claims and hereby agrees to defend entirely at the Employer's own expense and to fully indemnify and forever hold harmless all CSPF Releasees from any and all actions, causes of action, claims, or demands that may be brought against any CSPF Releasee by anyone to whom the Employer has assigned, sold, subrogated, transferred or conveyed any such actions, causes of action, claims or demands, whether such are asserted by third-party complaint, cross-claim or otherwise, or whether such are asserted for indemnity, contribution, or otherwise.

Section 9: Full Satisfaction.

The parties agree that the above payments made by the Employer to the CSPF and the other consideration provided by the Employer and the UPS Transfer Plan hereunder shall constitute a complete and total accord and satisfaction of any and all claims for withdrawal liability, mass withdrawal liability, contributions, minimum funding obligations, and surcharges or other payments that the Employer could have to pay to the CSPF with respect to its participation as a contributing employer in the Fund under the Pension Protection Act of 2006, except for (a) the Employer's allocable share of mass withdrawal liability relating to a mass withdrawal of the CSPF that occurs within the three (3) consecutive Plan Years immediately following December 26, 2007, (b) unpaid contributions payable by the Employer in accordance with the Audit provisions set forth in section 6, (c) unpaid contributions to the CSPF incurred or coming due from the Effective Date to the Withdrawal Date, (d) any increased withdrawal liability payable by the Employer in accordance with sections 6.6 or 6.7, and (e) the Employer's allocable share of any accumulated funding deficiency for Plan Years through 2007 that arise in the event that the CSPF loses the benefit of the amortization period funding extension that
the CSPF received from the Department of the Treasury, by letter dated July 13, 2005, pursuant to Code section 412(e).

**Section 10: Adequate Consideration.**

The parties agree and acknowledge that the payments to the CSPF, the transfer of liabilities and other items of value provided by the Employer to the CSPF and the Trustees and by the CSPF and the Trustees to the Employer under this Agreement are of sufficient value, including without limitation, the conferral of benefits upon the CSPF and upon the Employer that each of them is not otherwise entitled to receive, to warrant the exchange described in this Agreement, by and on behalf of the parties and constitutes adequate consideration for the claims, rights and privileges that the parties are waiving and/or releasing herein.

**Section 11: Representations and Warranties**

11.1 The Employer agrees, represents and warrants that it has full power and authority to enter into this Agreement on behalf of each trade or business that constitutes the Employer, each trade or business that is part of the Employer has full power and authority to perform its obligations under this Agreement, and this Agreement constitutes a legal, valid, and binding contract and agreement of each trade or business that is part of the Employer enforceable against it in accordance with its terms and applicable law.

11.2 The Employer agrees, represents, and warrants that to the best of its knowledge, the entities listed on Exhibit 2 hereeto are all of the trades and businesses under common control with UPS, as described in section 4001(b)(1) of ERISA, as of the Effective Date.

11.3 The Employer agrees, represents, and warrants that, if it has provided the
notice described in section 2.2(b), as of the Withdrawal Date, UPS and the appropriate International and Local Unions have amended or entered into CBAs that, in either event are final, binding, and ratified by members of the appropriate International and Local Unions and such CBAs provide that (i) the Employer's existing obligations to contribute to the CSPF will continue through December 25, 2007 and (ii) the Employer's obligation to contribute to the CSPF permanently ceases effective December 26, 2007.

11.4 The Trustees agree, represent, and warrant that they have full power and authority to delegate to Thomas C. Nyhan, the Executive Director of the CSPF, the authority to enter into this Agreement on behalf of the Trustees, and that they have validly delegated to Thomas C. Nyhan the authority to execute this Agreement on their behalf.

11.5 The Trustees and Thomas C. Nyhan agree, represent, and warrant that Thomas C. Nyhan has full power and authority to enter into this Agreement on behalf of the Trustees and the CSPF, that the Trustees and the CSPF have full power and authority to perform their obligations under this Agreement, and that this Agreement constitutes a legal, valid, and binding contract and agreement of the Trustees and the CSPF, enforceable against them in accordance with its terms and applicable law.

11.6 If the Employer has provided the notice described in section 2.2(b) and provides the representation and warranty in section 11.3, the Trustees and the CSPF, in reliance upon such notice, representation, and warranty, represent and warrant that the Employer's complete withdrawal from the CSPF described in section 2 constitutes a valid, complete withdrawal by UPS from the CSPF under the CSPF Plan Documents.

11.7 The Trustees and the CSPF agree, represent and warrant, except as may be necessary to implement the terms of this Agreement or otherwise required by law or to
maintain the tax-qualified status of the CSPF, that they shall not after the Transfer Date, amend the CSPF Plan Documents or otherwise adopt or institute any increases or reductions in any Accrued Benefits Payable at Age 65, except with the advance, express written consent of the Employer.

Section 12: Notice

12.1 All notices under this Agreement will be sent by confirmed facsimile or guaranteed overnight delivery service, with tracing capability. Notices will be deemed given when received, except that if received on a Saturday, Sunday or federal holiday, the notice or other communication will be deemed to have been given on the first day following the date received that is not a Saturday, Sunday or federal holiday.

12.2 Notices to the Trustees or the CSPF will be sent to:

Thomas C. Nyhan, Executive Director
Central States, Southeast and Southwest Areas Pension Fund
9377 West Higgins Road
Rosemont, IL 60018-4938
Telephone No.: (847) 518-9800 ext. 3295
Facsimile No.: (847) 518-9765

with a copy to:

James Condon, Deputy General Counsel
Central States, Southeast and Southwest Areas Pension Fund
9377 West Higgins Road
Rosemont, IL 60018-4938
Telephone No.: (847) 518-9800 ext. 3467
Facsimile No.: (847) 518-9797

and

Gary M. Ford
Groom Law Group, Chtd.
1701 Pennsylvania Ave., N.W.
Suite 1200
Washington, D.C. 20006
Telephone No.: (202) 857-0620
Facsimile No.: (202) 659-4503
12.3 Notices to UPS or the Employer will be sent to:

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328-3498
Attention: Chief Financial Officer
Facsimile Number: (404) 828-6619

With a copy to:

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328-3498
Attention: Vice President, Labor Relations
Facsimile Number: (404) 828-6620

12.4 A party may change the names and addresses of the persons to whom notice will be given by written notice to the other parties.

Section 13: General Provisions

13.1 The CSPF, the Employer, and the UPS Transfer Plan will provide to one another such information and documents reasonably necessary to implement the Agreement. Within thirty (30) days after the Transfer Date, the CSPF and the UPS Transfer Plan each will appoint an equal number of representatives to a committee that will confer periodically regarding any issues concerning the administration and payment of benefits transferred to the UPS Transfer Plan pursuant to this Agreement.

13.2 If the IRS determines that the actions contemplated in this Agreement have caused or will cause the CSPF and its trust or the UPS Transfer Plan and its trust to fail to be qualified under section 401(a) of the Code and exempt from taxation under section 501(a) of the Code, or a court or any government agency makes a material determination or raises a material objection that would have a materially adverse effect on a party's ability to carry out its obligations under the Agreement consistent with applicable law, as a result of increased costs or otherwise, the parties will use their best
efforts to agree to revise the Agreement to achieve the goals of the Agreement in a cost neutral manner. In the event that the transfer of liabilities as set forth in Section 3.1 does not occur due to the determination or objection of the IRS, court or government agency (other than a non-transfer of liabilities resulting from a situation in which the Employer does not permanently cease to have an obligation to contribute to the CSPF as contemplated by this Agreement), UPS will reimburse the CSPF and the Trustees for any liability, costs, and reasonable expenses that the CSPF incurs that exceeds the liability and costs that the CSPF would have incurred under the Agreement had the transfer of liabilities taken place as contemplated by Section 3.1, including, but not limited to, reimbursement for increased benefits, costs, litigation costs and expenses. By way of example, and not limitation, in the event that as a result of a determination by the IRS or a non-appealable decision by a court of competent jurisdiction that the transfer of liabilities to the UPS Transfer Plan as contemplated by Section 3.1 is prohibited, cost neutral (as used above) with respect to the CSPF’s liability for increased benefits shall mean that UPS will reimburse CSPF on the first business day of each month, benefits paid and costs incurred by the CSPF that would otherwise have been paid by the UPS Transfer Plan (and not incurred by the CSPF) pursuant to Section 3.1, and cost neutral (as used above) with respect to UPS and the UPS Transfer Plan’s liability for increased benefits shall mean that the CSPF will reimburse the UPS Transfer Plan on the first business day of each month benefits paid and costs incurred by the UPS Transfer Plan that would otherwise have been paid by the CSPF (and not incurred by the UPS Transfer Plan) pursuant to Section 3.1.

13.3 Participant Data transferred from the CSPF to the UPS Transfer Plan will be used only for the purposes contemplated by this Agreement or otherwise permitted by
law, will be maintained by the UPS Transfer Plan subject to reasonable recordkeeping procedures governing personal information, and will be kept confidential by the UPS Transfer Plan to the extent required by law. To the extent that any information relating to Participants is transferred from the UPS Transfer Plan to the CSPF, the CSPF will only use such information for the purposes contemplated by this Agreement, will maintain such information subject to reasonable recordkeeping procedures governing personal information, and will keep such information confidential to the extent required by law.

13.4 In connection with the execution of this Agreement, the parties will agree on the terms of their public disclosures concerning the Agreement and will consult with each other on the text of their respective press releases. The parties agree to consult in good faith regarding any subsequent disclosures about the Agreement. Nothing in this provision shall prevent or preclude a party from disseminating information concerning the Agreement: (i) internally by each party to its respective employees, representatives, professionals and agents, (ii) when and as required by law, including, but not limited to, any information that the fiduciaries of the CSPF or UPS Transfer Plan determine is advisable or required by law to be disseminated to the participants and beneficiaries of the CSPF or the UPS Transfer Plan, respectively, and disclosures required or advisable under securities laws or the rules of the New York Stock Exchange, or (iii) to any governmental agency.

13.5 This Agreement may be executed in one or more counterparts and by different parties on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

13.6 This Agreement shall inure to the benefit of, and be binding upon, the CSPF Releasors, the CSPF Releasees, the Employer Releasors and the Employer
Releasees, and their successors and assigns. No provision of this Agreement gives any legal or equitable right, remedy, or claim to any third party, including without limitation, any participant in or beneficiary of the CSPF or the UPS Transfer Plan, and the parties have no intention to create and no party shall be able to claim any rights as a third party beneficiary as a result of the terms of this Agreement. Nothing in this Agreement is intended to increase the benefits payable to any CSPF participant from the CSPF. Nor, by providing benefits from more than one pension plan, as contemplated by this Agreement, is the Agreement intended to reduce or eliminate any such participant's aggregate benefit provided by the CSPF and the UPS Transfer Plan.

13.7 The parties have entered into this Agreement solely for the purpose of avoiding the burdens, risks, delays and expense of further proceedings, including arbitration and/or litigation, and the making of this Agreement is not intended, and shall not be construed, as an admission that either party has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or otherwise committed any wrong.

13.8 This Agreement contains the complete and exclusive statement of the agreement and understanding between the parties hereto and supersedes all prior agreements, understandings, commitments, representations, communications and proposals, oral or written, among the parties hereto relating to the subject matter of this Agreement. This Agreement may not be amended except by an instrument in writing executed by the parties to the Agreement.

13.9 The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the
application thereof to any person or any circumstance, is invalid or unenforceable, (a) a
suitable and equitable provision will be substituted therefore by a court or arbitrator or
the parties to carry out, so far as may be valid and enforceable, the intent and purpose of
such invalid or unenforceable provision, and (b) the remainder of this Agreement will not
be affected by such invalidity or unenforceability, nor will such invalidity or
unenforceability affect the validity or enforceability of such provision, or the application
thereof, in any other jurisdiction.

13.10 This Agreement will be governed by and construed in accordance with the
laws of the state of Illinois without giving effect to Illinois's rules concerning conflicts of
law, except to the extent preempted by ERISA or other federal law.

13.11 Any dispute concerning or action to enforce the Agreement will be
brought in United States District Court for the Northern District of Illinois. The parties
waive the right to jury trial, if any, in any such action. At least thirty (30) days prior to
filing an action, the parties will meet in person to attempt to resolve their dispute.

13.12 The CSPF and the Trustees agree to notify UPS in writing within thirty
(30) days after it or they receive valid service of process in litigation brought in any court
or before (or by) any administrative agency or tribunal against the Trustees or the CSPF
in which any aspect of the Agreement, including without limitation, its validity or
enforceability, is challenged in any manner (collectively, a "Claim"), and the Trustees
agree to defend all such litigations vigorously and in good faith to uphold the validity of
the Agreement, and to provide UPS with copies of all documents that the Trustees and/or
the CSPF receive in connection therewith. UPS and the Employer agree to notify the
CSPF in writing within thirty (30) days after it or they receive valid service of process in
litigation brought in any court or before (or by) any administrative agency or tribunal
against UPS, any one or more constituent members of the Employer, the UPS Transfer Plan, or any fiduciary of the UPS Transfer Plan in which any aspect of the Agreement, including without limitation, its validity or enforceability, is challenged in any manner (collectively, a "Claim"), and UPS agrees to defend all such litigations vigorously and in good faith to uphold the validity of the Agreement, and to provide the Trustees with copies of all documents that UPS and/or the Employer Fund receive in connection therewith.

13.13 The language used in this Agreement is deemed to be the language chosen by the parties to express their mutual intent. No rule of strict construction will be applied against any party and no deference will be provided to any party with respect to the interpretation of this Agreement. The section headings in this Agreement are for convenience only and will not affect the meaning or interpretation of the Agreement.

13.14 Except for the representations and warranties stated in this Agreement, each party to this Agreement has made its own independent inquiry as to any and all matters, facts and circumstances material to the Agreement. Each party to this Agreement has been represented by its own counsel. No party to this Agreement has relied and no party will rely upon any other party hereto, or any of their legal counsel or financial or actuarial advisors, for any information or advice of any kind.

13.15 This Agreement is not a document or instrument governing the CSPF or the UPS Transfer Plan and this Agreement does not amend, supplement or derogate from the documents and instruments governing the CSPF or the UPS Transfer Plan.

13.16 Any reference in this Agreement to a provision of ERISA or the Code will be deemed also to refer to all rules and regulations promulgated under such provision. References to any provision of ERISA or the Code refer to the provisions of ERISA or
the Code and regulations as of the Effective Date of the Agreement and to any modified
and successor provisions thereof after the effective date of any amendment, renumbering
or other modification thereto occurring after the Effective Date of the Agreement.

FOR THE TRUSTEES OF THE CENTRAL STATES,
SOUTHEAST AND SOUTHWEST AREAS PENSION FUND:

By: ____________________________
Title: __________________________
Date: 9/30/2007

FOR UNITED PARCEL SERVICE, INC.,
ON BEHALF OF ITSELF AND EACH
TRADE OR BUSINESS UNDER COMMON
CONTROL WITH IT AS DESCRIBED IN
SECTION 4001(b) OF ERISA:

Dated: 9/30/2007

By: ____________________________
Title: Global Transportation Systems