

# UPS Workers Forced into TEAMCARE Union Health and Welfare Fund by Hoffa Led Teamsters. TEAMCARE H&W Fund is tied to the Failing Central States Pension Fund

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## Hoffa–Led Teamsters Top Brass Sells Out UPS Workers

The International Brotherhood of Teamsters finalized negotiations on a new National Master Agreement with United Parcel Service (UPS) during early spring of 2013. The resulting National Contract was barely passed by membership vote. It was then held up from being implemented because members across the country voted down their regional and supplemental agreements. The James Hoffa, Jr.-led Teamster Leadership, instead of respecting the rights of their members, **shoved the contract down their throats and imposed the agreement** at the end of April 2014.

The contract struggle had included major concessionary demands by the company on health care and wages. UPS Teamsters have enjoyed some of the best benefits in the private sector under a company-controlled health care plan that required them to pay \$0 in premiums. The company, using the excuse of the Affordable Care Act, now demanded that part-time and full-time Teamsters pay up to \$90 a week for the same health care coverage. The IBT’s Package Division Director, Ken Hall, organized a massive campaign across the country to fight back against health care concessions.

Then, UPS seemingly relented and agreed to transfer over 140,000 UPS Teamsters - most of whom were part-time - from the *company-controlled* health care plans into the *union-controlled* Central States Health & Welfare Plan (re-branded as TEAMCARE due to the poor reputation of the failing Central States Pension plan.) The fight-back by the International Union top leadership immediately stopped at the prospect of thousands of young part-time workers being enrolled in the Teamster union health care plan thereby enriching the plan and strengthening the union bureaucracy.

The result was a concessionary contract that allows the company to continue a **de facto two-tiered hierarchy** at UPS that does little to create additional full time jobs. Existing part-timers at UPS can already expect to wait over a decade for a chance at a full-time job and a newly hired part-timer has to wait a calendar year for health insurance coverage. The IBT even added insult to injury by conceding to UPS an increase in the time it takes for a newly promoted full-time employee to attain top pay from three years to four.

A rank-and-file campaign to vote down the agreement emerged, aided by Teamsters for a Democratic Union and a “VOTE NO ON THE UPS CONTRACT” Facebook Group. The National Master Agreement was approved by a record-low 53%.

In addition, 17 regional supplements were voted down. The supplemental agreements have existed, historically, since the National Master Freight Agreement was first conceived and realized by James R. Hoffa in 1964. The senior Hoffa found that the only way to get Teamster locals to agree to a Master Agreement was to still allow them some measure of autonomy over local or regional issues via a supplemental agreement. Per the IBT Constitution, a National Master Agreement cannot be ratified until all supplemental agreements have passed. After 17 UPS supplements were voted down under this 2013 contract, UPS accordingly granted an indefinite contract extension to the Teamsters.

The strongest region to vote down its supplement was Local 89 in Louisville, Kentucky. Over 9,000 Local 89 UPS Teamsters work at one of the largest package hubs in the country: Worldport. Many of them are part-timers working under inferior conditions. Worldport Teamsters are guaranteed fewer hours (3.0/day vs. 3.5/day for a PT UPS employee in other parts of the country) and are forced to ride a shuttle – unpaid – to and from the job site for over an hour a day.

During the contract extension, workers' anger over the unaddressed problems with working conditions even led to an unprecedented (in recent times) wildcat strike at the Maspeth Package Center in New York City, NY in Teamster Local 804's jurisdiction. Over 250 package delivery drivers walked off the job in response to the wrongful termination of Brother Jairo Reyes for "dishonesty" and for working conditions that permit the company to force drivers to work over 12 hours a day rather than hiring more workers.\* While all of the Maspeth strikers (including Reyes) were reinstated after an outpouring of community support, the results of the negotiated settlement were telling: Local 804 was required to pay over \$250,000 in damages to the company, all drivers involved in the 90 minute work stoppage were required to serve 10 day suspensions, and Liam Russert (the Local 804 Business Agent that called the strike) has been banned from all UPS facilities and any negotiations involving the company for life.

The IBT eventually whittled the 17 supplemental agreements down to three remaining holdouts — the Western PA Teamsters, Local 623 Air Teamsters in Philadelphia, and Local 89 at the Worldport. Hundreds of thousands of dollars in dues money was spent on mailing fliers to members urging them to approve their supplemental agreements, on a DVD explaining the new health insurance plan to entice members to approve the contract, and sending IBT staffers out to the areas that had voted down their supplements. West PA and Local 623 had both voted down their supplements twice and the third vote, per the IBT constitution, required a strike authorization vote. The Local 89 Teamsters had voted down their first supplement by a whopping 87% and received a last, best, and final offer from the company that was substantially worse than the first, eliminating a \$1,000 "shuttle pay" incentive over the five years of the contract to compensate part-timers for the hundreds of hours they would spend riding a shuttle to the job site. The second offer was voted down by 94%.

However, on April 23rd 2014, the greedy and corrupt IBT leadership made the unprecedented move of implementing all of the outstanding supplements citing over \$300 million in wages and benefit fund payments owed retroactively by the company. The memo sent to the local unions from the IBT Executive Board claimed that the National Negotiating Committee now had the authority to **impose** supplemental agreements when the members were rejecting them due to disagreements with the language in the National Master agreement.

(The Hoffa leadership claimed that the holdouts were voting down their supplements over the move to TeamCare, covered under the National Master Contract.) This authority has never before existed with a Teamster National Negotiating Committee. However, James P. Hoffa and Ken Hall were revealed to have *secretly amended the IBT Constitution to give them the authority to impose the agreements!!*\* This maneuver, done entirely behind closed doors, harkens back to the "old guard" Teamster days of outright corruption rather than mere business unionist collusion with the bosses.

UPS Teamsters are some of the most abused workers in the US. The work is backbreaking under military-style supervision; and *many part-time workers live below the poverty line*. While many UPS workers are forced to remain for years in such low-wage and part-time status, one of the primary demands from package delivery drivers is a relief from overtime and to have excessively long workdays reduced so they can enjoy time with their families. The IBT misleadership did almost nothing to address either of these major concerns in this concessionary contract.