

Questions arise over pay raise for part-timers in UPS tentative agreement

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As voting continues around the country, new questions are arising as to whether UPS may “cancel out” pay increases for many part-timers under the new tentative agreement.

While the Teamsters bureaucracy is dishonestly claiming the deal, reached last month to block a national strike, is “historic,” it in fact falls far below workers’ demands. But one of the key elements through which the Teamsters are trying to sell the contract is by pointing to pay raises for part-timers, who make up two-thirds of the company’s 340,000 Teamster members. The new deal would increase starting pay to \$21 for new hires, rising to \$23 in 2028, the last year of the contract. Existing part-timers would also receive a \$7.50 general wage increase spread out over the five years of the contract.

The issue workers are pointing to is whether these increases will apply in practice to workers hired under Market Rate Adjustments, or MRAs. The current contractual starting pay of \$15.50 an hour is so low—even lower than nonunion Amazon—that in many areas of the country UPS has resorted to raising wages unilaterally using MRAs in order to attract enough workers into its facilities.

Because the MRA is implemented solely at the company’s discretion, this means the company has the authority to raise, lower or eliminate them entirely as they see fit. Put a different way, the wages for a substantial portion of the company’s workforce are set in practice by the company because the Teamsters over decades have “bargained” for wages that are so low

that they are below prevailing market rates.

As a matter of fact, many workers, especially in the more expensive areas of the country, already make \$21 an hour or more due to MRAs. These workers do not know what the status of their wages will be under the new contract, whether or not their general wage increases will be affected by cuts in base pay or even if they will even have their wages cut down to the new contractual starting pay.

At Local 89 in Louisville, Kentucky, which covers over 11,000 workers at the company’s massive Worldport air freight hub, around 90 percent of the workforce is part-time, and starting pay is \$20 for part-timers (with a \$21 shift differential for night shift workers). The local, the former home of Fred Zuckerman, now the second-most powerful figure in the Teamsters union, had surprisingly been the only one to vote against recommending the Tentative Agreement in a meeting held July 31.

Within days, however, the local bureaucrats reversed themselves, obviously after getting their marching orders from the national apparatus. The local sent out a letter claiming that its opposition had previously been based on the MRA issue. But after further discussion with the union’s administration, the letter claimed their objections had been satisfied.

“On Monday, we had not gathered all the information we needed about whether UPS would take away MRAs and harm our members’ earnings. ... [but] as a result of information gathering [from Zuckerman, General President Sean O’Brien and the union’s legal department] we can now say with confidence” that this would not be the case, they said. “UPS would be acting in bad faith and violating the National Master Agreement if the company attempted to reduce MRA wages in the future.”

The letter, which does not explain what the factual basis for this “confidence” is, raises more questions than it answers. While the letter claims that UPS would be “acting in bad faith” and “violating the contract” by reducing MRAs, there is nothing in the contract which actually prohibits it from doing so. Moreover, the MRA in general has always been set unilaterally by the company in the past.

The only concrete language which the Teamsters have been able to point to back this claim is a side Memorandum of Agreement signed by the Teamsters and the union. This short document says in full:

The parties agree that in connection with the 2023-2028 [National Master Agreement], eligible part-time and full-time employees covered by an hourly Market Rate Adjustment (MRA) on August 1, 2023 or any subsequent August 1 shall receive the general wage increases outlined in Article 22, Section 5(a) and Article 41, Section 1, respectively, on top of the existing MRA hourly rate.

By signing this Memorandum of Agreement, the Union does not waive any rights or arguments with respect to the Company’s use of MRAs.

At the very least, the language is extremely vague and does not explicitly prohibit the company from reducing MRA wages. Whether or not this actually is construed to prohibit it would be a matter of interpretation and not laid out clearly, in black and white, in the contract.

Workers report being given conflicting answers from different locals and even individual officers within locals. One worker reported on Reddit: “When I asked about the weak [MRA] language at the meeting they’ve given me different answers. In front of everyone in the meeting, they told me that [Teamsters] will grieve if UPS tried to remove MRAs. When asked how, with such weak language, do they plan on winning that?, they said [Sean O’Brien] has promised to enforce it. Total non-answer.

“Another member then asked, so to confirm, we will keep our MRAs and UPS can’t remove our raises? They said yes.”

“Outside after the meeting I spoke with a [business agent] and he admitted that yes, UPS can take the MRAs away because that’s how MRAs are meant to work. He was basically saying that it’s only a bonus and to not count it as our true wage. They say one thing in front of a crowd, and something entirely different in private.

“They are all willing to lie through their teeth to pass this yes vote, don’t buy into it! Hold them to the fire!”

One worker wrote in response: “I think the protection on MRA is weak. The language basically means the MRA can’t be reduced based solely on the raises. But the company can easily just say they no longer need the staffing to justify the reduction. I believe this would be very difficult to enforce.”

Another wrote: “I went to the meeting yesterday specifically to ask about contract wording for MRAs and there is none. I was told Sean O’Brien is guaranteeing they won’t take MRAs.

“I said I thought they could take them anytime. And they told me they could only pull them prior to ratification, but I see no writing saying that anywhere. I was speaking directly to the local president and was the first to ask the question.

The worker concluded, “ I don’t know what to believe but what happens with MRAs will be the deciding point for me on yes or no.”

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