



TEAMSTERS LOCAL 727

Representing nearly 10,000
hardworking men and women
throughout the Chicagoland area

John T. Coli **John T. Coli Jr.**
Secretary-Treasurer President

MAY 17, 2016 || PEPSI TEAMSTERS CONTRACT SUMMARY

PEPSI'S LAST, BEST AND FINAL CONTRACT OFFER

The Teamsters Local 727 Bargaining Committee spent several weeks negotiating with Pepsi management on a new contract covering about 700 members at the Chicago, Elk Grove and Kankakee facilities. The company's last, best and final contract proposal includes more changes than any Pepsi contract in decades, and none of the changes are concessions to Pepsi management.

"The offer doesn't include the wage increases we wanted, but the Bargaining Committee deserves a lot of credit because they did not give up anything, either," said John T. Coli, Secretary-Treasurer of Local 727.

One of the biggest member demands was achieved through the merger of four separate contracts and bargaining units into one collective bargaining agreement. "The merged contract unifies members into one bigger, stronger bargaining unit while creating consistent language that makes contract enforcement easier," Coli said.

The contract offer now goes to a membership vote, which will be conducted via mail ballot to ensure a high voter turnout. Below is a comprehensive summary of proposed changes. If the membership votes to ratify the contract by June 1, the decrease in health care premiums will begin Sept. 1. Wage increase retroactivity also is contingent on a ratification vote.

If you have questions, contact your Local 727 business representative: Vincent Blanco (Chicago): (847) 696-7500/vincent@teamsterslocal727.org and Mike DeGard (Kankakee): (847) 696-7500/miked@teamsterslocal727.org

Wages

- Wage increases retroactive to April 28, 2016 (contingent on a ratification vote)

	4/29/2016	4/29/2017	4/29/2018	4/29/2019
Hourly	\$0.40	\$0.40	\$0.50	\$0.50
Blue Card	\$0.35	\$0.35	\$0.35	\$0.35
Transport	\$750 lump	\$750 lump	\$750 lump	\$750 lump
Chicago D-Bay (commission)	\$0.012	\$0.012	\$0.013	\$0.013
Chicago FSV (commission)	\$0.041	\$0.041	\$0.047	\$0.047
Chicago FSV (base)	\$7/week	\$7/week	\$7/week	\$7/week
Kankakee D-Bay (commission)	\$0.0111	\$0.0111	\$0.0112	\$0.0112
Kankakee FSV (commission)	\$0.041	\$0.041	\$0.047	\$0.047
Kankakee FSV (base)	\$7/week	\$7/week	\$7/week	\$7/week

Transport Drivers hired after 4/28/16				
Mileage Band	From	To	Mileage Rate	Run Rate
Band 1	1	14	\$0.96	\$13.40
Band 2	15	49	\$0.68	\$13.40
Band 3	50+		\$0.58	\$13.40
Transport Drivers hired before 4/28/16				
Band 1	1	14	\$1.06	\$13.25
Band 2	15	49	\$0.80	\$13.25
Band 3	50+		\$0.68	\$13.25

- Special events employees making more than \$20.50/hour will remain at their current rate and will receive lump sum payments in an amount equal to the contractual hourly raises for special events employees.
- Kankakee MEM on-call increase to \$90.

- Starting in Year 2, \$0.50/hour premium for MEM employees holding a DOT card when actually performing work for which the DOT medical card is required.
- \$1.00/hour increase for Kankakee MEM service techs performing refrigeration work (to match Chicago).
- \$1.00/hour premium for Field Service Technicians designated and working as Service Advantage Technicians.

Health Insurance

• Starting Sept. 1 (if contract ratifies by June 1), employees will move to a Standard Flex Benefits Program, which results in annual per employee savings of up to \$1,500 with identical or improved coverage levels. Standard Flex annual savings:

	EE	EE+S	EE+C	EE+S+ C	EE+2C	EE+S+ 2C	EE+3C	EE+S+ 3C
Healthy Adv.	-\$501	-\$703	-\$1,260	-\$1,524	-\$907	-\$1,171	-\$554	-\$818
Core Plus PPO	\$0	\$51	-\$1,106	\$1,106	\$-553	-\$553	\$0	\$0

- Local 727 members will receive the same plan design/rates as those offered to all other non-union or union front-line employees in the PBC system.
- Dental coverage can be removed from the plan for even greater health care savings.
- For the first time, employees will have the option of participating in a plan that provides 90 percent coverage.
- \$500 weekly maximum for short-term disability (long-term disability coverage also offered).
- Vision coverage available.
- Wellness incentive of \$300 (employee only) or \$600 (employee + spouse) per year.

Retirement

• Yearly Chicago Pension increase for employees in multiplier plan.

Year 1	Year 2	Year 3	Year 4
\$1 (\$40)	\$1 (\$41)	\$1 (\$42)	\$1 (\$43)

• Employees in the Accounts Balance Plan will remain in the Accounts Balance Plan with company contributions of up to 5 percent for employees with 10 or more years of service and 4 percent for employees with less than 10 years.

Paid Time Off

- \$20 annual increase for paid time off for commissioned drivers (D-Bay and FSV)
- **Sick leave:** One paid sick day in year one, additional paid sick day in year two.
- **Bereavement leave:** Expanded to include grandparents, brothers-in-law, sisters-in-law and legal guardians.
- **Vacation:** Employees with 4 or 5 weeks of vacation guaranteed a minimum of 2 weeks during summer months.
- Employer may not unreasonably deny vacation requests, and company will meet with union regarding “blackout dates.”

Job Protections

- Significant restrictions on company’s use of Blue Card employees (no overtime after 40 hours, cap at 12.5 percent of workforce and shall not be used to take stores off merchandisers’ routes).
- Elimination of temps/seasonals.
- Just cause discipline to ensure more stringent job protection.

- Employees can honor picket lines for Teamsters Local 727, Mechanics’ Local 701 and Teamsters Local 673.
- Improved grievance procedure provides more liberal timelines to allow the union to file and process grievances.
- Discipline shall be removed from the employee’s record after 12 months (12-month roll-off).
- No discipline or attendance points when an employee is required to appear in court due to a subpoena or summons.
- Maintenance of benefits clause that states employees will not suffer any economic loss or other reduction as a result of signing this contract.
- Removal of “zipper clause” which waived the union’s right to bargain on any matter not addressed in the contract.

Shift/Route Bids

- Annual shift bids and job classification/job assignment bids by seniority.
- D-Bay route bidding by seniority (annual bid; employer will provide information on volume, stores and geography of route two weeks before bid; bidding process can be suspended by a majority vote of drivers).

Working Conditions

- Sanitation workers limited to production runs on third shift unless overtime is required.
- Paid overtime rest periods also will apply to longer scheduled shifts.
- No employee shall be required to use their personal telephone for work-related business.
- Establishment of an Employee Relations Committee — composed of union stewards, the union business rep and employer representatives — to meet quarterly to discuss issues of concern to the union and the employer.
- The Employee Relations Committee will meet within 45 days after contract ratification to review and discuss all Pepsi company policies, including the attendance policy and rules of conduct.
- The company will offer training to interested employees by company seniority (including CDL training).
- The company will provide necessary equipment and replace malfunctioning equipment.
- Improved drug testing policy (supervisors must be trained; employees with a positive random drug test will get a second chance with rehabilitation; union rep to be present for testing).
- Company and union agree to meet within six months after ratification to discuss tanker trips for transport drivers.
- Kankakee inside: employer’s right to change workweek limited to two times a year with two weeks’ notice.

Term

- Four-year contract (April 29, 2016 — April 28, 2020).
- Merged agreement of four contracts (Chicago inside, Chicago outside, Kankakee inside and Kankakee outside).