

**TEAMSTER-UPS  
NATIONAL 401(k) TAX  
DEFERRED SAVINGS PLAN  
DELIVERING A SECURE FUTURE**



Dear Freight Teamster-UPS National 401(k) Tax Deferred Savings Plan Eligible Employee:

The Board of Trustees of the Teamster-UPS National 401(k) Tax Deferred Savings Plan and the Administrative Committee of the UPS Savings Plan have agreed to allow a **one-time opportunity** to transfer your UPS Savings Plan balance to the Teamster-UPS National 401(k) Tax Deferred Savings Plan. This is a **one-time**, voluntary election that you can make between **April 29, 2011 at 4 p.m. ET and July 15, 2011 at 4 p.m. ET.**

If you elect to transfer your UPS Savings Plan balance to the Teamster-UPS National 401(k) Tax Deferred Savings Plan, you will see all of your savings and investment performance on one account statement. This will give you the convenience of viewing your combined account together, which may make it easier to track and maintain your overall asset allocation. There are no tax consequences to transfer your UPS Savings Plan balance; your savings will continue to maintain its tax-deferred status.

Your balance in the UPS Savings Plan will not automatically transfer to the Teamster-UPS National 401(k) Tax Deferred Savings Plan. **You must actively elect** to transfer 100% of your UPS Savings Plan balance (including money in the Self-Managed Account, if applicable) during the transfer election period, between **April 29, 2011 and July 15, 2011.** To elect the transfer, complete the following steps.

**Step 1 – Complete and return the Transfer Election Form by Friday, July 15, 2011**

- Complete all fields on the enclosed Transfer Election Form
- Mail the form in the enclosed return envelope, or fax it to **1-866-439-8602**
- The Transfer Election Form must be received in good order by Prudential no later than **July 15, 2011**

**Step 2 – Liquidate Self-Managed Account (SMA) assets (if applicable) by 4 p.m. ET on Tuesday, July 19, 2011**

To elect the transfer, you must first liquidate your SMA prior to the transfer date. Once you liquidate your SMA and allow time for the trade to settle, you then must transfer your assets from the SMA into the UPS Savings Plan's Core Funds using the UPS Savings Plan website or calling the Information Line. The only transaction conducted through State Street is the liquidation of assets. Follow these steps to liquidate your SMA account and transfer the assets into the Core Funds of the UPS Savings Plan.

- Contact State Street Global Markets at **1-866-544-0070** or go to **www.mystreetscape.com/my/ing** to liquidate your SMA and move the proceeds to SSgA Money Market Fund
- Wait for your transfer to the SSgA Money Market Fund to clear (three business days from the transfer date)
- Access your UPS Savings Plan account at ING through **1-800-541-6154** or **http://upssavings.ingplans.com** to transfer your assets from your SMA into one or more of the Core Funds

**Step 3 – Enroll in the Teamster-UPS National 401(k) Tax Deferred Savings Plan by 4 p.m. ET on Wednesday, July 27, 2011**

If you are not already enrolled in the Teamster-UPS National 401(k) Tax Deferred Savings Plan, you must do so by **4 p.m. ET on July 27, 2011** to elect the transfer. To enroll:

- Contact Prudential Retirement® at **1-800-537-0189** or go to **www.teamsterups401kplan.com**

**Important note:** If you have an executed Qualified Domestic Relations Order (QDRO) in the UPS Savings Plan and there is no administrative hold on your account, you may elect to transfer your balance. If you have a pending Domestic Relations Order, you are not eligible to transfer your balance.



## TEAMSTER-UPS NATIONAL 401(k) TAX DEFERRED SAVINGS PLAN

If you elect the transfer, 100% of your UPS Savings Plan assets must be transferred, including any money in a Self-Managed Account (if applicable). If you have assets in a Self-Managed Account and do not complete Step 2 to liquidate those holdings, your money will not transfer to the Teamster-UPS National 401(k) Tax Deferred Savings Plan.

The International Developed Country Equity Index Fund in the UPS Savings Plan has a 2% trading restriction on any monies invested less than 30 days. If you move money into this fund and then transfer the money out of the fund within 30 days, you will be charged a 2% fee on the transferred amount. For example, if you move assets into this fund after 4 p.m. ET on June 29, 2011, these amounts will be subject to the 2% trading restriction, if you elect the transfer. You must keep money invested in the fund for 30 days before transferring it out to avoid this fee.

### How your UPS Savings Plan assets will be invested

If you choose to elect the transfer, your UPS Savings Plan money will be invested in the Teamster-UPS National 401(k) Tax Deferred Savings Plan in the same manner as your investment elections for new contributions to the Teamster-UPS National 401(k) Tax Deferred Savings Plan. If you currently have no investment elections on file, your balance will be invested in the Plan's default investment option, the age-appropriate Bright Horizon Target Date Fund.

### Roth 401(k) contribution feature

The Teamster-UPS National 401(k) Tax Deferred Savings Plan is adding a Roth 401(k) contribution feature to the Plan effective July 1, 2011, allowing you to transfer any Roth 401(k) funds held within the UPS Savings Plan. Roth 401(k) contributions offer flexibility to customize your long-term investment strategy based on your individual preferences and tax situation. You will receive additional details regarding the new Roth 401(k) feature in a separate communication.

### Loans can transfer with you

If you have an outstanding loan(s) in the UPS Savings Plan, you may elect the transfer. Your loan repayments will continue through payroll deduction in the Teamster-UPS National 401(k) Tax Deferred Savings Plan.

### Don't delay

Remember, the window to elect to transfer your UPS Savings Plan balance to the Teamster-UPS National 401(k) Tax Deferred Savings Plan is from **April 29, 2011 at 4 p.m. ET to July 15, 2011 at 4 p.m. ET**. Following the election period, all the accounts for employees electing the transfer will be moved on or about **August 1, 2011**.

We're pleased to be able to offer this one-time opportunity, and encourage you to consider consolidating your retirement savings into your Teamster-UPS National 401(k) Tax Deferred Savings Plan account.

For more information on the Teamster-UPS National 401(k) Tax Deferred Savings Plan, including Plan Highlights, investment options and much more, go to [www.teamsterups401kplan.com](http://www.teamsterups401kplan.com). If you have questions, call the toll-free Information Line at **1-800-537-0189**, Monday through Friday from 8 a.m. to 9 p.m. ET.

Sincerely,



Ken Hall  
Co-Chair, Board of Trustees



Chris Langan  
Co-Chair, Board of Trustees

## TEAMSTER-UPS NATIONAL 401(K) TAX DEFERRED SAVINGS PLAN

### Key Dates

Transfer election period begins	April 29, 2011 at 4 p.m. ET
Transfer election period ends	July 15, 2011 at 4 p.m. ET
Last day to submit Hardship and loan paperwork for the UPS Savings Plan until after the quiet period ends	July 19, 2011 at 4 p.m. ET
Last day to liquidate Self-Managed Account in the UPS Savings Plan	July 19, 2011 at 4 p.m. ET
Last day to enroll in the Teamster-UPS National 401(k) Tax Deferred Savings Plan, if you want to transfer your UPS Savings Plan balance	July 27, 2011 at 4 p.m. ET
Last day for any transaction involving the UPS Stock Fund in the UPS Savings Plan	July 28, 2011 at 3:30 p.m. ET
Last day to exchange between investment options or request a distribution from the UPS Savings Plan	July 28, 2011 at 4 p.m. ET
Assets in UPS Savings Plan are valued and liquidated	July 29, 2011 at 4 p.m. ET
Assets transferred to Teamster-UPS National 401(k) Tax Deferred Savings Plan	August 1, 2011
Access your combined Teamster-UPS National 401(k) Tax Deferred Savings Plan account	August 2, 2011

### Notice of UPS Savings Plan Quiet Period

To ensure the smooth and accurate transfer of information **for those who elect to transfer assets** from the UPS Savings Plan to the Teamster-UPS National 401(k) Tax Deferred Savings Plan, a brief “quiet period” is required and transactions will be placed on hold temporarily.

- The quiet period for the UPS Savings Plan is expected to begin on July 19, 2011 at 4 p.m. ET for submission of hardship and loan paperwork and on July 28, 2011 for investment exchanges and distribution requests. The quiet period is expected to end on or about August 2, 2011.
- During the quiet period, you temporarily will be unable to direct or diversify investments in your individual UPS Savings Plan account, obtain a loan or distribution from the UPS Savings Plan. During this period, you will be unable to exercise these rights otherwise available under the UPS Savings Plan. Whether or not you are retiring in the near future, we encourage you to carefully consider how this quiet period may affect your overall financial plan. It is important that you review and consider the appropriateness of your current investments in light of your inability to make changes to these investments during the quiet period.
- For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. You should be aware that there is a risk to holding substantial portions of your assets in the securities of any one company, as individual securities tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds. Stocks that have wide price swings might have a large loss during the quiet period, and you would not be able to direct the sale of such stocks from your account during the quiet period.
- Payroll deductions to the Teamster-UPS National 401(k) Tax Deferred Savings Plan will continue throughout the quiet period.
- If you have any questions concerning this notice, you should contact the Plan Administrator at 1-800-537-0189.

## FINANCIAL SAFETY TIP:

**Saving for your financial future doesn't have to be complicated.**

**Complete the following activities to elect the transfer:**



Complete and mail back the transfer election form in the enclosed envelope or fax to **1-866-439-8602** by **4 p.m. ET on July 15, 2011.**



Liquidate Self-Managed Account assets in the UPS Savings Plan (if applicable) and transfer to UPS Savings Plan Core Funds by **July 19, 2011.**

- To liquidate, go to [www.mystreetscape.com/my/ing](http://www.mystreetscape.com/my/ing) or call State Street at **1-866-544-0070.**
- To transfer to Core Funds, go to <https://upssavings.ingplans.com> or call ING at **1-800-541-6154.**



If you are not already enrolled in the Teamster-UPS National 401(k) Tax Deferred Savings Plan, enroll by **4 p.m. on July 27, 2011.**

- Go to [www.teamsterups401kplan.com](http://www.teamsterups401kplan.com) or
- Call **1-800-537-0189**

**You must be enrolled to elect the transfer!**

Before making a decision, be sure to review the Plans' features, investments, fees and other information. If you have any questions about the transfer opportunity, contact Prudential Retirement® at 1-800-537-0189.

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