



UPS Health and Welfare Package for Retired Employees

December 2012

Dear Plan Participant,

The average annual cost per participant in the UPS Health and Welfare Package for Retired Employees has exceeded \$6,250. Under the terms of the Plan, each retired employee will be required to share equally in the cost above the \$6,250 maximum by making an additional contribution in 2013.

Your contribution amount may change from year to year. As a result of the annual evaluation of the average annual cost per participant, your cost share for 2013 will be greater than your cost share for 2012. Your cost is determined by which of the four coverage categories for this Plan applies to you:

You Only	\$247.50 per month
You Plus Spouse	\$495.00 per month
You Plus Children	\$495.00 per month
You Plus Family	\$742.50 per month

You will be billed quarterly, beginning August 1, 2013, for your cost share that exceeds the maximum amount. Each bill will cover your cost share for a full three months. You may choose to pay your bills by bank draft. For information about this option, call the UPS Benefits Service Center at 1-800-UPS-1508.

If payment is not received by the due date on your billing statement, your coverage under the Plan will terminate on the last day of the month for which full payment was received. You will not be able to regain eligibility.

If you have any questions, please contact the Benefits Service Center.

UPS Plan Administration



Summary of Material Modifications UPS Health and Welfare Package for Retired Employees December 2012

We regularly announce material changes to the UPS Health and Welfare Package for Retired Employees. This notice details Plan improvements and required notifications effective August 1, 2013.

Retired Employee Contribution

The average annual cost per participant in the UPS Health and Welfare Package for Retired Employees has exceeded \$6,250. Under the terms of the Plan, each retired employee will be required to share equally in the cost above the \$6,250 maximum by making an additional contribution. Therefore, effective August 1, 2013, each retiree's \$50 monthly contribution will be increased to: \$247.50 for the retiree only; \$495.00 for retiree plus spouse; \$495.00 for retiree plus children; and \$742.50 for family coverage.

This notice is intended to fulfill UPS's legal obligation to notify employees of significant changes to the UPS Health and Welfare Package for Retired Employees. This notice formally amends the coverage available under this Plan. Keep this notification with your Summary Plan Description for future reference.