



# UPS/IBT Full-Time Employee Pension Plan

*Summary Plan Description*



*January 1, 2020 Edition*

This booklet is a Summary Plan Description (SPD) of the UPS/IBT Full-Time Employee Pension Plan for full-time employees of United Parcel Service, Inc. (an Ohio corporation) who satisfy each of the following conditions:

- 1) You are covered for the purpose of pension benefits by the Collective Bargaining Agreement (CBA) between United Parcel Service, Inc. (an Ohio corporation) and the Teamsters United Parcel Service National Negotiating Committee representing Local Unions affiliated with the International Brotherhood of Teamsters
- 2) You are classified in a category of work that is designated under the CBA as eligible for the benefits described in the Plan
- 3) You have at least one Hour of Service in Covered Employment (as defined later in this SPD) on or after January 1, 2020
- 4) You are not currently covered by any other qualified defined benefit pension plan to which UPS makes contributions on your behalf, and
- 5) You are not performing services on a contract basis, or under a leasing or temporary services arrangement.

The Plan also provides benefits for certain current and former employees of UPS who are no longer working in Covered Employment based on benefits earned under the Central States Pension Fund before 2008. See Grandfathered CSPF Participants section on page 26.

## Table of Contents

<b>UPS/IBT Full-Time Employee Pension Plan</b>	<b>1</b>
Eligible Employee	
When You Become a Plan Participant	
Vesting Credit	
When you Vest	
Service Credit	
<b>Plan Benefit</b>	<b>2</b>
<b>Suspension of Benefits</b>	<b>10</b>
<b>Payment Options</b>	<b>11</b>
<b>Disability Benefit</b>	<b>13</b>
<b>Pre-Retirement Survivor Benefit</b>	<b>14</b>
Qualified Pre-Retirement Joint and Survivor Annuity	
Death Benefit	
<b>Additional Information</b>	<b>15</b>
Applying for Plan Benefit	
Income Tax Withholding	
Social Security	
Domestic Relations Order	
<b>Administrative Information</b>	<b>17</b>
<b>Claims and Appeals</b>	<b>20</b>
<b>ERISA Rights</b>	<b>23</b>
<b>Other Defined Terms</b>	<b>24</b>
<b>Grandfathered CSPF Participants</b>	<b>26</b>
<b>Local 901 Participant</b>	<b>29</b>
<b>Local 243 Participant</b>	<b>31</b>

- Refer to the Grandfathered CSPF Participants section beginning on page 26 for *additional information* if you participated in the Central States Pension Fund (CSPF) on December 31, 2007.
- Refer to the Puerto Rico IBT Local 901 in Full-Time Employment section on page 29 for *additional information* if you participated in the UPS Pension Plan for Puerto Rico IBT Local 901 in Full-Time Employment on December 31, 2007.
- Refer to the IBT Local 243 Clerks in Full-Time Employment section on page 31 for *additional information* if you participated in the UPS Pension Plan for IBT Local 243 Clerks in Full-Time Employment on July 31, 2009.

## **UPS/IBT Full-Time Employee Pension Plan**

This Summary Plan Description (SPD) describes the UPS/IBT Full-Time Employee Pension Plan (Plan or UPS/IBT Plan) in effect as of January 1, 2020 (unless otherwise noted) for employees of United Parcel Service, Inc. (UPS) who meet the eligibility requirements and whose Collective Bargaining Agreement (CBA) provides for coverage by the Plan.

This SPD provides details on the features of the Plan in an easy-to-read format. Capitalized terms (e.g., *Eligible Employee*) in the next section are defined either the first time used in the SPD or in the Other Defined Terms section on page 24. Every effort has been made to make this SPD as complete and accurate as possible. However, if there is a difference between this SPD and the Plan document, the terms of the Plan document will control.

### **Eligible Employee**

You are an Eligible Employee if you satisfy each of the following conditions:

- You are a full-time employee of UPS
- You are covered, for the purpose of pension benefits, by the CBA between UPS and the Teamsters United Parcel Service National Negotiating Committee representing Local Unions affiliated with the International Brotherhood of Teamsters
- You are classified in a category of work that is designated under the CBA as eligible for benefits described in the Plan
- Your last day in Covered Employment is after December 31, 2019
- You are not currently covered by any other qualified defined benefit pension plan to which UPS makes contributions on your behalf, and
- You are not performing services on a contract basis or pursuant to a leasing or temporary services agreement.
- If you are a Grandfathered Business Agent, or an employee of Trailer Conditioners, Inc, (as the term is defined in the Plan), this SPD is not applicable to you. Please refer to the SPD designated specifically for Grandfathered Business Agent or Trailer Conditioners, Inc.

### **When You Become a Plan Participant**

As an Eligible Employee, you become a Participant in the Plan after completing a 12-month period of employment beginning on your hire date, or any subsequent calendar year, in which you have earned at least 750 Hours of Service.

### **Vesting Credit**

Vesting Credit determines whether you have a non-forfeitable right to your Plan benefit. You earn one year of Vesting Credit for each calendar year in which you complete at least 750 Hours of Service with a UPS Related Company.

**When You Vest**

In order to receive a benefit from the Plan, you must be vested. A Participant is vested upon completing five (5) years of Vesting Credit. If you have not completed five years of Vesting Credit by the time you reach age 65, you will vest on the fifth anniversary of your participation in the Plan provided you remain an employee of a UPS Related Company, or if earlier, the date you complete five years of Vesting Credit.

**Service Credit**

Service Credit is based on the number of Hours of Service in Covered Employment earned in each calendar year. Service Credit is one of the factors that determines the amount of your pension. You earn Service Credit for each calendar year or partial calendar year that you work in Covered Employment based on the following table:

<b>Determining Service Credit in a Calendar Year</b>	
<b>Hours of Service in Covered Employment</b>	<b>Service Credit (years)</b>
Less than 150	0.00000
150 - 300	0.08333
301 - 450	0.16667
451 - 600	0.25000
601 - 750	0.33333
751 - 900	0.41667
901 - 1,050	0.50000
1,050 - 1,200	0.58333
1,201 - 1,350	0.66667
1,351 - 1,500	0.75000
1,501 - 1,650	0.83333
1,651 - 1,800	0.91667
1,801 or more	1.00000

**Plan Benefit**

The amount of your monthly retirement benefit is directly related to the years of Service Credit and the years of Service Pension Credit that you accrue. Service Credit is used to determine your Accrued Benefit and your Early Retirement Benefit. Service Pension Credit is used to calculate Service Pension and Partial Service Pensions. You may qualify for more than one type of pension, e.g., Accrued Benefit at Normal Retirement Date, Early Retirement Benefit, a Service Pension and/or a Partial Service Pension. The Plan will evaluate each of the eligible pension types, and your benefit amount will be based on the pension type that produces the largest monthly amount at your benefit start date.

Other factors that may affect your benefit amount include your age and the form of payment you elect when you retire. Also, the benefit payable by the Plan may be affected based on your classification as a Grandfathered CSPF Participant, a Local 901 Participant, or a Local 243 Participant (described beginning on page 29). Once you are eligible to retire and you terminate employment with all UPS Related

Companies, your retirement benefit will commence on the first of the month following your termination date, provided timely application is made.

**Accrued Benefit**

Your Accrued Benefit is the monthly benefit payable at Normal Retirement Date as a Lifetime with Limited Surviving Spouse Option Annuity (described on page 11). Full and partial years of Service Credit are used to determine your Accrued Benefit. For each full year of Service Credit earned, you will be credited with the Monthly Benefit Rate in effect for that calendar year. For any partial year of Service Credit earned, you will be credited with a pro-rata share of the Monthly Benefit Rate. The Monthly Benefit Rate for calendar years 2019 through 2023 is \$175.00; years prior to 2019 are covered in the previous SPD.

*Example* – George terminates employment on June 30, 2023 and commences his retirement benefit on July 1, 2023 at his Normal Retirement Date. His Accrued Benefit calculation is as follows:

Source	Time Period	Hours of Service	Service Credit (years)	Accrued Benefit
CSPF*	as of 12/31/2007	as reported by CSPF	as reported by CSPF	\$965.50
UPS/IBT Plan	2008 - 2018	1,801 or more per year for 11 calendar years	11.00000	\$1,730.00
UPS/IBT Plan	2019	1,801	1.00000	\$175.00
UPS/IBT Plan	2020	1,840	1.00000	\$175.00
UPS/IBT Plan	2021	1,825	1.00000	\$175.00
UPS/IBT Plan	2022	1,400	0.75000	\$131.25
UPS/IBT Plan	6/30/2023	750	0.33333	<u>\$58.32</u>
				\$714.57
Summary of Benefits				
CSPF				\$965.50
UPS/IBT Plan	(\$1,730.00 + \$714.57)			+ <u>\$2,444.57</u>
<b>Total Monthly Retirement Benefit at Normal Retirement Date</b>				<b>\$3,410.07</b>

\*Refer to page 27 for more information about the offset for Grandfathered CSPF Participants.

Since George is a Grandfathered CSPF Participant, the total monthly benefit at Normal Retirement Date will come from two sources: The Central States Pension Fund (CSPF) and the UPS/IBT Plan.

**Early Retirement Benefit**

If you terminate employment with all UPS Related Companies prior to your Normal Retirement Date, you may begin receiving an Early Retirement Benefit. If you leave UPS prior to your Normal Retirement Date with a vested benefit, your Accrued Benefit is reduced 6% per year (1/2% per month) for each full and partial year that your benefit start date precedes your Normal Retirement Date. However, if you have earned at least 20 years of Service Credit, then the adjustment is applied from the first day of the month following or coincident with your 62<sup>nd</sup> birthday, instead of your Normal Retirement Date.

Percentage of Accrued Benefit Payable at Early Retirement		
Age When Benefits Begin	Less Than 20 Years	20 or More Years
65	100%	100%
64	94%	100%
63	88%	100%
62	82%	100%
61	76%	94%
60	70%	88%
59	64%	82%
58	58%	76%
57	52%	70%
56	46%	64%
55	40%	58%

If you elect to retire early, in no event will your Early Retirement Benefit be less than the actuarial equivalent of your Accrued Benefit at the date your benefit commences.

*Example* – Sara terminates employment on December 31, 2022 and commences her Early Retirement Benefit on January 1, 2023 at age 55 with 22 years of Service Credit. Her Accrued Benefit is calculated as follows:

Source	Time Period	Hours of Service	Service Credit	Accrued Benefit
CSPF	as of 12/31/2007	as reported by	as reported by	\$1,441.00
UPS/IBT Plan	2008 - 2018	1,801 or more per year for 11 calendar years	11.00000	\$1730.00
UPS/IBT Plan	2019	1,820	1.00000	\$175.00
UPS/IBT Plan	2020	1,810	1.00000	\$175.00
UPS/IBT Plan	2021	1,801	1.00000	\$175.00
UPS/IBT Plan	2022	1,840	1.00000	\$175.00
				<u>\$700.00</u>
Summary of Benefits				
CSPF				\$1,441.00
UPS/IBT Plan	(\$1,730.00 + \$700.00)			+ <u>\$2,430.00</u>
Total Monthly Retirement Benefit at Normal Retirement Date				\$3,871.00

Since Sara has elected early retirement, her Early Retirement Benefit payable at age 55 is calculated as follows:

Normal Retirement Benefit	\$3,871.00
Age at commencement	55
Early Retirement Factor (refer to page 4)	58%
Monthly Early Retirement Benefit (\$3,871.00 x 58%)	\$2,245.18

Sara's benefit payable at age 55 by the UPS/IBT Plan is \$2,245.18.

Sara is a Grandfathered CSPF Participant, the Central States Pension Fund (CSPF) will pay a portion of

CSPF	UPS/IBT Plan	Total Benefit
\$1,441.00	\$804.18	\$2,245.18

her benefit beginning at age 65, as follows:

*\*Refer to page 27 for more information about the offset for Grandfathered CSPF Participants.*

### Service Pension

You may earn a Service Pension while working in Covered Employment. The amount of the Service Pension depends on your age and full years of Service Pension Credit as described in the following sections.

### Service Pension Credit

Service Pension Credit is based on the number of weeks in a calendar year in which you have at least one Hour of Service. If you have an Hour of Service in Covered Employment in a calendar week, you will earn Service Pension Credit based on the following table:

Determining Service Pension Credit in a Calendar Year	
Number of <b>weeks</b> with an Hour of Service in Covered Employment	Service Pension Credit ( <b>years</b> )
0 - 19	0.0000
20 - 39	Number of weeks divided by 40*
40 or more	1.0000

*\* For example, if you have 21 weeks with an Hour of Service in Covered Employment in a calendar year, you will earn 0.5250 years (21/40) of Service Pension Credit for the calendar year, not to exceed one year of Service Pension Credit in a Calendar Year.*

### 20-Year Service Pension

If you have a minimum of 20 years of Service Pension Credit at age 50 or older, you will be eligible to retire with a 20-Year Service Pension. The monthly benefit amount of the 20-Year Service Pension is shown in the following table for ages 50 and older:

Age When Benefits Begin	Monthly Benefit Amount
50 - 56	\$700 reduced 1/2% per month for each month prior to age 57
57	\$700
58	\$750
59	\$800
At least 60, but not 65	\$900
65 or older	\$1,100

In no event will your benefit be less than the actuarial equivalent of your Accrued Benefit at the date your benefit commences.



**25, 30, and 35 Year Service Pensions**

If your last day in Covered Employment is after **January 1, 2020** and you meet the age and service requirements illustrated in the following table, you are eligible for a 25, 30, or 35 Year Service Pension.

Age When Benefits Begin	Years of Service Pension Credit											
	Effective January 1, 2020											
	20 - 24	25	26	27	28	29	30	31	32	33	34	35 +
< 50	\$0	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
50	\$650	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
51	\$700	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
52	\$750	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
53	\$800	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
54	\$850	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
55	\$900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
56	\$950	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
57	\$1,000	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
58	\$1,050	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
59	\$1,100	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
60	\$1,150	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
61	\$1,200	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
62	\$1,300	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
63	\$1,400	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
64	\$1,500	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300
65 +	\$2,000	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200	\$4,300

*Example* – George terminates employment on February 29, 2020 and commences his retirement benefit on March 1, 2020 at age 56 with 35 years of Service Pension Credit. George will receive a monthly Service Pension of \$4,300.

**Partial Service Pension**

You may retire with a Partial Service Pension if you have at least 25 years of Combined Service Credit (refer to page 24). Your Partial Service Pension equals a pro-rata portion of the Service Pension you would have received if all of your Combined Service Credit had been earned in Covered Employment as Service Pension Credit.

The Partial Service Pension amount will equal:

- A) The applicable Service Pension amount (use years of Combined Service Credit instead of the actual years of Service Pension Credit to determine the applicable amount in the table on page 7) **times**
- B) A fraction, the numerator of which is your years of Service Pension Credit and the denominator of which is your full years of Combined Service Credit; neither numerator nor denominator may exceed 35 years and the fraction may not exceed 1.0.

*Example* - Eric retires on February 15, 2020. He has 25 years of Service Pension Credit, in the UPS/IBT Plan and 5 years of part-time service credit in the UPS Pension Plan which yields 30 years of Combined Service Credit.

Eric’s monthly UPS/IBT Plan benefit is based on a pro-rata portion of the 30-Year Service Pension (\$3,800 x 25/30) for a payment amount of \$3,166.00. Additionally, Eric will be entitled to a pro-rata portion of a service pension from the UPS Pension Plan.

Since Eric is a Grandfathered CSPF Participant and his CSPF benefit as of December 31, 2007 is \$2,324.00, the total benefit at age 65 and later will come from two sources:

CSPF Monthly Benefit*	UPS/IBT Plan Benefit	Total Benefit
\$2,324.00	\$842.00	\$3,166.00

*\*Refer to page 27 for more information about the offset for Grandfathered CSPF Participants.*

**Deferred Vested Benefit**

If you terminate employment from all UPS Related Companies prior to your Normal Retirement Date but after you have vested in your Accrued Benefit, you will be entitled to begin receiving your benefit no later than your Normal Retirement Date.

Additionally, you may begin receiving your Deferred Vested Benefit at any age. If you elect to have your Deferred Vested Benefit payments begin before your Normal Retirement Date, your Normal Retirement Benefit will be reduced 6% per year (1/2% per calendar month) for each full and partial year that your benefit payments precede your Normal Retirement Date.

If you have at least 20 years of Service Credit, then the reduction is applied from the first day of the month coinciding with, or next following, age 62 (not from your Normal Retirement Date).

If you elect to receive your Deferred Vested Benefit prior to your Normal Retirement Date, in no event will it be less than the actuarial equivalent of your Accrued Benefit payable at your benefit commencement date.

### **Other Plan Offsets**

If the same period of employment is recognized as Service Credit or Service Pension Credit both in the UPS/IBT Plan and in another retirement plan to which UPS has contributed on your behalf (except any UPS-sponsored 401(k) plan), your benefit from the UPS/IBT Plan will be reduced by the amount of any benefits you receive or are entitled to receive from the other retirement plan(s).

If you receive benefits from another plan at a different age or in a different form of payment than your benefit from the UPS/IBT Plan, the reduction will be based on the actuarial value of the other benefit, determined at the time you begin receiving benefits from the UPS/IBT Plan. The benefit reduction will be applied, even if you are not yet receiving benefits from the other retirement plan because:

- That plan has a later retirement date, or
- You have not elected to begin receiving benefits.

### **Postponed Retirement**

If you work for a UPS Related Company beyond your Normal Retirement Date, your Accrued Benefit will begin the first of the month following, or coinciding with, your termination of employment with all UPS Related Companies (known as postponed retirement), but no later than the first of April following the calendar year when you reach age 70 ½ (as described below in Minimum Required Distribution).

### **Minimum Required Distribution**

If you postpone your retirement by working for a UPS Related Company beyond 70 ½, your benefit will be paid while you are still working. You will begin receiving benefits no later than the first of April following the calendar year in which you reach age 70 ½. Your benefit will be calculated as if you had retired on December 31 of the calendar year in which you reach age 70 ½. Your benefit will be recalculated annually for as long as you continue working for a UPS Related Company. When you terminate employment with all UPS Related Companies, your benefit will be recalculated under the Plan, taking into consideration the Service Credit you've earned up to your actual retirement date.

### **Automatic Distribution**

If you terminate employment with all UPS Related Companies on or after June 1, 2014 and the present value of your vested UPS/IBT Plan benefit is \$5,000 or less, you will receive a lump sum distribution of your benefit as soon as administratively practicable. You will be provided notice from the Plan prior to payment of the automatic lump sum distribution. The notice will allow you to elect a cash distribution or designate an IRA of your choosing. If you fail to make a timely election, the Plan will process a direct rollover to a qualified individual retirement account (IRA) that will be set up on your behalf.

*Note: The UPS/IBT Plan will not make an automatic distribution if any portion of your benefit is to be paid by the CSPF.*

## **Suspension of Benefits**

### **Working beyond Normal Retirement Date**

If you continue to work for a UPS Related Company beyond your Normal Retirement Date, the Plan provides that the commencement of your benefit must be postponed until you actually terminate employment, and therefore, the benefit payment will be suspended. You will receive no benefit payments during the suspension period and no adjustments will be made to your future benefit to reflect that period of time that benefit payments were suspended (except for the Service Credit and Service Pension Credit you may earn during such period working for UPS in Covered Employment).

As you continue to work for UPS in Covered Employment, you will continue to accrue Service Credit and Service Pension Credit. When you terminate employment, your benefit will be calculated under the Plan terms in effect at that time, taking into consideration the service you've earned up to your actual termination date.

### **Rehired Employees**

If you leave employment with all UPS Related Companies with a vested benefit and are later rehired as an Eligible Employee, your participation will automatically resume, and your prior Service Credit and Service Pension Credit will continue to accrue. However, if you received a lump sum payment when you left, your prior service will be restored only if you repay that amount with interest within five years of your reemployment or, if earlier, the date you incur six consecutive Breaks in Service.

If you are retired and return to work before October 1, 2014 at any UPS Related Company, benefit payments may be suspended while you remain employed. If you complete at least 40 Hours of Service in any calendar month or in a four- or five-week period that ends in a calendar month, your benefits will be suspended for that month.

If you are retired and return to work on or after October 1, 2014 at any UPS Related Company, benefit payments will not be suspended while you remain employed.

If you leave employment with all UPS Related Companies before you are vested in your Plan benefit and are rehired, the service that you completed before the Break in Service will continue to accrue if the number of consecutive Breaks in Service is less than six. If the number of your consecutive Breaks in Service is six or more, your prior Vesting Credit, Service Credit, and Service Pension Credit will be disregarded.

When you subsequently terminate employment, your benefit will be recalculated to reflect any additional service accruals, as may be applicable.

*Note: If you return to work or continue to work at a UPS Related Company beyond age 70 ½, your benefit payments will not be suspended.*

## Payment Options

### Normal Payment Forms

The Plan's normal form of payment is a Qualified Joint and 50% Survivor Annuity if you are married. The normal form of benefit payment for a single participant is the Lifetime with Limited Surviving Spouse Option Annuity.

### Qualified Joint and 50% Survivor Annuity

The Qualified Joint and 50% Survivor Annuity pays an actuarially adjusted monthly benefit for your lifetime, and upon your death, pays your spouse continuing monthly benefits for his or her lifetime. The spouse's monthly survivor benefit equals 50% of the monthly benefit you were receiving.

If your spouse dies after your benefit payments begin, your payments will continue for your lifetime and no payments will be made after your death.

The Qualified Joint and 50% Survivor Annuity is approximately the same relative value as the Single Life Only Annuity, taking into account the longer period over which the Qualified Joint and 50% Survivor Annuity is expected to be paid.

If your spouse dies after your benefit payments begin, the Plan will adjust your prospective payments to the amount you would have received if you and your spouse had elected the Lifetime with Limited Surviving Spouse Option Annuity. No further payments will be made after your death.

### Lifetime with Limited Surviving Spouse Option Annuity

The Lifetime with Limited Surviving Spouse Option Annuity pays you a monthly benefit for your lifetime. Additionally, the Plan will pay a *limited survivor benefit* if you satisfy one of the criteria listed below:

- You have completed at least 20 years of Service Pension Credit
- You have completed at least 30 years of Combined Service Credit, or
- You are at least age 50 and have completed at least 20 years of Combined Service Credit.

If you are eligible for a *limited survivor benefit* as described above and you:

- Are **married** at the time of your death, and
- Have not received the equivalent of 60 payments,

your spouse will continue to receive monthly payments at the time of your death until a combined total of 60 payments have been made to you and your spouse. If you have already received a total of 60 payments, no payments will be made to your surviving spouse.

If you are eligible for a *limited survivor benefit* as described above and you:

- Are **not married** at the time of your death, and
- Have not received the equivalent of 60 payments, a \$1,000 death benefit is payable to your estate.

### **Spousal Consent**

If you are married and elect the Lifetime with Limited Surviving Spouse Option Annuity, your spouse must consent to your choice of payment form. Your spouse's consent must be in writing and witnessed by a notary public.

### **Joint and 75% Survivor Annuity**

The Joint and 75% Survivor Annuity pays you an actuarially adjusted monthly benefit for your lifetime, and upon your death, pays your spouse continuing monthly benefits for his or her lifetime. The Joint Annuitant's monthly survivor benefit equals 75% of the monthly benefit you were receiving.

The Joint and 75% Survivor Annuity is approximately the same relative value as the Lifetime with Limited Surviving Spouse Option Annuity for a single participant, taking into account the longer period over which the Joint and Survivor 75% Annuity is expected to be paid.

If your spouse dies after your benefit payments begin, the Plan will adjust your prospective payments to the amount you would have received if you and your spouse had elected the Lifetime with Limited Surviving Spouse Option Annuity. No further payments will be made after your death.

## Disability Benefit

If you have at least 10 years of Service Credit and become permanently and totally disabled prior to age 62 while actively engaged in Covered Employment (or within two calendar years after becoming an inactive participant), you may be eligible to receive a disability benefit from the Plan. You are considered totally and permanently disabled if you qualify for disability benefits under the Social Security Act.

You are not eligible for a monthly disability benefit from the Plan if you elect to receive a lump sum disability benefit from the UPS National LTD Plan.

The amount of the monthly disability benefit payable after your termination of employment from all UPS Related Companies is as follows:

Age at Disability	Monthly Amount
50 and younger	\$650
51	\$700
52	\$750
53	\$800
54	\$850
55	\$900
56	\$950
57 and older	\$1,000

Your disability benefit will begin as of the first day of the sixth calendar month after you become disabled. For example, if you become disabled in March, your benefit will begin on September 1.

If you have not reached your Normal Retirement Date and are eligible for both a retirement pension and a disability benefit, you must elect which benefit to receive. If you elect a disability benefit, you may make a one-time election to stop your disability benefit and begin an Early Retirement Benefit at any time prior to your Normal Retirement Date, by requesting an application and submitting your election. If you do not make such an election, the disability benefit will end at Normal Retirement Date and you must elect a benefit payment form at that time.

### Lump Sum Disability Benefit

If you first become permanently and totally disabled on or after age 45 while actively engaged in Covered Employment (or within two calendar years after leaving Covered Employment), you may be eligible to receive a lump sum disability benefit of \$3,000 if you:

- Have at least 10 Years of Service Credit, and
- Are not eligible for the monthly benefit described previously (or you elect not to receive the monthly disability benefit).

This benefit will be reduced by the amount of any lump sum disability benefits previously paid to you and will be payable on the first day of the sixth month after you become disabled. You must make a timely application to the Plan Administrator to receive a disability benefit, otherwise, you may forfeit the Lump Sum Disability Benefit.

If you are receiving or are eligible to receive a disability benefit and die prior to your Normal Retirement Date, your spouse, if any, will receive the survivor's portion of the Qualified Joint and 50% Survivor Annuity as described in the Pre-Retirement Survivor Benefit section below.

## **Pre-Retirement Survivor Benefit**

### **Qualified Pre-Retirement Joint and Survivor Annuity**

If you die after you become vested in your Plan benefit but before your benefit payments begin, your surviving spouse will become eligible to receive a monthly benefit from the Plan (called the Qualified Pre-Retirement Joint and Survivor Annuity). Your spouse will receive 50% of the benefit you would have been entitled to receive if you had retired and received your benefit as a Qualified Joint and 50% Survivor Annuity. Your spouse's benefit will be based on your Accrued Benefit as your date of death.

Payment of a surviving spouse's benefit will begin on the date that would have been your Normal Retirement Date. However, your surviving spouse has the option to receive payment of the benefit (subject to applicable early retirement factors) on the first day of the month following the date you would have first become eligible for retirement or, if later, the date of your death. Your surviving spouse must make an application to begin payments.

### **Death Benefit**

If you have at least 10 years of Service Credit and die while in Covered Employment (or within two calendar years after becoming inactive), but prior to your Normal Retirement Date, a lump sum death benefit of \$10,000 will be paid to your surviving spouse. If you have no spouse at the time of your death, the death benefit will be paid to your estate. This death benefit is payable in addition to the 50% Surviving Spouse Benefit described previously. This death benefit is not payable if:

- You are retired and receiving your pension benefit prior to your death, or
- You die after your Normal Retirement Date.



## **Additional Information**

To help ensure that you receive the benefits to which you are entitled, keep in mind some important facts about the way the UPS/IBT Plan works.

### **Applying for Plan Benefits**

You (or your surviving spouse, alternate payee, or other beneficiary in the event of your death) must apply for your retirement benefits before payments can begin. You should apply at least 60 days, but no earlier than 90 days, before the date you expect to retire. You will also be asked to provide a government-issued identification (e.g., driver's license or passport), marriage certificate or other requested documents, as applicable, to authenticate your claim.

Submit your Retirement Benefit Request Form to the Plan Administrator to begin the application process. The Retirement Benefit Request Form can be found on the last page of this SPD, UPSers.com or by sending an email to [retirement@ups.com](mailto:retirement@ups.com). Any request sent to [retirement@ups.com](mailto:retirement@ups.com) should include your name and employee ID in the subject line of the email.

### **Income Tax Withholding**

Benefits paid from the Plan are subject to federal income tax withholding and, where applicable, state income tax withholding.

The Plan is obligated to withhold federal and applicable state income tax from any benefits it pays unless you are eligible to elect not to have taxes withheld. Federal law prescribes the amount of tax to be withheld from your benefit payments. Information regarding tax withholdings is provided when you receive an application for benefits from the Plan. This notification will be provided in accordance applicable tax regulations.

Taxes will not be withheld if you receive an Automatic Distribution of your benefit that is paid as a direct rollover as described on page 9.

Because tax laws change from time to time, you should consider consulting with a professional tax advisor for current information to make a decision about your tax withholdings. The Plan cannot and does not guarantee specific tax treatment of any amount payable from the Plan.

### **Right to Correct Benefit Payments and Recover Overpayments**

If a benefit is paid by the Plan and it is later determined that the benefit should not be paid or that the benefit was overpaid (due to a mistake in benefit calculations or other errors), the Trustees will take action to correct the error and take necessary action to recover any overpayments, including deducting the amount from future benefit payments or taking legal action to recover overpayments. The timeframe during which the Plan may take action is unlimited.

However, if a mistake or other error results in underpayment of a benefit amount, the Plan will recalculate the benefit and pay the amount due as soon as administratively possible, using a method permitted under the IRS Employee Plans Compliance Resolution System (EPCRS), including any provision of interest which may be required.

### **Social Security**

The payment option that you elect upon retirement and the resulting Plan Benefit will not change once you elect to receive your Social Security benefits (Social Security benefits are not paid automatically and, in all cases, you must apply for them). To obtain more information about your Social Security benefits, contact your local Social Security office or visit their website at [www.ssa.gov](http://www.ssa.gov).

### **When Benefits Are Not Payable**

There are some occasions when benefits may not be payable from the Plan. These include circumstances when you:

- Leave all UPS Related Companies with less than five years of Vesting Credit
- Fail to make a timely, accurate and complete request for benefits
- Do not keep the Plan Administrator informed of your proper address and you cannot be contacted
- Have not met the requirements for a Normal Retirement Benefit, Service Pension or an Early Retirement Benefit, or
- Have benefits that exceed Internal Revenue Code limits.

### **Incapacity**

If the Plan Administrator receives properly executed legal documents indicating a physical or mental ailment which prevents you from handling your own financial affairs, your benefits may be paid to your legal guardian or representative.

### **Benefits Cannot Be Assigned**

Benefits payable by the Plan are for the sole use of Plan participants and their beneficiaries. No one has the right to transfer, withdraw or assign the benefits payable to any other individual(s). However, benefits may be paid according to a Qualified Domestic Relations Order.

### **Domestic Relations Order**

In divorce situations, a domestic relations order (DRO) or judgment from a state court may assign all or a portion of a participant's Plan benefits to a former spouse or dependent child (also known as an alternate payee). If such an order meets certain statutory and Plan requirements, that order will be approved by the Plan Administrator as a *qualified DRO* (QDRO).

To obtain a copy of the procedures for division of marital assets through a QDRO, and a copy of the Plan's sample QDRO language, contact the Plan Administrator at the address listed below. The sample language serves as a useful tool to facilitate approval of a DRO.

Board of Trustees  
UPS/IBT Full-Time Employee Pension Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328

### **Protection of Your Pension Plan Benefit**

During your employment with a UPS Related Company, you may participate in one or more qualified pension plans other than the UPS/IBT Plan. You should know that your benefit from the UPS/IBT Plan is protected even if you begin work in a classification or job status that is covered by another plan.

The Plan provides that you will receive Vesting Credit for your work as an employee of a UPS Related Company, even if you do not work in a job classification for which benefits are provided by the Plan. For example, if you participate in the Plan for three years and then you no longer work in a position covered by the Plan, you can still receive a benefit from the Plan (based on those three years), as long as you continue to work for a UPS Related Company in another capacity and accumulate Vesting Credit that totals at least five years.

## **Administrative Information**

### **Official Plan Name**

The Plan's legal name is the UPS/IBT Full-Time Employee Pension Plan.

### **Type of Plan**

The Plan is a defined benefit pension plan.

### **Plan Sponsor, EIN and Plan Number**

The Employer Identification Number of the Plan is 26-6150755. The Plan Number is 001.

### **Plan Trustees**

The Plan is jointly trusted by individuals appointed by UPS and by the International Brotherhood of Teamsters (IBT). One-half of the Trustees are appointed by UPS and one-half are appointed by the IBT. The Plan Trustees also serve as Plan Sponsor. You may contact the Trustees by writing:

Board of Trustees  
UPS/IBT Full-Time Employee Pension Plan  
55 Glenlake Parkway NE  
Atlanta, GA 30328

**Plan Funding**

All contributions are made by UPS. The contributions are actuarially determined. Contributions are made to a trust. These contributions are held by BNY Mellon pursuant to a custody agreement with the Board of Trustees.

**Plan Year**

The Plan's fiscal year is January 1 through December 31.

**Plan Administrator**

The Plan Administrator and agent for legal process is:

Board of Trustees  
UPS/IBT Full-Time Employee Pension Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328  
(800) 643-4442

The administration of the Plan will be under the supervision of the Plan Administrator.

The Plan Administrator will have the exclusive discretion to determine all matters relating to eligibility, coverage and benefits under the Plan.

The Plan Administrator will also have the exclusive discretion to determine all matters relating to interpretation and operation of the Plan. Decisions by the Plan Administrator, or any authorized delegate, will be conclusive and binding on all parties.

**Plan Participation**

Your participation in the Plan does not guarantee your continued employment with any UPS Related Company. If you quit, are discharged or laid off, the Plan does not give you a right to any benefit or interest in the Plan except as specifically provided in the Plan document.

**Certain Insured Benefits**

Your retirement benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay a portion of your pension benefits. Most people receive all of the pension benefits they would have received from their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- 1) Normal and early retirement benefits
- 2) Disability benefits if you become disabled before the Plan terminates and
- 3) Certain benefits for your survivors

The PBGC guarantee generally does not cover:

- 1) Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates
- 2) Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates
- 3) Benefits that are not vested because you have not worked long enough for the company
- 4) Benefits for which you have not met all of the requirements at the time the Plan terminates
- 5) Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's Normal Retirement Date  
and
- 6) Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website online at [www.pbgc.gov](http://www.pbgc.gov).

### **Plan Amendment and Termination**

UPS and the IBT expect and intend to continue the Plan indefinitely. But because future conditions can never be fully anticipated, UPS and the IBT reserve the right, through action of the Trustees and subject to collective bargaining, to amend or change Plan benefits or to terminate the Plan. In no event may any person discussing or describing the Plan, or its benefits, have the effect of amending or changing the Plan terms. For example, your manager cannot change the terms or amounts of your benefits even if they make a promise to you that is different than your actual entitlement from the Plan. A Plan change may transfer Plan assets and obligations to another plan or split the Plan into two or more parts.

If the Plan is amended or merged with another plan, your Accrued Benefit will be at least equal to what you had immediately before the amendment or merger.

In the unlikely event that the Plan is terminated or if there is a partial termination affecting you, you will immediately be 100% vested as of the Plan termination date subject to certain limitations. Benefits will then be paid according to law. No money in the Plan's trust fund can be returned to UPS unless UPS and the IBT agree, and only after all required benefits have been paid. The amount of your benefit will depend on Plan assets, the terms of the Plan, whether the Plan is 100% funded and the benefit guarantee of the PBGC.

### **Military Leaves of Absence**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provides certain provisions for employees on military duty. You may have additional protections under state laws. If you leave work temporarily for military duty and you are entitled to rights under USERRA, your absence will not be considered a Break in Service for the purposes of the Plan.

If you are reemployed by a UPS Related Company after your military duty and you are entitled to rights under USERRA, you are entitled to all seniority and other rights and benefits you would have received had you not been on leave.

### **Maximum Benefits**

Government regulations require the Plan to have maximum benefit limitations that apply to certain highly paid employees. For an employee who retires in 2014 at age 65, the limit on an annual Single Life Only Annuity payable from the Plan was \$210,000 or your average compensation for the period of consecutive calendar years (no more than three years) when you participated in the Plan and had the highest compensation.

## **Claims and Appeals**

The following claims appeals procedures apply to the Plan. As used in this section, “you” means the participant, the participant’s surviving spouse, any other beneficiary, or an alternate payee (as applicable).

### **Filing Initial Claims**

You must file the appropriate forms with the Plan Administrator to receive any benefits or to take any other action under the Plan. All forms required to take any action under the Plan may be obtained by writing to the Plan Administrator at the address on the following page.

You should file a written claim for benefits 60 to 90 days prior to the date you wish to receive your first payment. All claims must be filed within the 12-month period following the event (retirement, disability or death) and you must specify in writing the date as of which you would like your benefit payments to begin, known as your annuity start date. If you fail to apply within the 12-month period following the event, you are not eligible to receive payment for any full or partial month which precedes the date your benefit claim is received minus 12 months. If you wish to receive payments for any portion of the 12-month period preceding the date your benefit claim is received, you must state the annuity start date in your claim. If you fail to designate an earlier annuity start date, the Plan will set the annuity start date to the first of the month following the date your benefit claim is received, as applicable.

For example, if you are eligible to begin receiving a benefit on April 1, 2021, you may apply for the benefit as early as 90 days before April 1, 2021 or as late as March 31, 2022, provided you designate April 1, 2021 as your annuity start date. However, if your benefit claim is received in June 2022, you will be eligible to receive benefits beginning July 1, 2021, provided you designate July 1, 2021 as your annuity starting date.

### **Contact Information for Claims Filing and Appeals**

The contact information for filing a claim or appealing an adverse benefit determination is:

Board of Trustees  
UPS/IBT Full-Time Employee Pension Plan  
55 Glenlake Parkway, NE  
Atlanta, GA 30328  
retirement@ups.com

### **Claims for Benefits**

Within 90 days following receipt of a claim for benefits, the Executive Director\* (the “Initial Reviewer”) shall determine whether the claimant is entitled to benefits under the Plan, unless additional time is required for processing the claims.

- If additional time is required, the Initial Reviewer shall, within the initial 90-day period, notify the claimant that additional time is needed, explain the reason for the extension, and indicate when a decision on the claim will be made. This initial decision must be made within 180 days of the date the claim is filed.
- If prior to the end of the initial 30-day extension, the Initial Reviewer determines that, due to matters beyond the control of the Plan, a decision cannot be made within the extension period, the period may be further extended for up to an additional 30 days, provided that the Initial Reviewer notifies the claimant prior to the expiration of the first 30-day extension of the circumstances requiring the extension and the date as of which the Plan expects to make a decision.
- The claimant shall have 45 days within which to provide the specified information unless the Initial Reviewer gives a longer period in the notification of the extension.

\* Currently, defined in the Trust Agreement as UPS or its designated representative.

A denial by the Initial Reviewer of a claim for benefits shall be stated in writing and delivered or mailed to the claimant. The written notice shall set forth the specific reasons for the denial, written in a manner calculated to be understood by the claimant. The notice shall also include:

- Specific reference to the Plan provisions on which the denial is based and a description of any additional material or information necessary to perfect the claim
- An explanation of why this material or information is necessary

- The steps to be taken if the claimant wishes to submit his or her claim for review
- A description of the Plan's review procedures
- The time limits applicable to the review procedures  
and
- A statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination upon review.

The Trustees shall afford a reasonable opportunity to any claimant whose request for benefits has been denied for a review of the decision denying the claim. The review must be requested by written application to the Trustees within 60 days following receipt by the claimant of written notification of denial of his or her claim. Pursuant to this review, the claimant or his or her duly authorized representative may review any documents, records and other information which are pertinent to the denied claim and submit issues and comments in writing. A claimant may also submit documents, records and other information relating to his or her claim, without regard to whether such information was submitted in connection with his or her original benefit claim.

A decision on the claimant's appeal of the denial of benefits shall ordinarily be made by the Trustees at the next regularly scheduled meeting that immediately follows the receipt of the request for review.

- If the request for review is received within 30 days of such meeting date, the review will occur at the second regularly scheduled meeting following the Plan's receipt of the request for review.
- If an extension of time is required because of special circumstances, the Trustees will provide the claimant with written notice of the extension describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension.
- A benefit determination will be made no later than the third regularly scheduled meeting of the Trustees following the Plan's receipt of the request for review.

The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, specific reference to the Plan provisions on which the decision is based, and a statement that the claimant or his or her authorized personal representative may review any documents and records relevant to the claim determination, a statement describing further voluntary appeals procedures, if any, and a statement of the claimant's right to bring civil action under ERISA Section 502(a).

It is a condition precedent to any civil action by a claimant or other individual to recover benefits covered or payable in accordance with this Plan and/or to clarify any individual's rights to past, present or future benefits covered or payable in accordance with this Plan, including civil action pursuant to Section 502 of the Employee Retirement Income Security Act of 1974, as amended, that the claimant or other individual files a benefit claim and initiates and actively pursues appellate review of any adverse benefit



determination upon any claim, and secures all related benefit determinations by the Plan, in accordance with these claims procedures, prior to the commencement of any civil action.

## **ERISA Rights**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) as amended. ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a copy of the Plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with a copy of this annual funding notice.
- Obtain a statement telling you whether you have a right to receive a pension at your Normal Retirement Date and if so, what your benefits would be at Normal Retirement Date if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you must work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court after you have

exhausted the Plan's claims and appeals procedures. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials are not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court, but only after you have exhausted the Plan's claims and appeals procedures. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court, provided you have exhausted all appeals under the Plan.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court after you have exhausted the Plan's claims and appeals procedures. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Other Defined Terms**

### **Break in Service**

Generally, you will have a one-year Break in Service in any calendar year in which you are credited with less than 501 Hours of Service.

If you are not fully vested in your Accrued Benefit and have six or more consecutive, one-year Breaks in Service, your years of Vesting Credit, Service Credit and Service Pension Credit before your Break in Service will not be counted.

### **Combined Service Credit**

Combined Service Credit is used to determine your eligibility for a Partial Service Pension. Combined Service Credit includes:

- Service Pension Credit as defined on page 6

- Years of “service credit” attributable to part-time service accrued as a “participant” of the UPS Pension Plan, as defined by the UPS Pension Plan
- Years of “benefit service” attributable to service accrued as a “participant” of the UPS Retirement Plan, as defined by the UPS Retirement Plan
- Multiemployer plan contributory service which is based solely on contributions made by a UPS Related Company on your behalf

You will not earn more than one year of Combined Service Credit during a calendar year. Additionally, a Grandfathered CSPF Participant will not earn Combined Service Credit for any “non-contributory service credit” (as defined in the CSPF) recognized by the CSPF accumulated prior to January 1, 2008.

### **Covered Employment**

Covered Employment is employment by UPS on or after January 1, 2008 in a category of work which is designated under the CBA as eligible for Plan benefits described in this SPD.

For a Grandfathered CSPF Participant, Covered Employment also includes employment with UPS or another employer (not UPS) before January 1, 2008 for which that employer agreed to provide benefits from the CSPF.

### **Hour of Service**

An Hour of Service is each hour for which you’re paid, or entitled to be paid, for the performance of your job duties with a UPS Related Company. It also includes hours for which you’re paid or entitled to be paid for:

- Vacations and holidays
- Illness
- Incapacity (including disability)
- Layoff
- Jury duty
- Military duty, or
- An authorized leave of absence

Except for military service, workers’ compensation and certain disabilities, you will receive a maximum of 501 Hours of Service for any single continuous period during which you are paid, or entitled to be paid, but perform no job duties for UPS or a UPS Related Company. You may receive up to 1801 Hours of Service (and up to 40 weeks of Service Pension Credit) for any single period of workers’ compensation leave, and up to 190 Hours of Service (and up to 4 weeks of Service Pension Credit) for any single period of disability leave.

Only Hours of Service in Covered Employment count toward your Service Credit and Service Pension Credit. All Hours of Service with UPS or a UPS Related Company count toward your Plan participation and Vesting Service.

**Normal Retirement Date**

Your Normal Retirement Date is the first day of the month on, or next following, the later of the date you reach age 65 and the date you have completed five years of Vesting Credit. Alternatively, the fifth anniversary of your participation in this Plan or the CSPF, if earlier, will be used to determine your Normal Retirement Date, instead of years of Vesting Credit.

**UPS Related Company**

A UPS Related Company, generally, is United Parcel Service, Inc. (a Delaware corporation) and any entity at least 80% owned (directly or indirectly) by United Parcel Service, Inc. (a Delaware corporation).

**Grandfathered CSPF Participants**

The following information complements the main section of this SPD and provides additional details regarding Grandfathered CSPF Participants. A Grandfathered CSPF Participant is an individual:

- Who was a participant in the CSPF immediately before January 1, 2008 and
- On whose behalf UPS is the last employer to make contributions to the CSPF prior to January 1, 2008.

However, any participant who is a CSPF pensioner as of January 1, 2008 does not qualify as a Grandfathered CSPF Participant.

**CSPF**

The contact information for CSPF is listed as follows:

Central States, Southeast and Southwest Areas Pension Fund  
P.O. Box 5109  
Des Plaines, IL 60017-5109  
[www.centralstates.org](http://www.centralstates.org)

**When You Become a Participant**

If you are a Grandfathered CSPF Participant, your participation in the UPS/IBT Plan began on January 1, 2008.

**Vesting Credit**

In addition to the Vesting Credit described on page 1, a Grandfathered CSPF Participant's Vesting Credit includes each vesting service year completed in the CSPF before 2008 that has not been disregarded as a result of a break in service (as defined in the CSPF), and as reported to the UPS/IBT Plan by the CSPF.

### **When You Vest**

If you are a Grandfathered CSPF Participant, you are vested when you reach age 65 while employed by a UPS Related Company or when you complete five years of Vesting Credit, whichever is earlier.

### **Service Credit and Service Pension Credit**

In addition to Service Credit and Service Pension Credit accrued after 2007, a Grandfathered CSPF Participant's Service Credit and Service Pension Credit includes each year of contributory service credit completed before January 1, 2008 that has not been disregarded because of a break in service (as defined and reported by the CSPF).

### **CSPF Offset**

If you are a Grandfathered CSPF Participant, the benefit payable by the UPS/IBT Plan will be reduced by your CSPF benefit. The CSPF Offset is the single life annuity benefit amount you receive, or are entitled to receive, from the CSPF as of your Normal Retirement Date, as reported by the CSPF. This offset will begin on:

- a) The earliest date you receive or are entitled to receive a benefit by the CSPF, or
- b) The later of your Normal Retirement Date or postponed retirement date.

*Note: If your retirement benefit commences prior to your Normal Retirement Date, the entire benefit will be paid by the UPS/IBT Plan until your Normal Retirement Date. Upon reaching your Normal Retirement Date, the UPS/IBT Plan will apply the CSPF Offset; the CSPF will then pay the portion of the benefit associated with the CSPF Offset.*

The benefit calculation examples found in previous sections of this SPD are based on the profile of a Grandfathered CSPF Participant.

### **20-Year Service Pension**

In addition to the information provided on page 6 for the 20-Year Service Pension, non-contributory service credit (as reported by the CSPF) will be included for purposes of satisfying the eligibility requirements of the 20-Year Service Pension for a Grandfathered CSPF Participant. Therefore, a Grandfathered CSPF Participant will be eligible to retire with a 20-Year Service Pension if either of the following requirements are met:

- Age 50 or older with at least of 20 combined years of Service Pension Credit and non-contributory service credit, or
- Any age with at least 30 combined years of Service Pension Credit and non-contributory service credit.

Non-contributory service credit reported by the CSPF is as of December 31, 2007 and will not include any non-contributory time after 2007. Furthermore, non-contributory service credit **will not** be used to satisfy the eligibility requirements for any other Service Pensions or Partial Service Pensions.

### **Alternative Service Pension**

A Grandfathered CSPF Participant who has an Hour of Service in Covered Employment after 2007 is eligible for an Alternative Service Pension calculation if the individual:

- Had 30 or more years of contributory service credit in the CSPF as of January 1, 2004, or
- Was age 55 or older and had 25 or more years of contributory service credit in the CSPF as of January 1, 2004.

The Alternative Service Pension equals:

- The contributory credit pension as of December 31, 2003, as reported by the CSPF  
**plus**
- The contribution-based pension earned between January 1, 2004 and December 31, 2007, as reported by the CSPF  
**plus**
- The benefit earned in the UPS/IBT Plan after 2007 using \$132 as the monthly benefit accrual rate.

If you begin your Alternative Service Pension before your 62<sup>nd</sup> birthday, the benefit attributable to service after 2003 will be reduced for early commencement. As previously explained on page 7, the Plan will evaluate each of the eligible pension types, and the benefit amount will be based on the pension type that produces the largest monthly amount at the benefit start date. All pension types are subject to the CSPF Offset.

### **Grandfathered CSPF Participant without an Hour of Service After 2007**

A Grandfathered CSPF Participant who does not complete an Hour of Service in Covered Employment after 2007 will not qualify for any type of Service Pension or Partial Service Pension from the UPS/IBT Plan.

### **Grandfathered CSPF Participant – Minimum Benefit**

The benefit payable from the UPS/IBT Plan to a Grandfathered CSPF Participant as of any date before Normal Retirement Date shall not be less than the benefit that would have been payable by the CSPF determined as if a break in service was incurred immediately before January 1, 2008, and there had been no transfer of liabilities from the CSPF to the UPS/IBT Plan, all as defined by the CSPF and reported to the UPS/IBT Plan.

### **Grandfathered CSPF Participant – Rehired Retiree**

If a Grandfathered CSPF Participant retires and is later rehired, any portion of the benefit payable by the CSPF may be suspended if the period of employment includes time after the Normal Retirement Date.

## **Local 901 Participant**

The following information complements the main section of this SPD and provides additional details regarding Local 901 Participants. A Local 901 Participant is an individual who was a participant of the UPS Pension Plan immediately before January 1, 2008 based on full-time UPS employment while represented by IBT Local 901.

Part-time employment while represented by Local 901 is not included when determining the classification of a Local 901 Participant.

### **When You Become a Participant**

If you are a Local 901 Participant, your participation in the UPS/IBT Plan began on the later of January 1, 2008 or your first day in Covered Employment.

### **Vesting Credit**

In addition to the Vesting Credit earned after December 2007, a Local 901 Participant's Vesting Credit includes vesting service completed prior to 2008 that has not been disregarded as a result of a break in service (as defined in the UPS Pension Plan).

### **Service Credit and Service Pension Credit**

In addition to Service Credit and Service Pension Credit accrued after 2007, a Local 901 Participant's Service Credit and Service Pension Credit also includes each year of service completed before January 1, 2008 that has not been disregarded due to a break in service (as defined and reported by the UPS Pension Plan).

### **UPS Pension Plan Offset**

Your benefit payable from the UPS/IBT Plan will be reduced by the amount of any benefit you receive or are entitled to receive from the UPS Pension Plan based on your full-time UPS employment while represented by IBT Local 901.

**Local 901 Participant – Normal Retirement Benefit**

*Example* – Carlos terminates employment on June 30, 2020. The Service Credit profile and his monthly benefit calculation as of the Normal Retirement Date are as follows:

Source	Time Period	Hours of Service	Service Credit (years)	Accrued Benefit
UPS Pension Plan	as of 12/31/2007	as reported by UPS Pension Plan	13.00000	\$996.71
UPS/IBT Plan	2008 - 2018	1,801 or more per year for 11 calendar years	11.00000	\$1,730.00
UPS/IBT Plan	2019	1,801	1.00000	\$175.00
UPS/IBT Plan	6/30/2020	800	0.41667	<u>\$72.91</u>
				\$247.91
Summary of Benefits				
UPS Pension Plan				\$996.71
UPS/IBT Plan (\$1,730.00 + 247.91)				<u>\$1,977.91</u>
Total Monthly Retirement Benefit at Normal Retirement Date				\$2,974.62

Carlos' total monthly benefit beginning at Normal Retirement Date, will come from two sources:

UPS/IBT Plan	UPS Pension Plan	Total Benefit
\$1,977.91	\$996.71	\$2,974.62

If Carlos had received his benefit prior to his Normal Retirement Date, his benefit would be adjusted to reflect the applicable early retirement factors, as described in the table on page 4, and any offset related to benefits payable by the UPS Pension Plan as of the benefit start date. Likewise, if Carlos had qualified for a Service Pension from the UPS/IBT Plan, his Service Pension would be adjusted to reflect any offset related to benefits payable by the UPS Pension Plan as of the benefit start date.



## **Local 243 Participant**

The following information complements the main section of this SPD and provides additional details regarding a Local 243 Participant. A Local 243 Participant is an individual who was a participant of the UPS Pension Plan immediately prior to August 1, 2009 based on full-time clerical employment with UPS while represented by IBT Local 243.

### **When You Become a Participant**

If you are a Local 243 Participant, your participation in the UPS/IBT Plan began on August 1, 2009.

### **Vesting Credit**

In addition to the Vesting Credit earned after July 2009, a Local 243 Participant's Vesting Credit includes vesting service completed before August 2009 that has not been disregarded as a result of a break in service (as defined by the UPS Pension Plan).

### **Service Credit and Service Pension Credit**

In addition to Service Credit and Service Pension Credit after July 2009, a Local 243 Participant's Service Credit and Service Pension Credit also includes each year of service completed before August 2009 that has not been disregarded due to a break in service (as defined and reported by the UPS Pension Plan).

### **Local 243 Offset**

Your benefit payable from the UPS/IBT Plan will be reduced by the amount of any benefit you receive, or are entitled to receive from the UPS Pension Plan based on your full-time UPS employment while represented by IBT Local 243.

**Local 243 Participant – Normal Retirement Benefit**

*Example* – Betty terminates employment on September 30, 2020. Her monthly benefit calculation as of the Normal Retirement Date is as follows:

Source	Time Period	Hours of Service	Service Credit (years)	Accrued Benefit
UPS Pension Plan	as of 7/31/2009	as reported by UPS Pension Plan	10.00000	\$1,200.00
UPS/IBT Plan	2009 - 2018	1,801/year	10.0000	\$1,527.00
UPS/IBT Plan	2019	1,801	1.00000	\$175.00
UPS/IBT Plan	9/30/2020	800	0.41667	<u>\$72.91</u>
				\$247.91
Summary of Benefits				
UPS Pension Plan				\$1,200.00
UPS/IBT Plan (\$1,527.00 + \$247.91)				\$1,774.91

Betty’s total monthly benefit beginning at Normal Retirement Date is payable from two plans:

UPS/IBT Plan	UPS Pension Plan	Total Benefit
\$1,774.91	\$1,200.00	\$2,974.91

If Betty had received her benefit prior to her Normal Retirement Date, the benefit would be adjusted to reflect the applicable early retirement factors, as described in the table on page 4. Likewise, if Betty had qualified for a Service Pension from the UPS/IBT Plan, her Service Pension would be adjusted to reflect any offset related to benefits payable by the UPS Pension Plan as of the benefit start date.

# Retirement Benefit Request Form

Complete all sections of the form and send to UPS Retirement Dept., 55 Glenlake Parkway, Atlanta, GA 30328 or [retirement@ups.com](mailto:retirement@ups.com).  
Incomplete forms will be returned to you and may result in delay or forfeiture of benefit payments.

**Request Type (select one):**      **Benefit Estimate**       **Retirement Application**

**Employee ID:** \_\_\_\_\_ **SSN:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Street:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Birthdate:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Employment Termination Date:** \_\_\_\_\_ **\* Benefit Start Date:** \_\_\_\_\_ / 01 / \_\_\_\_\_  
(last day of employment, inclusive of scheduled vacation and/or discretionary time)      (month-MM)      (year-YYYY)  
(date you wish payments to begin\*)

**Marital Status:** \_\_\_\_\_

## SPOUSAL/BENEFICIARY INFORMATION (married participants must provide spousal information in this section)

**SSN:** \_\_\_\_\_ **Birthdate:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Street:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Relationship to Participant:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**\*\*As a married participant, I wish to name someone other than my spouse as my Joint Annuitant (listed below).**

**SSN:** \_\_\_\_\_ **Birthdate:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Street:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Relationship to Participant:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

\*Application requests should be made 60 to 90 days prior to the date you wish retirement payments to begin. Generally, payments start the first of the month following the latter of your termination date or your requested Benefits Start Date. Refer to your plan's summary plan description for additional information.

\*\*Non-spousal Joint Annuitants are subject to certain age restrictions and require consent from the spouse if you are married. Refer to the summary plan description for additional information.

