



Understanding the Plan's fees

All plans carry a fee or combination of fees, which may include investment management, custody, administrative and recordkeeping fees. The following information will give you a more complete understanding of how Teamster-UPS National 401(k) Tax Deferred Savings Plan fees impact your individual account.

Investment management fees

Each investment option offered in the Plan is managed by investment professionals who buy and sell securities and oversee the fund's portfolio of investments. The cost of this service is covered by investment management fees, which are accrued daily and charged against your return in each fund you are invested in. The fees are calculated using a basis point system (bps). A basis point is 1/100th of a percent or .01%, so 100 basis points equal 1 percentage point. To calculate the fees you pay for each fund you are invested in, multiply the amount you have invested in each fund by the fund's investment basis point rate. For example, \$10,000 invested in a fund with an investment management fee of 10 basis points would translate into a \$10 annualized fee (\$10,000 x .001 = \$10). Many factors contribute to the amount a fund manager charges to invest in a particular fund, but generally, the more complex a fund is to manage, the higher the investment management fee.

Category	Investment	Investment fee	Custody fee	Annual fee per \$10k invested
Money Market	Government Short-Term Investment Fund*	6.00 bps	0.28 bps	\$6.28
Stable Value	Stable Value Fund**	4.15 bps	0.28 bps	\$4.43
U.S. Fixed Income	Bond Market Index Fund	4.00 bps	0.28 bps	\$4.28
U.S. Balanced	Balanced Fund	8.00 bps	0.28 bps	\$8.28
Target Date	Bright Horizon Retirement Income Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2010 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2015 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2020 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2025 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2030 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2035 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2040 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2045 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2050 Fund	10.00 bps	0.28 bps	\$10.28
Target Date	Bright Horizon 2055 Fund	10.00 bps	0.28 bps	\$10.28
U.S. Large Cap	S&P 500 Equity Index Fund	1.00 bps	0.28 bps	\$1.28
U.S. Mid Cap	S&P 400 MidCap Index Fund	2.00 bps	0.28 bps	\$2.28
U.S. Small Cap	Russell 2000 Index Fund	4.00 bps	0.28 bps	\$4.28
International	International Index Fund***	6.00 bps	0.28 bps	\$6.28
Specialty — U.S. Real Estate	REIT Index Fund	10.00 bps	0.28 bps	\$10.28
Self-Directed Brokerage	Self-Managed Account	See SMA section at www.teamsterups401kplan.com for fee schedule		

* An investment in the Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment, it is possible to lose money by investing in the Fund.

** Money cannot be transferred directly from the Stable Value Fund to the Government Short-Term Investment Fund or the Self-Managed Account.

*** The Plan will assess a 2% short-term trading fee for money transferred out of the International Index Fund and/or paid out as a distribution within 30 days of investment in the Fund.

The Bright Horizon Funds are a series of pre-mixed funds and are tied to different maturity dates, as indicated by each fund's name. The target date is the approximate date when investors plan to start withdrawing their money; the principal value of the fund(s) is not guaranteed at any time, including at the target date. The asset allocation of target date funds will become more conservative as the target date approaches by lessening equity exposure and increasing exposure in fixed-income type investments.



Custody fees

Custody fees cover Plan accounting and cash transfer expenses such as the cost of recording your investment selections and changes you may make to your selections thereafter. Like investment management fees, they are calculated using the basis point system, are accrued daily and are automatically deducted from fund returns.

Self-Managed Account fees

There is no annual or other ongoing fee for a Self-Managed Account (SMA). Depending on the specific activity within your account, you may incur trading fees, which are deducted from your account at the time such activities take place. See the SMA section at www.teamsterups401kplan.com for a fee schedule.

Administrative fees

Administrative fees cover the cost of providing services through the Plan website, toll-free Information Line and Participant Service Representatives, as well as communications and other Plan-related expenses. These fees also cover the costs of audits, legal and consultant services and fiduciary liability insurance.

Administrative fees also cover costs that are associated with specific features of the Plan (such as hardship loans and withdrawals). These fees are paid by the participants who make use of those features. (See table at right for details.)

Type of fee	Fee
Prudential administrative fee	\$23.50 annually
Other administrative fees	There will be reasonable administrative expenses for the Plan. You will also see these on your quarterly account statement. This fee has been reduced from \$0.40/month to \$0.20/month. This lower fee will be maintained as long as administratively feasible.
Hardship loans	\$75 processing fee \$25 annual maintenance fee
Hardship withdrawals	\$10 processing fee
In-service withdrawals	\$10 processing fee per withdrawal
Distributions	\$10 processing fee for each distribution
Systematic withdrawals	\$5 set up fee

Recordkeeping fees

UPS pays the recordkeeping fees associated with maintaining your individual account, such as recording and tracking your contribution amounts and investment activity.

For more information

Go to www.teamsterups401kplan.com for more information on the Teamster-UPS National 401(k) Tax Deferred Savings Plan or to access your account. You may also call **1-800-537-0189**. Participant Service Representatives are available Monday through Friday between 8 a.m. and 9 p.m. ET.

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. For an example of the long-term effect of fees and expenses, visit the Department of Labor's web site at http://www.dol.gov/ebsa/publications/401k_employee.html. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.



All investing involves various risks, such as fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal.

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