



UPS National Health Plan for Part-Time Employees

Supplemental Coverage Schedule 103

Summary of Material Modifications

UPS Health and Welfare Package Select – Schedule 101
UPS Health and Welfare Package Select – Hawaii – Schedule 102
UPS National Health Plan for Part-time Employees – Schedule 103
UPS Health and Welfare Package – Schedule 104



This notice details plan improvements, changes, clarifications and required notifications effective January 1, 2020, unless otherwise noted below. You should keep this with your Summary Plan Description (SPD) for reference. The terms of the plan are not changing and remain in full force and effect, except as specifically described in this summary.

Eligibility Claims

The following provides a change to existing Plan language regarding the address to which eligibility claims are submitted. All other provisions remain unchanged.

Eligibility Claims

Claim and Appeals Management
P.O. Box 7105
Rantoul, IL 61866-7105

Adoption Assistance

The following provides a change to existing Plan language which removes the exclusion for adoptions where the (1) adopting parent is the domestic partner of the parent of the child being adopted; (2) adopting parent is related to (by blood or marriage) to the child being adopted. For more information on Adoption Assistance, please refer to the Summary Plan Description.

HIPAA Privacy Notice

Your group health plan maintains a Notice of Privacy Practices that describes how the plan, and those that administer the plan, can and will use your protected health information (PHI). You received a copy of the notice when you first enrolled in the plan. You can request a copy of the notice by calling the UPS Benefits Service Center at 1-833-277-8054.

This notice is intended to fulfill UPS's legal obligation to notify employees of material changes. This notice formally amends the coverage available under the noted plans.

Summary of Material Modifications

UPS Health and Welfare Package Select – Schedule 101
UPS Health and Welfare Package Select – Hawaii – Schedule 102
UPS National Health Plan for Part-time Employees – Schedule 103
UPS Health and Welfare Package – Schedule 104
UPS Health Program Network – Schedule 105
November 2017



This notice details plan improvements, changes, clarifications and required notifications effective January 1, 2018, unless otherwise noted below. You should keep this with your Summary Plan Description (SPD) for reference. The terms of the plan are not changing and remain in full force and effect, except as specifically described in this summary.

Solutions - Your EAP and Work/Life Benefits

Effective January 1, 2018, Aetna's Resources For Living® (RFL) will replace Beacon Health Options as the Employee Assistance Program's administrator. You may contact RFL by calling 1-877-374-2779, or you can visit www.resourcesforliving.com. Username enter UPS and Password enter RFL.

Supplemental Life Insurance

The following is a change that is being made to your Supplemental Life Insurance coverage under the Supplemental Life Insurance and AD&D Plan. All other provisions of the Supplemental Life Insurance and AD&D Plan remain unchanged.

Supplemental Life Insurance and AD&D

Effective January 1, 2018, Securian Life Insurance ("Securian") will replace The Prudential Insurance Company of America as the new supplemental life insurance and AD&D benefits administrator and insurer for the UPS Plan. All benefits insured by Securian will be provided in accordance with insurance documents issued by Securian. Your benefits are not changing. If you have questions about your supplemental life and AD&D coverage, you should call the UPS Benefits Service Center at 1-800-UPS-1508.

HIPPA Privacy Notice

Your Plan maintains a Notice of Privacy Practices that describes how the group plan, and those that administer the plan, can and will use your protected health information (PHI). You received a copy of the notice when you first became eligible. The notice is also posted on UPSers.com. If you do not have access to UPSers.com, call the UPS Benefits Service Center at 1-800-UPS-1508 to request a copy of the notice.

This notice is intended to fulfill UPS's legal obligation to notify employees of material changes. This notice formally amends the coverage available under the noted plans.

Overview of the Plan

UPS has established the UPS National Health Plan for Part-Time Employees for the benefit of certain eligible employees subject to a collective bargaining agreement. This Supplemental Coverage Schedule 103 (the “Plan”) describes the supplemental health and welfare benefits provided by UPS under the Plan to certain employees subject to a collective bargaining agreement. Health coverage is provided by the union plan to which UPS makes contributions according to the applicable collective bargaining agreement.

This Schedule is the Summary Plan Description (“SPD”) for the Plan. It not only describes your benefits, but this SPD, along with any other documents specifically incorporated into it by reference, constitutes the official plan document of the Plan. The Plan is governed by the terms of the official plan documents and may not be modified by oral representations.

The Plan provides the following company-provided benefits at no cost to the employee (“Company-Provided Benefits”):

- Employee Assistance Program (EAP)
- Adoption Assistance Program
- Tobacco Cessation Program

The following benefits are available only if elected and paid for by employees (“Employee Elected Benefits”):

- Legal plan (as long as a legal plan is not already provided through union contributions)
- Supplemental term life insurance
- Supplemental accidental death and dismemberment (AD&D) insurance

Employee Elected Benefits are fully insured by an insurance carrier pursuant to an “Insurance Contract.” For purposes of this SPD, the Insurance Contract includes the insurance policy, application, riders, amendments, and any certificate of insurance issued by the insurer.

The benefits provided by the EAP are described in separate documentation.

Collectively, the Insurance Contracts and the EAP documentation are incorporated into and made a part of this SPD. Although incorporated into this SPD, if there is any conflict between the Insurance Contracts, the EAP documentation and this SPD, the Insurance contracts and/or EAP documentation (as applicable) control.

If you have questions about the Plan, or you would like to obtain a copy of this SPD or any of the documents incorporated into it (for example, the Certificate of Insurance), contact the Plan Administrator identified at the end of this SPD.

If you have any questions about the benefits described in this SPD, contact the UPS Benefits Service Center at 1-800-UPS-1508.

Eligibility

Eligible Employee

You are eligible for the benefits described in this SPD if:

- You are a union employee of UPS receiving medical benefits through a multi-employer health and welfare trust, and
- The benefits described in this SPD are required to be provided to you pursuant to the collectively bargained agreement

Eligible Dependents

Except as otherwise specifically indicated in this SPD, your dependents are eligible for coverage under this Plan if the dependent is:

- Your legal spouse (including a same-sex spouse recognized by the IRS as your spouse)
- An unmarried child who is:
 - A natural child, an adopted child (or a child placed for adoption), a stepchild living with you at least half of the time; a stepchild who is a full-time student away from home, provided that the stepchild lived with you at least one half of the time in the year immediately prior to the year the stepchild became a full-time student away from home; or a child living with you for whom you are a court-appointed legal guardian or custodian and
 - Under age 26. (*Note:* For Tobacco Cessation Program, the dependent must be at least age 18.)

Same-Sex Domestic Partners or Civil Union Partners

UPS is pleased to offer eligible employees the opportunity to cover their same-sex domestic and civil union partners and eligible dependent children of their same-sex civil union partners. To cover your same-sex domestic or civil union partner, contact the UPS Benefits Service Center at 1-800-UPS-1508.

When Spouses or Children are UPSers

If you and your spouse or child both work for UPS and are both eligible for a UPS-administered plan, the following conditions apply:

- Each of you can be covered only once; you may not be covered as both an employee and a spouse or child of an employee. You may select coverage for your spouse or child as your dependent and your spouse or child may select no coverage. Your spouse or child should then be listed on your enrollment form as a dependent whom you want to cover.
- You and your spouse or child may each select employee life insurance as an employee.* Only one spouse may select life insurance coverage for your eligible children.

** If your spouse or child is eligible as an employee for supplemental life insurance through this Plan or another UPS-administered plan, you are not eligible to cover your spouse or child for supplemental life insurance through this Plan. Your spouse or child must elect employee supplemental life insurance through her or his own employee plan.*

QMCSO Requirements

The EAP and Tobacco Cessation Program may be required to comply with the terms of a Qualified Medical Child Support Order (QMCSO) to the extent that a QMCSO does not require the Plan to provide coverage it does not otherwise provide.

If you wish to submit a medical child support order, or you wish to request a copy of the Plan's policies and procedures for determining whether such order is "qualified" in accordance with ERISA, the address has been changed to the following:

UPS Benefits Service Center
Attention: Qualified Order Team
PO Box 1542
Lincolnshire, IL 60069-1542

When Coverage Begins

Coverage for the EAP and Tobacco Cessation Program begins on your 91st day of employment. Other benefits begin 12 months from your date of hire. If you must enroll a dependent, coverage begins on the date your coverage begins or, if later, the day you enroll your dependent.

If you or your dependent is ill or injured and confined to a home, in a hospital or in another facility, coverage for the Employee Elected Benefits may be delayed. Refer to the Certificate of Insurance provided by the insurer for more information.

The coverage effective date for supplemental life insurance and supplemental AD&D may differ. See the Supplemental Life Insurance and Supplemental AD&D section of this SPD for more details.

Enrolling in the Plan

You do not need to enroll in the Company-Provided Benefits—you and your eligible dependents are automatically enrolled. You must enroll in the Employee Elected Benefits. You can enroll for supplemental life insurance and supplemental AD&D benefits at any time after gaining initial eligibility by calling the UPS Benefits Service Center at 1-800-UPS-1508. You must elect coverage in the legal plan once a year during an annual enrollment period, as indicated in the enrollment materials you receive.

Proof of Dependent Status

The Plan Administrator may periodically request proof of dependent status. In addition, you may be required to provide certain information deemed necessary by the Plan Administrator as a condition of eligibility for you and/or your dependents. For example, you must provide a Social Security number (SSN) to the UPS Benefits Service Center for each dependent you wish to enroll in the Plan to satisfy federal reporting requirements and to enable UPS to monitor eligibility.

If you fail to provide the requested information or proof, coverage may be terminated or delayed for you and/or your dependents, and you may be required to reimburse the Plan for any expenses for which benefits were paid on behalf of an otherwise ineligible dependent. See the *Right of Recovery Provision* section of this booklet for more information on the Plan's right to reimbursement.

Changes in Coverage

Changes in coverage can be made to the legal plan once per year during an annual enrollment period. You will receive notification of the annual enrollment period each year. You can make changes to supplemental life and supplemental AD&D benefits at any time by contacting the UPS Benefits Service Center at 1-800-UPS-1508.

Life Events

If your employment status with UPS changes, that may affect benefits under the Plan for you and your eligible dependents. For the following life events, here's how your benefits are affected.

If You Fail to Maintain Eligibility

After meeting the Plan's initial eligibility provisions you must receive earnings at least one day during the current calendar month to maintain eligibility for that calendar month. This includes any time recorded during the month including earnings from work time, sick time or vacation time. Exceptions to this condition are approved leaves of absence or layoff, which have specific benefit extension provisions (detailed later in this section).

If You Leave UPS or Retire

If you leave UPS before taking early or normal retirement, coverage for you and your eligible dependents ends on the last day of the month in which you become ineligible. See the *Supplemental Life Insurance and Supplemental AD&D* section of this booklet for more details about continuing life insurance coverage.

If You Are Laid Off

If you are laid off (and are recorded as such in the UPS eligibility system), your benefits will be continued until the last day of the month following the month in which your layoff begins, provided you pay your share of any applicable cost.

If You Take an Approved Leave of Absence

FMLA

If you're on an approved leave of absence as provided by the Family and Medical Leave Act of 1993 (FMLA) or company policy, the EAP and Tobacco Cessation Program will continue during your leave. You'll need to continue to pay your share, if any, of the cost of Employee Elected Benefits.

Personal Leave

Company-Provided Benefits are terminated if you are on another type of approved leave of absence, such as personal leave. Employee Elected Benefits may be elected and continued during your leave. If you choose not to continue your supplemental life insurance, when you return to work you must provide evidence of insurability in order to begin coverage again.

Military Leave

Except for military leaves of less than 31 days (or otherwise required by federal law), benefits cease and therefore, deductions also cease. Employee Elected Benefits may be elected and continued during your leave. If you choose not to continue your supplemental life insurance, when you return to work you must provide evidence of insurability in order to begin coverage again.

If You Become Disabled

If you become disabled, Company-Provided Benefits will continue for up to 12 months, provided you continue on a company approved disability. You may continue your Employee Elected Benefits while on disability leave if you were enrolled in coverage prior to becoming disabled and you make required

payments. If you fail to pay the full premium, your coverage will end as of the last day of the month for which full payment was received. You may not increase employee elected benefits or add a dependent.

If You Don't Make Timely Payments While on a Leave

If your supplemental life insurance coverage is dropped due to non-payment, you must provide evidence of insurability (good health) to begin coverage again upon return to work.

Termination of Coverage

Coverage for you and your dependents may be continued as long as you are employed by UPS and you meet eligibility requirements. Your coverage ceases if:

- Your employment ends,
- You no longer meet eligibility requirements,
- The Plan ceases,
- The Plan is amended to exclude you or the class of employees in which you are a member,
- You revoke your election for coverage, or
- You fail to make any required contribution toward the cost of your coverage for Employee Elected benefits.

In the case of termination of employment or you cease to be an eligible employee, your coverage would end at the last day of the month of termination. In the case of your failure to make a required contribution, your coverage will end on the last day of the last month in which you made the required contribution. In all other cases, coverage ends on the date of the event.

Your dependent's coverage will end on the date your coverage ends, the date that your covered dependent ceases to meet the dependent eligibility requirements under the Plan, the effective date of any election you make to revoke a dependent's coverage, or in the case of your failure to make a required contribution, the last day of the month for which a required contribution was made.

Adoption Assistance Program

To help UPS employees realize the dream of having a family, UPS offers eligible employees financial assistance through its Adoption Assistance Program.

Benefit Amount

UPS will reimburse 100 percent of eligible costs, up to \$3,500 per child, associated with the adoption of a child less than age 18, as long as the child is not related by marriage or blood. If both parents are UPS employees, expenses are reimbursed only one time per child, up to \$3,500.

Children with Special Needs

If you adopt a child with a special need, the program will reimburse an additional \$1,500 in eligible expenses. A child with special needs often has a physical or emotional disability. As a result, the child is often difficult to place and may be more costly to raise. For the Adoption Assistance Program, documentation is required from the state in which the child is adopted certifying that the child qualifies for a special needs adoption in that state. Check with the applicable state social services division for

information on that state's definition of special needs. International adoptions cannot be considered for the special needs benefit.

Eligible Expenses

The Adoption Assistance Program covers the following adoption-related expenses:

- Legal/court fees
- Adoption agency fees (public or private, foreign or domestic)
- Medical expenses (when not covered by another source), including the following:
 - Newborn expenses
 - Maternity expenses for the birth mother
 - Charges for temporary foster care before placement
 - State-required home study program and other required adoptive parental counseling
 - Expenses to transport the child to the home

Call the UPS Benefits Service Center at 1-800-UPS-1508 to request a UPS Adoption Assistance Program claim form.

What's Not Covered by the Program

The following expenses are not covered by the UPS Adoption Assistance Program:

- Expenses incurred prior to the effective date of this plan or the eligibility for this plan
- Any costs when an adopting parent is related to or a stepparent of the child being adopted
- Adoptions that are not legally recognized
- Personal items for the parents or child (food, clothing, etc.)
- Charges associated with legal guardianship
- Expenses related to the adoption of a person 18 years of age or older
- Donations or contributions
- Any costs for expenses of a surrogate mother (woman who is acting solely as a host of a fertilized egg)

Adoption Assistance and Taxes

Adoption assistance expenses are not subject to federal income tax withholding, but are subject to withholding of FICA taxes. Additionally, state or local income tax may also be required if the state or municipality does not treat the reimbursement as nontaxable. Certain amounts of your reimbursement may be subject to income tax if your income is over a certain level, as defined by the federal government. You may want to consult a tax advisor. Taxable amounts are not grossed up to offset the tax liability. Employees may be eligible for a tax credit for expenses not reimbursed by UPS. Employees with unreimbursed adoption expenses should consult their tax advisor to determine the availability of tax credits.

Tobacco Cessation Program

UPS offers UPS employees and their dependents a tobacco cessation program benefit to help participants quit tobacco use. All tobacco types are included (cigarettes, cigars, smokeless tobacco, etc.).

Enrolling/Registering In Quit For Life

You must enroll in the Quit For Life[®] program in order to participate and receive the tobacco cessation benefits of the program. If you enroll, the benefits are provided to you and your eligible dependents at no additional cost. Benefits under this program do not begin until the date you enroll. Details on enrolling in this program are provided at www.quitnow.net/ups. The Quit For Life program allows you to re-enroll if you are not successful in your quit the first time. For example: If, at the time of your fifth intervention call you have not been successful in your attempt to quit, you will be offered an opportunity during the call to re-enroll in the Quit For Life program. If you choose not to re-enroll at that time, you will be called again six months after your initial enrollment date to evaluate your progress. This allows the Quit Coaches[®] to build on your success and keep the positive momentum going; remembering that behavior change is a process, and each time you attempt to quit you are getting closer toward the ultimate goal of being tobacco free.

Contact a Quit Coach at 1-866-QUIT-4-LIFE (1-866-784-8454), or online at www.quitnow.net/ups. TTY is available at 1-877-777-6534. Quit Coaches are available 24/7 Monday through Sunday. Voicemail is also available and all messages are returned within 24 hours.

You and/or your dependent must provide your employee ID number to prove eligibility when contacting Quit For Life.

What the Program Includes

- Personalized one-on-one counseling calls with expertly trained Quit Coaches
- In-depth assessment to evaluate readiness to quit tobacco use
- Assistance and support with over-the-counter Nicotine Replacement Therapy (NRT) in the form of patch or gum only. If you decide that NRT is right for you, this program provides direct mail order of NRT at no cost to you
- Guidance and support regarding prescription medications such as bupropion and Chantix*
- Your own packet of printed materials, including a Quit Guide sent to your home following program registration
- Unlimited and easy access to Quit Coaches through a toll-free number for twelve months from the time of enrollment
- Access to Web Coach[®], an interactive website with discussion forums and additional resources to help you create and maintain your quit plan
- Access to supportive text messages to help manage urges, use medication correctly and stay on track

** Prescription medication is not covered under this program. You should check your Medical Plan's Summary Plan Description (SPD) for prescription drug coverage information. Assistance and support provided by Alere™ Wellbeing, the program's administrator, should not be a substitute for your doctor's advice.*

Legal Plan

The legal plan helps protect you from the financial expenses that may arise if you need legal services. This supplemental plan offers a range of commonly needed legal services as well as access to a legal hotline and individual consultation administered by Hyatt Legal Plans, a MetLife[®] company.

You and your covered family members will have access to more than 10,000 plan attorneys participating in the Hyatt Legal Plans network. You will receive full coverage for covered services from a Hyatt

network attorney. You may also use any attorney of your choice. Upon request, Hyatt will provide a fee reimbursement schedule that shows the maximum amount payable for specific services under the plan.

As a participant in the Hyatt Legal Plans, there's no limit on how often you can use the plan. No matter how many times you utilize the plan, if you use a Hyatt Legal Plans network attorney, your payroll deduction stays the same.

Eligibility

The supplemental legal plan is available to individuals and their eligible dependents.

Enrollment

You may enroll or discontinue your coverage in the supplemental legal plan benefit at initial enrollment, during annual enrollment periods, or following a recognized life status change.

How the Legal Benefits Work

If you enroll for legal coverage, you have access to legal services from three sources:

- **Telephone service.** You have access to advice, consultation and direction regarding personal legal matters that are not specifically excluded under the plan. There's no cost for this service.
- **Hyatt Legal Plans attorneys.** If you need an attorney, you can choose one from Hyatt's national network of attorneys throughout provide covered services to Hyatt Legal Plans participants. If you use a Hyatt Legal Plans network attorney, all attorney fees for covered services are paid in full.
- **Non-participating attorneys.** You can also receive legal counsel from an attorney who does not participate in the Hyatt Legal Plans network. When you use a non-participating attorney, you are reimbursed for covered legal services up to a scheduled maximum amount. You'll be responsible to pay the difference, if any, between the plan's payment and the non-network attorney's charge for services.

Legal Services Covered and Excluded

Legal benefits are provided according to the contract with Hyatt Legal Plans. Covered and non-covered services are subject to change at Hyatt's discretion. To obtain a complete list of covered and excluded services, contact the Hyatt Legal Plans Client Service center at 1-800-821-6400, or visit their website at www.legalplans.com. If there is any conflict between the summary of benefits provided in this SPD and the benefits described in the contract or on the Hyatt Legal Plans website, the description in the contract and/or on the website controls.

Covered Legal Services

Examples of covered services include:

- Wills and estate planning
- Consumer protection matters, including small claims assistance
- Real estate matters, including sale or purchase of your home and property tax assessment
- Debt matters, including personal bankruptcy, tax audits and identity theft defense
- Defense of civil lawsuits
- Document preparation, including deeds, mortgages and notes
- Family law, including premarital agreements, protection from domestic violence, and uncontested adoption

- Traffic matters/criminal, including juvenile court defense, restoration of driving privileges, and traffic ticket defense (does not include DUI)
- Immigration assistance

Excluded Legal Services

Examples of excluded services include services related to:

- Employment-related matters, including UPS or statutory benefits
- Matters involving the employer, MetLife and affiliates, and plan attorneys
- Matters in which there is a conflict of interest between the employee and spouse or dependents, in which case services are excluded for the spouse and dependents
- Appeals and class actions
- Farm and business matters, including rental issues when the participant is the landlord
- Patent, trademark and copyright matters
- Costs or fines
- Frivolous or unethical matters
- Matters for which an attorney-client relationship exists prior to the participant becoming eligible for plan benefits

How to Use the Plan

Once you are enrolled, go to www.legalplans.com or call the Hyatt Legal Plans Client Services center at 1-800-821-6400 Monday through Thursday from 8 a.m. to 7 p.m. (Eastern time). A Client Services Representative will confirm that you are eligible to use the plan, and will give you the address and telephone number of the attorney(s) located most conveniently to you, as well as a case number. Once you have this information, you may contact the attorney yourself to schedule an appointment.

The Client Services Representative can also help you:

- Understand coverage
- Offer information about using an out-of-network attorney
- Answer any other questions

Cost of Coverage

To determine how much the coverage will cost, call Hyatt Legal Plans at 1-800-821-6400.

Paying for Coverage

Payment for legal plan coverage is made through payroll deductions.

Portability

If your coverage terminates you eligible to convert your Hyatt Legal Plans coverage to an individual policy upon leaving UPS. If you choose to continue legal coverage, you will be billed directly for the cost. Contact the Hyatt Legal Plans Client Services center at 1-800-821-6400 for more information.

Supplemental Life Insurance and Supplemental AD&D

Supplemental life insurance and supplemental AD&D benefits are provided through an insurance contract with Prudential Insurance Company of America (“Prudential”). The benefits are described in this booklet for your convenience; however, for complete details you should also read:

- The Prudential Supplemental Term Life brochure, commonly known as the Prudential Enrollment Kit, provided with this Schedule, and
- The Prudential Insurance Group Contract-Certificate, available by contacting Prudential at 1-877-877-2955

The terms of the Prudential Enrollment Kit are incorporated in and become part of this Schedule. This Schedule is not intended to be a summary of your benefit and does not include all plan provisions, exclusions and limitations.

When Is Coverage Effective?

Your eligibility for supplemental life insurance and supplemental AD&D coverage is described in the *Eligibility* section of this SPD.

The following exceptions apply to the effective date of coverage:

- If you’re ill or injured and absent from work on the date your coverage should start, coverage starts on the first day after you return to work for at least one full day (considered “active at work”). Your dependents’ coverage is also delayed until your coverage starts.
- If you increase your coverage for any reason and are ill or injured and absent from work on the date the increased coverage should start, the incremental amount of the increased coverage will not be effective until after you return to work for at least one full day. If the increased coverage never becomes effective because you do not return to work, you will continue to be covered at the lower level of coverage that was in effect prior to the requested increase.
- If evidence of insurability is required, any amounts requiring approval will be delayed until the date approval is granted by Prudential.
- If your dependent has had treatment for disease or injury within the 90-day period preceding the date coverage should start, coverage will not be effective until the dependent has been free from treatment for 90 days or until evidence of good health has been approved by Prudential; whichever is earlier. This does not apply to newborns. However, stillborn deliveries are not covered.
- If your dependent is ill or injured and confined at home, in a hospital or other facility providing health care on the day coverage should start, his or her life insurance coverage begins 31 days after the end of confinement, or with satisfactory evidence of the dependent’s good health if earlier than 31 days.

Supplemental Life Insurance

You can purchase supplemental term life insurance in \$1,000 increments up to a maximum of \$1,000,000. You may enroll your spouse in amounts of \$5,000, \$20,000 or \$45,000. You may enroll your dependent children for an amount of \$2,500 or \$7,500. The cost per \$1,000 of coverage is the same regardless of how many children are covered. For pricing and additional details about this coverage, see the Prudential Enrollment Kit. To verify your current supplemental life or supplemental AD&D coverage amount, contact the UPS Benefits Service Center at 1-800-UPS-1508.

As a newly eligible employee, certain coverage is available without providing proof of good health. If you enroll in supplemental life insurance for yourself within 45 days of your initial eligibility date, you can receive up to \$50,000 of coverage without having to provide evidence of insurability. Any coverage

amount over \$50,000, or an amount elected more than 45 days after your initial eligibility date, will require evidence of insurability to be approved by Prudential.

Spouse Coverage

If your spouse enrolls within 45 days of your eligibility date or within 60 days of marriage, he or she can receive up to \$20,000 of coverage without providing evidence of insurability. Any amount over \$20,000, or any amount elected more than 45 days after the date you initially become eligible for coverage or 60 days after your marriage, will require evidence of insurability to be approved by Prudential.

Evidence of Insurability (Good Health)

For supplemental life insurance that requires evidence of insurability, Prudential will ask you to complete a form showing evidence of insurability (good health) before approving you for coverage. For supplemental life insurance that requires evidence of insurability, coverage will not be effective until the insurance is approved by Prudential and you meet the “active at work” requirements. In the meantime, coverage and payroll deductions will be set at the highest requested level available without evidence of insurability. Once approved, the coverage level and payroll deduction are increased retroactive to the date of approval.

Premium Rates

Your annual premium rate is based upon your age and smoking status. The premium rate for your spouse is based upon his or her age and smoking status. This rate per \$1,000 of coverage is multiplied by the amount of coverage you elect. Please refer to the Prudential Enrollment Kit for rates and coverage details.

Benefits and Exclusions

Please refer to the Prudential Enrollment Kit for more details on benefits and exclusions.

Beneficiaries

You may name anyone you choose as beneficiary for your supplemental life insurance and supplemental AD&D coverage. To name a beneficiary, or to change your current beneficiary at any time, call 1-800-UPS-1508 to request a beneficiary designation form. Your designation is not effective until the UPS Benefits Service Center receives your signed beneficiary designation form. The following beneficiary guidelines apply:

- You are automatically the beneficiary for your spouse’s and children’s life insurance and AD&D coverage.
- AD&D benefits other than for your death are payable directly to you.
- You may name anyone you choose as a beneficiary for your life insurance benefits and AD&D benefits for your death. If you name more than one beneficiary, and do not indicate the percentage of your benefits you want paid to each individual, benefits will be divided equally between or among your beneficiaries.
- If you do not name a beneficiary, or if the beneficiary(ies) you name are not living at your death, 100 percent payment will be made to the following survivor(s) in the order shown below:
 - Your spouse
 - Your child(ren)
 - Your parent(s)
 - Your sibling(s)
 - Your estate

For example, if you didn't designate a beneficiary, your spouse would receive the full benefit, if he or she was living at your death. And, if your spouse was not living at your death, your child(ren) would receive the full benefit.

Note: When you designate a beneficiary for your basic life and basic AD&D offered through a union-administered plan, the designation does not apply to your supplemental life and supplemental AD&D benefits. You must contact the UPS Benefits Service Center at 1-800-UPS-1508 to designate or make changes to your supplemental life and supplemental AD&D coverage.

Changes (Increase and Decreases)

You may increase your amount of insurance at any time during the year as long as you provide proof of good health that is satisfactory to Prudential. Your increased coverage amount will not be effective until the insurance is approved by Prudential and you meet the "active at work" requirements. If you wish to lower your current Amount of Coverage, or to no longer be enrolled for Supplemental Term Life Coverage, this change will be effective the date of your request. Please contact the UPS Benefits Service Center at 1-800-UPS-1508 to make changes.

If You Retire or Lose Coverage

Portability of Supplemental Life Insurance

If you retire or your supplemental life insurance coverage is terminated for any reason (except failure to make timely payments while on leave), the portability option lets you continue supplemental term life insurance. If you choose to continue your coverage under the portability option, your spouse may also continue his or her supplemental coverage under the portability provision. Your spouse may also elect to continue coverage individually if coverage under the Plan is lost due to divorce or death of the employee.

You will be billed directly by Prudential for your premiums. Since you are no longer a UPS employee, your group rates will no longer be the same as rates available to active UPSers, but will be based on a group made up of many Prudential customers. You can keep up to the current amount of your insurance without providing any evidence of insurability. Refer to the Prudential Enrollment Kit for additional information regarding supplemental life portability.

Upon retirement or loss of coverage, you will receive portability information directly from Prudential. For more information regarding portability, call 1-877-877-2955 to speak to a Prudential Group Life Services representative.

If you choose the portability option and are later rehired or transferred to a UPS position that allows you to elect supplemental coverage under the UPS National Health Plan for Part-Time Employees Schedule or another UPS-sponsored plan, you must surrender the ported coverage to receive supplemental coverage as an active employee.

Conversion of Supplemental Life Insurance

If you retire or your life insurance coverage is terminated, another option you have is to convert your supplemental coverage to an individual life policy, without providing evidence of insurability. You should call the Prudential Group Conversion Office at 1-877-889-2070 to obtain a Conversion Kit. Your completed conversion application must be returned within 31 days of your last day of coverage in order to convert your coverage. Your spouse and/or dependent children may convert their coverage:

- When you are eligible to convert yours, as stated above
- If your spouse loses coverage due to a divorce, legal separation or your death, and/or

- If your child loses coverage because of your divorce, legal separation, your death, or having reached the limiting age

Supplemental AD&D Insurance

You may purchase supplemental AD&D coverage in \$1,000 increments up to a maximum of \$1,000,000. Evidence of Insurability is not required for AD&D coverage. If you die, your beneficiary receives the full amount. If you are injured, you receive all or a portion of the benefit, depending on the nature of the injury. Standard AD&D benefits are paid at certain percentages of your coverage amount for specific accidental losses. For more information and the Schedule of Losses, see the Prudential Enrollment Kit.

When Supplemental AD&D Coverage Ends

Your supplemental AD&D coverage ends when you leave UPS or retire and your coverage otherwise ends under the Plan; it may not be ported or converted.

Filing a Claim

Legal Plan

If you choose to receive services from one from Hyatt's national network of attorneys, all covered services are paid in full—there is no need to submit a claim form. If you use a non-network attorney, you will be reimbursed for covered services according to a set fee schedule. You are responsible to pay the difference, if any, between the Plan's payment and the non-network attorney's charge for services. To request a claim form, contact Hyatt Legal Plans Client Service center at 1-800-821-6400, or go online at www.legalplans.com.

Supplemental Life Insurance and Supplemental AD&D

Contact Prudential Life Insurance Company at 1-877-877-2955 for information about filing supplemental life insurance and supplemental AD&D claims. Claims must be received by Prudential within 12 months of the date of the death or accident, or no benefits will be paid. Any reimbursement checks that are not cashed within 12 months from the date of the check are void and you lose any rights to such reimbursement.

Adoption Assistance

Eligible expenses are reimbursed after legal custody is obtained from a court of law. Follow these steps to file for reimbursement:

- Contact the UPS Benefits Service Center at 1-800-UPS-1508 to request an Adoption Assistance Reimbursement form
- Complete the form and attach all itemized bills and legal documentation (must be translated into English if an international adoption)
- Send the form and documentation to:
Adoption Assistance Program
United Parcel Service
55 Glenlake Parkway, NE
Atlanta, GA 30328

Once reimbursement is approved, you will receive a check from your local Human Resources representative with applicable taxes deducted. Allow three weeks for processing your reimbursement request.

Claims must be received within 12 months after the date of legal custody or no benefits will be paid. Any reimbursement checks that are not cashed within 12 months from the date of the check are void and you lose any rights to such reimbursement.

Right of Recovery Provision

The Plan has a right to recover benefits that were paid in error or benefits that were obtained through fraudulence, as determined by the Plan Administrator. Benefits may be recovered by either direct payment to the Plan by you or a beneficiary (through voluntary payments or legal action) or by an offset of future benefits equal to the amount of the overpayment.

Appeal Procedures

It is possible that one of your claims for Employee Elected Benefits will be denied by the carrier. If that happens, there are claims procedures that both you and the insurance carrier must follow with respect to that denial of coverage if you wish to appeal it. See the Insurance Contracts for more details regarding your rights and obligations with respect to appeals of denied claims.

ERISA Rights

Except for adoption assistance, the benefits identified in the SPD are part of an ERISA welfare benefit plan. As a result, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (“ERISA”). ERISA provides that all plan participants shall be entitled to:

- Receive information about your plan and benefits.
- Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as work-sites and union halls, all documents governing the plan, including insurance contracts, 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 all 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 updated SPD. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of the 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 welfare benefit from the Plan, or from exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit under an ERISA-covered plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above 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. 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 were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that is denied or ignored in whole or in part, you may file suit in a federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. 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. 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.

Assistance with Your Questions

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 obtaining documents from the Plan Administrator, you should contact the nearest office of the U.S. Department of Labor, Employee Benefits Security Administration listed in your telephone directory, or:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave., 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.

Administrative Services Provided

Type of Coverage	Provided by
Adoption Assistance	UPS Adoption Assistance Program United Parcel Service of America, Inc. 55 Glenlake Parkway, NE Atlanta, GA 30328
Solutions EAP and Work/Life Benefits	ValueOptions 199 S. Beltline Road, Suite 100 Coppell, TX 75019
Tobacco Cessation Program	Alere Wellbeing 999 Third Avenue, Suite 2100 Seattle, WA 98104

General Plan Information

Name of Plan	The UPS National Health Plan for Part-Time Employees
Plan Number	537
Plan Year	January 1 through December 31
Employer and Plan Sponsor	United Parcel Service of America, Inc. 55 Glenlake Parkway, NE Atlanta, GA 30329 (404) 828-6044
Employer Identification Number (EIN)	95-1732075
Plan Administrator	UPS National Health Plan for Part-Time Employees United Parcel Service of America, Inc. 55 Glenlake Parkway, NE Atlanta, GA 30329 (404) 828-6044

Plan Administration

The Plan Administrator will make determinations that may be required from time to time in the administration of the Program. The Plan Administrator will have the sole authority, discretion and responsibility to interpret and apply the terms of the Program and to determine all factual and legal questions under the Program, including entitlement to benefits and resolution of claims and appeals related to benefits, unless authority to make such determinations is delegated by the Plan Administrator to another person or third-party. Benefits under this Plan will be paid only if the Plan Administrator or the person or entity to which it has delegated authority decides in its discretion that the claimant is entitled to them. The Plan Administrator or its designee may adopt such rules as it deems necessary, desirable, or appropriate. All determinations, interpretations, rules, and decisions of the Plan Administrator or its designee shall be made in its sole discretion and shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Program.

Insurer and Claims Administrators

The Plan Administrator has delegated sole discretion, authority and responsibility to the Insurance Carriers and administrators identified above to interpret and construe the Program and to determine all factual and legal questions under the Program with respect to all initial claims and appeals for benefits. This delegated authority includes, but is not limited to, determinations of entitlement to benefits and the amounts of the benefits to be paid.

Amendment or Termination of the Plan

UPS has reserved the right to amend or terminate all or a portion of the Plan at any time and for any reason.

UPS National Health Plan for Part-Time Employees

Supplemental Coverage Schedule 103

Member Services

UPS Benefits Service Center

1-800-UPS-1508

- Verify eligibility
- Change address
- Add or remove dependents
- Request plan materials
- Request HIPAA notice

ValueOptions

1-800-336-9117

- Employee Assistance Program (EAP)

Quit for Life

1-866-QUIT-4-LIFE

- Enroll in tobacco cessation program

Prudential Insurance Company of America

1-877-877-2955

- Supplemental life insurance
- Supplemental AD&D