

# Contribution Options Guide

You can contribute to the UPS 401(k) Savings Plan using any combination of three options. Here's a look at each of the contribution types.

CONTRIBUTION TYPE	PRE-TAX	ROTH 401(k)	REGULAR AFTER-TAX
<b>Contribution Tax Treatment</b>	Contributions reduce taxable income dollar-for-dollar, which may lower the taxes you pay today	No current tax savings; contributions are taxed when made before being sent to the Plan	No current tax savings; contributions are taxed when made before being sent to the Plan
<b>Contribution Limits<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• 1-50% of eligible earnings</li> <li>• 1-35% of eligible earnings for age 50 and over catch-up contribution</li> </ul> <p><b>Other Options, if Applicable:</b></p> <ul style="list-style-type: none"> <li>• 1-100% of Discretionary Day Payout</li> <li>• 1-100% of the electable portion of the MIP/IMIP Award</li> <li>• 1-100% of the SIP Bonus</li> </ul> Totals not to exceed annual IRS limits		<ul style="list-style-type: none"> <li>• 1-10% of eligible earnings</li> </ul> <p><i>For UPSers with compensation less than \$150,000 in 2023.</i></p>
<b>SavingsPLUS Company Match<sup>2</sup></b>	Yes, except for catch-up contributions		Yes
<b>Summary of Advantages</b>	<ul style="list-style-type: none"> <li>• Reduces current income taxes</li> <li>• Allows taxes on qualified withdrawals to be deferred until retirement</li> </ul>	<ul style="list-style-type: none"> <li>• No taxes on qualified withdrawals</li> <li>• Allows for rollover to a Roth IRA where minimum distributions are not required in your lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• No taxes on withdrawals of contributions at any time</li> <li>• Can be used for an emergency savings fund</li> </ul>
<b>Hardship Loans Permitted</b>	Yes; must meet Plan requirements for hardship (excluding SDBA and UPS Stock Fund balances)	No	After-tax funds may be withdrawn at any time
<b>Withdrawal Tax Treatment</b>	Contributions and investment earnings are taxed as ordinary income for qualified withdrawals	Qualifying contributions and investment earnings may be withdrawn tax-free for qualified withdrawals	Contributions may be withdrawn tax-free at any time; investment earnings are taxed as ordinary income at withdrawal
<b>In-Service Withdrawal Requirements (active employee)</b>	Age 59 1/2 or older for contributions and investment earnings	Age 59 1/2 or older plus Roth 401(k) contributions must remain invested for at least a 5-taxable-year period, beginning with the year of your first Roth 401(k) contribution	No requirements
<b>Hardship Withdrawals Permitted</b>	Yes; must meet Plan requirements for a hardship (excluding SDBA and UPS Stock Fund balances)	No	After-tax funds may be withdrawn at any time
<b>10% Early Withdrawal Penalties</b>	If you leave UPS prior to age 55, the penalty will apply to distributions received prior to age 59 1/2	10% early withdrawal penalty, plus ordinary income taxes on earnings received prior to 59 1/2 or held less than 5 years	10% early withdrawal penalty
<b>Rollovers Permitted With No Taxes Due</b>	To an IRA or other employer qualified retirement plan, so long as that plan accepts 401(k) rollovers	To a Roth IRA or other employer qualified retirement plan, so long as that plan accepts Roth 401(k) rollovers	To an IRA or other employer qualified retirement plan, so long as that plan accepts 401(k) after-tax rollovers

<sup>1</sup> The combination of regular pre-tax contributions and Roth 401(k) contributions may not exceed \$23,000 or any other IRS limits in 2024. The combination of regular catch-up contributions and Roth 401(k) catch-up contributions may not exceed \$7,500. Residents of Puerto Rico: pre-tax contribution limit is \$22,500; catch-up contribution limit is \$1,500. Roth 401(k) contributions are not available.

<sup>2</sup> You must be eligible for SavingsPLUS matching contributions.