

Teamster-UPS National 401(k) Tax Deferred Savings Plan

Helping to Deliver a Secure Future



Understanding the Plan's fees

All plans carry a fee or combination of fees, which may include investment management, custody, administrative, and record keeping 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. The following table breaks down the fees for each investment option and provides an example of what the annual fee would be for an investment of \$10,000.

Category	Investment	Investment fee	Custody fee ¹	Additional Fund Expenses ²	Total Expenses ³	Annual fee per \$10k invested
Stable Value	Stable Value Fund ^{4, 6}	0.0400%	0.0028%	0.1910%	0.2338%	\$23.38
Money Market	Government Short-Term Investment Fund ^{5, 6}	0.0475%	0.0028%	0.0000%	0.0503%	\$5.03
U.S. Fixed Income	Bond Market Index Fund	0.0200%	0.0028%	0.0150%	0.0378%	\$3.78
U.S. Balanced	Balanced Fund	0.0340%	0.0028%	0.0000%	0.0368%	\$3.68
Target Date	Bright Horizon Retirement Income Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2015 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2020 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2025 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2030 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2035 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2040 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2045 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2050 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2055 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
Target Date	Bright Horizon 2060 Fund	0.0550%	0.0028%	0.0100%	0.0678%	\$6.78
U.S. Large-Cap	S&P 500 Equity Index Fund	0.0060%	0.0028%	0.0100%	0.0188%	\$1.88
U.S. Mid-Cap	S&P 400 MidCap Index Fund	0.0120%	0.0028%	0.0110%	0.0258%	\$2.58
U.S. Small-Cap	Russell 2000 Index Fund	0.0200%	0.0028%	0.0190%	0.0418%	\$4.18
International	International Index Fund ⁷	0.0320%	0.0028%	0.0500%	0.0848%	\$8.48
Specialty—U.S. Real Estate	REIT Index Fund	0.0520%	0.0028%	0.0230%	0.0778%	\$7.78
Self-Directed Brokerage	Self-Managed Account	See SMA section at teamsterups401kplan.com for fee schedule				

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 the return in each fund. 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 total expense percentage. For example, \$10,000 invested in a fund with a fee of 0.1068% would translate into a \$10.68 annualized fee ($\$10,000 \times 0.001068 = \10.68). 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.

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.

Morningstar Retirement Manager

The Managed Accounts service, where Morningstar Investment Management, LLC. selects your investment lineup from the Plan's investment options, manages your investments and adjusts your strategy and allocation as needed, and costs 0.20% of assets annually. For example, an annual fee of \$200 (\$50 deducted quarterly) would be assessed for a balance of \$100,000 ($\$100,000 \times 0.002$). The Advice service, where Morningstar Investment Management, LLC. will provide you with personalized recommendations that you are responsible for implementing, is offered at no additional fee.

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 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.

Type of fee	Fee
Prudential administrative fee	\$20.50 annually
Other administrative fees	There will be reasonable administrative expenses for the Plan. You will also see these on your quarterly account statement. Currently this fee is \$0.10/month. This fee will be maintained as long as administratively feasible.
Hardship loans	\$50 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



Any outstanding loan balance not paid back at termination becomes taxable in the year of default. Under the Tax Cuts and Jobs Act of 2018 for defaults related to termination of employment after 2017, the individual has until the due date of that year's return (including extensions) to roll over this amount to an IRA or qualified employer plan.

Record keeping fees

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

Go to **teamsterups401kplan.com** for more information on the Plan or to access your account. You may also call **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 website 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.





¹Custody Fees are calculated by BNY Mellon and prorated across all investment funds. Custody Fees may be fixed or variable, and can vary by changes in fund assets and activity. Those fees may be expressed in basis point charges or dollar amount charges. Total fees and expenses are translated into basis points for each fund. The fixed costs amount to an annualized rate of 0.25 basis point, while the variable costs are calculated and charged in arrears and are estimated to be an additional annualized amount of 0.03–0.05 basis points. Along with Investment Fees, the Custody Fees are accrued and assessed daily against each fund's unit value, and are reflected in the total return performance information presented herein.

²Additional fund expenses of the underlying BNY Mellon Target Maturity collective investment trust have been voluntarily capped by BNY Mellon at 0.01%.

³Expenses are based on amounts incurred during the Fund's most recent fiscal year end.

⁴The Stable Value Fund is represented by an underlying separate account portfolio managed by BNY Mellon. Certain of the instruments held by the underlying separate account portfolio may be purchased with contractual commitments by third parties (usually insurance companies or banks) to protect the stable value of the instruments from interest rate volatility in return for a Wrap Fee. The average Wrap Fee for the past calendar year is 20.0 bps. However, these fees are accounted for in the net yield of these instruments rather than as an expense of the Fund or underlying separate account portfolio.

⁵**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.**

⁶Money cannot be transferred directly from the Stable Value Fund to the Government Short-Term Investment Fund or the Self-Managed Account.

⁷The 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.

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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.

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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