

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>UPS 401 (K) SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>004</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1988</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>004</u>	1c Effective date of plan <u>07/01/1988</u>	
1b Three-digit plan number (PN) ▶	<u>004</u>				
1c Effective date of plan <u>07/01/1988</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>UNITED PARCEL SERVICE OF AMERICA, INC.</u> <u>C/O TAX DEPARTMENT</u> <u>55 GLENLAKE PARKWAY NE</u> <u>ATLANTA, GA 30328</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-1732075</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>404-828-8661</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>484200</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-1732075</u>	2c Plan Sponsor's telephone number <u>404-828-8661</u>	2d Business code (see instructions) <u>484200</u>	
2b Employer Identification Number (EIN) <u>95-1732075</u>					
2c Plan Sponsor's telephone number <u>404-828-8661</u>					
2d Business code (see instructions) <u>484200</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2016	DAN DISMUKES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 104803
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 87682
a(2) Total number of active participants at the end of the plan year	6a(2) 88542
b Retired or separated participants receiving benefits.....	6b 307
c Other retired or separated participants entitled to future benefits.....	6c 26710
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 115559
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 237
f Total. Add lines 6d and 6e	6f 115796
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 104499
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2G 2J 2E 2F 2K 2I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan UPS 401 (K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 UNITED PARCEL SERVICE OF AMERICA, INC.	D Employer Identification Number (EIN) 95-1732075	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VOYA

02-0488491

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 26	NONE	5487340	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-6013494

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 56	NONE	919502	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BLACKROCK

04-0025081

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	NONE	214623	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STATE STREET BANK

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	167633	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2015</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan UPS 401 (K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	004
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 UNITED PARCEL SERVICE OF AMERICA, INC.	D Employer Identification Number (EIN) 95-1732075	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: EMERGING MARKE INDEX FUND			
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST			
c EIN-PN 04-0025081-496	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 67478696	
a Name of MTIA, CCT, PSA, or 103-12 IE: EQUITY INDEX FUND F			
b Name of sponsor of entity listed in (a): BLACKROCK			
c EIN-PN 90-0337987-036	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1607954289	
a Name of MTIA, CCT, PSA, or 103-12 IE: GLOBAL EQUITY EX U.S. INDEX FUND			
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST			
c EIN-PN 90-0337987-036	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25122227	
a Name of MTIA, CCT, PSA, or 103-12 IE: SHORT TERM BOND INDEX FUND			
b Name of sponsor of entity listed in (a): BLACKROCK			
c EIN-PN 90-0337987-230	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 311523994	
a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 2000 FUND SERIES A			
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST			
c EIN-PN 04-0025081-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 414574258	
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 INDEX FUND			
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST			
c EIN-PN 04-0025081-002	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 81039446	
a Name of MTIA, CCT, PSA, or 103-12 IE: S & P MIDCAP FUND			
b Name of sponsor of entity listed in (a): STATE STREET & TRUST FUND			
c EIN-PN 04-0025081-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 666609821	

a Name of MTIA, CCT, PSA, or 103-12 IE: S&P MICAP SERIES A FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-089	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11095939

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA AGED BASED 2005		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-117	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 64612049

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INC 2045 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-021	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 81596474

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INC 2050 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 39304339

a Name of MTIA, CCT, PSA, or 103-12 IE: SSBA TARGET RET INC 2055 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-323	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14186557

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INCOME 2015 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-586	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 109613559

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INCOME 2020 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-540	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 82769239

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INCOME 2025 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-588	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 207131745

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET RET INCOME 2030 SL FUND		
b Name of sponsor of entity listed in (a): STATE S BANK & TRUST		
c EIN-PN 04-0025081-541	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 53717446

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET INCOME 2035 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-592	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 185113160

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA TARGET INCOME 2040 SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-542	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 46970696
a Name of MTIA, CCT, PSA, or 103-12 IE: STRATEGIC COMPLETION FUND		
b Name of sponsor of entity listed in (a): BLACKROCK		
c EIN-PN 45-2777667-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 61726204
a Name of MTIA, CCT, PSA, or 103-12 IE: TUCKERMAN GLOBAL REAL ESTATE		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-238	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12974904
a Name of MTIA, CCT, PSA, or 103-12 IE: U.S. HIGH YIELD BOND INDEX FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-071	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12512490
a Name of MTIA, CCT, PSA, or 103-12 IE: US INFLATION PROTECTED BOND INDEX		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-033	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17877478
a Name of MTIA, CCT, PSA, or 103-12 IE: INTERMEDIATE GOV'T BOND INDEX FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 04-0025081-092	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 84667890
a Name of MTIA, CCT, PSA, or 103-12 IE: WORLD EX US INDEX FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-332	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 382420596
a Name of MTIA, CCT, PSA, or 103-12 IE: U.S. DIVERSIFIED BOND FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-443	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 377551337
a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA AGED BASED 2060 FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST		
c EIN-PN 90-0337987-450	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1557939
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>UPS 401 (K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UNITED PARCEL SERVICE OF AMERICA, INC.</u>	D Employer Identification Number (EIN) <u>95-1732075</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	23966138	26255456
(2) Participant contributions	1b(2)	0	1782999
(3) Other.....	1b(3)	206135	184316
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1140734	1765094
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	37805141	38519239
(9) Value of interest in common/collective trusts.....	1c(9)	5199078975	5166939981
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	263967098	267064663

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	1539412407	1330262954
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7065576628	6832774702

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	1093499	2648144
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1093499	2648144

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7064483129	6830126558
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	98921147	
(B) Participants	2a(1)(B)	299794859	
(C) Others (including rollovers)	2a(1)(C)	5640116	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		404356122

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	132095	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1750972	
(F) Other	2b(1)(F)	63281	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1946348
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	40501708	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		40501708
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	235969813	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	258424431	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-22454618
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-183285025	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-183285025

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-55734744
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		-14106037
d Total income. Add all income amounts in column (b) and enter total	2d		171223754

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	397984070	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		397984070
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		86242
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	3663344	
(3) Investment advisory and management fees	2i(3)	1497760	
(4) Other	2i(4)	2348909	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		7510013
j Total expenses. Add all expense amounts in column (b) and enter total	2j		405580325

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-234356571
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **DELOITTE & TOUCHE**

(2) EIN: **13-3891517**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☐ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 11-K

(Mark One)

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

- ☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-15451

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UPS 401(k) Savings Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

United Parcel Service, Inc.
55 Glenlake Parkway, NE
Atlanta, Georgia 30328

Explanatory Note:

The UPS 401(k) Savings Plan (the "Plan") is a voluntary defined contribution plan established for employees of United Parcel Service of America, Inc. ("UPS") who are not members of a collective bargaining unit and who satisfy the participation requirements of the Plan.

UPS 401(k) Savings Plan

Financial Statements as of and for the
Years Ended December 31, 2015 and 2014,
Supplemental Schedules as of and for the
Year Ended December 31, 2015, and
Report of Independent Registered Public Accounting Firm

UPS 401(k) Savings Plan
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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

The Administrative Committee of and Participants in the
UPS 401(k) Savings Plan
55 Glenlake Parkway
Atlanta, GA 30328

We have audited the accompanying financial statements of the UPS 401(k) Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the UPS 401(k) Savings Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of “Schedule of Assets (Held at End of Year)” and “Schedule of Reportable Transactions” are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information by fund in the statements of net assets available for benefits and changes in net assets available for benefits is also presented for the purpose of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of the individual funds, and is not a required part of the financial statements. These schedules and this information are the responsibility of the Plan’s management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules and information have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules and information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules and information are fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte + Touche LLP

June 28, 2016

UPS 401(k) Savings Plan**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2015 AND 2014
(In thousands)**

	2015	2014
ASSETS:		
Participant-directed investments — at fair value (Note 3)	\$ 6,766,033	\$ 7,003,599
Receivables:		
Notes receivable from participants	39,612	38,812
Participant contributions	1,783	—
Employer contributions	26,255	23,966
Investment income	184	206
Total receivables	67,834	62,984
Total assets	6,833,867	7,066,583
LIABILITIES:		
Accounts payable	2,648	1,093
Total liabilities	2,648	1,093
NET ASSETS AVAILABLE FOR BENEFITS	\$ 6,831,219	\$ 7,065,490

See notes to financial statements.

UPS 401(k) Savings Plan
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In thousands)**

	2015	2014
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	\$ 7,065,490	\$ 6,567,095
INCREASE IN PLAN ASSETS ATTRIBUTED TO:		
Participant contributions	299,795	278,551
Employer contributions (Note 1)	98,921	91,075
Participant rollovers	5,640	3,746
Interest and dividend income	42,448	39,292
Total additions	446,804	412,664
DECREASE IN PLAN ASSETS ATTRIBUTED TO:		
Benefits to Plan participants	(397,984)	(349,267)
Administrative expenses (Note 2)	(7,510)	(5,097)
Total deductions	(405,494)	(354,364)
OTHER CHANGES IN NET ASSETS — Net (depreciation) appreciation in fair value of investments	(275,581)	440,095
NET (DECREASE) INCREASE IN PLAN ASSETS	(234,271)	498,395
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$ 6,831,219	\$ 7,065,490

See notes to financial statements.

UPS 401(k) Savings Plan

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. DESCRIPTION OF THE PLAN

General - The UPS 401(k) Savings Plan (the "Plan") is a voluntary defined contribution plan established for employees of United Parcel Service of America, Inc. ("UPS") who are not members of a collective bargaining unit and who satisfy the participation requirements of the Plan, which are described below. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended. Participants should refer to the Plan document for more complete information.

The Plan became effective July 1, 1988, and has been amended periodically. The Plan allows participants to defer a portion of their compensation, subject to the 2015 Internal Revenue Service (IRS) yearly limit of \$18,000, on a pretax and/or Roth basis under the rules of Section 401(k) of the Internal Revenue Code (IRC). The plan also allows for contributions to be made on an after-tax basis.

Employer Contributions - For employees hired and eligible to participate in the Plan on or before December 31, 2007, UPS makes matching contributions to each participant's account equal to 50% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 5% of eligible compensation (excludes employees of UPS Freight). For UPS Freight employees UPS makes matching contributions to each participant's account equal to 50% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 2% of eligible compensation.

For employees hired, rehired or transferred from ineligible status who became eligible to participate in the Plan on or after January 1, 2008, UPS makes matching contributions to each participant's account equal to 100% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 3.5% of eligible compensation (excludes employees of UPS Freight). For UPS Freight employees UPS makes matching contributions to each participant's account equal to 100% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 1% of eligible compensation.

All matching contributions are made directly in UPS class A common stock. Employer contributions were \$98.921 and \$91.075 million for 2015 and 2014, respectively.

Contributions and Vesting - Eligible employees may participate in the Plan immediately upon hire. The provisions of the Plan provide that a participant's entire account is 100% vested at all times. Participants may make voluntary contributions in one of three ways: pretax, after-tax, or to the Roth 401(k) feature. Limits to these contributions are as follows:

- Participants may elect to contribute up to 35% of their eligible compensation on a pretax basis or as a Roth 401(k), or any combination of the two, to the Plan.
- Participants may defer up to 100% on a pretax basis of a Management Incentive Program (MIP)/ International Management Incentive Program (IMIP) cash award. MIP/IMIP is part of the UPS Incentive Compensation Plan and participants are determined annually by the Compensation Committee of the UPS Board of Directors.
- Participants may defer up to 100% on a pretax basis or to the Roth 401(k), or any combination of the two, of discretionary day pay.
- Participants may defer up to 100% on a pretax basis or to the Roth 401(k), eligible compensation attributable to the Sales Incentive Program (SIP) bonus program.
- Participants may contribute an additional 5% of their eligible compensation on an after-tax basis to the Plan.
- Participants age 50 and older or who will turn 50 during the Plan year are allowed to make pre-tax or Roth 401(k) catch-up contributions, up to an additional 35% of their eligible compensation subject to a maximum of \$6,000 for 2015. The maximum catch-up contribution may be indexed each year for inflation.

Participants can contribute to the Plan an amount consisting of an eligible rollover distribution or transfer from a conduit individual retirement account. Rollover contributions are at all times fully vested and nonforfeitable. Participants may not

roll over participant loans to Plan account balances from other qualified retirement plans, annuity contracts, or individual retirement accounts.

Investments - Participants may choose from various investment options including UPS Class A common stock, short-term investments and common and collective trust funds. Within the self-managed account, participants can purchase mutual funds and individual securities listed on major U.S. securities exchanges. Participants should refer to the Plan document for more complete information concerning the Plan's investment options.

Participant Accounts - Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution and related investment gains and losses. Withdrawals and administrative expenses are deducted from the participant's account.

Payment of Benefits - The Plan does not permit withdrawals or distributions except in the case of hardship, at attainment of age 59 1/2, termination of employment, or upon the death or total and permanent disability of the participant. In order to qualify for a hardship withdrawal, the participant must satisfy the legal requirements of a financial hardship as defined by IRC regulations. There are no penalties on approved withdrawals or distributions as stated above. Participants should refer to the Plan document for more complete information concerning the Plan's benefit payment options.

Notes Receivable from Participants - The Plan provides for loans in cases of hardship or residential loans only. Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their account balances (across all UPS-sponsored plans in which they participate). Loan terms shall not exceed five years on general loans and fifteen years on residential loans. Interest rates on outstanding loans ranged from 4.00% to 10.50% as of December 31, 2015. The loans are collateralized by the participant's account and bear interest at a fixed rate equal to one percentage point above the prime rate on the last business day of the month prior to the month in which the participant makes application for the loan. Principal and interest are paid ratably through regular payroll deductions.

Plan Termination - Although it has not expressed any intent to do so, UPS has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of a termination, the trustee has been instructed to maintain separate Plan accounts for each participant to accumulate earnings until the final terminating distribution.

Plan Administration - Voya Financial provides recordkeeping and administrative services to the Plan. State Street Global Services serves as the trustee for all assets of the Plan, with the exception of the UPS Stock Fund. BNY Mellon is the trustee for Class A shares of UPS Stock in the UPS Stock Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates and Risks and Uncertainties - The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including short-term investments, common and collective trust funds, registered investment companies, and certain individual securities listed on major U.S. securities exchanges. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investments are 100% participant directed and stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices are used to value all readily available marketable securities. The value of each share of UPS Class A common stock held by the Plan at December 31, 2015 and 2014, is equal to the price of a share of UPS Class B common stock as reported by the New York Stock Exchange as the Class A common stock is readily convertible on a 1:1 basis to Class B common stock. Investments

in common and collective trust funds are valued based upon the redemption price of units held by the Plan, which is based on the current fair value of the common and collective trust funds' underlying assets. Unit values are determined by the financial institution sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Plan holds the right to liquidate its positions in these common and collective trust funds at any time, subject to a reasonable notification period. No unfunded commitment existed with respect to these common and collective trust funds at December 31, 2015.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

The Plan also offers a self-managed account option. Within the self-managed account, participants can purchase registered investment companies and individual securities listed on major U.S. securities exchanges. These investments are stated at fair value based upon quoted market prices.

New Accounting Standards - The accounting standards initially adopted in 2015 are described below.

On May 1, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) ("ASU 2015-07") which removes the requirement to present certain investments for which the practical expedient is used to measure fair value at net asset value within the fair value hierarchy table. Instead, a Plan is required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. ASU 2015-07 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. The Plan elected to early adopt ASU 2015-07 as of December 31, 2015, as permitted, and has applied ASU 2015-07 retrospectively, as required. The Plan presents the investment disclosure required by this new guidance in Note 3, Fair Value Measurements. There are no effects on the statements of net assets available for plan benefits or the changes therein.

In July 2015, FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I eliminates the requirement to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. ASU 2015-12 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Parts I and II are to be applied retrospectively. The Plan has elected to early adopt ASU 2015-12 as of December 31, 2015, as permitted, and has applied the provisions of ASU 2015-12 retrospectively, as required. Part I and Part III are not applicable to the Plan. Part II is reflected in the notes to the financial statements. Certain historical disclosures that are no longer required were removed. There are no effects on the statements of net assets available for plan benefits or the changes therein.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan and UPS as provided in the Plan document. UPS provides certain accounting and other administrative services to the Plan free of charge. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments. Personal advisor services were made available as an option for plan participants seeking professional investment advice within their plan accounts in May 2014. Personal advisor fees of the Plan are paid by the Plan as provided in the Plan document. Administrative fees for 2015 and 2014 were as follows (in thousands):

	2015	2014
Investment advisory and management fees	\$ 1,498	\$ 1,439
Plan administrator fees	3,663	3,281
Personal advisor fees	\$ 2,349	\$ 377
Total administrative expenses	<u>\$ 7,510</u>	<u>\$ 5,097</u>

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Excess Contributions Payable - The Plan is required to return contributions to participants in the event certain non-discrimination tests defined under the IRC are not satisfied. For both 2015 and 2014, the Plan passed the non-discrimination tests and the Plan was therefore not required to refund contributions to any Plan participants.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2015 and 2014 (in thousands):

Fair Value Measurements at December 31, 2015				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Self-managed accounts*:				
Common stock	\$ 225,908	\$ —	\$ —	\$ 225,908
Mutual funds	41,157	—	—	41,157
Interest-bearing cash	1,765	—	—	1,765
Common and collective trusts:				
Equity funds	—	3,130,484	—	3,130,484
Fixed-income funds	—	522,789	—	522,789
Lifestyle funds	—	886,573	—	886,573
Multi-asset funds	—	315,570	—	315,570
U.S. government securities	—	311,524	—	311,524
UPS Stock Fund	1,330,263	—	—	1,330,263
Total investments — at fair value	\$ 1,599,093	\$ 5,166,940	\$ —	\$ 6,766,033

Fair Value Measurements at December 31, 2014				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Self-managed accounts*:				
Common stock	\$ 219,510	\$ —	\$ —	\$ 219,510
Mutual funds	44,457	—	—	44,457
Interest-bearing cash	1,141	—	—	1,141
Common and collective trusts:				
Equity funds	—	3,171,280	—	3,171,280
Fixed-income funds	—	447,015	—	447,015
Lifestyle funds	—	905,344	—	905,344
Multi-asset funds	—	354,226	—	354,226
U.S. government securities	—	321,214	—	321,214
UPS Stock Fund	1,539,412	—	—	1,539,412
Total investments — at fair value	\$ 1,804,520	\$ 5,199,079	\$ —	\$ 7,003,599

* The investments within the self-managed accounts include a variety of categories of common stock and mutual funds.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the

transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended, December 31, 2015 and 2014, there were no transfers between levels.

Units of the collective trust funds are valued at the net asset value of their underlying investments. There are no unfunded commitments for these funds, the redemption frequency is immediate and there are no other redemption restrictions.

4. INVESTMENTS

During 2015 and 2014, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, (depreciated) / appreciated in value as follows (in thousands):

	2015	2014
Self-managed accounts	\$ (14,106)	\$ 16,507
Common and collective trusts:		
State Street Bank & Trust Standard & Poor's 500 Flagship Fund	1,561	10,939
State Street Bank & Trust Global Equity ex U.S. Index Fund	(1,243)	(1,180)
State Street Bank & Trust Standard & Poor's Midcap Series A Fund	(193)	1,135
State Street Bank & Trust U.S. Inflation Protected Bond Index Fund	(261)	617
State Street Bank & Trust/Tuckerman Global Real Estate Securities Index Fund	57	1,821
State Street Bank & Trust U.S. High Yield Bond Index Fund	(665)	240
State Street Bank & Trust World ex U.S. Index Fund	(14,796)	(15,330)
State Street Bank & Trust Russell 2000 Fund Series A	(18,057)	20,769
State Street Bank & Trust Standard & Poor's Midcap Fund	(15,286)	62,167
State Street Bank & Trust Passive Intermediate Bond Market Fund	990	2,691
State Street Bank & Trust SSGA Age Based Income Fund	(1,009)	2,038
State Street Bank & Trust SSGA Age Based 2010 Fund	211	561
State Street Bank & Trust SSGA Age Based 2015 Fund	(1,418)	7,073
State Street Bank & Trust SSGA Age Based 2020 Fund	(1,618)	3,837
State Street Bank & Trust SSGA Age Based 2025 Fund	(4,188)	12,145
State Street Bank & Trust SSGA Age Based 2030 Fund	(1,065)	2,680
State Street Bank & Trust SSGA Age Based 2035 Fund	(3,815)	11,625
State Street Bank & Trust SSGA Age Based 2040 Fund	(1,203)	2,371
State Street Bank & Trust SSGA Age Based 2045 Fund	(2,205)	4,468
State Street Bank & Trust SSGA Age Based 2050 Fund	(1,155)	1,714
State Street Bank & Trust SSGA Age Based 2055 Fund	(461)	563
State Street Bank & Trust SSGA Age Based 2060 Fund	(25)	**
State Street Bank & Trust Emerging Markets Index Fund	(13,232)	(4,053)
State Street Bank & Trust U.S. Diversified Bond Fund	1,734	10,220
BlackRock Equity Index Fund F	24,088	196,361
BlackRock Short Term Bond Index Fund	2,222	2,728
BlackRock UPS Strategic Completion Non-Lendable Fund F	(4,703)	1,954
Total common and collective trusts	(55,735)	340,154
UPS Stock Fund	(205,740)	83,434
Net (depreciation) appreciation in fair value of investments	\$ (275,581)	\$ 440,095

** Investment does not have (depreciation) / appreciation value for respective year

5. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed UPS by a letter dated July 18, 2013, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken positions that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The IRS audit for the 2009 Plan year was closed February 11, 2015, and there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

6. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by State Street Global Advisors ("State Street") or the BlackRock Institutional Trust Company ("BlackRock"). State Street Global Services, Voya, and TD Ameritrade are the trustee, recordkeeper, and self-managed account service provider respectively, as defined by the Plan, and therefore, fees paid to these institutions qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and trustee fees were \$3.663 and \$3.281 million for the years ended December 31, 2015 and 2014, respectively. Fees paid by the Plan for investment management services were \$1.498 and \$1.439 million for the years ended December 31, 2015 and 2014, respectively. Fees paid by the Plan for personal advisor services were \$2.349 and \$0.377 million for the years ended December 31, 2015 and 2014, respectively.

UPS is the Plan sponsor and all transactions in its common stock qualify as exempt party-in-interest transactions. As of December 31, 2015 and 2014, the Plan held 13,823,786 and 13,847,383 shares of common stock of the Company with a fair value of \$1.330 and \$1.539 billion and a cost basis of \$1.022 and \$0.958 billion, respectively. During the years ended December 31, 2015 and 2014, the Plan recorded dividend income on UPS common stock of \$40.502 million and \$38.477 million, respectively.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2015 and 2014, is as follows (in thousands):

	2015	2014
Net assets available for benefits per the financial statements	\$ 6,831,219	\$ 7,065,490
Adjustment for deemed distributions from participant loans	(1,092)	(1,006)
Net assets available for benefits per Form 5500	<u>\$ 6,830,127</u>	<u>\$ 7,064,484</u>
Net (decrease) increase in plan assets per the financial statements	\$ (234,271)	\$ 498,395
Adjustment for deemed distribution income from participant loans	(86)	(19)
Total income per Form 5500	<u>\$ (234,357)</u>	<u>\$ 498,376</u>

8. SUBSEQUENT EVENT

The UPS Retirement Plan (a defined benefit pension plan also sponsored by UPS) was closed to new non-union participants effective July 1, 2016. The Plan sponsor intends to amend the Plan in 2016 so that employees who previously would have been eligible for participation in the UPS Retirement Plan will, in addition to current benefits under the Plan, begin receiving a UPS Retirement Contribution (as defined below). For employees eligible to receive the Retirement Contribution, UPS will contribute 3% to 8% of eligible pay to the Plan based on years of vesting service and business unit. Contributions will be made annually in cash to the accounts of participants who are employed on December 31 of each calendar year and become vested after the employee reaches three complete years of service. We do not believe this proposed plan amendment has a material effect on the Plan's statement of net assets available for benefits, statement of changes in net assets available for benefits, or the related disclosures in the financial statements.

SUPPLEMENTAL SCHEDULES

UPS 401(k) Savings Plan
Employer ID NO: 95-1732075
Plan NO: 004
**FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2015**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
SHORT-TERM INVESTMENTS:				
*	State Street Bank & Trust Short-Term Investment Fund	1,765,094 shares	**	\$ 1,765,094
*	State Street Bank Money Market Fund Government Short Term Investment Fund	145,237,209 shares	**	145,237,209
	Total short-term investments			147,002,303
COMMON AND COLLECTIVE TRUST INVESTMENTS:				
*	State Street Bank & Trust Standard & Poor's 500 Flagship Fund	171,666 units	**	81,039,446
*	State Street Bank & Trust Global Equity ex U.S. Index Fund	2,551,775 units	**	25,122,227
*	State Street Bank & Trust Standard & Poor's Midcap Series A Fund	197,037 units	**	11,095,939
*	State Street Bank & Trust Passive Intermediate Bond Market Fund	1,563,436 units	**	84,667,890
*	State Street Bank & Trust U.S. Inflation Protected Bond Index Fund	1,218,227 units	**	17,877,478
*	State Street Bank & Trust/Tuckerman Global Real Estate Securities Index Fund	751,863 units	**	12,974,904
*	State Street Bank & Trust U.S. High Yield Bond Index Fund	889,050 units	**	12,512,490
*	State Street Bank & Trust World ex U.S. Index Fund	34,617,597 units	**	382,420,596
*	State Street Bank & Trust Standard & Poor's Midcap Fund	11,878,293 units	**	666,609,821
*	State Street Bank & Trust Russell 2000 Fund Series A	9,704,681 units	**	414,574,258
*	State Street Bank & Trust SSGA Aged Based Income Fund	3,968,068 units	**	64,612,049
*	State Street Bank & Trust SSGA Aged Based 2015 Fund	6,618,377 units	**	109,613,559
*	State Street Bank & Trust SSGA Aged Based 2020 Fund	4,325,542 units	**	82,769,239
*	State Street Bank & Trust SSGA Aged Based 2025 Fund	11,904,123 units	**	207,131,745
*	State Street Bank & Trust SSGA Aged Based 2030 Fund	2,727,466 units	**	53,717,446
*	State Street Bank & Trust SSGA Aged Based 2035 Fund	10,778,059 units	**	185,113,160
*	State Street Bank & Trust SSGA Aged Based 2040 Fund	2,364,614 units	**	46,970,696
*	State Street Bank & Trust SSGA Aged Based 2045 Fund	4,670,663 units	**	81,596,474
*	State Street Bank & Trust SSGA Aged Based 2050 Fund	2,764,407 units	**	39,304,339
*	State Street Bank & Trust SSGA Aged Based 2055 Fund	1,002,725 units	**	14,186,557
*	State Street Bank & Trust SSGA Aged Based 2060 Fund	164,080 units	**	1,557,939
*	State Street Bank & Trust Emerging Markets Index Fund	3,076,303 units	**	67,478,696
*	State Street Bank & Trust U.S. Diversified Bond Fund	36,812,728 units	**	377,551,337
*	BlackRock Equity Index Fund F	43,929,982 units	**	1,607,954,289
*	BlackRock Short Term Bond Index Fund	29,741,464 units	**	311,523,994
*	BlackRock UPS Strategic Completion Fund	6,322,009 units	**	61,726,204
	Total common and collective trust investments			5,021,702,772
*	United Parcel Service, Inc.	13,823,786 shares of Class A Common Stock	**	1,330,262,954
	Investments in self-managed accounts		**	267,064,663
	Total investments at fair value			\$6,766,032,692
*	Various notes receivable from participants	Interest rates between 4.00% – 10.50% and maturities ranging up to 15 years	**	39,611,961
	Total notes receivable from participants and investments at fair value			\$6,805,644,653

* Party-in-interest

** Cost information is not required as all investments are participant-directed

UPS 401(k) Savings Plan
Employer ID NO: 95-1732075
Plan NO: 004
**FORM 5500, SCHEDULE H, PART IV, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS
AS OF DECEMBER 31, 2015**

<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Single Transactions:						
BlackRock	BlackRock Institutional Trust 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Income	\$ —	\$ 302,239,335	\$ 302,239,335	\$ 302,239,335	\$ —
BlackRock	BlackRock Institutional Trust Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ —	\$ 999,974,039	\$ 999,974,039	\$ 999,974,039	\$ —
State Street	State Street Bank 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Fund	\$ 302,239,335	\$ —	\$ —	\$ 302,239,335	\$ —
State Street	State Street Bank Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 999,974,039	\$ —	\$ —	\$ 99,974,039	\$ —

<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Series Transactions:						
BlackRock	BlackRock Institutional Trust 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Income	\$ 23,343,328	\$ 335,269,059	\$ 334,034,046	\$ 358,612,387	\$ 1,235,013
BlackRock	BlackRock Institutional Trust Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 56,953,859	\$ 1,130,186,320	\$ 1,080,653,389	\$ 1,187,140,179	\$ 49,532,931
State Street	State Street Bank 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Fund	\$ 308,967,081	\$ 8,953,146	\$ 8,611,885	\$ 317,920,227	\$ 341,261
State Street	State Street Bank Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 1,023,015,151	\$ 17,031,334	\$ 10,625,741	\$ 1,040,046,485	\$ 6,405,593

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee, administrator of the Plan, has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

UPS 401(k) Savings Plan

Date: June 24, 2016

By: /s/ DANIEL H. DISMUKES
Daniel H. Dismukes
Administrative Committee Member

EXHIBIT INDEX

Exhibit 23.1 — Consent of Deloitte & Touche LLP.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 11-K

(Mark One)

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

- ☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-15451

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UPS 401(k) Savings Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

United Parcel Service, Inc.
55 Glenlake Parkway, NE
Atlanta, Georgia 30328

Explanatory Note:

The UPS 401(k) Savings Plan (the "Plan") is a voluntary defined contribution plan established for employees of United Parcel Service of America, Inc. ("UPS") who are not members of a collective bargaining unit and who satisfy the participation requirements of the Plan.

UPS 401(k) Savings Plan

Financial Statements as of and for the
Years Ended December 31, 2015 and 2014,
Supplemental Schedules as of and for the
Year Ended December 31, 2015, and
Report of Independent Registered Public Accounting Firm

UPS 401(k) Savings Plan
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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

The Administrative Committee of and Participants in the
UPS 401(k) Savings Plan
55 Glenlake Parkway
Atlanta, GA 30328

We have audited the accompanying financial statements of the UPS 401(k) Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the UPS 401(k) Savings Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of “Schedule of Assets (Held at End of Year)” and “Schedule of Reportable Transactions” are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information by fund in the statements of net assets available for benefits and changes in net assets available for benefits is also presented for the purpose of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of the individual funds, and is not a required part of the financial statements. These schedules and this information are the responsibility of the Plan’s management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules and information have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules and information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules and information are fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte + Touche LLP

June 28, 2016

UPS 401(k) Savings Plan**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2015 AND 2014
(In thousands)**

	2015	2014
ASSETS:		
Participant-directed investments — at fair value (Note 3)	\$ 6,766,033	\$ 7,003,599
Receivables:		
Notes receivable from participants	39,612	38,812
Participant contributions	1,783	—
Employer contributions	26,255	23,966
Investment income	184	206
Total receivables	67,834	62,984
Total assets	6,833,867	7,066,583
LIABILITIES:		
Accounts payable	2,648	1,093
Total liabilities	2,648	1,093
NET ASSETS AVAILABLE FOR BENEFITS	\$ 6,831,219	\$ 7,065,490

See notes to financial statements.

UPS 401(k) Savings Plan
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In thousands)**

	2015	2014
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	\$ 7,065,490	\$ 6,567,095
INCREASE IN PLAN ASSETS ATTRIBUTED TO:		
Participant contributions	299,795	278,551
Employer contributions (Note 1)	98,921	91,075
Participant rollovers	5,640	3,746
Interest and dividend income	42,448	39,292
Total additions	446,804	412,664
DECREASE IN PLAN ASSETS ATTRIBUTED TO:		
Benefits to Plan participants	(397,984)	(349,267)
Administrative expenses (Note 2)	(7,510)	(5,097)
Total deductions	(405,494)	(354,364)
OTHER CHANGES IN NET ASSETS — Net (depreciation) appreciation in fair value of investments	(275,581)	440,095
NET (DECREASE) INCREASE IN PLAN ASSETS	(234,271)	498,395
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$ 6,831,219	\$ 7,065,490

See notes to financial statements.

UPS 401(k) Savings Plan

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. DESCRIPTION OF THE PLAN

General - The UPS 401(k) Savings Plan (the "Plan") is a voluntary defined contribution plan established for employees of United Parcel Service of America, Inc. ("UPS") who are not members of a collective bargaining unit and who satisfy the participation requirements of the Plan, which are described below. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended. Participants should refer to the Plan document for more complete information.

The Plan became effective July 1, 1988, and has been amended periodically. The Plan allows participants to defer a portion of their compensation, subject to the 2015 Internal Revenue Service (IRS) yearly limit of \$18,000, on a pretax and/or Roth basis under the rules of Section 401(k) of the Internal Revenue Code (IRC). The plan also allows for contributions to be made on an after-tax basis.

Employer Contributions - For employees hired and eligible to participate in the Plan on or before December 31, 2007, UPS makes matching contributions to each participant's account equal to 50% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 5% of eligible compensation (excludes employees of UPS Freight). For UPS Freight employees UPS makes matching contributions to each participant's account equal to 50% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 2% of eligible compensation.

For employees hired, rehired or transferred from ineligible status who became eligible to participate in the Plan on or after January 1, 2008, UPS makes matching contributions to each participant's account equal to 100% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 3.5% of eligible compensation (excludes employees of UPS Freight). For UPS Freight employees UPS makes matching contributions to each participant's account equal to 100% of pre-tax and/or Roth 401(k) contributions made to the Plan up to 1% of eligible compensation.

All matching contributions are made directly in UPS class A common stock. Employer contributions were \$98.921 and \$91.075 million for 2015 and 2014, respectively.

Contributions and Vesting - Eligible employees may participate in the Plan immediately upon hire. The provisions of the Plan provide that a participant's entire account is 100% vested at all times. Participants may make voluntary contributions in one of three ways: pretax, after-tax, or to the Roth 401(k) feature. Limits to these contributions are as follows:

- Participants may elect to contribute up to 35% of their eligible compensation on a pretax basis or as a Roth 401(k), or any combination of the two, to the Plan.
- Participants may defer up to 100% on a pretax basis of a Management Incentive Program (MIP)/ International Management Incentive Program (IMIP) cash award. MIP/IMIP is part of the UPS Incentive Compensation Plan and participants are determined annually by the Compensation Committee of the UPS Board of Directors.
- Participants may defer up to 100% on a pretax basis or to the Roth 401(k), or any combination of the two, of discretionary day pay.
- Participants may defer up to 100% on a pretax basis or to the Roth 401(k), eligible compensation attributable to the Sales Incentive Program (SIP) bonus program.
- Participants may contribute an additional 5% of their eligible compensation on an after-tax basis to the Plan.
- Participants age 50 and older or who will turn 50 during the Plan year are allowed to make pre-tax or Roth 401(k) catch-up contributions, up to an additional 35% of their eligible compensation subject to a maximum of \$6,000 for 2015. The maximum catch-up contribution may be indexed each year for inflation.

Participants can contribute to the Plan an amount consisting of an eligible rollover distribution or transfer from a conduit individual retirement account. Rollover contributions are at all times fully vested and nonforfeitable. Participants may not

roll over participant loans to Plan account balances from other qualified retirement plans, annuity contracts, or individual retirement accounts.

Investments - Participants may choose from various investment options including UPS Class A common stock, short-term investments and common and collective trust funds. Within the self-managed account, participants can purchase mutual funds and individual securities listed on major U.S. securities exchanges. Participants should refer to the Plan document for more complete information concerning the Plan's investment options.

Participant Accounts - Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution and related investment gains and losses. Withdrawals and administrative expenses are deducted from the participant's account.

Payment of Benefits - The Plan does not permit withdrawals or distributions except in the case of hardship, at attainment of age 59 1/2, termination of employment, or upon the death or total and permanent disability of the participant. In order to qualify for a hardship withdrawal, the participant must satisfy the legal requirements of a financial hardship as defined by IRC regulations. There are no penalties on approved withdrawals or distributions as stated above. Participants should refer to the Plan document for more complete information concerning the Plan's benefit payment options.

Notes Receivable from Participants - The Plan provides for loans in cases of hardship or residential loans only. Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their account balances (across all UPS-sponsored plans in which they participate). Loan terms shall not exceed five years on general loans and fifteen years on residential loans. Interest rates on outstanding loans ranged from 4.00% to 10.50% as of December 31, 2015. The loans are collateralized by the participant's account and bear interest at a fixed rate equal to one percentage point above the prime rate on the last business day of the month prior to the month in which the participant makes application for the loan. Principal and interest are paid ratably through regular payroll deductions.

Plan Termination - Although it has not expressed any intent to do so, UPS has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of a termination, the trustee has been instructed to maintain separate Plan accounts for each participant to accumulate earnings until the final terminating distribution.

Plan Administration - Voya Financial provides recordkeeping and administrative services to the Plan. State Street Global Services serves as the trustee for all assets of the Plan, with the exception of the UPS Stock Fund. BNY Mellon is the trustee for Class A shares of UPS Stock in the UPS Stock Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates and Risks and Uncertainties - The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including short-term investments, common and collective trust funds, registered investment companies, and certain individual securities listed on major U.S. securities exchanges. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investments are 100% participant directed and stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices are used to value all readily available marketable securities. The value of each share of UPS Class A common stock held by the Plan at December 31, 2015 and 2014, is equal to the price of a share of UPS Class B common stock as reported by the New York Stock Exchange as the Class A common stock is readily convertible on a 1:1 basis to Class B common stock. Investments

in common and collective trust funds are valued based upon the redemption price of units held by the Plan, which is based on the current fair value of the common and collective trust funds' underlying assets. Unit values are determined by the financial institution sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Plan holds the right to liquidate its positions in these common and collective trust funds at any time, subject to a reasonable notification period. No unfunded commitment existed with respect to these common and collective trust funds at December 31, 2015.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

The Plan also offers a self-managed account option. Within the self-managed account, participants can purchase registered investment companies and individual securities listed on major U.S. securities exchanges. These investments are stated at fair value based upon quoted market prices.

New Accounting Standards - The accounting standards initially adopted in 2015 are described below.

On May 1, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) ("ASU 2015-07") which removes the requirement to present certain investments for which the practical expedient is used to measure fair value at net asset value within the fair value hierarchy table. Instead, a Plan is required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. ASU 2015-07 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. The Plan elected to early adopt ASU 2015-07 as of December 31, 2015, as permitted, and has applied ASU 2015-07 retrospectively, as required. The Plan presents the investment disclosure required by this new guidance in Note 3, Fair Value Measurements. There are no effects on the statements of net assets available for plan benefits or the changes therein.

In July 2015, FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I eliminates the requirement to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. ASU 2015-12 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Parts I and II are to be applied retrospectively. The Plan has elected to early adopt ASU 2015-12 as of December 31, 2015, as permitted, and has applied the provisions of ASU 2015-12 retrospectively, as required. Part I and Part III are not applicable to the Plan. Part II is reflected in the notes to the financial statements. Certain historical disclosures that are no longer required were removed. There are no effects on the statements of net assets available for plan benefits or the changes therein.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan and UPS as provided in the Plan document. UPS provides certain accounting and other administrative services to the Plan free of charge. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments. Personal advisor services were made available as an option for plan participants seeking professional investment advice within their plan accounts in May 2014. Personal advisor fees of the Plan are paid by the Plan as provided in the Plan document. Administrative fees for 2015 and 2014 were as follows (in thousands):

	2015	2014
Investment advisory and management fees	\$ 1,498	\$ 1,439
Plan administrator fees	3,663	3,281
Personal advisor fees	\$ 2,349	\$ 377
Total administrative expenses	<u>\$ 7,510</u>	<u>\$ 5,097</u>

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Excess Contributions Payable - The Plan is required to return contributions to participants in the event certain non-discrimination tests defined under the IRC are not satisfied. For both 2015 and 2014, the Plan passed the non-discrimination tests and the Plan was therefore not required to refund contributions to any Plan participants.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2015 and 2014 (in thousands):

Fair Value Measurements at December 31, 2015				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Self-managed accounts*:				
Common stock	\$ 225,908	\$ —	\$ —	\$ 225,908
Mutual funds	41,157	—	—	41,157
Interest-bearing cash	1,765	—	—	1,765
Common and collective trusts:				
Equity funds	—	3,130,484	—	3,130,484
Fixed-income funds	—	522,789	—	522,789
Lifestyle funds	—	886,573	—	886,573
Multi-asset funds	—	315,570	—	315,570
U.S. government securities	—	311,524	—	311,524
UPS Stock Fund	1,330,263	—	—	1,330,263
Total investments — at fair value	\$ 1,599,093	\$ 5,166,940	\$ —	\$ 6,766,033

Fair Value Measurements at December 31, 2014				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Self-managed accounts*:				
Common stock	\$ 219,510	\$ —	\$ —	\$ 219,510
Mutual funds	44,457	—	—	44,457
Interest-bearing cash	1,141	—	—	1,141
Common and collective trusts:				
Equity funds	—	3,171,280	—	3,171,280
Fixed-income funds	—	447,015	—	447,015
Lifestyle funds	—	905,344	—	905,344
Multi-asset funds	—	354,226	—	354,226
U.S. government securities	—	321,214	—	321,214
UPS Stock Fund	1,539,412	—	—	1,539,412
Total investments — at fair value	\$ 1,804,520	\$ 5,199,079	\$ —	\$ 7,003,599

* The investments within the self-managed accounts include a variety of categories of common stock and mutual funds.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the

transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended, December 31, 2015 and 2014, there were no transfers between levels.

Units of the collective trust funds are valued at the net asset value of their underlying investments. There are no unfunded commitments for these funds, the redemption frequency is immediate and there are no other redemption restrictions.

4. INVESTMENTS

During 2015 and 2014, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, (depreciated) / appreciated in value as follows (in thousands):

	2015	2014
Self-managed accounts	\$ (14,106)	\$ 16,507
Common and collective trusts:		
State Street Bank & Trust Standard & Poor's 500 Flagship Fund	1,561	10,939
State Street Bank & Trust Global Equity ex U.S. Index Fund	(1,243)	(1,180)
State Street Bank & Trust Standard & Poor's Midcap Series A Fund	(193)	1,135
State Street Bank & Trust U.S. Inflation Protected Bond Index Fund	(261)	617
State Street Bank & Trust/Tuckerman Global Real Estate Securities Index Fund	57	1,821
State Street Bank & Trust U.S. High Yield Bond Index Fund	(665)	240
State Street Bank & Trust World ex U.S. Index Fund	(14,796)	(15,330)
State Street Bank & Trust Russell 2000 Fund Series A	(18,057)	20,769
State Street Bank & Trust Standard & Poor's Midcap Fund	(15,286)	62,167
State Street Bank & Trust Passive Intermediate Bond Market Fund	990	2,691
State Street Bank & Trust SSGA Age Based Income Fund	(1,009)	2,038
State Street Bank & Trust SSGA Age Based 2010 Fund	211	561
State Street Bank & Trust SSGA Age Based 2015 Fund	(1,418)	7,073
State Street Bank & Trust SSGA Age Based 2020 Fund	(1,618)	3,837
State Street Bank & Trust SSGA Age Based 2025 Fund	(4,188)	12,145
State Street Bank & Trust SSGA Age Based 2030 Fund	(1,065)	2,680
State Street Bank & Trust SSGA Age Based 2035 Fund	(3,815)	11,625
State Street Bank & Trust SSGA Age Based 2040 Fund	(1,203)	2,371
State Street Bank & Trust SSGA Age Based 2045 Fund	(2,205)	4,468
State Street Bank & Trust SSGA Age Based 2050 Fund	(1,155)	1,714
State Street Bank & Trust SSGA Age Based 2055 Fund	(461)	563
State Street Bank & Trust SSGA Age Based 2060 Fund	(25)	**
State Street Bank & Trust Emerging Markets Index Fund	(13,232)	(4,053)
State Street Bank & Trust U.S. Diversified Bond Fund	1,734	10,220
BlackRock Equity Index Fund F	24,088	196,361
BlackRock Short Term Bond Index Fund	2,222	2,728
BlackRock UPS Strategic Completion Non-Lendable Fund F	(4,703)	1,954
Total common and collective trusts	(55,735)	340,154
UPS Stock Fund	(205,740)	83,434
Net (depreciation) appreciation in fair value of investments	\$ (275,581)	\$ 440,095

** Investment does not have (depreciation) / appreciation value for respective year

5. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed UPS by a letter dated July 18, 2013, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken positions that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The IRS audit for the 2009 Plan year was closed February 11, 2015, and there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

6. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by State Street Global Advisors ("State Street") or the BlackRock Institutional Trust Company ("BlackRock"). State Street Global Services, Voya, and TD Ameritrade are the trustee, recordkeeper, and self-managed account service provider respectively, as defined by the Plan, and therefore, fees paid to these institutions qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and trustee fees were \$3.663 and \$3.281 million for the years ended December 31, 2015 and 2014, respectively. Fees paid by the Plan for investment management services were \$1.498 and \$1.439 million for the years ended December 31, 2015 and 2014, respectively. Fees paid by the Plan for personal advisor services were \$2.349 and \$0.377 million for the years ended December 31, 2015 and 2014, respectively.

UPS is the Plan sponsor and all transactions in its common stock qualify as exempt party-in-interest transactions. As of December 31, 2015 and 2014, the Plan held 13,823,786 and 13,847,383 shares of common stock of the Company with a fair value of \$1.330 and \$1.539 billion and a cost basis of \$1.022 and \$0.958 billion, respectively. During the years ended December 31, 2015 and 2014, the Plan recorded dividend income on UPS common stock of \$40.502 million and \$38.477 million, respectively.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2015 and 2014, is as follows (in thousands):

	2015	2014
Net assets available for benefits per the financial statements	\$ 6,831,219	\$ 7,065,490
Adjustment for deemed distributions from participant loans	(1,092)	(1,006)
Net assets available for benefits per Form 5500	<u>\$ 6,830,127</u>	<u>\$ 7,064,484</u>
Net (decrease) increase in plan assets per the financial statements	\$ (234,271)	\$ 498,395
Adjustment for deemed distribution income from participant loans	(86)	(19)
Total income per Form 5500	<u>\$ (234,357)</u>	<u>\$ 498,376</u>

8. SUBSEQUENT EVENT

The UPS Retirement Plan (a defined benefit pension plan also sponsored by UPS) was closed to new non-union participants effective July 1, 2016. The Plan sponsor intends to amend the Plan in 2016 so that employees who previously would have been eligible for participation in the UPS Retirement Plan will, in addition to current benefits under the Plan, begin receiving a UPS Retirement Contribution (as defined below). For employees eligible to receive the Retirement Contribution, UPS will contribute 3% to 8% of eligible pay to the Plan based on years of vesting service and business unit. Contributions will be made annually in cash to the accounts of participants who are employed on December 31 of each calendar year and become vested after the employee reaches three complete years of service. We do not believe this proposed plan amendment has a material effect on the Plan's statement of net assets available for benefits, statement of changes in net assets available for benefits, or the related disclosures in the financial statements.

SUPPLEMENTAL SCHEDULES

UPS 401(k) Savings Plan
Employer ID NO: 95-1732075
Plan NO: 004
**FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2015**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
SHORT-TERM INVESTMENTS:				
*	State Street Bank & Trust Short-Term Investment Fund	1,765,094 shares	**	\$ 1,765,094
*	State Street Bank Money Market Fund Government Short Term Investment Fund	145,237,209 shares	**	145,237,209
	Total short-term investments			147,002,303
COMMON AND COLLECTIVE TRUST INVESTMENTS:				
*	State Street Bank & Trust Standard & Poor's 500 Flagship Fund	171,666 units	**	81,039,446
*	State Street Bank & Trust Global Equity ex U.S. Index Fund	2,551,775 units	**	25,122,227
*	State Street Bank & Trust Standard & Poor's Midcap Series A Fund	197,037 units	**	11,095,939
*	State Street Bank & Trust Passive Intermediate Bond Market Fund	1,563,436 units	**	84,667,890
*	State Street Bank & Trust U.S. Inflation Protected Bond Index Fund	1,218,227 units	**	17,877,478
*	State Street Bank & Trust/Tuckerman Global Real Estate Securities Index Fund	751,863 units	**	12,974,904
*	State Street Bank & Trust U.S. High Yield Bond Index Fund	889,050 units	**	12,512,490
*	State Street Bank & Trust World ex U.S. Index Fund	34,617,597 units	**	382,420,596
*	State Street Bank & Trust Standard & Poor's Midcap Fund	11,878,293 units	**	666,609,821
*	State Street Bank & Trust Russell 2000 Fund Series A	9,704,681 units	**	414,574,258
*	State Street Bank & Trust SSGA Aged Based Income Fund	3,968,068 units	**	64,612,049
*	State Street Bank & Trust SSGA Aged Based 2015 Fund	6,618,377 units	**	109,613,559
*	State Street Bank & Trust SSGA Aged Based 2020 Fund	4,325,542 units	**	82,769,239
*	State Street Bank & Trust SSGA Aged Based 2025 Fund	11,904,123 units	**	207,131,745
*	State Street Bank & Trust SSGA Aged Based 2030 Fund	2,727,466 units	**	53,717,446
*	State Street Bank & Trust SSGA Aged Based 2035 Fund	10,778,059 units	**	185,113,160
*	State Street Bank & Trust SSGA Aged Based 2040 Fund	2,364,614 units	**	46,970,696
*	State Street Bank & Trust SSGA Aged Based 2045 Fund	4,670,663 units	**	81,596,474
*	State Street Bank & Trust SSGA Aged Based 2050 Fund	2,764,407 units	**	39,304,339
*	State Street Bank & Trust SSGA Aged Based 2055 Fund	1,002,725 units	**	14,186,557
*	State Street Bank & Trust SSGA Aged Based 2060 Fund	164,080 units	**	1,557,939
*	State Street Bank & Trust Emerging Markets Index Fund	3,076,303 units	**	67,478,696
*	State Street Bank & Trust U.S. Diversified Bond Fund	36,812,728 units	**	377,551,337
*	BlackRock Equity Index Fund F	43,929,982 units	**	1,607,954,289
*	BlackRock Short Term Bond Index Fund	29,741,464 units	**	311,523,994
*	BlackRock UPS Strategic Completion Fund	6,322,009 units	**	61,726,204
	Total common and collective trust investments			5,021,702,772
*	United Parcel Service, Inc.	13,823,786 shares of Class A Common Stock	**	1,330,262,954
	Investments in self-managed accounts		**	267,064,663
	Total investments at fair value			\$6,766,032,692
*	Various notes receivable from participants	Interest rates between 4.00% – 10.50% and maturities ranging up to 15 years	**	39,611,961
	Total notes receivable from participants and investments at fair value			\$6,805,644,653

* Party-in-interest

** Cost information is not required as all investments are participant-directed

UPS 401(k) Savings Plan
Employer ID NO: 95-1732075
Plan NO: 004
**FORM 5500, SCHEDULE H, PART IV, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS
AS OF DECEMBER 31, 2015**

<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Single Transactions:						
BlackRock	BlackRock Institutional Trust 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Income	\$ —	\$ 302,239,335	\$ 302,239,335	\$ 302,239,335	\$ —
BlackRock	BlackRock Institutional Trust Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ —	\$ 999,974,039	\$ 999,974,039	\$ 999,974,039	\$ —
State Street	State Street Bank 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Fund	\$ 302,239,335	\$ —	\$ —	\$ 302,239,335	\$ —
State Street	State Street Bank Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 999,974,039	\$ —	\$ —	\$ 99,974,039	\$ —

<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Series Transactions:						
BlackRock	BlackRock Institutional Trust 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Income	\$ 23,343,328	\$ 335,269,059	\$ 334,034,046	\$ 358,612,387	\$ 1,235,013
BlackRock	BlackRock Institutional Trust Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 56,953,859	\$ 1,130,186,320	\$ 1,080,653,389	\$ 1,187,140,179	\$ 49,532,931
State Street	State Street Bank 1 3 Year Gov/Credit Bond Index Mutual Fund Fixed Income Investment Fund	\$ 308,967,081	\$ 8,953,146	\$ 8,611,885	\$ 317,920,227	\$ 341,261
State Street	State Street Bank Equity Index Non Lendable Fund F Equity Index Fund Investment Fund	\$ 1,023,015,151	\$ 17,031,334	\$ 10,625,741	\$ 1,040,046,485	\$ 6,405,593

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee, administrator of the Plan, has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

UPS 401(k) Savings Plan

Date: June 24, 2016

By: /s/ DANIEL H. DISMUKES
Daniel H. Dismukes
Administrative Committee Member

EXHIBIT INDEX

Exhibit 23.1 — Consent of Deloitte & Touche LLP.