



UNITED PARCEL SERVICE, INC.

DIRECT TRANSACTION PROGRAM

The United Parcel Service, Inc. Direct Transaction Program, as amended through September 1, 2012, (the “program”) provides our eligible employees with a simple way to invest in our class A shares over the Internet, without paying commissions, trading fees or service charges. This prospectus describes purchases and sales under the direct transaction program.

We registered 40 million class A UPS shares for sale under the plan, which includes shares we sell under the direct transaction program and under the discounted employee stock purchase plan. If you have any questions about the plan, please call Computershare Shareowner Services LLC (“Computershare”), toll-free at 1-888-663-8325. Customer service representatives are available between the hours of 8:00 a.m. and 7:00 p.m. Eastern time, Monday through Friday. You should keep this prospectus for future reference.

We are offering only class A shares under the program. There is no public trading market for the class A shares.

Our class B common stock is listed on the New York Stock Exchange under the ticker symbol “UPS”. On September 1, 2012, the last reported sale price of our class B common stock on the New York Stock Exchange was \$ 73.81 per share.

Our class A shares are not insured or protected by any governmental agency, and involve investment risk, including the possible loss of money that you invest. In addition, dividends on our class A shares may be increased or decreased at the discretion of our Board of Directors.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the class A shares or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 1, 2012.
This prospectus supersedes the previous program prospectus dated June 14, 2002.

You should rely only on the information contained in or incorporated by reference into this prospectus. We have not authorized anyone to provide you with any other information. We are not making an offer of securities in any place where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document.

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WHERE YOU CAN FIND MORE INFORMATION ABOUT UPS

We file annual, quarterly and current reports, proxy statements and other information with the SEC. This prospectus is part of a registration statement on Form S-8.

Our SEC filings are available to the public over the Internet at the SEC web site at www.sec.gov. You may also read and copy any documents we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility.

Our SEC filings are also available at the office of the New York Stock Exchange. For more information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” into this document the information that we file with the SEC. This means that we can disclose important information by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information in documents that we file with the SEC after the date of this prospectus and before the termination of the offering will automatically update and supersede information in this prospectus and in our other filings with the SEC.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until our offering is completed:

- our annual report on Form 10-K for the year ended December 31, 2011;
- our quarterly report on Form 10-Q for the quarter ended June 30, 2012;
- our current reports on Form 8-K filed on February 17, 2012, March 23, 2012, April 13, 2012, May 7, 2012 and July 26, 2012 ; and
- the description of United Parcel Service of America, Inc.’s common stock, \$.10 par value per share, contained in its registration statement on Form 8-A, filed with the SEC in April 1970, as updated by item 5 of its annual report on Form 10-K for the year ended December 31, 1998, as modified by the description of the class A-1 common stock contained in our registration statement on Form S-4 (no. 333-83349) filed with the SEC on September 22, 1999. We succeeded to the Exchange Act registration of United Parcel Service of America, Inc. pursuant to Rule 12g-3 under the Exchange Act.

We will provide, without charge, to each person to whom a copy of this prospectus is delivered, upon written or oral request, a copy of any and all of the documents incorporated by reference in this prospectus, other than the exhibits to such documents, unless such exhibits are specifically incorporated by reference into the documents that this prospectus incorporates. Requests for copies of these documents should be directed to United Parcel Service, Inc., 55 Glenlake Parkway, N.E., Atlanta, Georgia, 30328, attention: Investor Relations, telephone number (404) 828-6059.

OUR COMPANY

UPS was founded in 1907 as a private messenger and delivery service in Seattle, Washington. Today, UPS is the world’s largest package delivery company, a leader in the U.S. less-than-truckload industry and the premier provider of global supply chain management solutions. We deliver packages each business day for 1.1 million shipping customers to 7.7 million consignees in over 220 countries and territories. In 2011, we delivered an average of 15.8 million pieces per day worldwide, or a total of 4.01 billion packages. Total revenue in 2011 was \$53.1 billion. UPS is incorporated under the laws of the state of Delaware. Our principal executive offices are located at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328.

THE PROGRAM

Our board of directors adopted the United Parcel Service, Inc. Nonqualified Employee Stock Purchase Plan (the “plan”), which included this program, in 2000. The plan will continue indefinitely, subject to our right to terminate it at any time.

The plan covers both the discounted employee stock purchase plan and the direct transaction program. This prospectus describes purchases under the direct transaction program. We describe the discounted employee stock purchase plan in a separate prospectus. Please refer to that prospectus for a description of the discounted employee stock purchase plan.

The following is a question-and-answer statement of the terms of the direct transaction program as in effect on the date of this prospectus.

Purpose

1. What is the purpose of the Direct Transaction Program?

The primary purpose of the direct transaction program is to encourage stock ownership by each eligible employee of UPS and its subsidiaries, in the belief that such ownership will increase each employee’s interest in our success and will provide an additional incentive for each employee to remain with UPS.

Advantages

2. What are the advantages of the Direct Transaction Program?

If you elect to participate in the direct transaction program, you can benefit from the following advantages:

- *No Trading Fees or Service Charges for Purchases.* If you elect to participate in the direct transaction program, you will not pay any trading fees or service charges in connection with your purchases of class A shares.
- *Convenience.* With the direct transaction program, you can purchase class A shares over the Internet. There is no need to forward payment because the purchase price for your shares will automatically be debited from the bank account that you specify.

Shares Subject to the Direct Transaction Program

3. What kind of shares can I purchase under the Direct Transaction Program? How many can I purchase?

The direct transaction program offers you the ability to purchase only class A shares. You are limited to one purchase per account per day, and you must purchase at least 20 shares.

Administration

4. Who administers the Direct Transaction Program?

The direct transaction program is administered by our salary committee. The current members of the salary committee are D. Scott Davis, David Abney, Kurt Kuehn and John McDevitt. The salary committee members are appointed by and serve at the discretion of our Chief Executive Officer.

Computershare Shareowner Services LLC and its affiliate, Computershare Trust Company, N.A. (collectively, “Computershare”), keep records, send statements to participants, and perform other duties under the direct transaction program. You may contact Computershare as follows:

Computershare Shareowner Services LLC
480 Washington Blvd.
Jersey City, New Jersey 07310
1-888-663-8325 (domestic) / 201-680-6612 (outside the US)

The above telephone number also will allow you to access Computershare's Interactive Voice Response System, which will permit you to transact business under the direct transaction program by telephone. You must have your Personal ID/User ID and a personal identification number (PIN)/password from Computershare to access this system.

You may obtain additional information and send questions concerning the direct transaction program to: Investor Relations, United Parcel Service, Inc., 55 Glenlake Parkway, NE, Atlanta, Georgia 30328, (404) 828-6059.

Costs

5. How much does it cost to participate in the Direct Transaction Program?

Purchasing shares through the direct transaction program is free, other than the price that you pay for each share you purchase. You will not incur trading fees or service charges when you purchase shares under the direct transaction program.

We will, however, charge you a fee if you attempt to purchase shares and you have insufficient funds in your bank account to pay for the shares, or if your bank account is closed. In addition, we will sell the shares you attempted to purchase and you will be required to reimburse the Company for any difference between the purchase price and sale price.

Participation

6. Who is eligible to participate in the Direct Transaction Program?

Only active eligible employees may purchase shares. "Eligible employee" means each employee of UPS or a subsidiary of UPS, except:

- an employee who has not completed six continuous months of employment,
- an employee employed outside the United States who does not have a U.S. dollar-denominated and U.S.-domiciled bank account, unless otherwise permitted by the salary committee,
- an employee who the salary committee determines is engaging in a pattern of purchasing and selling shares with a view towards short-term speculation rather than long-term investment,
- an employee who has been absent on account of disability for more than one year,
- an employee whose terms and conditions of employment are governed by a collective bargaining agreement to which we or any of our subsidiaries is a party, unless the collective bargaining agreement or another agreement with the union provides for coverage under the plan, or
- an employee who owns, or would own after a purchase, five percent or more of the outstanding common stock of UPS or any of its subsidiaries.

All class A shareowners with a Computershare account are eligible to sell shares through the direct transaction program. However, class A shares held in an Individual Retirement Account (IRA) are not eligible for sale under the direct transaction program.

You may not transfer your right to participate in the direct transaction program to another person.

7. How do I join the Direct Transaction Program, and how does it work?

If you are an eligible employee, you may join the direct transaction program by signing an enrollment form and returning it to the address listed on the top of the form, or you may enroll electronically by accessing our intranet site for Investor Relations or by downloading the enrollment form from the Computershare website at www.cpushareownerservices.com. You can access Computershare's website through the UPS Portal at www.upsers.com (click on the benefits tab at the top of the page).

The minimum number of shares that you may purchase at a time through the direct transaction program is 20. Only class A shares may be purchased through the direct transaction program.

Participation in the direct transaction program is entirely voluntary. We give no advice regarding your decision whether to join the direct transaction program.

Your enrollment form will authorize us to debit the purchase price of shares that you purchase through the direct transaction program directly from the bank account that you specify. All purchases are subject to the provisions of the program.

You may make purchases from 8 a.m. to 3 p.m. Eastern time each day that the New York Stock Exchange is open. If the NYSE is scheduled to close before 4 p.m. on a given day, we will close the direct transaction program one hour before the scheduled NYSE closing time. If trading on the NYSE ceases unexpectedly, we will close the direct transaction program until NYSE trading resumes. Purchases are subject to any insider trading restrictions that apply to you. Once you make a purchase, you will not be able to make another purchase again on that day. To purchase shares, either:

- Go to Computershare's website at www.cpushareownerservices.com, or
- Go to www.upsers.com and access the Computershare website through the UPS Portal.

You will need your Personal ID/User ID and a personal identification number (PIN)/password from Computershare to access this system. The direct debit to your bank account will post within three days of the purchase date. No checks or other form of payment will be accepted.

The class A shares that you purchase will be deposited in your regular Computershare account.

You will be charged an administrative processing fee if any direct debit on your designated bank account is returned for insufficient funds or because your bank account is closed. In addition, we will sell the shares you attempted to purchase and you will be required to reimburse the Company for any difference between the purchase price and sale price.

8. When may I join the Direct Transaction Program?

If you are eligible to participate, you may join the direct transaction program at any time, subject to any insider trading restrictions that apply to you.

Purchases

9. When will shares be purchased under the Direct Transaction Program?

Your purchases will be complete and the purchase price deducted from the bank account that you specify on or before the third business day after the day on which you made your purchase.

10. At what price will shares be purchased under the Direct Transaction Program?

The purchase price per share of class A shares purchased under the direct transaction program will be equal to the average of the high, low and closing price of a share of our class B common stock on the New York Stock Exchange on the date that you enter the purchase.

Important: The price of our class B common stock may rise or fall after you make a purchase. The price that you pay for each share of class A shares under the direct transaction program may be different from the price of a share of class B common stock at the time you make your purchase. Therefore, you will not know the price per share that you will pay at the time you place your order.

11. What is the source of shares available for purchase under the Direct Transaction Program?

At our discretion, the shares of our class A shares purchased under the direct transaction program will be authorized but unissued shares that we issue, shares from our treasury, shares that we purchase from other holders of class A shares, or a combination of these.

We registered a total of 40 million class A shares for sale under the plan. Because the plan includes the discounted employee stock purchase plan and also may be expanded to include other features, the salary committee may elect to allocate a number of shares for purchase under the direct purchase program in its discretion.

We may decide to impose an overall limit to the number of shares that can be purchased under the direct transaction program in any year, and we may terminate or suspend the program at any time.

12. What happens to cash dividends that are paid on shares that I receive under the Direct Transaction Program?

A check for any cash dividends declared on the shares in your account will be mailed to you at the address listed on your account or deposited directly to your bank account. You may also reinvest your dividends by signing up for the UPS Dividend Reinvestment Plan from your Computershare account.

Sales

13. How do I sell shares that I purchase under the Direct Transaction Program?

You may sell shares purchased through the direct transaction program under the same rules and restrictions that apply to any sale of class A shares in your regular Computershare account.

All sales transactions must be completed through the Shareowner Services' website at www.cpushareownerservices.com or through the Shareowner Services' Interactive Voice Response System (IVR) at 1-888-663-8325. You can place your sell orders from 8:00 a.m. Eastern Time until 1 hour prior to the close of trading on any day that the NYSE is open. Each sales order is irrevocable once the order is confirmed through the website. Your Account number/User ID and PIN will be required to access your account.

Please note if you have more than 40 receipts of UPS shares then sales transactions must be completed from the Computershare Website and cannot be completed using the Interactive Voice Response System.

14. How much does it cost to sell shares through the Direct Transaction Program?

Sales transactions are subject to a transaction fee which will be deducted from the sales proceeds. Please visit Computershare's Web Site at www.cpushareownerservices.com for current information on the amount of the fees.

15. How do I get credited for the sale of my shares?

If you sell shares, your net proceeds (less the transaction fee) will be paid to you by a direct deposit (credit) to your bank account. The direct deposit will post within 4 business days from the date you placed your sale transaction. No checks or any other forms of payment will be issued.

16. At what price will my shares be sold under the Direct Transaction Program?

The price per share that you will receive will equal one of the following:

- On days where there are more shares being purchased than sold, the price per share that you will receive will equal the average of the NYSE high, low and closing price of UPS class B shares on the day that you place your order (the “Average Price”).
- On days where there are more shares being sold than purchased, and where the additional shares are to be sold on the NYSE, the price per share that you receive will equal the Average Price, averaged with the actual prices at which shares are sold on the NYSE on the day after you place your order. The averages used in the above calculation will be volume weighted.

The price per share that you receive will probably be different from the price of the UPS class B shares at the moment in time when you place your order.

The price per share that sellers receive for their shares may be different than the price per share that buyers pay on that day.

17. Are there any limitations on the number of shares I can sell under the Direct Transaction Program?

You are limited to one sale or purchase transaction per day, per account. Daily sale limit is 10,000 shares through the direct transaction program. The minimum sale is 100 shares, unless you own less than 100 shares, in which case, you must sell all shares.

United States Federal Income Tax Consequences

18. What are the United States Federal Income Tax consequences of participation in the Direct Transaction Program?

In general, you will not realize any taxable income upon purchase of shares through the direct transaction program. Any dividends that you receive will be subject to federal and other income taxes. Any gain or loss from your later sale of shares acquired through the direct transaction program will be reportable as a taxable gain or loss.

You should consult with your own tax advisor with respect to your own personal tax situation.

We do not intend for the direct transaction program to constitute an “employee stock purchase plan” within the meaning of Section 423 of the Internal Revenue Code. We intend to satisfy the coverage and participation requirements of Internal Revenue Code Sections 423(b)(3) and 423(b)(5), however, so as to meet the definition of “stock purchase plan” contained in Rule 16b-3(b)(5) under the Exchange Act. The direct transaction program is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Reports to Participants

19. What kind of reports will I receive?

Computershare will make an Investor Activity Report available electronically within four business days of your purchase or sale transaction. You may enroll to access your paperless account statements and other investor correspondence, and can view these as frequently as you wish. If you choose not to enroll, you will receive an annual statement on your account that includes information about your purchases and sales transactions during the year.

Please note that you can request a statement at any time through the Computershare Website or the Interactive Voice Response System at no additional cost. You should retain your statements as a permanent record of your UPS class A share activity.

You also may receive notices of internet availability of proxy materials, copies of our annual report to shareowners, proxy statements and information for income tax reporting purposes.

Other Information

Each person who controls, or is a member of a group that controls, or who is under common control with, UPS and who distributes any shares of UPS stock purchased through the direct transaction program, and any broker or dealer who participates in any such distribution, may, in connection with such a distribution, be deemed to be an “underwriter” within the meaning of the Securities Act of 1933 unless the shares are sold pursuant to Rule 144 under the Securities Act. This prospectus may not be used in connection with any resales of any shares received by such a person.

In addition, the filing requirements of Section 16(a) of the Exchange Act and the short-swing profit rules under Section 16(b) of the Exchange Act may apply to purchases and sales of UPS stock, including shares purchased through the direct transaction program and subsequent resales of these shares, by any person who is an executive officer, director or beneficial owner of 10% or more of UPS’s outstanding common stock.

20. What happens if UPS has a stock dividend or stock split?

Any shares we distribute as a result of a stock dividend or stock split on shares you purchased under the direct transaction program will be added to your regular Computershare account.

21. How will my Direct Transaction Program shares be voted at shareowners’ meetings?

Shares that you purchase through the direct transaction program are no different from the other class A shares in your regular Computershare account, and you can vote them in the same manner.

22. Are UPS and Computershare responsible if the price for shares purchased under the Direct Transaction Program is undesirable, or if the value of shares that I purchase goes down?

Neither we nor Computershare will be liable for any act done in good faith or any good faith omission to act. Without limiting the previous sentence, we will not be liable for any claim relating to:

- any prices at which shares are purchased or sold;
- the time at which any purchase or sale is made under the direct transaction program; or
- any fluctuation in the value of the shares that you purchase or sell under the direct transaction program.

Neither we nor Computershare can provide you with any assurance of profit from your participation in the direct transaction program or with any protection from loss of the value of our class A shares.

23. May the Direct Transaction Program be changed or discontinued?

While we hope to continue the direct transaction program indefinitely, we reserve the right to suspend, terminate or modify it at any time.