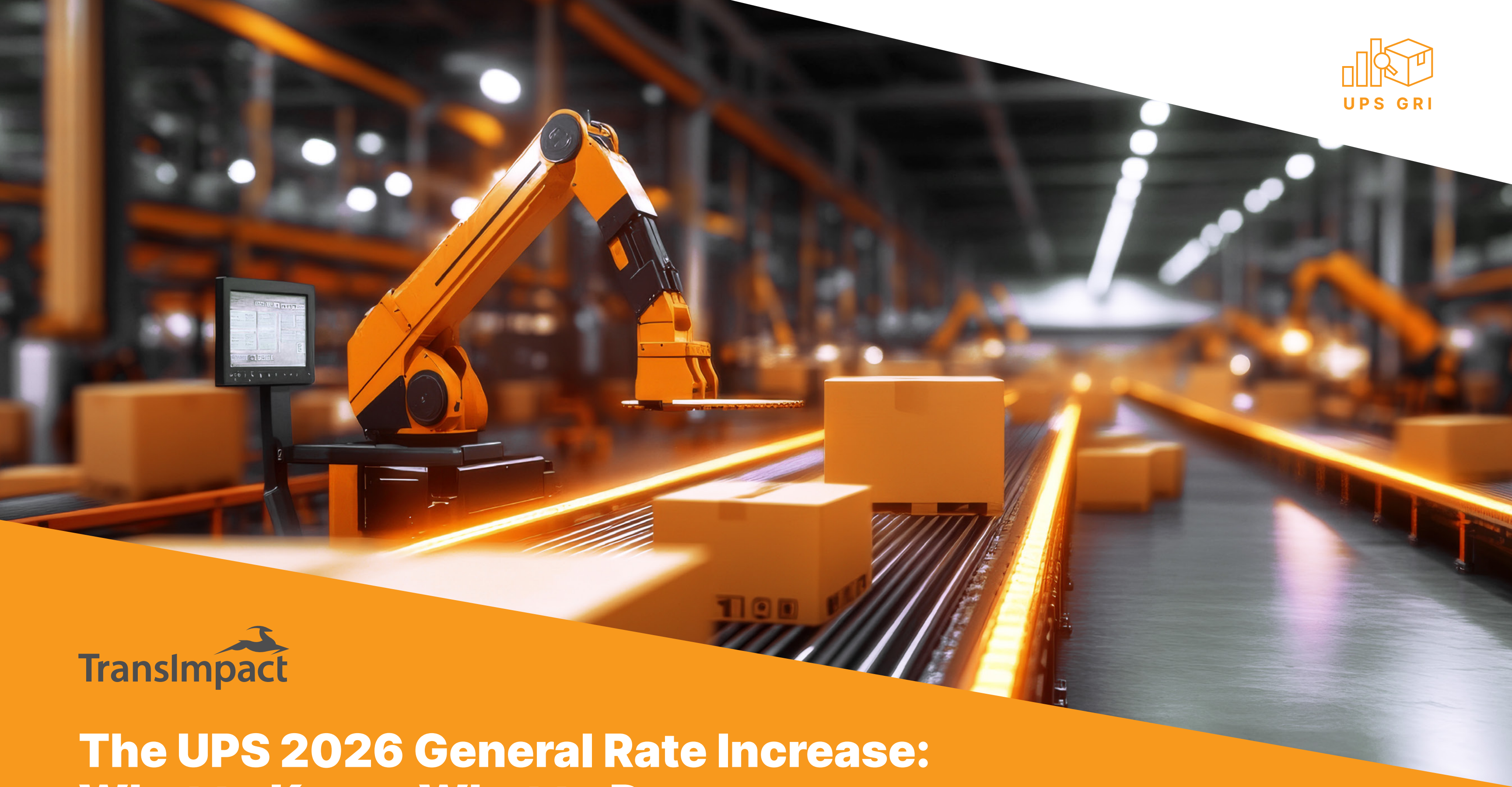
UPS GRI



TransImpact

The UPS 2026 General Rate Increase: What to Know, What to Do

Smart Shippers Can Avoid the Full Cost Impact. Here's Your Plan.

W TransImpact.com | **E** sales-info@transimpact.com | **T** 252 424 8410

GRI announcements sound like a broken record.

UPS has announced a 5.9% General Rate Increase (GRI) for 2026—matching the GRI FedEx has already announced and mirroring the increase in three of the past four years. But a closer look shows it's not the same old tune.

There are details hidden in UPS's 2026 GRI that will affect companies in different ways.

The 2026 UPS GRI is not identical to last year's. Knowing the differences is crucial to your parcel operations. Read TransImpact's annual UPS GRI analysis, powered by our expert parcel analysts and advanced technology, to learn how your shipping costs will be affected. You'll get a game plan to minimize (or even avoid) what could be a significant increase in your logistics budget next year.

Table of Contents

In TransImpact's analysis, we show you exactly where your invoice costs will increase the most in 2026. Keep reading to learn why—and, more importantly, what you can do about it.

The headline: the 2026 UPS GRI averages 5.9% and goes into effect December 22, 2025 (two weeks before the FedEx GRI begins).

In 2025, the typical TransImpact customer shipping with UPS would have seen a 7.1% increase based on the published GRI. Now is the time to prepare for 2026.

Remember: the 5.9% GRI is only an average across services. Many shippers will see higher increases depending on their service mix and package types. What's important is that the impact will not be the same for any two companies. Again, this year, surcharges play a major role in UPS's revenue strategy.

BE WARNED: In 2025, the typical TransImpact customer shipping with UPS would have seen a 7.1% increase based on the published GRI. Now is the time to prepare for 2026.

What's Most Important for UPS Customers Right Now

The main takeaway: In 2026, the base transportation rates are only one concern. A more significant impact comes from the most commonly billed surcharges, which are increasing by an average of 6.9%. Package weight is another key factor, with higher-than-average increases for several weight breaks.

There are also other service and zone-specific differences shippers need to evaluate that are highlighted in this report. Together, this is why the 5.9% headline tells only part of the story. UPS is raising rates where it needs to and where it wants to ... because it can. With low demand, revenue growth has been challenging.

Note: For shippers with rate caps on base transportation, those caps generally do not apply to surcharges.

Key takeaways:

- If the UPS GRI strictly followed inflation trends, the average increase would be closer to 4.9%. But based on recent earnings announcements and multiple aggressive rate changes by both FedEx and UPS in 2025, the UPS GRI is equal to its 5.9% increase from last year—the same as FedEx's 2026 GRI.
- The average percentage increases for primary domestic services in 2026 are lower compared to 2025.
- Package weight matters for most domestic services, with packages weighing 1 to 5 lbs. and 11 to 70 lbs. facing the highest increases.
- The most frequently billed surcharges will rise by an average of 6.9%.

The GRI announcement is not the only cost increase companies have dealt with in 2025:

- 2025 included multiple off-cycle accessorial increases, new fees, and rule changes.
- UPS updated its fuel surcharge (FSC) tables multiple times in 2025 and added to the list of fees that are FSC-eligible.
- International demand surcharges (Surge Fees) fluctuated throughout the year across various zones.
- Additional ZIP codes continue to be added and reclassified in the Delivery Area Surcharge (DAS) lists, along with other costly zone realignments made during the year.

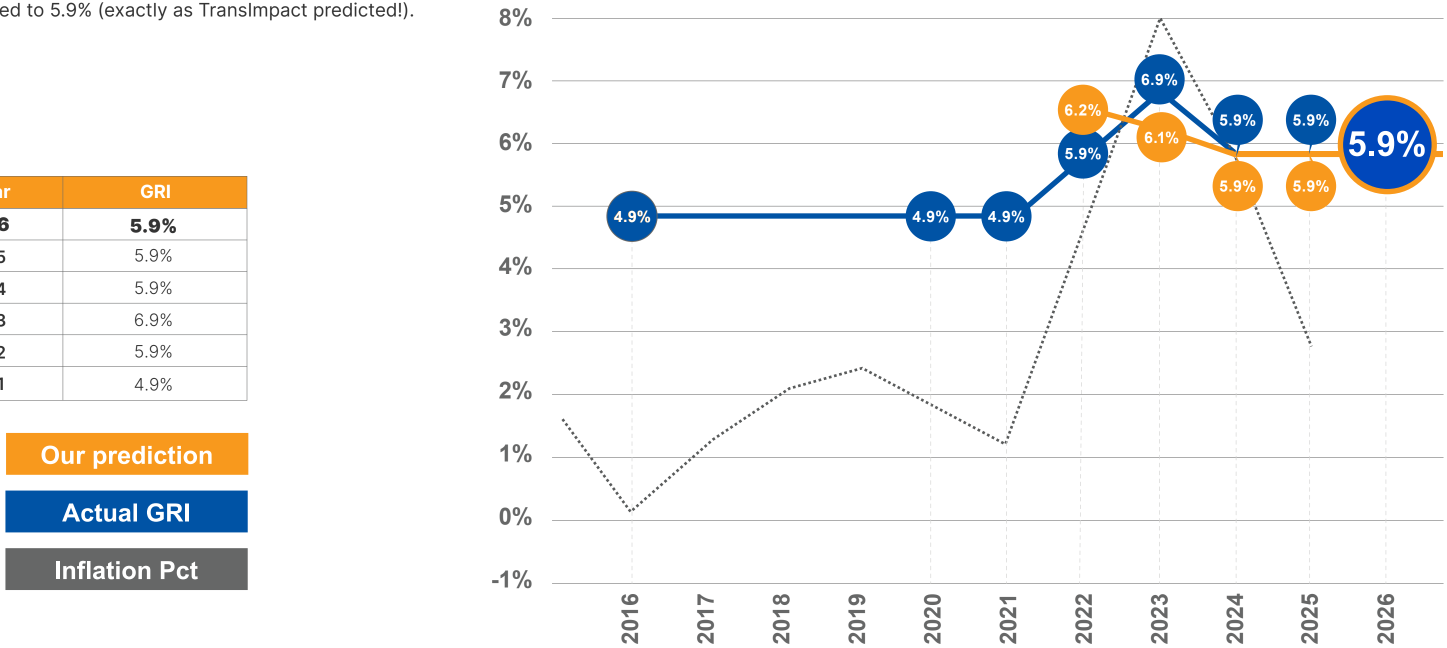
Other market factors to watch in 2026 include:

- Competition is intensifying as Amazon continues to expand its delivery services, while regional carriers and USPS push for market share.
- UPS ended its final mile relationship with USPS in early 2025 and rebranded the SurePost service as Ground Saver. Interestingly, there has been recent speculation of the relationship restarting.

1 Correlating Inflation to the GRI

Based on inflation data alone, the General Rate Increase (GRI) would be 4.9%. Considering market conditions and UPS's aggressive rate actions in 2025, the announcement was pushed to 5.9% (exactly as TransImpact predicted!).

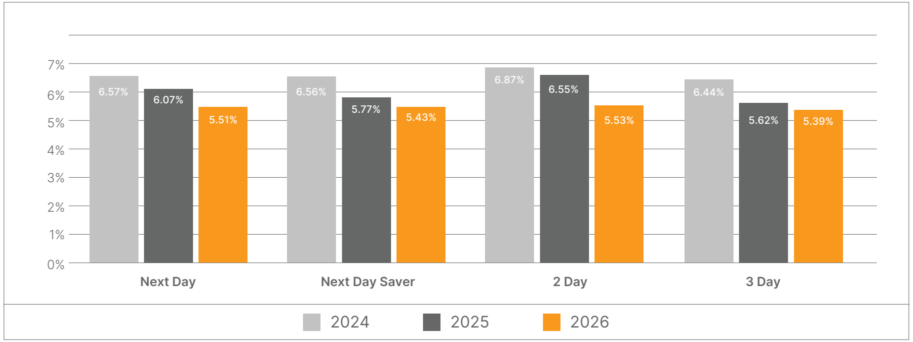
Year	GRI
2026	**5.9%**
2025	5.9%
2024	5.9%
2023	6.9%
2022	5.9%
2021	4.9%



W TransImpact.com | E sales-info@transimpact.com | T 252 424 8410

2 Domestic Air Service Increase

The increases are lower than in 2025. This exemplifies the shift in consumer preferences from fast shipping to lower-cost or free shipping.



3 Domestic Air Minimums

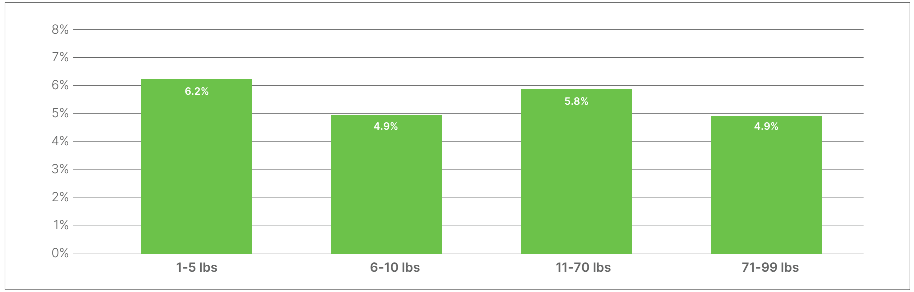
Increases have softened compared to the average increase from the prior three years (with the exception of 2 Day). Shippers with low-weight packages should be aware that Minimums can reduce effective incentives. We suggest companies emphasize negotiating lower Minimums in future agreements.

UPS Service	Prior 3 Year Average Increase	2025 Minimum	2026 Minimum	2026 % Increase
Next Day	7.1%	$42.42	$45.06	**6.2%**
Next Day Saver	7.1%	$38.78	$41.31	**6.5%**
2 Day	6.2%	$25.43	$27.13	**6.7%**
3 Day	5.7%	$16.03	$16.90	**5.4%**

W TransImpact.com I E sales-info@transimpact.com I T 252 424 8410

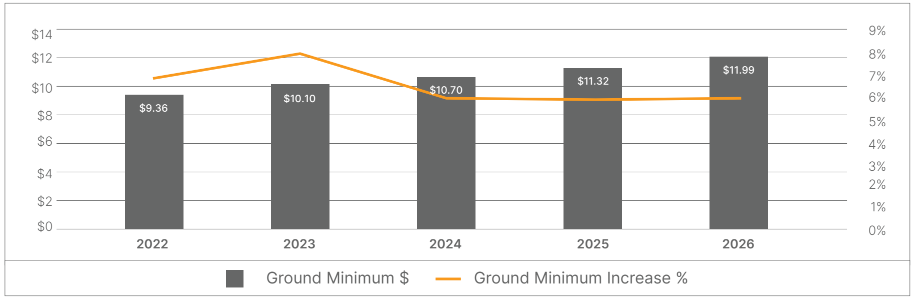
4 Domestic Air Increases by Weight Break

Air average increases are higher for the 1 to 5 lbs. and 11 to 70 lbs. weight breaks compared to the 6 to 10 lbs. and 71 to 99 lbs. Review closely, as the differences can have a large impact depending on your shipping profile.



5 Ground Minimum Increases

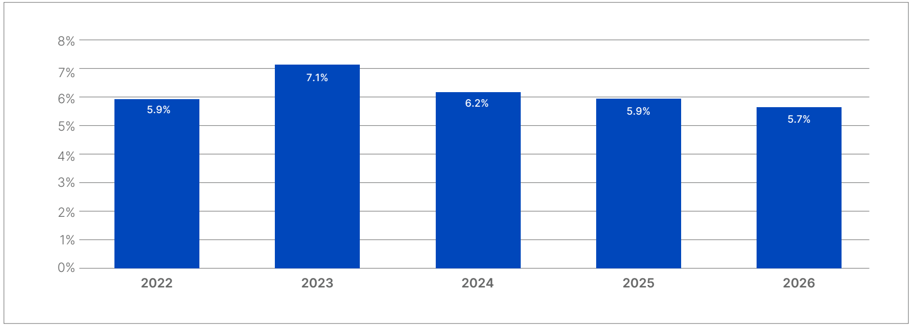
Ground minimums have more than doubled since 2013, reaching $11.99 in 2026. In recent years, the Minimum increase has aligned closely with the GRI percentage, whereas previously it had often been higher. This is due to greater competition from regional carriers and the USPS, who are successfully capturing lower-weight parcel volume.



Note: Up to 40% of TransImpact's customers' packages are impacted by Minimums, which can lower your effective discounts. Again, make it a priority to negotiate lower Minimums, especially if you frequently ship lightweight packages.

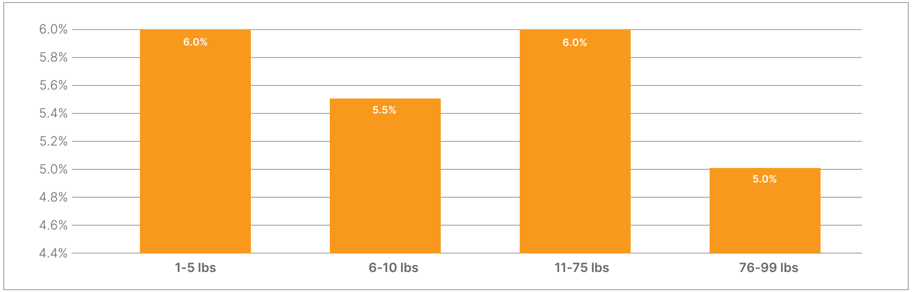
6 Ground Rate Increases by Year

The 2026 average Ground Rate increase is slightly lower than in 2025. See Illustration 7 for more details. A primary reason behind this softer increase by UPS is the growing competition from Amazon, the USPS, and regional carriers.



7 Ground Increase by Weight

The Ground average increase percentage is higher for the 1 to 5 lbs. and 11 to 75 lbs. weight breaks compared to the 6 to 10 lbs. and 76 to 99 lbs. weight breaks. Review these increases closely, as the differences can have a large impact depending on your shipping profile. Note: The percentage increase is nearly flat across all zones.

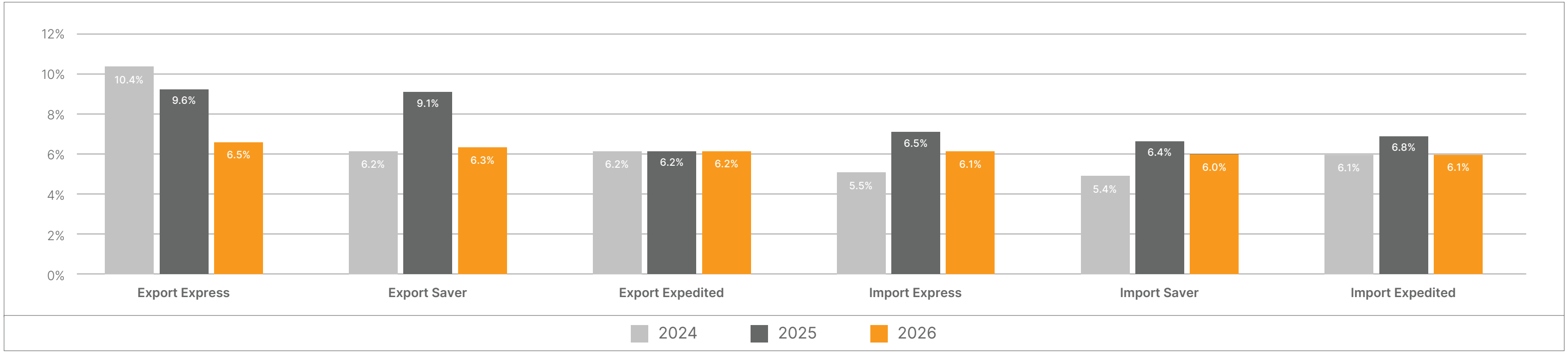


W TransImpact.com I E sales-info@transimpact.com I T 252 424 8410

8 International Increases by Service

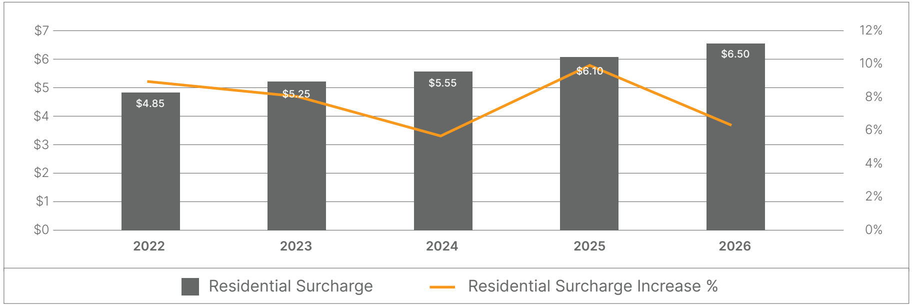
The 2026 increase for UPS International services is 6.2% on average. Notable spikes include exports to Taiwan/Hong Kong (8.3%) and many European nations (7.5%), and imports from Mexico and many Central & South American countries (6.9%).

Note: Shippers should understand their international shipping footprint and monitor all carrier announcements. It's common for Surge Fees (International Demand Surcharges) and other fees to be announced throughout the year across various regions with little notice.



9 Residential Surcharge Rates by Year

This is the most common accessorial charge (applied to all residential deliveries except Ground Saver). This charge will increase by 6.6% in 2026 and is 34% higher than in 2022.



W TransImpact.com | E sales-info@transimpact.com | T 252 424 8410

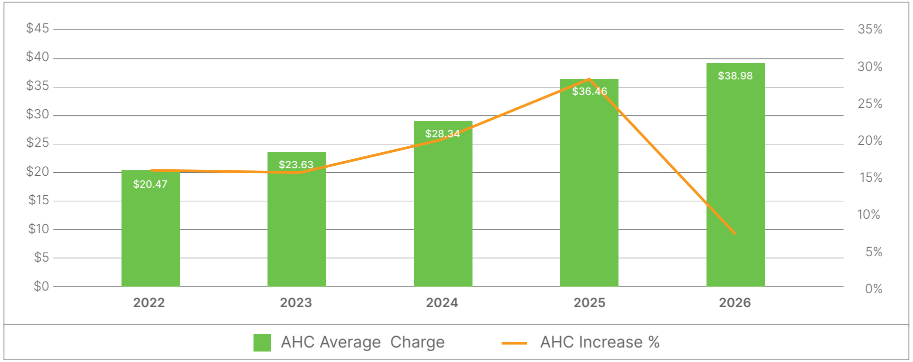
10 Average Additional Handling Charge (AHC) & Large Package Surcharge (LPS) by Year

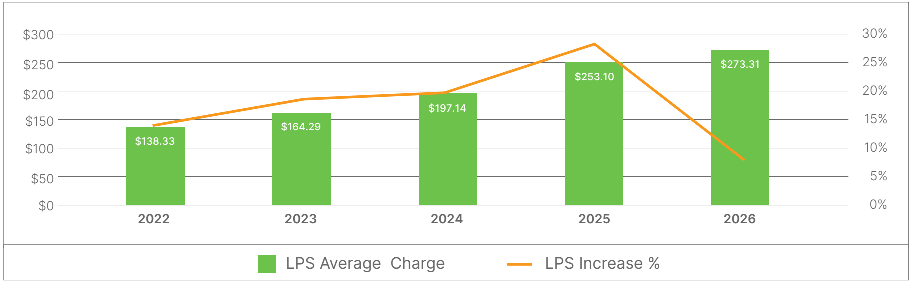
The Additional Handling Charge (AHC) and Large Package Surcharge (LPS) increases for 2026 appear lower than the previous four years. But the 2025 amounts include the off-cycle increases made by UPS.

Expect additional off-cycle increases in 2026 as the market for lightweight packages is the most competitive. UPS knows it can aggressively increase surcharges on larger, heavier, and bulky shipments. Both AHC and LPS fees have more than doubled since 2021.

These surcharges should be avoided, when possible, by reviewing the product and packaging design choices your company makes to reduce weight and dimensions. Some costs can also be offset through strategic rate negotiation.

Note: Effective January 26, 2026, UPS will expand surcharge rules. Cubic volume will be added to the Additional Handling Charge (AHC), and both cubic volume and weight will apply to the Large Package Surcharge (LPS).





W TransImpact.com I E sales-info@transimpact.com I T 252 424 8410

11 UPS Accessorial Increases

Most common surcharges are increasing by more than 5.9%. To illustrate the significant impact mid-year increases can have on surcharges and fees, the 2025 numbers include off-cycle increases.

UPS Accessorial Increases

Accessorial	2024 Increase %	2025 Increase %	2026 Increase %
Additional Handling - Weight	20.3%	28.0%	6.8%
Additional Handling - Length	20.2%	29.2%	7.0%
Additional Handling - Width	20.2%	29.2%	7.0%
Additional Handling - Packaging	19.5%	27.2%	7.1%
Large Package - Commercial	19.7%	28.8%	8.3%
Large Package - Residential	20.5%	27.6%	7.1%
Residential (Ground)	5.7%	9.9%	6.6%
Residential (Air)	6.0%	5.7%	6.9%
DAS Commercial Ground	6.8%	6.3%	7.1%
DAS Extended Commercial Ground	8.9%	9.2%	6.5%
DAS Commercial Air	6.8%	6.3%	7.1%
DAS Extended Commercial Air	8.9%	9.2%	6.5%
DAS Residential Ground	7.6%	7.9%	6.5%
DAS Extended Residential Ground	7.7%	7.8%	6.6%
DAS Residential Air	5.4%	5.1%	6.5%
DAS Extended Residential Air	7.7%	7.8%	6.6%
Address Correction	15.4%	4.4%	7.5%
Hazardous Material Ground	6.3%	6.4%	6.9%
Overmax	8.7%	42.0%	5.6%
Average Increase	**11.7%**	**15.7%**	**6.9%**

W TransImpact.com | E sales-info@transimpact.com | T 252-424-8410

2025 UPS Headlines

March 10

Domestic Air/Ground/Ground Saver fuel table update, increasing the FSC 0.5%.

March 24

Zone realignment.

March 24

Weekly scheduled pick-up fee now subject to FSC.

March 31

Late payment fee increased from 8% to 9.9%.

April 2

SurePost rebranded to Ground Saver, with the USPS relationship ending.

May 4

Mail Innovations rates increased by 40%.

May 11

Mail Innovations adds $1.75 Delivery Area Surcharge for extended area zip codes and a 1.5% late payment fee.

May 12

International fuel table update, increasing the FSC 1%.

May 18

Surge Fee added to shipments from the U.S. to Canada.

May 18

New Payment Processing Fee (all payment types) of 2% added. Credit Card Surcharge is no longer applicable.

June 1

Domestic Air/Ground/Ground Saver fuel table update, increasing the FSC 1%.

June 2

Delivery Area Surcharge (DAS) zip codes list updated and zone realignment.

June 2

Additional Handling Charge (AHC) and Large Package Surcharge (LPS) increased.

June 2

Remote Area Surcharge to apply to Ground Saver packages for remote area zip codes.

June 23

Domestic Air/Ground/Ground Saver fuel table update, increasing the FSC 0.75%.

August 18

Dimensional rule update: every fraction of an inch will round up to the next highest inch.

September 28

Domestic demand surcharges effective.

September 28

International Surge Fees for various zones effective.

Future Update: Effective January 26, 2026

There will be an update to the Additional Handling Charge (AHC) & Large Package Surcharge (LPS). UPS will begin assessing LPS to packages with a cubic size greater than 17,280 inches or a weight exceeding 110 lbs. AHC will apply to packages with a cubic size greater than 10,368 inches. This change aligns with a rule update FedEx will implement in January and reverses the LPS/AHC rule change previously announced by UPS.

Takeaways and Recommendations

The 2026 UPS GRI percentage mirrors 2025's, but many increases are higher in critical areas. Understanding the details, especially as they relate to your shipping patterns, is essential to your bottom line. Now is the time to prepare because the increases are coming fast.

Don't take the 5.9% GRI at face value. Remember, in 2025, our clients would have seen a 7.1% increase based on the published GRI.

Key Recap

1

The largest increases will be on bulky packages (and keep an eye out for more off-cycle increases).

2

The most frequently billed surcharges will rise an average of 6.9%.

3

Depending on service type, there are higher increases for the 1 to 5 lbs. and 11 to 70 lbs. weight breaks.

4

Surcharges are not tied to the GRI and are usually not included in rate caps.

5

UPS has not announced its 2026 Ground Saver GRI.

W TransImpact.com | E sales-info@transimpact.com | T 252 424 8410

Ship Smarter in 2026

TransImpact offers seven actionable steps to help you mitigate many of the upcoming cost increases. Shippers can use their leverage and options to navigate these challenging market conditions in 2026. Time is running out, so don't wait.

1. **Rate caps are vital** because even if you have substantial discounts in your contract, you may not benefit fully when rate increases and Minimums come into play. Keep in mind that approximately 40% of packages incur minimum charges.

2. **Location matters, so evaluate where your suppliers are relative to manufacturing sites and where your distribution centers are relative to customers.** In addition to weight and package size, shipping costs are also a function of **distance.**

3. **Parcel shipping is just one link of your logistics operation. Don't overlook the importance of supply chain planning** in areas such as inventory management and demand planning when it comes to minimizing the impact of GRIs. A more informed approach will ensure you have the right products in the right quantities, in the right places, to minimize shipping distances and always ensure the lowest-cost delivery option can be used.

4. **Today is a great day to renegotiate your rate agreements.** With FedEx's and UPS's 2026 GRI announced, the future cost landscape is much clearer. It's a buyer's market, and the two carriers will compete to win your business. Rate caps are critical because even if you have strong discounts in place, you may not fully realize the savings when rate increases and Minimums come into play. Better yet, **lean on our experts and their market knowledge for help** and advice during your renegotiation.

5. **Use the data you already have in your parcel shipping operation** to improve day-to-day and strategic decision making. Advanced BI tools such as **Parcel Spend Intelligence**, **Parcel Margin Analysis**, and **Parcel Cost Variance** can provide practical and actionable parcel data analysis, even if you do not plan to renegotiate.

6. **Stay informed. Frequent rate updates and fast-changing market conditions are the new normal.** Off-cycle rate changes can be very impactful and are likely to continue in 2026. Stay updated by reading **TransImpact's Resource** page regularly.

7. **We say it every year: The devil is in the details.** Read this report with your own shipping patterns in mind to understand how your shipping costs will increase in 2026. If something doesn't compute, know that the parcel experts at TransImpact are here to help. Email **sales-info@transimpact.com with any questions you have.**

TransImpact produces two other important GRI-related reports each year. One analyzes the FedEx GRI, and the other compares the GRIs from UPS and FedEx. You can find the 2026 FedEx GRI report here. Soon, we'll publish our comparison analysis of the two GRIs. So, depending on when you are reading this, keep an eye out for those reports.

They'll provide all the key insights you'll need to understand and avoid the GRIs' full impact on your shipping costs in 2026.

Contact sales-info@transimpact.com for a no-obligation analysis of how much the GRIs will increase your costs in 2026 and how much you can save by following our advice.

UPS GRI

Want to see how the UPS GRI will affect your bottom line?

Click here to request a free, no-obligation rate analysis.

W TransImpact.com | **E** sales-info@transimpact.com | **T** 252 424 8410

TransImpact