

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Plan period ended December 31, 1998

Commission File Number 1-812

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN

UNITED TECHNOLOGIES CORPORATION
One Financial Plaza
Hartford, Connecticut 06101

FINANCIAL STATEMENTS OF THE UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of the
United Technologies Corporation
Employee Savings Plan

In our opinion, the accompanying statements of net assets available for benefits with fund information and the related statement of changes in net assets available for benefits with fund information present fairly, in all material respects, the net assets available for benefits of the United Technologies Corporation Employee Savings Plan at December 31, 1998 and December 31, 1997, and the changes in net assets available for benefits for the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The fund information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. The fund information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Hartford, Connecticut
June 28, 1999

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1998
(Thousands of Dollars, except unit amounts)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ 985,696	\$ -	\$ -	\$ 29,820	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	21,589	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	1,427	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	5,357	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,304	-	-
Daily International Equity Index Fund	-	-	-	-	29,505	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	457,714	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	-	-	-	-	-	-	15,879
Investments, at contract value or cost:							
Beneficial interests in investment							
contracts, at contract value							
Participant loans, at cost	3,205,795	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	2,282	-
Total Investments	3,205,795	985,696	21,589	6,784	83,629	459,996	15,879
Plan receivables	2,859	249	7	2	31	5,243	6
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	3,208,654	985,945	21,596	6,786	83,660	465,239	15,885
Liabilities:							
Accrued expenses	-	-	-	-	-	1,172	-
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	-	-	-	-
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	1,172	-
Net Assets Available for Benefits	\$3,208,654	\$ 985,945	\$ 21,596	\$ 6,786	\$ 83,660	\$ 464,067	\$ 15,885
Units of participation	47,947,610	36,435,523	1,810,201	535,194	29,149,693	25,470,182	506,543
Unit value	\$ 66.92	\$ 27.06	\$ 11.93	\$ 12.68	\$ 2.87	\$ 18.22	\$ 31.36

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1998
(Thousands of Dollars, except unit amounts)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen International Fund, Inc.
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	-	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	-	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	-	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	-	-	-
Daily International Equity Index Fund	-	-	-	-	-	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	-	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	154,316	29,538	56,616	36,572	40,472	60,762	8,299
Investments, at contract value or cost:							
Beneficial interests in investments contracts, at contract value							
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total investments	154,316	29,538	56,616	36,572	40,472	60,762	8,299
Plan receivables	113	19	35	17	31	42	4
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	154,429	29,557	56,651	36,589	40,503	60,804	8,303
Liabilities:							
Accrued expenses	-	-	-	-	-	-	-
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	-	-	-	-
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 154,429	\$ 29,557	\$ 56,651	\$ 36,589	\$ 40,503	\$ 60,804	\$ 8,303
Units of participation	3,368,880	1,440,398	997,554	1,601,271	1,585,848	1,028,135	360,521
Unit value	\$ 45.84	\$ 20.52	\$ 56.79	\$ 22.85	\$ 25.54	\$ 59.14	\$ 23.03

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1998
(Thousands of Dollars, except unit amounts)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	ESOP Fund	Total
Assets:					
Investments, at fair value:					
Beneficial interests in Bankers Trust Company Pyramid:					
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$1,015,516
Russell 2000 Equity Index Fund	-	-	-	-	21,589
Daily Japanese Equity Index Fund	-	-	-	-	1,427
Daily Non Japanese Equity Index Fund	-	-	-	-	5,357
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,304
Daily International Equity Index Fund	-	-	-	-	29,505
United Technologies Corporation Common Stock	-	-	-	336	458,050
United Technologies Corporation ESOP Preferred Stock	-	-	-	2,736,411	2,736,411
Shares of respective registered investment companies	15,458	7,677	-	-	425,589
Investments, at contract value or cost:					
Beneficial interests in investment contracts, at contract value					
Participant loans, at cost	-	-	62,640	-	3,205,795
Temporary investments, at cost plus accrued interest	-	-	-	4,023	6,305
Total Investments	15,458	7,677	62,640	2,740,770	7,992,488
Plan receivables	6	4	-	87	8,755
Accrued ESOP contribution receivable	-	-	-	101,138	101,138
Total Assets	15,464	7,681	62,640	2,841,995	8,102,381
Liabilities:					
Accrued expense	-	-	-	30	1,202
Loans payable, net	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	2,206	2,206
ESOP debt	-	-	-	372,600	372,600
Notes payable to United Technologies Corporation	-	-	-	104,033	104,033
Total Liabilities	-	-	-	478,869	480,041
Net Assets Available for Benefits	\$ 15,464	\$ 7,681	\$ 62,640	\$ 2,363,126	\$7,622,340
Units of participation	1,843,164	745,681	62,639,478	258,919,085	
Unit value	\$ 8.39	\$ 10.30	\$ 1.00	\$ 9.13	

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1997
(Thousands of Dollars, except unit amounts)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ 809,958	\$ -	\$ -	\$ 29,900	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	20,980	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	1,227	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	3,681	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,463	-	-
Daily International Equity Index Fund	-	-	-	-	28,688	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	388,403	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	-	-	-	-	-	-	11,352
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value							
Participant loans, at cost	2,815,491	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	5,833	-
Total Investments	2,815,491	809,958	20,980	4,908	83,051	394,236	11,352
Plan receivables	1,996	676	25	8	88	1,078	17
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	2,817,487	810,634	21,005	4,916	83,139	395,314	11,369
Liabilities:							
Accrued expenses	-	-	-	-	-	2,509	-
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	-	-	-	-
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	2,509	-
Net Assets Available for Benefits	\$ 2,817,487	\$ 810,634	\$ 21,005	\$ 4,916	\$ 83,139	\$ 392,805	\$ 11,369
Units of participation	45,664,290	38,564,887	1,735,924	466,827	34,932,354	32,516,958	390,823
Unit value	\$ 61.70	\$ 21.02	\$ 12.10	\$ 10.53	\$ 2.38	\$ 12.08	\$ 29.09

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1997
(Thousands of Dollars, except unit amounts)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen International Fund, Inc.
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	-	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	-	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	-	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	-	-	-
Daily International Equity Index Fund	-	-	-	-	-	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	-	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	88,982	29,327	35,471	38,276	55,770	42,073	9,434
Investments, at contract value or cost:							
Beneficial interests in investments contracts, at contract value							
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total investments	88,982	29,327	35,471	38,276	55,770	42,073	9,434
Plan receivables	127	42	60	53	107	72	18
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	89,109	29,369	35,531	38,329	55,877	42,145	9,452
Liabilities:							
Accrued expenses							
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable							
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation							
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 89,109	\$ 29,369	\$ 35,531	\$ 38,329	\$ 55,877	\$ 42,145	\$ 9,452
Units of participation	2,338,837	1,501,494	761,983	1,525,236	2,200,755	858,340	371,399
Unit value	\$ 38.10	\$ 19.56	\$ 46.63	\$ 25.13	\$ 25.39	\$ 49.10	\$ 25.45

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1997
(Thousands of Dollars, except unit amounts)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	ESOP Fund	Total
Assets:					
Investments, at fair value:					
Beneficial interests in Bankers Trust Company Pyramid:					
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ 839,858
Russell 2000 Equity Index Fund	-	-	-	-	20,980
Daily Japanese Equity Index Fund	-	-	-	-	1,227
Daily Non Japanese Equity Index Fund	-	-	-	-	3,681
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,463
Daily International Equity Index Fund	-	-	-	-	28,688
United Technologies Corporation Common Stock	-	-	-	340	388,743
United Technologies Corporation ESOP Preferred Stock	-	-	-	1,897,956	1,897,956
Shares of respective registered investment companies	17,216	8,766	-	-	336,667
Investments, at contract value or cost:					
Beneficial interests in investment contracts, at contract value					
Participant loans, at cost	-	-	62,048	-	2,815,491
Temporary investments, at cost plus accrued interest	-	-	-	1,402	7,235
Total Investments	17,216	8,766	62,048	1,899,698	6,427,037
Plan receivables	31	18	-	962	5,378
Accrued ESOP contribution receivable	-	-	-	87,188	87,188
Total Assets	17,247	8,784	62,048	1,987,848	6,519,603
Liabilities:					
Accrued expenses	-	-	-	171	2,680
Loans payable, net	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	2,271	2,271
ESOP debt	-	-	-	408,900	408,900
Notes payable to United Technologies Corporation	-	-	-	89,633	89,633
Total Liabilities	-	-	-	500,975	503,484
Net Assets Available for Benefits	\$ 17,247	\$ 8,784	\$ 62,048	\$ 1,486,873	\$6,016,119
Units of participation	1,733,322	678,876	62,047,682	263,507,383	
Unit value	\$ 9.95	\$ 12.94	\$ 1.00	\$ 5.64	

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information
Period Ended December 31, 1998
(Thousands of Dollars)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Additions to net assets attributed to:							
Investment Income:							
Net appreciation / (depreciation) in fair value of investments	\$ -	\$222,116	\$ (59)	\$ 1,016	\$ 15,291	\$178,423	\$ 902
Interest	244,567	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	774
Total Investment Income	244,567	222,116	(59)	1,016	15,291	178,423	1,676
Contributions							
Participants'	73,266	42,835	2,159	647	5,605	17,683	1,396
Employer's	149	51	4	1	8	7	4
Total Contributions	73,415	42,886	2,163	648	5,613	17,690	1,400
Repayments on loans	17,879	7,517	232	86	1,056	3,258	142
Deductions from net assets attributed to:							
Distributions to participants	156,463	34,952	415	51	3,731	16,731	381
Loans to participants	16,040	7,610	208	38	872	3,966	54
Administrative expenses	123	21	2	-	5	5	-
Interest expense	-	-	-	-	-	-	-
Total Deductions	172,626	42,583	625	89	4,608	20,702	435
Net increase / (decrease) prior to transfers	163,235	229,936	1,711	1,661	17,352	178,669	2,783
Inter-fund transfers	224,272	(54,781)	(1,120)	209	(16,832)	(107,439)	1,733
Assets transferred into Plan	3,660	156	-	-	1	32	-
Net increase / (decrease)	391,167	175,311	591	1,870	521	71,262	4,516
Net Assets Available for Benefits December 31, 1997	2,817,487	810,634	21,005	4,916	83,139	392,805	11,369
Net Assets Available for Benefits December 31, 1998	\$3,208,654	\$985,945	\$21,596	\$ 6,786	\$ 83,660	\$464,067	\$ 15,885

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)
Period Ended December 31, 1998
(Thousands of Dollars)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportun- ities Fund	SoGen Interna- tional Fund, Inc.
Additions to net assets attributed to:							
Investment Income:							
Net appreciation / (depreciation) in fair value of investments	\$ 22,710	\$ 1,275	\$ 7,738	\$ (3,280)	\$ (164)	\$ 8,265	\$ (894)
Interest	-	-	-	-	-	-	-
Dividends	7,819	2,777	4,162	3,211	-	1,861	850
Total Investment Income	30,529	4,052	11,900	(69)	(164)	10,126	(44)
Contributions:							
Participants'	11,207	3,118	4,788	3,860	5,669	5,433	1,002
Employer's	24	4	8	6	6	7	1
Total Contributions	11,231	3,122	4,796	3,866	5,675	5,440	1,003
Repayments on loans	1,170	365	471	361	660	663	81
Deductions from net assets attributed to:							
Distributions to participants	4,887	1,441	1,793	1,018	1,254	1,641	426
Loans to participants	1,026	261	368	293	467	419	68
Administrative expenses	-	1	1	13	3	1	-
Interest expense	-	-	-	-	-	-	-
Total Deductions	5,913	1,703	2,162	1,324	1,724	2,061	494
Net increase / (decrease) prior to transfers	37,017	5,836	15,005	2,834	4,447	14,168	546
Inter-fund transfers	28,300	(5,649)	6,113	(4,575)	(19,822)	4,490	(1,695)
Assets transferred into Plan	3	1	2	1	1	1	-
Net increase / (decrease)	65,320	188	21,120	(1,740)	(15,374)	18,659	(1,149)
Net Assets Available for Benefits December 31, 1997	89,109	29,369	35,531	38,329	55,877	42,145	9,452
Net Assets Available for Benefits December 31, 1998	\$ 154,429	\$ 29,557	\$ 56,651	\$ 36,589	\$ 40,503	\$ 60,804	\$ 8,303

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)
Period Ended December 31, 1998
(Thousands of Dollars)

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Loan Fund	ESOP Fund	Total
Additions to net assets attributed to:					
Investment Income:					
Net appreciation / (depreciation) in fair value of investments	\$ (2,721)	\$ (1,859)	\$ -	\$ 920,706	\$1,369,465
Interest	-	-	5,431	555	250,553
Dividends	1,649	180	-	61,274	84,557
Total Investment Income	(1,072)	(1,679)	5,431	982,535	1,704,575
Contributions:					
Participants'	1,770	1,056	-	-	181,494
Employer's	3	2	-	16,673	16,958
Total Contributions	1,773	1,058	-	16,673	198,452
Repayments on loans	174	113	(34,228)	-	-
Deductions from net assets attributed to:					
Distributions to participants	667	196	2,463	32,048	260,558
Loans to participants	98	64	(31,852)	-	-
Administrative expenses	-	-	-	-	175
Interest expense	-	-	-	39,931	39,931
Total Deductions	765	260	(29,389)	71,979	300,664
Net increase / (decrease) prior to transfers	110	(768)	592	927,229	1,602,363
Inter-fund transfers	(1,893)	(335)	-	(50,976)	-
Assets transferred into Plan	-	-	-	-	3,858
Net increase / (decrease)	(1,793)	(1,103)	592	876,253	1,606,221
Net Assets Available for Benefits December 31, 1997	17,247	8,784	62,048	1,486,873	6,016,119
Net Assets Available for Benefits December 31, 1998	\$ 15,464	\$ 7,681	\$ 62,640	\$ 2,363,126	\$7,622,340

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF THE PLAN

General. The United Technologies Corporation (UTC) Employee Savings Plan (the Plan) is a defined contribution savings plan administered by UTC. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Generally, non-represented employees in participating business units of UTC are eligible to participate in the Plan after completing one year of service. The following is a brief description of the Plan. For more complete information, participants should refer to the Plan document which is available from UTC.

Contributions and Vesting. Participants may elect to contribute, through payroll deductions, between 2 and 16 percent of their total compensation. Participant contributions, plus actual earnings thereon, are fully vested at all times under the Plan.

UTC has established a leveraged Employee Stock Ownership Plan (ESOP) to fund the employer matching contributions to the Plan. The ESOP is primarily invested in UTC Series A ESOP Convertible Preferred Stock. UTC will match 60 percent of a participant's contributions, up to specified limits, in ESOP Preferred Stock (See Note 4). However, participants who have reached at least age 55 and have completed at least 10 years of continuous service may direct up to 50 percent, in multiples of 25 percent, of their ESOP account balances and future employer contributions to be invested in the other investment funds offered through the Plan (See Note 10). Generally, employer contributions, plus actual earnings thereon, become fully vested after two years of Plan participation.

Participant Accounts. Each participant's account is credited with the participant's contributions and allocations of (a) UTC's contributions based on a percentage of the participant's contribution and (b) Plan earnings based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Forfeited balances of terminated participants' nonvested amounts are used to reduce future UTC contributions. For the period ended December 31, 1998, approximately \$482,000 of forfeitures were used to fund UTC's contributions. In addition, approximately \$26,000 of forfeitures is available to offset future UTC contributions.

Trustee and Recordkeeper. All of the Plan's assets are held by Bankers Trust Company, the Plan Trustee. Fidelity Institutional Retirement Services Company performs participant account recordkeeping responsibilities.

Investment Options. Participants may elect to allocate their contributions in any whole percentage among the following funds. Participants are permitted to transfer their accounts between investment funds daily in any whole percentage or whole dollar amount. The investment funds are as follows:

- . The Income Fund invests in contracts issued by five insurance companies. See Note 3. In December of 1997, UTC approved a reverse unit split of the units of participation and the unit value of the Income Fund effective as of January 1, 1998. As a result, the units of participation and the unit value was decreased and increased, respectively, by a factor of ten. All units of participation and unit value amounts presented herein have been restated to reflect the reverse unit split.
- . The Equity Fund invests in a portfolio of common stocks replicating the Standard & Poor's Composite Index of 500 stocks (S&P 500).
- . The Small Company Stock Index Fund invests in a portfolio of common stocks replicating the Russell 2000 Index.
- . The International Equity Index Fund invests in the equities of a mix of stock markets outside the U.S.
- . The Global Fund invests in both U.S. and foreign investments to replicate the performance, in approximately equal portions, of three indices: the S&P 500, the EAFE Index (an international stock index of large companies in Europe, Australia and the Far East), and the Lehman Brothers Government/Corporate Index.
- . The UTC Common Stock Fund consists principally of 4,208,868 and 5,334,294 shares of UTC Common Stock at December 31, 1998 and 1997 respectively. See Note 10.
- . The INVESCO Total Return Fund, a registered investment company, principally invests in both equity and fixed or variable income securities to achieve a moderate total return from capital appreciation and current income.
- . The Fidelity Growth & Income Portfolio, a registered investment company, principally invests in U.S. and foreign equity securities that pay current dividends and show potential earnings growth.
- . The Putnam Fund for Growth and Income, a registered investment company, principally invests in equity securities of companies that pay regular dividends to shareowners.
- . The Fidelity Contrafund, a registered investment company, principally invests in equity securities of U.S. and foreign companies believed to be undervalued or out of favor.

- . The Fidelity Low-Priced Stock Fund, a registered investment company, principally invests in equity securities of companies believed to be undervalued, overlooked or out of favor, which are generally priced at \$35 or less.
- . The PBHG Growth Fund, a registered investment company, principally invests in equity securities of companies believed to have an outlook for strong earnings growth.
- . The Putnam New Opportunities Fund, a registered investment company, principally invests in equity securities of companies in certain emerging industry groups.
- . The SoGen International Fund, Inc., a registered investment company, invests in U.S. and foreign equity, fixed income and gold-related securities and cash.
- . The Templeton Foreign Fund A (formerly the Templeton Foreign Fund I), a registered investment company, principally invests in equity securities of companies in developed and developing countries outside the U.S.
- . The Templeton Developing Markets Trust A (formerly the Templeton Developing Markets I), a registered investment company, principally invests in equity securities of companies in developing countries.

Participant Loans. Participants with at least two years of Plan participation are allowed to borrow up to 50 percent of their vested account balances (excluding their ESOP account balance). Loan amounts can range from \$1,000 to \$50,000 and must be repaid within 5 years. The loans are secured by the balance in the participant's account and bear interest at Bankers Trust's prime rate plus one percent. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits. Generally, benefits are paid in a lump sum to a terminating participant. A participant terminating due to retirement may elect to receive benefits in installments over two to twenty years. At the participant's election, the portion of a lump sum distribution attributable to the UTC Common Stock Fund and ESOP may be paid in shares of UTC Common Stock instead of cash. Distributions in UTC Common Stock for the period ended December 31, 1998 were approximately \$5,439,000.

Other. Participants who transfer to a new UTC location with a different savings plan may have the option of transferring their account balances in accordance with the provisions of the new savings plan.

NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES

Basis of Accounting. The financial statements of the Plan are prepared under the accrual method of accounting, except for benefits which are recorded when paid.

Master Trust. The Plan's assets are kept in a Master Trust maintained by the Trustee. Under the Master Trust agreement, the assets of certain employee savings plans of UTC and its subsidiaries are combined. Participating Plans purchase units of participation in the investment funds based on their contribution to such funds and the unit value of the applicable investment fund at the end of the trading day in which a transaction occurs. The unit value of each fund is determined at the close of each day by dividing the sum of uninvested cash, accrued income and the current value of investments by the total number of outstanding units in such funds. Income from the funds' investments increases the Plans' unit values. Distributions to participants reduce the number of participation units held by the Plans.

At December 31, 1998, the Plan's interest in the Master Trust comprised 476,384,961 units of the 522,172,913 total units of participation, or 91.23%. At December 31, 1997, the Plan's interest in the Master Trust comprised 491,797,370 units of the total 534,787,672 units of participation, or 91.96%.

Investment Valuation. The Income Fund's investment contracts are stated at contract value which represents contributions plus earnings, less Plan withdrawals. The ESOP Preferred Stock's fair value is the higher of the guaranteed value (\$65) or, prior to the May 17, 1999 stock split, twice the market value of UTC's Common Stock (See Notes 4 and 10). All other funds are stated at fair value, as determined by the Trustee, typically by reference to published market data.

Plan Expenses. Plan administrative expenses, including Trustee and recordkeeper fees were paid directly by the employer in 1998. The employer also paid certain investment management fees for the Bankers Trust managed funds. All other administrative and investment expenses were paid out of Plan assets.

Use of Estimates. The preparation of financial statements requires UTC to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

NOTE 3 - INVESTMENT CONTRACTS

Under these contracts, each insurance company guarantees repayment in full of the principal amount invested plus interest credited at a fixed rate for a specified period. Interest is credited to each contract based on an annual interest rate set each year by the individual insurance companies. This rate, which differs among contracts, takes into account any difference between prior year credited interest and the actual amount of investment earnings allocable to the contract in accordance with the established allocation procedures of the insurance company. The interest rates earned for 1998 and 1997 were 8.5% and 8.1%, respectively. The following is a summary of the investment contracts

held in the Income Fund and the portion allocable to the Plan:

(Thousands of Dollars)	December 31, 1998	December 31, 1997
CIGNA	\$ 1,590,214	\$ 1,456,404
Aetna	471,765	437,582
Travelers	398,146	367,509
Prudential	252,192	231,133
Metropolitan Life	1,019,272	780,096
	\$ 3,731,589	\$ 3,272,724
Amount of the contracts allocable to the Plan	\$ 3,205,795	\$ 2,815,491

NOTE 4 - EMPLOYEE STOCK OWNERSHIP PLAN

The ESOP has purchased approximately 14.5 million shares of \$1.00 par value Series A ESOP Convertible Preferred Stock ("ESOP Shares"), with a \$4.80 per share annual dividend from UTC. Following the split of UTC Common Stock announced on April 30, 1999 and effective on May 17, each ESOP share is convertible into four shares of UTC's Common Stock. For 1998, ESOP shares were convertible into two shares of UTC's Common Stock. The ESOP financed the ESOP Share purchases with interest bearing promissory notes. See Notes 5 and 6.

Participants are allocated ESOP Shares as they earn UTC's matching contributions. For the period ended December 31, 1998, participants were credited with matching contributions of \$61.2 million representing approximately 332,800 shares. Additionally, in lieu of receiving cash, participants are allocated ESOP Shares for dividends paid on their shares. During 1998, participants earned dividends of approximately \$32.7 million representing approximately 163,200 shares. ESOP Shares allocated are calculated at the higher of four times the daily ending price of UTC Common Stock (giving effect to the May 17, 1999 stock split) or the \$65 guaranteed value.

ESOP Shares are released for allocation to participants as principal and interest payments are made on the debt. The ESOP uses the ESOP Shares' cash dividends and additional contributions from UTC to repay the principal and interest. The Employer Contributions presented in the Statement of Changes in Net Assets Available for Benefits include approximately \$3.4 million of additional cash contributions from UTC plus \$13.3 million of Employer Contributions Receivable from UTC at December 31, 1998. The \$13.3 million is due to share allocations exceeding share releases during 1998. The number of ESOP Shares allocated to participants' accounts is equal in value to the fixed matching contributions specified by the Plan. To the extent that ESOP Shares released through debt service payments are not sufficient to meet the matching contribution requirement, UTC will contribute additional ESOP Shares, UTC Common Stock or cash. To the extent that ESOP Shares released through debt service exceed the matching contribution requirement, the debt will be restructured so that the value of the released ESOP Shares does not exceed the Plan's matching contribution requirement.

Shares allocated to a participant generally may not be distributed until the participant's termination, disability, retirement or death. Upon distribution, a participant may elect to receive either cash or four shares (giving effect to the May 17, 1999 stock split) of UTC Common Stock for each ESOP Share. Each ESOP share is valued at the higher of four times the market value of UTC's Common Stock (giving effect to the May 17, 1999 stock split) or \$65. A participant cannot elect to receive the distribution in ESOP Shares. The ESOP Fund's investment in ESOP Shares at period end is as follows:

(Thousands of Dollars, except share amounts)	December 31, 1998		December 31, 1997	
	Allocated	Total	Allocated	Total
Number of Shares	6,869,316	12,581,201	6,826,380	13,033,172
Guaranteed Value	\$ 446,506	\$ 817,778	\$ 443,715	\$ 847,156
Market	\$ 1,494,076	\$ 2,736,411	\$ 994,092	\$ 1,897,956

As discussed above, market value is represented by the higher of the guaranteed value of \$65 per share or the daily closing price of four shares of UTC's Common Stock (giving effect to the May 17, 1999 stock split). As such, the market value of the ESOP Shares was \$217.50 and \$145.625 per share at December 31, 1998 and 1997, respectively. Further, the Net Assets Available for Benefits in the ESOP Fund at December 31, 1998 and 1997 include unrealized appreciation of approximately \$1.9 billion and \$1.05 billion, of which \$871.1 million and \$500.4 million is on unallocated shares.

The ESOP Shares are redeemable, in whole or in part, at the option of UTC at a redemption price of \$65.48 per share plus accrued and unpaid dividends. The redemption price decreases annually until it reaches \$65. However, upon notice to the Trustee of UTC's intention to redeem, the Trustee can convert each preferred share into four shares, (giving effect to the May 17, 1999 stock split) of UTC Common Stock if more beneficial to participants.

NOTE 5 - ESOP DEBT

In 1990, the Master Trust, with UTC as guarantor, executed a Note and Guaranty Agreement and issued \$660,000,000 of Series A, B, C and D notes (described below) representing the ESOP's permanent financing. The amounts outstanding under the Agreement, with interest rates and maturity dates, are as follows at December 31, 1998:

Note Series	Principal (000's)	Rate of Interest	Due
A	\$ 36,000	7.24%	1999
B	286,600	7.68%	2000 - 2008
C	17,300	7.68%	2008
D	32,700	7.68%	2009
	\$ 372,600		

Required payments on these Notes, in aggregate, for the next five plan years are \$36.0 million in 1999, \$35.5 million in 2000, \$35.0 million in 2001, \$34.5 million in 2002, and \$34.0 million in 2003.

NOTE 6 - NOTES PAYABLE

In conjunction with the ESOP financing discussed in Note 5, UTC issued a promissory note in 1990 bearing interest at 10.5%, and due over the period 1999 to 2009. At December 31, 1998, \$70,033,000 was outstanding. Required principal payments on the Note for the next five plan years are \$4.8 million in 1999, \$4.9 million in 2000, \$5.0 million in 2001, \$ 5.2 million in 2002, and \$5.5 million in 2003.

The Trustee executed an additional \$15,000,000 and \$19,000,000 promissory note to UTC on December 10, 1997 and 1998, respectively. The notes bear an interest rate of 6.35% and 5.50% and mature on December 10, 2007 and 2008, respectively. Both promissory notes replace a portion of the 1990 ESOP Debt notes described in Note 5 above.

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, UTC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and to certain Plan provisions that limit this right when certain ESOP loans remain outstanding. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following are reconciliations of net assets available for benefits and benefits paid from the financial statements to the Form 5500:

(Thousands of Dollars)	December 31,	
	1998	1997
Net assets available for benefits per the financial statements	\$ 7,622,340	\$ 6,016,119
Amounts allocated to participant withdrawals	(659)	(907)
Net assets available for benefits per Form 5500	\$ 7,621,681	\$ 6,015,212

	Year Ended December 31, 1998	
Benefits paid to participants per the financial statements	\$	260,558
Add: Amounts allocated to participant withdrawals at December 31, 1998		659
Less: Amounts allocated to participant withdrawals at December 31, 1997		(907)
Benefits paid to participants per Form 5500	\$	260,310

Amounts allocated to participant withdrawals are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

NOTE 9 - TAX STATUS

The Internal Revenue Service has determined and informed UTC by letter dated September 23, 1996 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 10 - SUBSEQUENT EVENTS

Effective January 1, 1999, the Plan was amended to allow all new salaried employees to participate in the Plan immediately after date of hire. In addition, non-highly compensated participants in the Plan may elect to contribute up to 20% of their compensation, effective January 1, 1999.

On January 1, 1999, the Employee Stock Ownership Plan (ESOP) was amended to no longer require participants to complete at least 10 years of continuous service prior to directing their ESOP account balances and future employer contributions in other investment funds offered through the Plan.

On April 30, 1999, the Board of Directors of UTC declared a 2 for 1 stock split

in the form of a stock dividend payable May 17, 1999 to shareowners of record at the close of business on May 7, 1999. The share amounts reflected herein do not reflect the stock split.

On May 4, 1999, UTC completed the sale of its UT Automotive Corporation (UTA) subsidiary to Lear Corporation. Plan participants include employees of UTA. UTA employees have the option to transfer their account balances or leave their investments in the Plan. These employees were permitted to continue making contributions to the Plan through May 31, 1999.

SIGNATURES

The Plan (or persons who administer the employee benefit plan), pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN

Dated: June 28, 1999

By: /s/ Daniel P. O'Connell
Daniel P. O'Connell
Corporate Director, Employee Benefits and Human
Resources Systems
United Technologies Corporation

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-26627) of United Technologies Corporation of our report dated June 28, 1999 appearing in the United Technologies Corporation Employee Savings Plan's Annual Report on Form 11-K for the year ended December 31, 1998.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Hartford, Connecticut
June 28, 1999