

GIBBONS KENNETH D  
 Form 5  
 February 02, 2011

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
**GIBBONS KENNETH D**

2. Issuer Name and Ticker or Trading Symbol  
**UNION BANKSHARES INC  
 [UNB]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement of Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President & CEO

547 FITCH HILL ROAD

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

HYDE PARK, VT 05655

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	12/28/2010	^	J <sup>(1)</sup>	400 D \$ 0	56,007	D	^
Common Stock	12/28/2010	^	J <sup>(1)</sup>	350 D \$ 0	150	I	See Note (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
						(A)	(D)		
Stock Option Right to Buy Common Stock	\$ 22.5	Â	Â	Â	Â Â	12/20/2007	12/19/2011	Common Stock	2,000
Stock Option Right to Buy Common Stock	\$ 20.42	Â	Â	Â	Â Â	12/19/2008	12/18/2012	Common Stock	2,000
Stock Option Right to Buy Common Stock	\$ 19.19	Â	Â	Â	Â Â	01/07/2010	01/06/2014	Common Stock	2,000
Stock Option Right to Buy Common Stock	\$ 17.15	Â	Â	Â	Â Â	01/20/2011	01/19/2015	Common Stock	3,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIBBONS KENNETH D 547 FITCH HILL ROAD	Â X	Â	Â President & CEO	Â

HYDE PARK, VT 05655

## Signatures

/s/ Kenneth D.  
Gibbons

01/26/2011

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Deleted 750 shares held by adult son who is no longer a member of the insider's household.
- (2) Holds 150 shares indirectly with his wife.

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