Report On

BPO Industry in Bangladesh: A Success Story of Data Path Limited

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
BRAC University
March 2023

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

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Riyashad Ahmed
Assistant Professor, BRAC Business School
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Letter of Transmittal

Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on "BPO Industry in Bangladesh: A Success Story of Data Path Limited".

Dear Sir,

With the utmost respect, I would like to inform you that I'm incredibly pleased to submit the internship report on Data Path Ltd. that you required. All of the knowledge I have acquired while working at Data Path Ltd. is contained in this report. This report holds all my understanding and affairs that I have gathered in my four months of internship experience.

I believe I followed all the guidelines set by my organization's superiors and those in the BBA Internship Guideline Structure when I was writing my report. I will be glad if you would kindly accept my report. I shall be ready to interpret any issue relating to this report at any time.

Sincerely yours,

Nadirul Alam

Nadirul Alam

18304040

BRAC Business School

BRAC University

Date: March 12, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between Data Path Ltd. and Nadirul Alam, student at BRAC University to ensure that the student won't divulge any private information involving the business.

Nadirul Alam

_____

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Acknowledgement

In preparing my internship report, I would want to show my gratitude to everyone who has contributed and supported me in completing it. Mr. Ryashad Ahmed, Assistant Professor of BRAC University, is my internship supervisor, and he provided me with valuable advice and time anytime I needed assistance with my report. This journey would not have been as simple for me if it hadn't been for his guidance. Throughout this internship report, I greatly appreciated all of his assistance and encouragement.

I cannot express my gratitude enough to Mr. Saifullahil Maruf (Manager, Data Path Ltd.) and my senior team leader, Mr. Avijit Ghosh, for their unwavering support and supervision, which enabled me to gain invaluable professional experience and expertise. They were really helpful in providing me with the pertinent information on Data Path that I required to compile my report. It would not have been feasible for me to complete my project without their help.

Throughout my internship period, I encountered many supportive coworkers who were always willing to help by providing all kinds of information and sharing their perspectives and thoughts with me; I would like to express my gratitude to them all.

Finally, I want to express my gratitude to all of my professors for their important contributions and cooperation in progressing the report and, as a result, finishing the BBA program.

Executive Summary

Keywords: Outsourcing, TPA, 401(k), Retirement Plans, Data Path

Data Path Ltd. is an outsourcing firm operating under July Business Services. Benefits from retirement plans are offered to USA citizens via July Business Service. Other TPA companies have agreements with July services and entrust Data Path with handling their RPF activities. It offers services related to the 401(k) sector. Other TPA clients are arranged by July Business Services since they are performing their services successfully and effectively.

This report aims to showcase the course of action and steps that are followed by the plan processors of Data Path Ltd. The report has been divided into three distinct chapters. The first chapter covers my internship experience and discuss my duties and responsibilities in the department of Actuarial. Then the second chapter summarizes the overview and introduction of organization. It's vision, mission and organizational structure has been discussed. It also covers the services the company provides, SWOT analysis and five forces of Porter. Then in the third and final chapter main part of the project is covered. Objectives of the study and all the findings and analysis regarding the company is discussed in this chapter.

Table of Contents

List of Acronyms

ADP   Average Deferral Percentage

ACP   Actual Contribution Percentage

HCE   Highly Compensated Employee

NHCE   Non Highly Compensated Employee

RPF   Retirement Provident Fund

RK   Record Keeper

TPA   Third Party Administrator

EIN   Employee Identification Number

IRS   Internal Revenue Service

IRC   Internal Revenue Code

Chapter 1: Overview of Internship

1.1.   Student Information

My name is Nadirul Alam and my student ID is 18304040. I am currently a student of BRAC Business School (BBS) under the program of Bachelor of Business Administration (BBA) at BRAC University. I started my undergraduate journey at BRAC University and I am hoping to complete my undergraduate in the year of 2023 with the major Finance and minor in Management Information System (MIS).

1.2.   Internship Information

1.2.1. Period, Company Name, Department/Division, Address

I have been given the opportunity to work as an intern at Data Path Ltd for four months, beginning on October 1st, 2022 and ending on February 1st, 2023. I work as an Actuary in the Actuarial department. The head office of Data Path is located at Ambon Complex, 7th, 8th and 9th Floor, 99 Mohakhali Commercial Area Dhaka-1212, Bangladesh.

1.2.2. Internship Company Supervisor's Information

I worked under the direct supervision and reported to Mr. Avijit Ghosh who currently working as a Senior Team Leader of Actuarial department in Data Path Ltd.

1.2.3. Job Scope

My working hours at Data Path Ltd. were from 9:00 am to 6:pm, Monday through Friday. At the company, I worked in the Actuarial department. So I was given training and had to do the work what an actuary does.

As I was intern, I was not given any actual task. At first, I got an idea of how the work is done in Actuarial department. Work of an actuary is to know and predict the timing of events that might take place in future and then calculate how much money should be invested now so that an individual can get hold of enough money in the future. To do all the calculations, analyzing and predications for the future, an actuary needs to work with large amount of data. They use

previous year data to do so. Here at Data Path, by following this process we provide our clients necessary services they require. I was getting trained on several things before I was given any live task. All the steps which I have received while training are given below.

- **Analyzing Plan Document:** After collecting all the necessary papers from the customer, the first task is to carefully read the plan document. The paper outlining the strategy acts as a manual for how it should be carried out. It is an operational problem that has to be fixed and could result in qualified status being lost if the terms of the plan document are not adhered to. The plan document also details the kind and extent of plan benefits, as well as how participants or beneficiaries may be qualified to receive them. As a result, in order to properly process the plan, every element that is included in the plan document must be carefully examined.

- **Updating Relius Plan Specification:** Relius is a well-known provider of software and services for employees inside the company who manage the compliance, administration, document production, testing, and reporting of qualified retirement and health benefit programs. This software processes a plan for Data Path/July Business Services. The requirements specified in the plan document must therefore be suitably adjusted in the Relius software for each design.

- **Download Current and Previous Year Census File:** The current and previous year census files, as well as the client-supplied census, are all added to an Excel file during this phase, and they are then compared. For this approach, the "VLOOKUP" method is frequently used to cross-check the census files in Microsoft Excel.

- **Census Checking:** For each component, it is necessary to compare the census file from the previous plan year with the one that was imported into the Relius program. The main program, named Relius, is where all the data and information are entered. Throughout the entire census verification process, Microsoft Excel is employed, which makes use of a range of complex algorithms. This stage of the planning process is essential because we need to assess whether the staff are suitably involved.

- **Calculating Contribution:** The next step is to obtain the contribution report from Relius and manually compute each contribution to check for any errors and make sure they were all completed correctly. We have to adhere to the plan document in the case of a deviation. Sometimes the customer will overfund or underfund, in which case it is

necessary to review the plan document and request that the customer fund or withdraw in line with that.

- **Running Tests:** Testing for a plan must be done for ADP/ACP, general non-discrimination, and top heavy. To prevent discrimination between highly paid and non-highly compensated employees, the initial testing is done automatically using Relius software. The plan sponsor will be responsible for an additional 3% of employee wages in the following plan year if the testing is unsuccessful.

1.2.4. Introduction to Software

Our most works are done in the Relius software. Here we do many kind of works. Firstly, we update plan specification. The information we obtain from plan documents, we update those there. Information for example an individual's date of birth, address, employee identification number(EIN) etc. Then, we do contribution posting. Here we post the amount of money a participant will get. If there is any individual who funded more than he/she should have funded, we post that in the Relius and give them instruction by putting the right amount. Also, if there is any individual who needs to fund his/her contribution, we post that as well. Moreover, we check if other information for example employee's plan entry date, hire date, eligibility etc.

1.3. Internship Outcome

1.3.1. Student's Contribution to the Company

My contributions towards the company were very focused and precise. This internship program was designed in a way so that we were exposed to some very fundamental duties and given first-level responsibilities. Interns are not given any kind of major or complex to task to perform during internship period.

In Data Path, interns are assigned under different team leaders of different departments. Team leaders decide which work will be assigned to the interns on a daily basis.

1.3.2. Benefits to the Student

Being an intern at Data Path Ltd. it was a new experience for me as this was first corporate program. Also, I got to learn more about the outsourcing filed. Moreover, I have improved my technical soft skills and hard skills as well.

After successfully completing my internship program, first and foremost thing I learned is developing patience. In a corporate world, it is very important one will have to deal with so many clients and work under immense amount of pressure. To deal with corporate world, patience is the key. The job that I have been done during my internship, it demands a lot of patience and effort. We had to handle lots of clients' sensitive information and perform very difficult mathematical calculations which required a lot of patience and hard work.

Secondly, I learn how to properly communicate with my team members. Just like other departments, it is important in our department also. Without proper communications, it is impossible to learn the proper way of doing day to day tasks. Besides this, we were given instructions on how to approach our clients, how to reply their queries etc.

Third thing which I have developed is my technical skills. We were provided clear instructions to increase our proficiency with Microsoft software starting on the first day of training. Computer information system knowledge will be helpful in this situation. Additionally, we received Excel instruction, and using Excel is a part of our regular responsibilities. Therefore, regularly using Microsoft products has increased my productivity, trust, and mastery over this software. While completing activities on Excel, we are introduced to a variety of shortcuts, functions, and other rules.

Lastly, I was able to develop my time management skills. It is essential in Data Path to maintain time management as we have to submit our works and projects time to time. Moreover, the company have to strictly follow the deadline provided by clients where employees have to complete all the works and then submit them to the clients on time.

1.3.3. Problems/Difficulties faced during the Internship Period

The difficulties I have faced while I was doing my internship at Data Path was to cope up with USA terms. Terms which are used by the US companies are not as same as our country. Also, their way of doing works are different than us. That is why it took me a while to get used to the

system. But eventually with help of my seniors, I managed to overcome the difficulties and quickly got to concentrate on the work.

1.3.4. Recommendation to the Company on Future Internships

The learning experience for recent graduates or aspiring graduates who wanted to get exposure to real-world employment is the internship. Therefore, additional work from departments other than the one in which the interns are working is required, such as a work rotation, so that the interns can gain experience in each department and work there.

Moreover, Data Path is hiring more and more employees in a very short amount of time but facing lots of troubles while making seating arrangement for new comers. Now it has become compulsory to move the office at a bigger location to accommodate every employee accordingly.

Chapter 2: Organization Part

2.1. Introduction

The outsourcing company Data Path is situated in Bangladesh. The 401(k) plan in the United States and the company's operations are both explained in this paper. Data Path is employed by the American company July Business Services Ltd. It carried out the necessary calculations and maintained the records for the "retirement plan" produced. One of the finest ways to save for retirement in the USA is through a 401(k) plan. Data Path develops 401k plans for its consumers. What I do as an intern at Data Path is described in this report. Data Path interns are expected to perform their jobs just like regular workers. Companies in the USA offer 401k Retirement Plans to employees as a benefit of employment in an effort to keep and attract top talent.

Practices of the Retirement Provident Fund (RPF) or procedures utilized in the USA are sophisticated at the fundamental level, in contrast to what we are taught here in Bangladesh. Due to a number of laws and regulations that apply to the 401k activities in the USA industry, it is no surprise that the RPF accounting procedures have grown so complicated.

It is pretty challenging to remember the specifics of every single piece of knowledge, idea, and American policy connected to retirement plans. Data Path gives interns the chance to learn about this field during their four-month internship. I've gained a lot of knowledge and continue to study about the outsourcing division.

2.2. Overview of Company's Profile

Data Path is an outsourcing company which works under July Business Service which was founded in Texas in 1994. July Business Service offers several services for example retirement plan funds (RPF), administration, record keeping etc. More than 6,000 clients of USA are handled by them. To handle this huge number of clients, July Business Service founded the Data Path Ltd in 2006.

People of USA are not concerned about the future and give a very little thought about their long-term financial condition. Thus, RPF is highly praised and practiced in the USA. Data Path is here to make sure that our clients get the best services and highly praised because of its solid performance. Most of the works are done here by July Business Services.

2.2.1. Vision

Data Path Ltd's. vision is to become the best retirement plan administrator in the USA.

2.2.2 Mission

Data Path Ltd's. vision is to provide their clients better and fruitful solution on retirement plans which encourage savings for retirement through effective and reliable plan design, administration, recordkeeping and consultation.

2.2.3. Services Offered by the Company

On behalf of the July Business Services, Data Path Ltd. provides following services to its clients:

- Plan Design: Data Path develops an appealing and successful plan for employers by adhering to the requirements and goals of the US government. The business focuses in creating retirement plans.
- Plan Setup: Data Path does a great job of setting up the retirement plan. As part of the plan configuration, this service is provided by the company.
- Plan Administration: In the area of plan administration, Data-path has a team of professionals who are highly qualified and skilled.
- Plan Document: With the help of the professional and highly skilled ERISA experts, they make plan documents for their clients.
- Plan Operation Support: All the details and information which are needed by clients to estimate the plan in this area, are provided by Data Path. This service includes:
  - o Distribution Process
  - o Eligibility Calculation
  - o Contribution Calculation
- Record Keeping: Automated recordkeeping services are frequently offered by July Business Service's daily recordkeeping stage evaluation and Data Path's partners. Access to the account of the plan sponsor, participant quarterly statements, and other services are offered.

- Tax Compliance: Data Path offers all-encompassing help to its clients in every aspect. An essential step in the procedure is testing.
- Payroll Services: Data Path lessens its clients' stress at work and boosts their productivity by offering payroll services to them.
- Compliance Testing: Data Path provides all-inclusive service to its clients in every form. Testing is an essential part of this. Some of the tests form example ADP & ACP test, Top Heavy test, Discrimination test etc.

2.3. Management Practices

Data Path Ltd. has created a very solid organizational culture both within the business and among its employees. Every department in the company has very unique structure. Some of the departments in the company are very bigger than other departments. Interns in these departments are assigned to different teams and team leaders. It is one of the easiest ways interns get the best training while they are on their internship period.
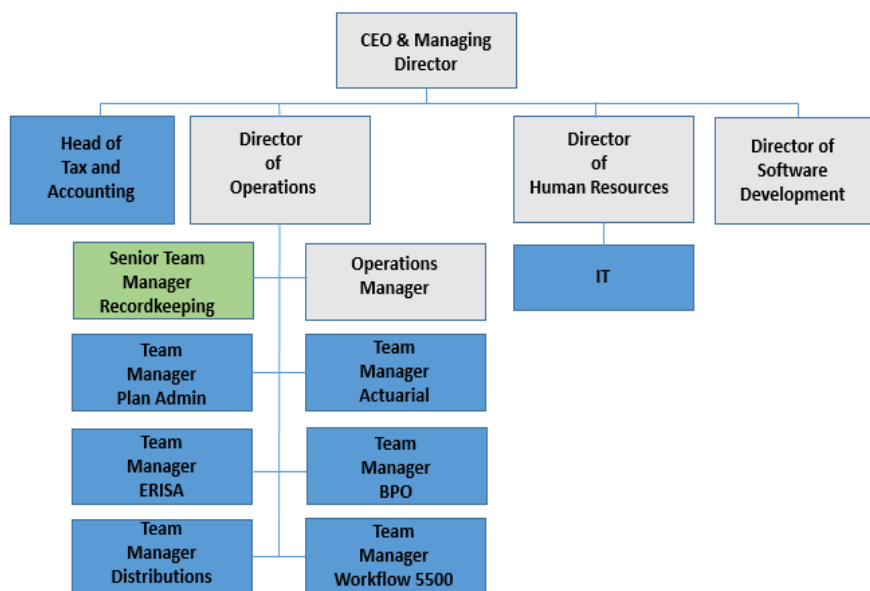
2.4. Industry and Competitive Analysis

2.4.1. Outsourcing

Outsourcing is growing very rapidly in our country. People of our country especially young generation are more and more leaning towards this sector as they are getting benefited financially very easily from this. Data entry, graphics designing, web development and design, finance and accounting etc. are one of the most common types of work are done in our country through outsourcing.

Outsourcing is quite popular since the labor cost in our country is comparatively lower than the other countries. The cost they have to bear with hiring one employee, they can hire 3 employees in Bangladesh with same cost. So, big companies from different countries tend to get their work done by us at a cheaper rate.

2.4.2. SWOT Analysis

Strength	Weakness	Opportunities	Threats
1. Less competitive rivalry in the market 2. Stable business growth in Bangladesh 3. Gaining trust of client 4. Offer lower price than other TPA firms in USA 5. Secured software and IT based service	1. Promotional activities are comparatively weaker 2. Totally new service in Bangladesh so people have very little knowledge about the company 3. Employees need to be trained from the scratch which is time consuming	1. Creating new job opportunities 2. Making strategic partnership with different company across the world 3. Creating scope for outsourcing in Bangladesh	1. Some new competitors are making their move in market 2. Clients are not bound to promissory 3. Not a very strong sector in Bangladesh for job seekers

2.4.3. Porter's 5 Forces

➢ **Threat of New Entrants:** Entering in this industry is difficult and extremely complex. A substantial number of highly qualified workers are first and foremost needed because so few people in this country are familiar with RPF. Thus, additional training is necessary. This type of IT-based business also needs a substantial investment to get started. Trust is the most important requirement for the success of this type of outsourcing sector. Other outsourcing companies frequently do not trust them with access to this data because the RPF sector handles with particularly sensitive information about US citizens. The reputation of the TPA company could suffer as a result.

➢ **Bargaining Power of Buyer and Supplier:** In the outsourcing industry, there isn't always a clear connection between providers and clients. In this situation, Data Path Ltd. is the supplier, and the clients are the TPA firms. Each stage must be completed within the allocated time; this relationship is frequently compared to TPA firms offering RPF plans like Data Path Ltd. Salary is typically based on the RPF plan's financial value. Because the TPA industry is a sizable one, salaries are frequently very high. For instance, each of them spends $250 to create one Form 5500. At the moment, Data Path regularly finishes more than 100 Form 5500.

➢ **Threat of Substitutes:** The most at risk from substitutes in this industry is software. Many programmers are striving to create programs that can start from nothing and complete an entire RPF plan today. Anyone with a working knowledge of RPF could use that application. Before such a program is developed, though, it will take some time. However, there isn't a trustworthy successor for this industry right now if the USA government doesn't change the rules and regulations governing RPF.

➢ **Industry Rivalry:** It is usual for organizations that use outsourcing to be competitive overall. While long-standing professional businesses seek to diversify their line of business, newcomers are trying to compete in the market to survive. Customers are well-positioned in this market to compete with other companies and outstanding services. Long-term connections require a sizable market investment to be profitable and to achieve significant cost savings. Even if the profitable part of this company is well recognized, creating a reputable employer with skilled personnel and a profit is rather challenging.

Chapter 3: Project Part

3.1. Introduction

3.1.1. Background

The United States' policies on economic growth and retirement are very important. USA firms offer 401k programs to their employees as a way to secure their financial future and keep them working for the company. In a 401(k) retirement plan, the employer and the business provide incentives to the employees, such as "Match" or "Profit Sharing," on their contributions, assisting them in building up their assets. Investments are also funded by the employer's contribution. This money will be used for both individual and mutual fund investments. Increased market investment causes the US economy to grow more quickly. The market investments made by both employees and employers could result in extra gains or losses. It's far better than holding onto idle cash since, over time, the value of idle cash may decrease due to inflation. The Internal Revenue Service (IRS) manages and sets rules for 401k schemes. The 401k plan grants US firms a number of benefits. The right of workers to receive retirement benefits is something that the US government really worries about. The US government offers tax breaks to businesses who give their employees retirement plans. To comply with regulatory regulations for their retirement systems, US businesses must follow complicated procedures.

3.1.2. Objective

3.1.2.1. Broad Objectives

This report's main goal is to examine how the 401(k) plan functions in the outsourcing sector and the important procedures involved in processing a specific client's plan.

3.1.2.2. Specific Objectives

- ✓ The methods for keeping records
- ✓ The procedures for entering plan requirements into software

3.2. Methodology

The methods of collecting primary and secondary data would be used. Several questions that had been previously created would be used to gather the main data. Secondary data sources include, for instance, periodicals, books, websites, journals, annual reports, and significant government documents.

As a result, when creating reports, there are a few specialized approaches to apply, such as desk research, interviews, observation, and library work.

3.3. Findings and Analysis

Numerous incentives are given to employees by employers in the USA. A growing portion of the total employee-related cost of running a business is made up of benefits. Other times, such when taking paid vacation days, the employer covers the full cost of these perks. Benefits for employees are frequently provided and received at a cost that is split between the employee and the employer.

The US retirement plan are of two types – Defined Benefit Plan and Defined Contribution Plan

- **Defined Benefit Plan:** In most defined benefit plans, the benefit is recognized as an annuity, which is a series of payments that are typically equal and are made on a regular basis, such as monthly or yearly. Payments usually begin when an employee becomes

65, which is generally accepted as the traditional retirement age. A life annuity is one that pays out payments over the respondent's whole lifetime.

- **Defined Contribution Plan:** Also known as an individual account plan, enables each participant to have their own account. This plan deposits a predefined amount of money into the participant's account; for example, if a participant contributes 3% of his gross salary, the plan will provide that person a set amount ($100) or another amount in accordance with that percentage.

  There are several types of defined contribution plan:
  - 401(k) Plan
  - 403(b) Plan
  - Safe Harbor 401(k) Plan
  - Profit Sharing and 401(k) Plan

- **Basic Plan Document Terminology:** In Data Path, every work is done through plan document. In this document, a client's information is given in details. From this, it becomes clear who is part of the retirement plan and how much a participant can fund a year. there are some common terms of a plan document:

- **Years of Service:** The twelve-month period during which an employee worked the required 1000 hours is used to calculate their years of service. This is needed to, among other things, calculate vesting and decide whether the participant is qualified for the contribution allocation.

- **Hours of Service:** Every plan must adhere to the "Internal Revenue Code and the Department of Labor," thus it is crucial to confirm each participant's hours of employment. These hours-of-service cover all of the employee's paid work time, including any type of leave. This policy is 100 percent trustworthy. The number of service hours in the current or previous year is a key factor in determining a participant's eligibility, vesting, and other important aspects (American Society of Pension Professionals & Actuaries, 2010).

- **Eligibility Criteria:** The typical eligibility criteria are age 21, one year of service, and a dual or semi-annual entrance frequency. Different plans have different requirements. There may be a single set of entry criteria for each type of contribution or there may be more than one.

- **Entry Date Calculation:** Finding a participant's admission date is the most crucial phase in a plan's allocation process. The entrance date, which is the first day the

employee may start making contributions to the plan and the employer will match those payments, is the first day the employee is included in all testing.

- **Plan Year and Fiscal Year:** Which fiscal year or plan year a plan adheres to is specified in the plan document. Different plans employ various plan years, such as those that make use of the fiscal year of the plan (January 1 to December 31) rather than the calendar year. The calendar year may also be chosen by businesses as the plan year for their retirement accounts.

- **Vesting Schedule:** There are certain guidelines for vesting. A participant must complete one year of service, 1000 hours in order to be vested for one year, and this must be repeated until the participant is fully vested. Employees' own money (Deferral, Roth, and Rollover) is always 100% vested, and the vesting requirements apply to the employer's money as well. Vesting is classified into two types: cliff and graded. The most typical vesting rules are six-year-graded and three-year-cliff. An example of a 6 year graded vesting schedule is:

$$1^{st} \text{ year} = 0\%$$
$$2^{nd} \text{ year} = 20\%$$
$$3^{rd} \text{ year} = 40\%$$
$$4^{th} \text{ year} = 60\%$$
$$5^{th} \text{ year} = 80\%$$
$$6^{th} \text{ year} = 100\%$$

- **Compensation:** The compensation period is generally referred to in the contribution or allocation sections of a plan agreement. Generally speaking, a participant's entire allowances are regarded as remuneration for benefit and contribution purposes. Plan sponsors, however, are free to include or exclude specific parts of pay as long as the final definition of compensation does not unjustly favor employees who are paid more. This provides more flexibility for sponsors by limiting the qualifying income that the plan will utilize to determine benefits (American Society of Pension Professionals & Actuaries, 2010).

- **Testing:** For US retirement schemes, testing is the most important element. To receive tax benefits, governmental organizations' retirement plans must adhere to all regulations. It includes:
  - ADP Test
  - ACP Test

- Top Heavy Test
- Discrimination Test
- IRC Coverage Test
- Ratio Percentage Test
- ABPT Test
- Gateway Test

- **Highly Compensated Employees:** Employees who have ownership in the organization fall into this category. It also includes some other conditions:
  - Employees with more than 5% ownership in the company
  - Family Attribution: family members of the owner. Parents, spouse, children etc. are considered in this case. Step children or step parents can be included if they have legal papers.
  - Employee with more than $1,30,000 compensation in the previous.

- **Top Paid Group:** Members of the top 20% of earners fall into this category. The highest paid group is not affected by the 5% ownership requirement; the plan agreement must make this clear. inadequate pay for employees who are not HCEs are collectively referred to as Non-Highly Compensated Employees (NHCE).

- **Normal Retirement Age:** In some plan agreements, the typical retirement age and the associated date are given separately; however, in other agreements, they are merged. The NRA states that a participant will reach his or her customary age of retirement at age 65, but other plan documents state that it occurs at the person's fifth work anniversary, whichever occurs first (American Society of Pension Professionals & Actuaries, 2010).

There are some distinguishing characteristics of US retirement policy that have led to its widespread adoption by both governmental and non-governmental enterprises, including sole proprietorships.

- **Government Regulations:** The US Ministry of Labor offers several options for retirement. Except for governmental entities, every non-profit organization must follow at least one of these plans. Retirement plans must be established by sole proprietorship businesses as well.

- **People's Desire to Save:** To ensure a prosperous and secure future, people must save aside a portion of their income each year. They invest their contributions on these

things. They also gave money the year before. Depending on their deferred number, they will receive a substantial profit-sharing incentive when they retire or are fired.

- **Economic Contribution to the Country:** Various investments, including the stock market, are made using retirement savings. Due to the fact that almost everyone has access to retirement plans, the total amount has grown considerably, and the return on investment has also been quite high.

- **Age Restriction:** 65 years is the maximum age till contributions are allowed and at this age employee are fully vested.

- **Rules of Highly and Non-Highly Compensated Employees:** A highly compensated employee (HCE) is not allowed to pay more into the program than the allowed percentage of their pay. As a result, discrimination against HCEs and NHCEs will decrease in the US.

3.4. BPO Industry in Bangladesh

Business Process Outsourcing (BPO) is booming in Bangladesh day by day. Since the last few years outsourcing sector is making a huge impact in this country. By the end of 2019, BPO industry grew almost 20% and earned almost $300 million. This sector is considered as a huge potential which is believed to drive nation's economy. More than 300 BPO companies are now operating in this country. Bangladesh is showing a great progress in IT and fin tech industry. Which is motivating business from other countries to invest in this industry more. But there are other several factors which are making Bangladesh a favorable place for BPO.

- **Population:** Bangladesh is highly populated country with almost 50% of people are under the 25 years of age. Also, unemployment rate in Bangladesh is comparatively higher than many countries. Because of these reasons BPO industry is growing and making strong place in this country.

- **Cheaper Manpower:** When compared to other outsourcing countries, Bangladesh offers a large amount of youthful workers at a significantly lower wage. Compared to other countries, Bangladesh's IT industry wage rate is approximately 50% lower.

- **Cheaper Infrastructure:** Bangladesh also offers infrastructural benefits at a very cheaper price compared to other countries. Renting an office space and other utilities costs very low.

- **Internet Cost:** Even in terms of internet, Bangladesh offers a very lower price than other countries. It costs 50% less than India.

- **Support of the Government:** Government of Bangladesh is trying their best for making a suitable destination of business and trying to attract foreign investors. They are also injecting huge amount of money in IT sector to do business smoothly.

3.5. Conclusion

The American Retirement benefit plan may be seen as encouraging citizens and employees to save money for the future in accordance with Internal Revenue Service (IRS) rules and regulations. Employees are able to plan for a secure future thanks to the pension plan's diversity of contribution options. Employee retirement plans in Bangladesh continue to be a source of some controversy. An industry's effective operation depends on the actions of the institution that regulates its operation. American Retirement Programs maintains the efficacy of their approach by creating numerous pension businesses. They create retirement plans for each employee individually using a different third-party administrator. They also run non-discrimination tests to check for inequality between highly and poorly paid workers. On the other hand, there is so much lacking in our country to develop retirement plans and defend worker rights. Our corporate sector, which is lagging behind our country, does not give this enough attention. Additionally, there are numerous policy variances in our government sector. Implementing the new system in this case would be a huge victory for the entire country. The American retirement benefit scheme promotes their stock market, raises public interest in the

stock market, and benefits the economy as a whole. Our government should also redistribute retirement funds in other money and financial markets to enhance the economy as a whole.

3.6. Recommendation

Since joining in Data Path Ltd. I was able to think and work many new perspectives. For instance, as this is an outsourcing company which works on retirement funds on USA. That is why it helped me to study a bit about Bangladesh retirement policy as well. Financial problems are quite prevalent in our country, but they are particularly severe for families who have no finances for their seniors despite working their entire lives. Retirement or pension funds is a very common term in government sectors in Bangladesh. Non-government organizations in our country do not give much thought to this. By considering the retirement systems in Bangladesh following points might be useful:

- Like other government institutions Bangladesh government can offer retirement benefits to private sectors.
- Government should strictly regulate retirement system.
- Similar to the US government. Bangladesh government may provide tax reductions to private enterprises who provide retirement benefits to their employees.
- To avoid discrimination for low wages employees, different tests should be adopted for retirement plans.
- The provident fund's assets should be invested in financial markets and handled with care. It would help to maximize employee pension benefits, resulting in an improvement in outlook.

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