

**Internship Report**  
**On**  
**“A Study on the factors that influence the choice of Retirement  
plan in United States.”**

[Submitted by:](#)

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ID: 17304086

A report submitted to BRAC Business School as a partly fulfillment of  
the requirements of the Internship Program, Fall – 2021

Brac Business School  
Brac University  
December 30, 2021

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## 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/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**Raisa Tasneem Zaman**  
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Brac University

## Letter of Transmittal

Raisa Tasneem Zaman

Lecturer & Internship Supervisor,

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on **“The factors that influence the choice of Retirement plan in United States.”**

Dear Mam,

It is a great pleasure to present the internship report titled **“The factors that influence the choice of Retirement plan in United States.”** which was assigned to me as a partial requirement for the competition of Bachelor of Business Administration degree.

I am very much honor to work with the most leading outsourcing company of Bangladesh and gain a huge knowledge, technical skills, and etiquettes. For presenting this report, I try my level best to highlights the relative information and issues as per following instructions of yours.

I am very much honored for your cooperation and helpful guidance. I shall grateful if you go through the report and evaluate my performance.

Sincerely Yours,

Rabia Boshory

ID: 17304086

BRAC Business School

BRAC University

## **Non-Disclosure Agreement**

The Internship Affiliation Report entitled “**The factors that influence the choice of Retirement plan in United States.**” is prepared by Rabia Boshory for the degree of BRAC Business School (BBS), Major in Marketing & Finance. The report has been accepted and will be presented to the Internship Defense Committee for evaluation.

(Any opinions, suggestions made in this report are entirely that of the author of the report. The University does not condone nor reject any of these opinions or suggestions).

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**Taifur Rahman**

**Manager of Data-path Ltd.**

Internship Supervisor

## ACKNOWLEDGEMENT

To present a good report, a sincere supervision, and guidance is very much important. I got sincere co-operation, valuable suggestions, inspirations from my respected trainers and the executives of Data Path Limited. First, I want to express my deep gratefulness to my supervisor **Raisa Tasneem Zaman** for giving her important instructions, proper suggestions, and corrections for improvement. I like to express my thanks and deepest gratitude to Data Path Limited. Staff of **ERISA department (Employee Retirement Income Security Act)** for giving me the opportunity, appointment for the internship program that I have completed. I also want to acknowledge the guidance of the ERISA department head and all officers and staffs of Data Path Limited who spared their valuable time for me. I am thankful to my friend and fellow internship students who are continuing internship program besides me. For highlighting the information, I must know better about the company rules, regulations and how it works. The work environment is friendly and all teammates of the ERISA department are cooperative. Specially, I am very much thankful to **Mr. Taifur Rahman**, Head of ERISA department, Executive Trainee **Reeha Kazi**, **Shabab Chowdhury**, **Md. Gufran Siddique**, distributor panel executive **Al-Amin Hossain** who gave me all the support that I needed to prepare the report.

Finally, I am very much grateful to my Almighty Allah for giving me the ability to complete my report. I hope this work experience will give me much helpful to do better for the entire career.

## Executive Summary

Companies that provide outsourcing services are growing all over the world, and Bangladesh is no exception. There are numerous outsourcing firms in Bangladesh, but Data-Path is the most leading company in this service sector. There are many departments here work together to give the best service to the clients. I worked for ERISA department. ERISA department work on different types of plans. ERISA requires plans to provide participants with plan information including important information about plan features and funding. They set minimum standards for participation, vesting, benefit accrual and funding and provide fiduciary responsibilities for those who manage and control plan assets. In Data-Path team ERISA works for the clients and they offer a few types of retirement documents like Profit Sharing, Safe Harbor and Profit Sharing 401(K) plans. The employers who are under the plans: Limited Liability Corporation, Chartered Corporation, Sole Proprietor Corporation and others etc. From them clients choose their document which is beneficial for their business or for individuals. It requires plans to establish a grievance and appeals process for participants to get benefits from their plans. Employers can also terminate a plan, if a defined benefit plan is terminated, guarantees payment of certain benefits through a federally chartered corporation.

This company is known for being the best Third-Party Administrator (TPA) Outsourcing partner, and I am grateful that I had the opportunity to complete my internship program at Datapath, where I was able to learn a lot of new things, gain experience, and seek advice from my administrator, all of which I will remember for the rest of my life and apply accordingly.

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## Background of the Study:

Internship makes a wonderful opportunity for the students who will be newly graduated. Because here we can apply our theoretical knowledge in practical. We learn punctuality, professional & interpersonal behavior, office etiquettes etc. Internship program also helps to enhance competency skills and get a chance to familiar with the office environment. The internship report is based on **“A Study on the factors that influence the choice of Retirement plan in United States.”** I got a chance to continue my internship program with Data Path Ltd which is a period of four months beginning from 1<sup>st</sup> October,2021 to 31<sup>st</sup> January,2022. During this period, I learn about the benefits of retirement plan of U.S people. It's very much interesting as we don't have that kind of retirement plan in our country.

## 1.02 Objective of the report:

### 1.2.1 Broad Objective

- To highlight factors that influence U.S residence for retirement plan.
- To focus the rules and regulations about retirement plan.
- To share the experience of Data-Path Limited.

### 1.2.2 Specific Objective

- To know the concepts of employee benefit plans.
- To get an understanding of the retirement benefit plan's rules and regulations.
- To learn about Pension benefit plans.
- To learn about Welfare benefit plans.
- To learn Who is investing the plan assets
- To learn How trading of assets is accomplished.

### **1.03 Methodology:**

Methodology means the process of how we collection and apply the information for research.

#### **Sources:**

I have collected the information from both primary and secondary sources.

#### **Primary source:**

The data which is collected from the practical field is called primary data. For that I use the following sources-

#### **Discussion Method and Survey:**

As this kind of industry is rare in Bangladesh, we get training about the retirement industry. From the supervisor and executive trainee, I got information about different plan for retirement, why its important, what's the benefit of planning, how companies deal with this information etc. I had a great chance to meet with the CEO of July Service so that it helps me to know better about this industry.

#### **Other Primary sources:**

Whenever we do any task, project, or plan, it will get review from July Service. So, if there is any correction needed or information lacking, they contact with us. Its also a good source of knowing information.

## **Secondary source:**

I collect information from secondary data which is very much important to know well about the industry. Here we get the basic idea about the rules and regulations of retirement planning. For that, I collect information from the bellow report-

## **Data-Path and July Services databases**

We use Unify system software and DGEM software, which helps me to get the historical database. From here, I do some analysis, try to relate with our planning system and find the difficulties of retirement plan.

## **Retirement Provident Fund (RPF 1& 2)**

This is kind of report which covers the information about U.S retirement provident fund. It is the foundation of U.S retirement fund.

## **Tools:**

- Microsoft Word
- Microsoft Excel

## 1.04 Problem Statement

In Bangladesh, both in public and private sector retirement plan is not that much structured way. The government rule and regulations are not well organized. As a result, we cannot get the employee benefits. In our country, people are not that much aware. The regulatory body also not taking care of this sector. Though we say, we are becoming updated, but in this sector, we cannot give proper benefit and rights to our employees.

The concern of US government about retirement plan is very high because they are aware of employees to secure financially. Employer and employees also get tax benefit advantage. But this procedure is very much tricky. This plan costs are also expensive and it proceed through third party.

## 1.5 Limitations of the study

- As the information are confidential, I cannot reveal this. For example- Social Security Number, compensation amount, deferral amount. I cannot include salary deferral and employee contribution which the client or employer follows.
- Most of the information are from secondary sources and sometimes validity is not applied currently. This is not applicable for plan to plan.
- Due to governmental rules and regulations, the economic and fiscal policies, it is difficult to compare with the previous year.
- For collecting information from secondary source, I use Retirement provident fund (RPF) which language is difficult and unfamiliar with me.

## 2.0 Organizational Overview (Data Path Ltd.)

Data Path is the joint venture company of July Business service, which is introduced by Jhon Humohrey, Jim Hudson and Ashfaqur Rahman. It is the first outsourcing company who deals with retirement planning for USA citizens. This company provides various services like focused retirement plan and administrative services. Datapath mainly give the advice to complete the plan and continue the plan management. Mainly financial advisors contact with our company, and they will suggest customers to continue the plan management. Data Path provide plan administration, recordkeeping and cafeteria programs. July Business Service was introduced in 1994 with 4,000 clients with outstanding services.

Data Path Ltd. was started in Uttara in 2005 having small office. This journey started with adventurous assistance for the July Business services. The company hire skilled workers to continue daily work with the July Business Services. In the early stage, the staff amount was too less. Then they shift their office to Gulshan in 2010. After they added more employees approximately 29 workers. As the most booming business, it started grew and expanding their business. After that, they shift to Mohakhali with 15,000 square feet mansion. Now there are almost 220 people are working. Data Path also offer back office interactive production and different programming services at low cost. They use the latest web and open source technologies. They provide live feedback with the clients. Nowadays, Data Path Ltd. provide both domestic and international services to a huge client field. Lots of students get job opportunity and gathering technological skills to develop future career.

## 2.1 Organizational Vision & Mission

### Vision

Data-Path is a fast-growing organization which maintain all service related to USA. Become the best retirement plan administrator for USA outsourcing service. It provides the professional service.

### Mission

Is to provide financial advisors and plan sponsors the power to choose the retirement plan solution that best meets the goals of business owners and their employees by delivering refreshingly responsive, unbiased, reliable plan design, administration, recordkeeping, and consulting that encourages saving for retirement.

## 2.2 Founding Partners:

Jim Hudson, started his journey of retirement plan specialization in the early 1980s and began his career as a Certified Public Accountant. Throughout this time, Jim gets renowned as specialist in this highly specialized field. He takes responsibility of developing and managing huge retirement plan before found July Business Services. John Humphrey also started his career as a Certified Public Accountant, and he also provide tax consulting services with a large accounting firm. John co-founded July Business Services in 1994.

## 2.3 Services

July Business Services and Data Path Ltd jointly provide several services. The following services are-

### Plan design:

Every retirement plan has different unique goals for their employer. The objective of employee retirement plan is to recruitment and maximize benefits. There is various plan which have designs.

**Plan setup:** It is very much important to efficiently setup retirement plan or transfer the current plan from existing provider. Datapath form team to work coordinately. Services are-

- Formulate Enrollment Kits
- Loan Policy
- Prepare Setup Paperwork
- Submission Contribution Techniques
- Direct Allocation of Assets
- Prepare Letter to Prior Worker
- Manage Data Required for Takeover.

### **Plan administration:**

July service provide various services over 25 years. They are the most renowned company for offering retirement planning. Individual client has different plan and also maintained specialized professionals. Data Path Ltd. has almost 7 years experience to work with July Business Services.

### **Plan Operation Support:**

To increase the value of plan, it provides everything whatever the client needs including telephone and e-mail access to its consultants. Its services include the following:

- Eligibility Calculations
- Contribution Allocations
- Vesting Calculations
- Distribution & Loan Processing

**Compliance Testing:** Its account representative provides complete compliance testing services to maintain the integrity of client's plan. Its testing services include the following:

- Top Heavy Testing
- ADP & ACP Testing
- Minimum Coverage Testing
- General Nondiscrimination Testing

### **Tax Compliance:**

This company offer signature ready tax because of fulfilling tax filing requirements. The services are-

Form 5500

- Form 1099-R & Form 945
- Form 5330 (when needed)
- Form 5310 (for plan termination)

### **Plan Recordkeeping:**

The two of this joint venture company will provide recordkeeping services. This service includes-

- 24 Hour Internet Access
- Daily Valuation of Accounts
- Plan Sponsor Account Access
- Quarterly Participant Statements



- **Participant services:**

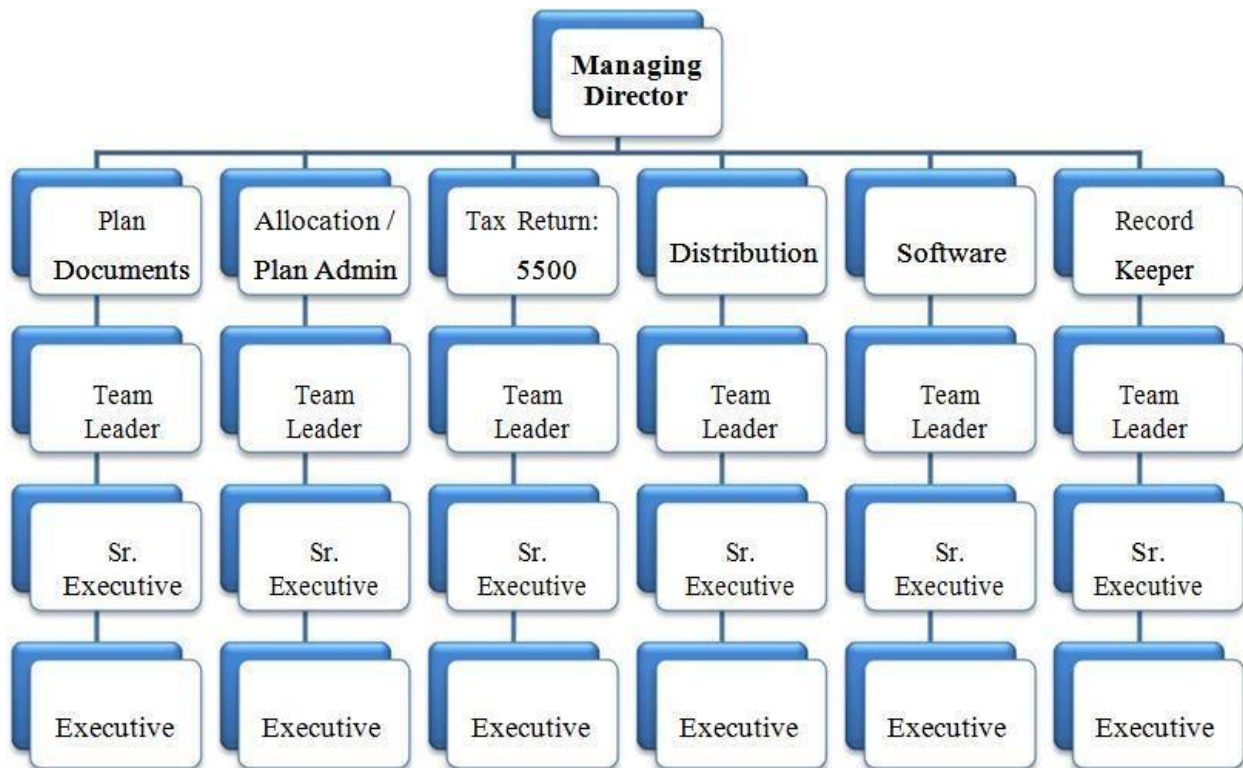
With the help of financial provider, July Business Company offers high quality technological tools for participants and ensure future financial security.

- **Payroll Services:** For providing retirement and payroll services, the company will provide various services so that the clients have less workload and enhance the efficiency and accuracy level. The company gives some guarantees to the strongest industries, but the main motto of the company is to proceed payroll always error free.
- **Fringe Benefit:** July services offers several benefit. Medical compensation plans.

**Enrollment Materials:** July Business Service gives advice to the participants for taking investment decisions. In this section the following activities are done-

- Enrollment Workbooks
- Investment Education
- Risk Profile Worksheet
- Investment Fact Sheets
- Enrollment Forms

## 2.04 Organizational Structure:



## 2.05 Retirement Plan:

### 2.05.1 Employee Benefit Plans

Employer always try to give support of employee's physical, financial and mental well-being. For that, they provide health and life insurance, vacation time, disability income and retirement plan. Every employer has different plan to motivate employees. For example, due to unforeseen catastrophic event, employer gives financial hardship support. Some other employers enhance employee's morality by creating competitive work force.

**There are two broad categories of benefits plan provided by employees.**

**1. Welfare benefit Plans**

**2. Pension Benefit Plans**

**2.05.2 Welfare benefit Plans**

Employee Retirement Income Security Act specifies any plan, fund or program which executed by employer or employees for employee welfare benefit plans.

There are certain benefits that employees provided-

- Medical, surgical or hospital care.
- Advantages in case of sickness, accident, disability, or death.
- Relations Act of 1947 (Taft-Hartley Act). This includes holiday
- Redundancy benefits.
- Vacation benefits.
- Internship or other training programs.
- Day care centers.
- Scholarship funds.
- Prepaid authorized customer services
- Any benefit described in Section 302(c) of the Labor Management
- Compensation pays or similar benefits. It excludes retirement and survivor
- Pensions or insurance to offer such pensions.

This also cover pension benefit plans where employees need to meet qualification requirement for getting special tax advantages under Internal Revenue Code.

### **2.05.3 Pension Benefit Plans**

Pension Benefit Plans is an employer-based program which is based on the factors such as service period and salary deferrals. These benefits will provide based in fixed monthly payments

ERISA's focus on employee pension benefit plan that operates to such arrangements such as-

- Evaluating the benefits under the plan
- Allocating benefits from the plan.
- Retirement benefits for age or service.
- Disability retirement benefits.
- Retirement benefits provided through accumulating savings.
- Personal account plans such as profit-sharing plans or Deferral of income for periods expanding to or away from the end of employment.

There are two broad categories of employer-sponsored pension benefit plans:

1. Defined Benefit Plans
2. Defined contribution plans.

### **2.05.4 Defined Contribution Plans:**

Defined benefit also known as separate account because employees get distinct account for participating. This certain number of contributions are transferred in the specific account in each year. For example, plan will give certain percentage which is equal to employee compensation. This percentage comes from share of total plan contribution.

### **Profit Sharing and 401(k) Plans;**

- SIMPLE Plans;
- Money Purchase;
- Stock Bonus and Employee Stock Ownership Plans; and

The tax advantage arrangements are broadly elaborate in different section that are not in the comprehensive list. There are some examples of various types of tax- advantaged arrangement. The spectrum of retirement program offers consideration to the employers.

### **Profit Sharing Plans**

#### **[A] Profit Sharing Plans**

Though employees participate profit sharing plan, employees get a percentage of revenue from share. It will increase due to their efforts. They may practice responsibility over

Through a profit sharing plan, employees can be rewarded with a share in the employer's Revenue, which was generated in part due to their efforts. The employer may practice

alternative over the amount contributed to the plan each year and doesn't depend on actual profits. The plan does not offer specific amount in each year, it always comprise an individual formula for contributions which is made for the participants.

Example- Profit Sharing Allocation. Company gives \$40,000 to its profit sharing plan for the existing year. According to the allocation, participants may contribute a proportion for the compensation. All participants in the plan who are eligible to get share in profit sharing contribution get \$500,000, a participants specific reimbursement is \$50,000, the contributor will be distributed 10% ( $\$50,000/\$500,000$ ) of the employer contribution, or \$4,000.

For that employer often choose a profit sharing plan for the employees because based on its financial condition employees can guess how much money they need to contribute on each year

The employer may decide not to make a contribution for a particular

year should the business climate be less than fruitful with little or no profits, or when the income is needed for other business expenses.

Savings Incentive Match Plans for Employees (SIMPLEs) are designed to address the needs of small businesses and intended to simplify qualified plan administration for their

#### [\[B\] 401\(k\) Plan](#)

In order to encourage employees to actively save for their retirement and to bolster Utilization of and appreciation for employer plans, today numerous employers are sponsoring the very popular salary deferral plan as described under Internal Revenue Code Section 401(k). Having the perhaps dubious distinction of being more commonly and widely known by its Internal Revenue Code Section number than its descriptive name, this type of profit sharing plan with a qualified cash or deferred salary arrangement (CODA) is referred to by the public and practitioner alike as a 401(k) plan.

### **3.0 Topic Analysis and Discussion**

In the modern era, people are more aware of social security and Medicare. From the study, it is found that previously, the saving tendency of American traditional family were decreasing but in recent years people love to enjoy retirement plan to get financial security. Nowadays, the huge variety of employer sponsored retirement plan and provide valuable saving tools. For getting these opportunities, employers need to attain some requirements for saving plans. Those who cannot participate this program, they have alternative plan sponsors.

Retirement income planning starts with the fundamental proportion that employees expect to have economic security for lifetime. As employees need to cut off money from their salary, employees have desire that whatever the earning amount is deducted from the salary will get more supplement amount from the personal saving program. Employees get employer-sponsored pension benefit plans and governmental programs such as Social Security.

Usually, personal savings, employer-sponsored pension benefit plan and social security are the three elements that support employee to participate retirement plan.

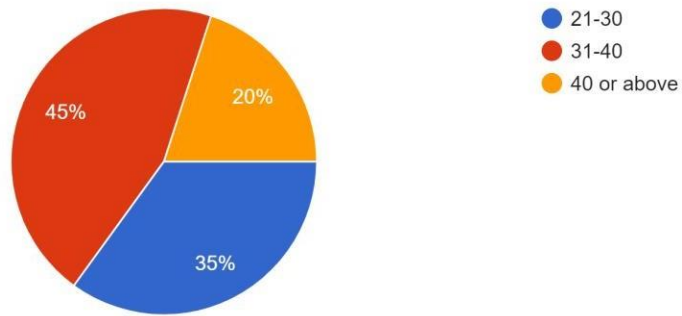
#### **3.01 Factors that influence the choice of Retirement plan**

In U.S most of the people are aware of their retirement plan. It's a financial strategy which helps both employer and employees to make a source of income after retirement, maintain expenses in an effective way, executing saving program and achieving asset and risk management. Most of U.S citizens are more likely to have 401(k) plan to enjoy tax advantages. Employers provide various types of benefit for their employees such as employer paid full cost of vacation days and bear the expense of giving employee benefits.

To know better about the retirement and eagerness about retirement plan, I do primary research among my twenty colleagues. From the primary data, the following information are gathered-

### 3.01.1

What is your Age?  
20 responses



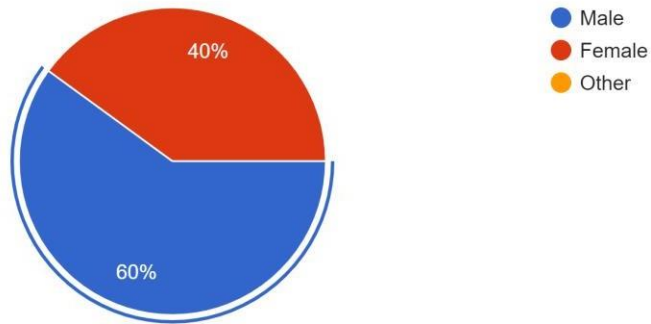
In July service most of the employees (45%) are from 31 to 40 ages. That means on average majority employee are middle age. On the other hand, 35% of the employees are from 21 to 30 ages as the company hire employees from internship students. The left over are aged, they will be retired soon.



### 3.01.2

What is your gender?

20 responses

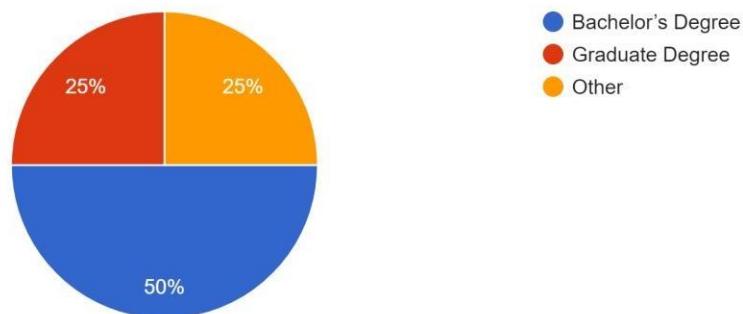


In our organization 60% of the employees are male and 40% of them are female. This information is very much important because different gender may have different opinion and their retirement plan might vary.

### 3.01.3

What is your education level?

20 responses

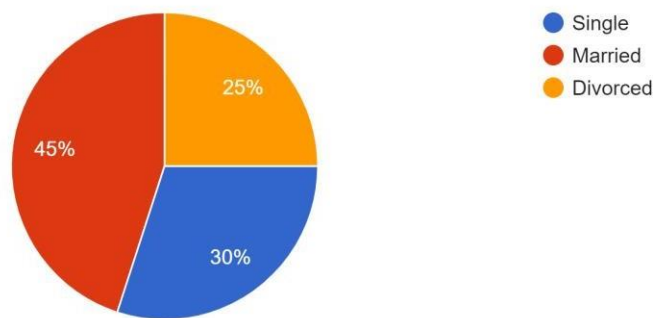


Education is very much important because literacy gives an impact on choosing retirement plan. 50% of the employees have bachelor's degree, 25% of them have graduate degree and 25% of them may have higher degree or else.

### 3.01.4

What is your marital status?

20 responses

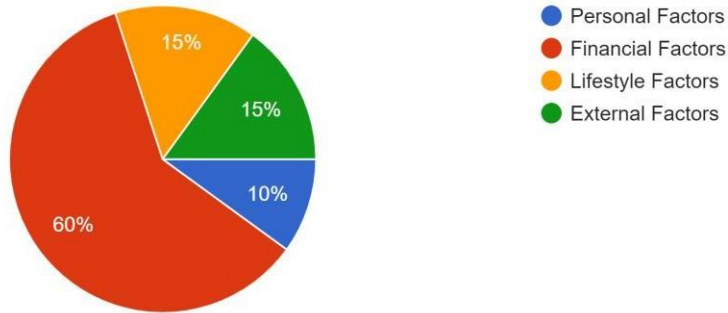


Marital status is very much important for the company. As spouse got a percentage of their partner. They also get extra facilities. Sometimes people got divorced in that case, the spouse can charge for the retirement plan benefits. So in our company Data Path Ltd. 45% of the people are married, 30% of them are single and 25% are divorced.

### 3.01.5

Which factors mostly affect the decision of taking retirement planning?

20 responses

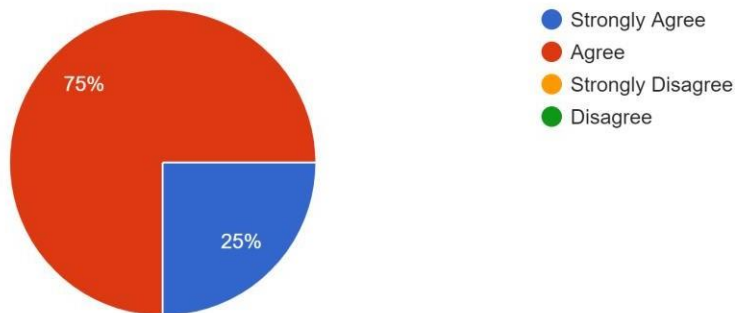


From the survey, we found that 60% of the employees are attending retirement plan for financial factors. Most of the people want to participate in retirement plan because they get financial support at old age. They can take debt against it. 15% of them are choose this plan for lifestyle and personal factors both. Whenever employees invest higher amount, the premium facilities also receives which represents their lifestyle. 10% of the people have external issue.

### 3.01.6

A suitable retirement plan enables to reduce taxable income-

20 responses

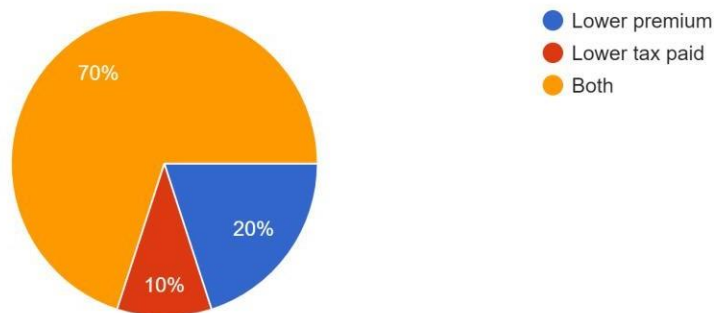


75% of the employee agree that a suitable retirement plan can reduce taxable income. Because if financial advisor take effective and efficient steps, employees can have tax advantage. On some specific plan, income is nontaxable. In America, whatever an employee earn most of the money are cut off by government. That's employee invest more on plan and get tax free income. 25% of the employee strongly agree that a perfect plan choosing can reduce taxable income. No one strongly disagree or disagree with the statement.

### 3.01.7

What's the benefit in involving of retirement plan on early stage?

20 responses

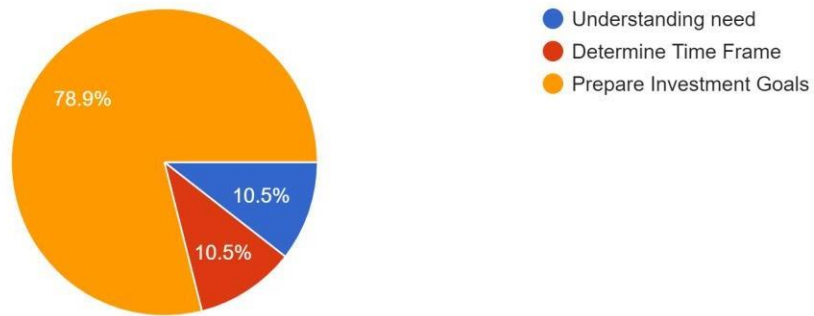


In the early stage, employees get lower interest rate on the saving account. For a long run, the cost of saving amount is decreasing. On the other hand, employees need to pay less tax amount. Because if employees have saving account, they have to pay huge amount of tax. Young stars get long timeframe so that tax advantage is good opportunity. From the survey, 70% of the tax paid. employees choose both option. 20% of them are lower premium and 10% of them are lower.

### 3.01.8

How to choose a suitable retirement plan?

19 responses

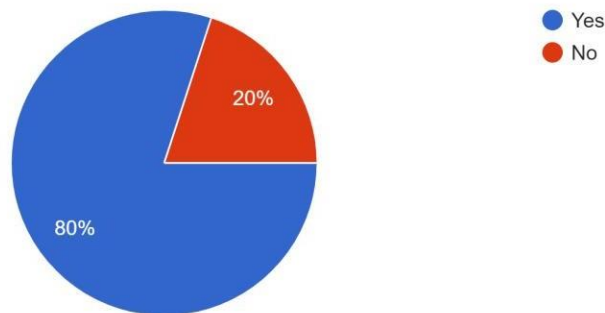


Choosing a suitable retirement plan is very much important to get proper benefit. For choosing a suitable retirement plan, employees need to focus on understanding need, determine time frame and also investment goal etc. Whenever employees want to invest, they must fix how much return they want within a specific time period. From the study, we saw 78.9% of the employees focus on the investment goal and 10.5% people focus on understanding and need.

### 3.01.9

Do you have individual retirement account?

20 responses

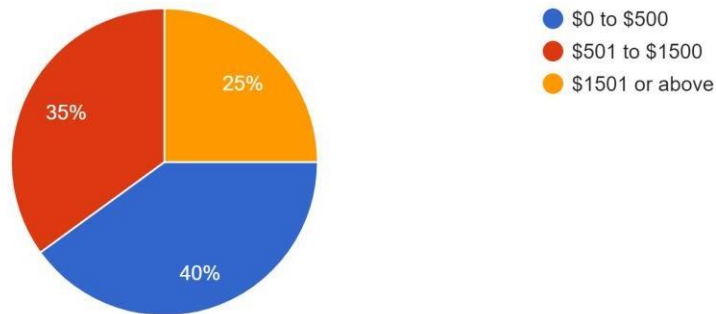


In USA, people who want financial and medical support are interested to have this individual retirement account. Employee can take debt against this account. For activating any legal papers,

employee can get support. 80% of the employee have separate retirement account and 20% of the employees don't have this account.

### 3.01.10

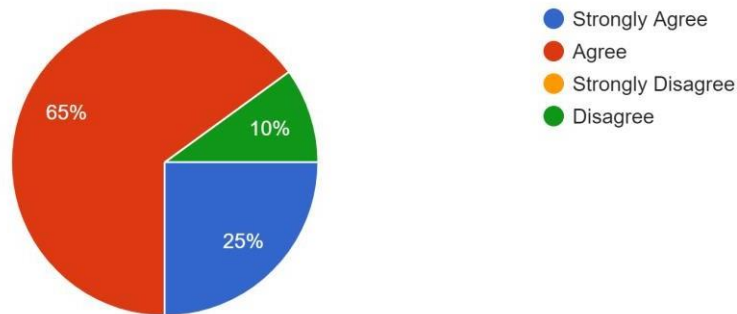
On average, how much amount you or your spouse contribute on retirement account in each year?  
20 responses



Whenever spouse invest in retirement plan, they get extra facilities. Government will provide this opportunities for influencing employees to invest more. Here, 40% of the spouse save \$0 to \$500 and 35% of the spouse save \$501 to \$1500. Lastly, 25% of the people save \$1501 to above which is much higher

### 3.01.11

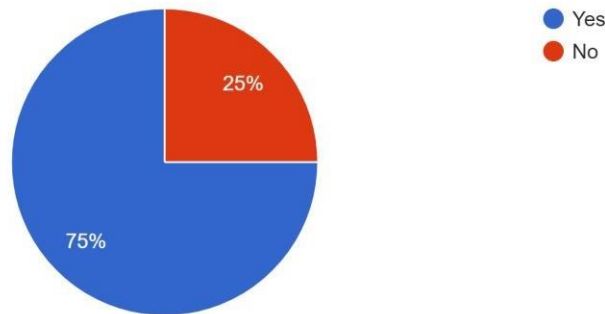
Are you feel financial security from retirement funding?  
20 responses



After the retirement age of 65, most of the people get frustrated as for the long run, there is a cash flow on their hand. But if employees have huge amount investment in portfolio, they get confidence for the new phase of life. Here, 65% of the people agree and 25% of them are strongly agree that retirement funding will provide financial security. On the other hand, 10% of the employees not financially satisfied with the retirement funding.

### 3.01.12

Do you get benefit from Public Provident fund (PPF)?  
20 responses

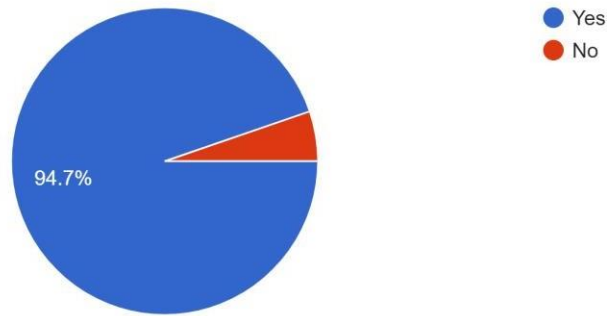


Public Provident Fund is a government- maintained saving system for the people who are employed or self-employed. Its very much helpful for the employees, as they also get other facilities. In this saving scheme, the fund will increase faster than private scheme. From the survey, 75% of the people get benefit from PPF. 25% of the leftover may not attend the scheme.

### 3.01.13

Do retirement plan bear health expenses?

19 responses



In US, those who have various retirement plan will bear extra health expense costs. For that after the retirement if employees fall any serious disease which is expensive, will get financial support. From the survey, 94.7% people support that they get this facilities by participating retirement plan.



### 3.02 SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"> <li>• In the local market, there are less competitors.</li> <li>• Healthy company culture.</li> <li>• Service Providing with fully secured software and IT function.</li> <li>• In the USA, providing service for a lower price than other third parties.</li> <li>• Expertise</li> <li>• Obtaining remittances for country.</li> </ul>	<ul style="list-style-type: none"> <li>• Having to rely on July Business Services.</li> <li>• Inability to communicate with the client face to face.</li> <li>• Countries new service industry so employees must be trained from the ground up, which takes time.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• New Business expansion.</li> <li>• Creating new job opportunities.</li> <li>• Establishing a new service sector.</li> <li>• Market for high-quality IT education</li> <li>• Forming alliances with other countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Systems to protect data are lacking.</li> <li>• Clients are not obligated to make promises.</li> <li>• Increasing competitors.</li> <li>• Industry is not well-known.</li> </ul>

#### Strength:

- i. **In the local market, there are less competitors:** Datapath is the only outsourcing company in Bangladesh. There is no other company which provides this kind of service. So, less competitors in Bangladesh market are a big strength.
- ii. **Healthy company culture:** Datapath is a very well cultured company where all employees are very flexible to work here. Here everyone respects each other what if they are senior or junior. Everyone calls others Vaia or Apu. There is very flexible dress up rules. Overall Datapath's culture makes its employees work passionately and stay forever.

- iii. **Service Providing with fully secured software and IT function:** Datapath use some software's by which this company provides service to its customers. The software's are fully owned and secured by Datapath so there is no access of the outsiders.
- iv. **Expertise:** In Datapath all the employees are very well trained and experts to their own departmental works.
- v. **Obtaining remittances for country:** Datapath give services to the American customers so that after completing the work the income become remittance for our country's economy.

### **Weakness:**

- i. **Inability to communicate with the client face to face:** Datapath is providing service to its customers of USA from Bangladesh. So, its not possible to communicate with the customers directly face to face. This is a weakness because face to face conversation can increase the possibility of getting the work from client.
- ii. **Having to rely on July Business Services:** July Business Services is the mother company of Datapath. So Datapath have to rely on July Business Services.

### **Opportunities:**

- i. **New Business expansion:** Datapath is company which give service to the American clients for their retirement plans and so many other plans for their companies. In Bangladesh there is no other company that provide this kind of service. So, this is an opportunity for a new business expansion.
- ii. **Market for high-quality IT education:** Datapath is an IT based company so here employees will get very high-quality IT education to work here. Because every work should be done using software's so IT learning is must
- iii. **Forming alliances with other countries:** Datapath working for the USA clients. That's how Datapath forming alliance with countries outside Bangladesh. In future maybe this company will also work with other countries and form more alliance which will be very helpful for our country's economy.

### **Threats:**

- i. **Industry is not well-known:** Datapath is new company for Bangladesh so the company is not well-known to the customers of Bangladesh. Peoples are not known of the service that much.
- ii. **Increasing competitors:** Datapath is a new service company for Bangladesh. Till now there is no company in Bangladesh which provide same service. But there is a chance of increasing competitors in upcoming days. So, it can be a threat.
- iii. **Clients are not obligated to make promises:** Clients are not obligated to make promises so if they cancel their work then company will have nothing to do without losing the client.
- iv. **Systems to protect data are lacking:** Sometimes when the system got problems due to maintenance then it takes time to repair. In that time data protection can break. So, it's a threat.

## 4. Activities Undertaken

### 4.1 Organizations Wide Activities

I was given training on the American Retirement Plan Fundamentals shortly after starting my internship at Data-Path Limited. The training was given to understand the industry in which I would be working. I had training for the first two weeks. First, I go through PPA Documents and Cycle 3 restatement Sheets to learn about the work. Then after 2 days I started work on PC to learn practically.

I worked with the ERISA team throughout my internship.

In the ERISA team, there are four steps:

- Assistant Manager
- Team Captain
- Senior Executive
- Executive

### 4.2 Work Activities

#### Understanding Retirement Plan Documents Rules and Regulations

From the information given by the sales and installation department, the ERISA department creates a plan document. There are many types of plans under which ERISA department works. Profit-sharing plans, 401(k) plans, Safe Harbor Plans, and Safe Harbor 401(k) Plans are examples of plan paperwork that often comprise 45 or more pages of legislation, rules, and regulations, as well as how they influence the plan.

There is only one rule to complete a restatement. There is a default paper given by the department which we have to follow and select the default section. The rule is to select default section and mark it then submit it.

There are so many options on a Plan Document. As per the rules we need to select default sections and make the plan. Also have to fill-up clients need which client want in their plan. After that the correct information is sent on to the appropriate departments.

### 4.3 Work Related Activities

I was assigned to the ERISA team during my internship. The following are some of the work activities:

- Cycle 3 Restatement
- Plan Amendment
- Enrolment Kit

#### Cycle 3 Restatement:

PPA (Pension Protection Act) Restatement is used in Cycle 3 Restatement. Cycle 3 Restatement is the most recent version of the system, whereas PPA Restatement is an older version. PPA restatement is a re-writing of the Adoption Agreement. PPA Restatement is being converted to Cycle 3 Restatement. Based on PPA Restatement, I examine a few parts and change a few things in one or two of them.

Following the modifications, I take a few files from the DGEM System and upload them to the Unify System. Here DGEM system and Unify system are the software's which we use to complete our task. In DGEM System we search for the plan in which we have to work then we download the plan then complete the work and upload to Unify system.

There are so many plans in the DGEM system. For make it easier to search the exact plan, the system named all plans with a serial number. For example, #66782 is a serial number of a plan/task. After starting a work, I begin tagging in task #66782 and obtain all Cycle 3 Signature Pages and send for signatures to customers in job #62581. Then after assembling reports, I post to Portal. And notify client that Cycle 3 Restatement is ready to Sign. The plans status is then changed to Sent to Client. That's how it works.

#### Plan Amendment:

When a client wishes to make a few adjustments to a certain plan, we execute a Plan Amendment. In that section, I delete the existing information in the DGEM System that I need to alter and replace it with the new information provided by the customer.

Following the adjustments, I download a few files and submit them to the Unify System. Then, in task #41905, "Obtain ALL Cycle 3 Signature Pages," I begin tagging in task #38506. Then assembling the reports, I post to Portal and notify client that Cycle 3 Restatement is Ready to Sign. The plan's status is then changed to "Sent to Client."

### **Enrollment Kits:**

In order for the bank to approve client's company and for Plan Service Provider to enroll client's company in the program, client and his employees must fill out a few simple forms.

Then when I get a file from Unify System, I compare it to a DGEM System file in the same project for the Enrollment Kit.

If all of the matches are discovered, then I go to job #40651, "Review the Plan Highlight." Following that, I add task #39160 to "Enrollment kits," with the task name "Finalize and Provide Final Proof to CSM."

### **Working on Qualified Default Investment Alternative:**

Qualified default investment alternative is another plan which also prepared as per clients wish. For prepare this first I have to go to the software and open the plan form. Then I have to print the report to verify if there any correction needed. After that I save it and create new project and fill-up the information's needed. Then upload it into portal of client and complete the tasks.

### **Other Relevant Activities**

I was responsible for a few additional similar tasks during my internship. I performed some additional things in my spare time from job and training. I printed plan documents, reports, and other documents. Through HR's supplementary classes, we've gained a lot of previously undiscovered Excel expertise.

## 5.0 MAJOR FINDINGS

The reporting rules and regulations in the American retirement benefit plan are very organized. The retirement plan industry is operated following the IRS (Internal revenue service) and DOL (Department of labor) guidelines. The reporting is mainly done by following the ERISA code (Employee Retirement Income Security Act). The smooth operation and functioning of retirement industry depends upon the oversight function performed by the IRS and DOL. The important characteristics of American retirement industry are that the employer always tries to reduce the discrimination between the highly compensated employee and non-highly compensated employee. The ERISA code specifically defined the highly compensated employee and non-highly compensated employee. This retirement benefit plan is also perform coverage test to ensure whether all employees are included in the plan or not. To ensure equal benefit among the highly compensated employee and non-highly compensated employee the employer perform some nondiscrimination testing such as ADP/ACP test, top heavy test etc. if the plan is top heavy (the key employee holds more than 60% of the plan assets) then to equalize the benefit of non-highly compensated employee the employer make 3% qualified non-elective contribution (QNEC) to the all non-key employee. To narrow up the discrimination between the highly compensated employee and non-highly compensated employee the employer performs all types of test.

## 6.0 LEASSONS LEARNT

I interned at Data Path Ltd. as an intern. I gained several useful information and skills during my internship with this company, which are stated below:

- **Organization Culture:** Every business has its own distinct culture. Over time, Data Path established its own culture, which includes practices such as arriving at the workplace at 9 a.m., giving salaam whenever seniors in front of juniors, referring to elders as Bhaiya/Apu and asking a senior to take a break.
- **Communication skill:** The majority of team contact takes place through Skype, as well as for assigning any tasks or plans. For formal communication with JULY service to the US, Outlook is utilized, as well as for delivering completed given work.
- **Hardware:** I have never used double monitors to work on computer. In Datapath ERISA department provide us PC with two monitors to work properly and complete the work faster. I need to open so many tabs and webpages to complete the work. So, two monitors helped me a lot complete a work quicker than a single monitor. There is welled backup of internet , electricity, monitor, CPU, ups and other accessories.
- **Software:** In ERISA department I have to work on two main software's. One is Unify and another one is DGEM. Because these software's owned by the company so that I have never used them before. So, I learned these software's and make my given work done. Besides I have used skype and outlook for the first time after joining the company as an intern.
- **Training:** I got trained on companies' internal software's also they provide extra training on excel so that working on pc can be easy for us.
- **Work Environment:** Data Path provides a highly nice working atmosphere that is properly structured and under the supervision of management. A conference room is utilized for every team gathering, and a projector is used to make things more obvious. Lunch is also available at Data Path, which has a dining facility. Separate prayer rooms for men and women are also available at Data Path.



- **Professionalism:** Since joining Data Path, I've seen that everything in my life has changed, including the way I communicate with team members and coworkers. Aside from that, I learnt how to carry out my professional obligations.
- **Team Work:** After joining as an intern in Datapath, I have learnt how to work as a part of a team. Every day, a large number of plans arrive, and our team leader divides the work amongst the members. Once the plan is completed, it is given to our supervisor for evaluation. In some situations, if a team member is unable to visit the office, the work is divided among the remaining team members.

## 7.0 CONSTRAINTS/CHALLENGES

### 7.1 Organizational Problems Identification

In my internship at Data-Path Limited, I was able to witness some of the company's limitations and problems. This is what they are:

- ❖ **Lack of knowledge:** Datapath was a new company for me when I joined as an intern. I never heard of this company before. I was totally unknown about the work they do. When I searched on Google, I just get to know that Data-Path is an American-based outsourcing company operating in Bangladesh. After joining as an intern, I get to know a lot more about the company. I was given an overview of Data Path's operations during the orientation, but it took some time for me to put the pieces together.
- ❖ **Work Related Problems:** I was totally unknown about the work of the department when I joined. So, it's normal that I faced many understanding problems. Even my departmental work was totally new for me. Because I never worked on the software's they use to make their work done. Also, the work was not my major related. So, it was quite difficult to understand the work at first, but days gone and I got used to the work. At first when I was working on the retirement plan system of USA, I found so many components that I had to remember. There were so many default sections that I had to remember and select it properly. I had to prepare restatement of the given plans. Retirement plans of USA is very much complicated. As a result, comprehending the entire retirement business in the United States and how it operates was a difficult task for me.
- ❖ **IT Problem:** During my internship I found some IT related problems in Data-Path. They are Internet Connection Problem, Lift Problem, Fingerprint/ID door lock system problem I faced so far. Like other organizations our all PC are also connected to HUB or a main PC. So that if the main PC turned off then connected PC network connection get disconnected. I faced this problem while I was working on my desk using my PC. The company building lift is not bigger enough and some button does not work properly. So, if there are more people, then it kills time. In Data-Path there are only 2 IT experts to make

a solution when someone face problem. So, it is bit difficult for them to give support to the whole department.

- ❖ **Communication Gap:** All of the staff went about their business as usual, so it was difficult for me to communicate with them. As a result, communication gap created among us.
- ❖ **Office Hours:** During my internship period I faced difficulties for a new schedule. My departmental office time is 9AM to 6PM given by Data-Path. It was a big challenge for me to adjust myself here but now I managed myself.
- ❖ **Weekend & Holidays:** The weekend is Saturday and Sunday, Friday is working day. So I and other employees should pray Jumah in mosque near of the office. There is no Bangladeshi government holidays, it follows USA holidays like Christmas day, New year's day, Labor Day. So there is holiday for EID is so much sort term holiday.
- ❖ **Office Wi-Fi:** No permission to use office Wi-Fi for all intern. I can not get allowance to use office Wi-Fi to my mobile phone. I need to use own mobile data to communicate.
- ❖ **No Recreation Room:** There is no recreation room to be refresh after hard working. Because of so many staff there is no space left to make recreation room.

## 8. Recommendation

### 8.1 Recommendation for Organization

- **Recommendation for Work Related Problems:** Datapath is a new company for the people of Bangladesh. So, many peoples are unknown about this service company. Students are also unknown about this company. Datapath can take sessions and give advertisement so that newcomers can know more about this company and their work.
- **Recommendation for IT related Problems:** Datapath have some IT related problems that they can solve easily by hiring some new IT experts. So that If there any server problem or function problem come out, it can be solved faster than before.
- **Recommendation for Recreational Room:** Data-Path can make a little corner for recreation which will help employee to grow productivity. Even there is day going without making any plan or such 3 plans, so in the leisure time they can spent quality time.
- **Recommendation for Travel Problem:** Datapath can provide a private bus for the employees who live far from the office. By this, employees will be able to come to the office in time who do not have a private vehicle.

### 8.2 Recommendation for BRAC

- **Communication class:** BRAC can keep a class for professional communication where students will talk professionally with each other using both Bengali and English language. And they have to present it in front of faculties and students. BRAC also can keep a competition in every semester. Where students will perform Drama or Debate on professional communication.
- **Excel Class:** We know how much important is Excel for an organization. So, for a student excel learning is must if they want to get a good job. BRAC can keep 3/4 extra classes each semester on Excel, basic to professional level, so that student will be able to learn more about it and implement their learning to their job life. It will be easier for them working on any task in excel if students will get this class from the university.

## 9.0 CONCLUDING STATEMENTS

Companies that provide outsourcing services are growing all over the world, and Bangladesh is no exception. There are numerous outsourcing firms in Bangladesh, but Data-Path is the most leading company in this service sector. There are many departments here work together to give the best service to the clients. I worked for ERISA department. ERISA department work on different types of plans. ERISA requires plans to provide participants with plan information including important information about plan features and funding. They set minimum standards for participation, vesting, benefit accrual and funding and provide fiduciary responsibilities for those who manage and control plan assets. In Data-Path team ERISA works for the clients and they offer a few types of retirement documents like Profit Sharing, Safe Harbor and Profit Sharing 401(K) plans. The employers who are under the plans: Limited Liability Corporation, Chartered Corporation, Sole Proprietor Corporation and others etc. From them clients choose their document which is beneficial for their business or for individuals. It requires plans to establish a grievance and appeals process for participants to get benefits from their plans. Employers can also terminate a plan, if a defined benefit plan is terminated, guarantees payment of certain benefits through a federally chartered corporation.

This company is known for being the best Third-Party Administrator (TPA) Outsourcing partner, and I am grateful that I had the opportunity to complete my internship program at Datapath, where I was able to learn a lot of new things, gain experience, and seek advice from my administrator, all of which I will remember for the rest of my life and apply accordingly.

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## Bibliography & Referencing

### Appendix

ACP — Average Contribution

Percentage ADP — Average Deferral

Percentage

ASPPA — American Society of Pension Professionals &

Actuaries DOL — Department of Labor

ERISA — Employee Retirement Income

Security Act IRS — Internal Revenue Services

IRC — Internal Revenue Code

RPF — Retirement Provident Fund

SIMPLE — Savings Incentive Match Plans for

Employees TPA — Third Party Administrator

LPR\_Leave Preparatory to Retirement