

Report On  
Impact of 401(k) employee retirement plan on the motivation,  
productivity, and efficiency for the employees of high-  
performance business entities.

By

Md Nayan Chowdhury  
17304078

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  
December 2022

© 2022. Brac University  
All rights reserved.

## **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:**

\_\_\_\_\_ **Md Nayan Chowdhury** \_\_\_\_\_

Student Id:17304078

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

\_\_\_\_\_ **Mr. Riyashad Ahmed** \_\_\_\_\_

Assistant Professor, Brac Business School

Brac University

## **LETTER OF TRANSMITTAL**

Mr. Riyashad Ahmed  
Assistant Professor,  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

The internship report on Data path Limited that you requested will be presented to you with the dignity and respect, and I would like to let you know that I'm very delighted to do so. I have done everything I can to make sure that my internship will be a learning experience by following your guidelines. You provided me with the essential direction and counsel, which enabled me to complete this report writing procedure. I would feel more confident and motivated to push for my future growth and development because of my experience working at Data-path and learning about the USA retirement plan.

I sincerely hope that my report meets your standards and adds something of value to the BRAC University's internship reports.

Sincerely yours,

---

Md Nayan Chowdhury  
Student ID: 17304078  
BRAC Business School  
BRAC University

## **NON-DISCLOSURE AGREEMENT**

This agreement is formed and entered into by and between Data-Path and the undersigned student at BRAC University named Md Nayan Chowdhury, ID: 17304078 and to simply avoid unauthorized dissemination of information, stay true to the company's confidentiality restrictions.

## **ACKNOWLEDGEMENT**

The fact that I was able to finish my study with the help of the Almighty Allah gives me the utmost satisfaction. I want to thank everyone for their support and encouragement as I wrote this report.

**Mr. Riyashad Ahmed**, Assistant Professor at BRAC University, who oversaw my internship, deserves my deepest gratitude. He served as an enormous source of inspiration for me as I was writing this report. He gave me a lot of support by giving me instructions, forms, and advice as I prepared this report.

Overall, I would like to thank Data Path Ltd. for giving me the opportunity to do an internship during the previous four months. All of Data Path Ltd.'s staff showed me a great deal of support. It was a joy for me to have **Md. Shahadat Hossain Chowdhury**, Manager, Outsourcing, as my intern mentor. In order to help me prepare for this research, he offered a variety of topic suggestions and directed me to numerous prior internship reports.

I also want to express my gratitude to a few other persons, without whom it would have been very difficult to complete this paper. My sincere gratitude to **Mr. KH. Fazle Rabbi**, Director, **Luna Ahmed**, Team Manager, and last but not least, **Anna Alam**, my internship coworker.

The experiences I've gained over the last four months will undoubtedly aid me in developing a solid career. My confidence has greatly increased as a result of this experience, and I am optimistic that it will enable me to take on new responsibilities in the future. Throughout my internship, I encountered no problems and rather enjoyed myself.

## **EXECUTIVE SUMMARY**

The first outsourcing business to be officially designated in Bangladesh is Data-Path Ltd. The parent firm of Data-Path Ltd. is July Business Services, a TPA company based in the USA. One of the top TPA firms in the USA is July. Due to the high average gross annual wage in the USA, the corporation decided to outsource their business process. The TPA corporation was the first in the world to outsource its business operations. And they achieved great success.

The accounting practices used by the United States' Retirement Provident Fund are extremely complex and distinct from those we are taught in Bangladesh. They adhere rigidly to a variety of rules and regulations. The RPF accounting is very complicated because of these laws and regulations.

Bangladesh may get a lot of knowledge from the US RPF market. especially given how tightly they enforce laws and standards in this sector. And how much regard the American government has for its older adults.

## TABLE OF CONTENTS

<b>Declaration</b> .....	<b>ii</b>
<b>Letter of Transmittal</b> .....	<b>iii</b>
<b>Non-Disclosure Agreement</b> .....	<b>iv</b>
<b>Acknowledgement</b> .....	<b>v</b>
<b>Executive Summary</b> .....	<b>vi</b>
<b>Table of Contents</b> .....	<b>vii</b>
<b>List of Figures</b> .....	<b>viii</b>
<b>List of Acronyms</b> .....	<b>ix</b>
<b>Glossary</b> .....	<b>x</b>
<b>Chapter 1 OVERVIEW OF INTERNSHIP</b> .....	<b>1</b>
<b>1.1 Student Information</b> .....	<b>1</b>
<b>1.2 Internship Information</b> .....	<b>1</b>
1.2.1 Program Details, Company Details, Address, Duration, Department .....	<b>1</b>
1.2.2 Supervisor’s Information .....	<b>1</b>
1.2.3 Job Scope .....	<b>1</b>
<b>1.3 Internship Outcome</b> .....	<b>2</b>
1.3.1 Difficulties/Problems.....	<b>3</b>
1.3.2 Recommendations .....	<b>4</b>
<b>Chapter 2 OVERVIEW OF organization</b> .....	<b>5</b>
2.1 Core Value .....	<b>5</b>
2.1.1 Objective of the Company .....	<b>5</b>
2.1.2 Founders.....	<b>5</b>
2.1.3 Founding Partners.....	<b>6</b>
2.1.4 Strategic partners include:.....	<b>6</b>
2.2 Structure of the Organization .....	<b>6</b>
2.2.1 Customer Mix.....	<b>8</b>
2.2.2 Service mix.....	<b>8</b>
2.3 Industry Analysis .....	<b>10</b>
2.3.1 Business process outsourcing Industry .....	<b>11</b>
2.3.2 Factors affecting the economy from outside the country.....	<b>12</b>
2.3.3 SWOT Analysis.....	<b>13</b>
<b>Chapter 3: Project Part</b> .....	<b>15</b>
3.1 Information about the Background.....	<b>15</b>
3.2 Retirement Policy of America .....	<b>17</b>
3.2.1 Bangladesh Government’s Pension Policy.....	<b>18</b>

3.3 Differences Between Bangladesh and USA Retirement plan Benefits.....	20
3.4 Analysis of Bangladesh and USA Retirement Plan and their impact on Employee.....	21
<b>Findings &amp; Recommendations .....</b>	<b>24</b>
<b>Conclusion .....</b>	<b>25</b>
<b>References .....</b>	<b>26</b>

## LIST OF FIGURES

Figure 1: Organogram of Data-Path .....	6
Figure 2 : Labor Leverage Ratio by Industry .....	10



## LIST OF ACRONYMS

BPO	Business Process Outsourcing
RPF	Retirement Provident Fund
FICA	Federal Insurance Contributions Act
ERISA	Employee Retirement Income Security Act
TPA	Third Party Administrator
HCE	Highly Compensated Employees
IRS	Internal Revenue Services
IRC	Internal Revenue Code

## GLOSSARY

- **Participants:** They are the employees of a company who are included by the retirement plan.
- **Employer:** Owners of the corporation are employers. The retirement plan is evaluated during the plan year.
- **Prior Year:** the planned year before. Plans for retirement with more than 120 participants are called audit plans.
- **International Fund:** A fund that invests largely in the securities of businesses having headquarters outside of the United States or with foreign revenue streams.

## **CHAPTER 1**

### **OVERVIEW OF INTERNSHIP**

#### **1.1 STUDENT INFORMATION**

Md Nayan Chowdhury, a student at Brac University pursuing a Bachelor of Business Administration degree with a double concentration in Finance and Marketing, has prepared the internship report, bearing the ID No. 17304078.

#### **1.2 INTERNSHIP INFORMATION**

##### **1.2.1 Program Details, Company Details, Address, Duration, Department**

I've been selected for 4-months internship program as an intern at Business Process Outsourcing of Data-path Corporate Office in Ambon complex, 99, Dhaka 1212. My internship lasted from November 1, 2021, to February 28, 2022.

##### **1.2.2 Supervisor's Information**

I have gone through 15 days training session from different personalities. After that I have been assigned in a team. My team leader is Luna Ahmed. I am very glad to be supervised by Luna Ahmed, Senior Executive of Business Process Unit, Data-path

##### **1.2.3 Job Scope**

Throughout the period at Data-Path, I worked on a variety of projects and tasks, but in general, I was responsible managing client named Keating with gathering, understanding, processing, verifying, and reporting financial data for their retirement plan to my work lead. I assisted in the preparation of daily tasks, weekly project, monthly constant task to the team, as well as the formation and use of spreadsheets, databases, and other computer applications which Relius to manage specialized information, reports, distribution, enrollment of

Participant, valuation, and forms dealing with fees and billing, among other things. Getting in touch with financial advisers and sponsors - Getting in touch with the plan advisor.

They required us to take an exam after this two-week training period was over. As The exam was only a quick approach to determine which team within the BPO would be best for each intern based on their areas of strength. The official 4-month training began when we were placed in our separate teams in accordance with the exam results. Additionally, since using Excel and composing emails effectively were essential for day-to-day operations if we were employed, we had to pass both tests.

Candidates that are enthusiastic about working for Data Path for longer than a year are typically hired. They view losing a potential employee as a major setback for the business, especially after the intensive training. This is because they start from zero with a candidate because for the first few months, none of the interns contribute anything of significance to the company. Dropping an employee necessitates time-consuming repetition of the process with a recruit.

The pay offered by Data Path was considerably more than that of any other circulars I met across when looking for an internship position. Additionally, it provided complimentary lunch and snack offerings in addition to catered transport systems. These two advantages were like the decoration on the cake, I have so far been content to work with Data Path Ltd.

### **1.3 Internship Outcome**

During my time at Data-Path, I worked on a variety of projects and tasks Relate to the RPF Industry. To make my work efficient I had to learn more about different software which is Microsoft Excel, Relius and Trello but in general I have improved my knowledge on Retirement provident fund, I was tasked with gathering, understanding, processing, verifying, and reporting financial data to my work lead.

**Some of major benefits I received is:**

**Got familiar with Corporate Culture and knowledge:** I had no idea there was an entire industry devoted to RPS of the USA before I came here. And Bangladesh also outsources that. I knew nothing about USA RPF. I learned more about outsourcing as a result. I was able to develop a solid professional profile because to the experience. Most significantly, I now understand how USA RPS's accounting practices operate. Moreover, in this type of workplace, good corporate behavior is preferred. The atmosphere at Data-Path Ltd. was really welcoming. As a result, developing my corporate conduct and adapting to the workplace was quite easy for me.

**Learning to take responsibility and fulfill it:** to some extent I never realize the importance of responsibility is and never had to deal with it before joining Data-path. I task I took was completely my responsibility to fulfill it. Datapath helps me to grow that part of my self.

**Communication:** Over the course of my internship's four months, I've met a lot of new individuals and developed new relationships. The workplace at Data-Path Ltd. is really welcoming. They met several people in the office on my first day of my internship. Maintaining corporate relationship with another team as well.

### **1.3.1 Difficulties/Problems**

**Balancing Work-Life and Personal life:** One of the Major important things about Data Path that I saw is that it got harder to maintain a balance between personal and professional life. Even as an intern, I could see that work accounted for 70-80% of my overall time, looking back. They believe that only on busy season they must give extra time to the company which become limitless. Even after busy season task are adding for submission. It is giving me the vibes of living in the company not working in it.

### 1.3.2 Recommendations

**Build up more Structured Training program:** As many of them never heard about the industry. I Personally faced difficulties to get used to with it. Employees get main training from their team leader. To complete the task of the client each leader use different software. So, it is very important to have proper structure and materials of how the task can be completed. As the team leader had to give training hand to hand which very time consuming. Before that hand-to-hand training we never know how the task can be done. So, if we get proper materials, it might reduce the time of training session.

## **CHAPTER 2**

### **OVERVIEW OF ORGANIZATION**

#### **2.1 Core Value**

A series of guiding principles and basic concepts which encourage members to work together to accomplish a similar objective are known as company's culture. The following are Data-Path Ltd.'s basic values.

- Positive mentality
- Explore innovative concepts
- Advance workable solutions
- Appreciate accomplishment
- Dedication
- Engagement
- Up to date with digital Era
- Adopt Latest Technology

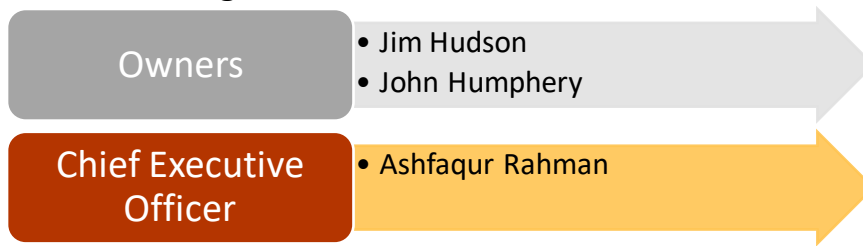
##### **2.1.1 Objective of the Company**

Within 2024, expand the amount of TPA firm clients initial purchase retirement plan technology such as DATAIR, ASC, RELIUS, and others. Data-Path Ltd. now uses this software from remote PCs at the offices of TPA clients in the United States. operating in this manner wastes a lot of time and reduces the company's production. That is why Data-Path Ltd. is now planning to purchase its own software by 2022.

##### **2.1.2 Founders**

The company's CEO is Mr. Ashfaqur Rahman. July's business services' proprietors Data-Path Ltd's co-founders and chairman are Jim Hudson and John Humphrey.

### 2.1.3 Founding Partners



### 2.1.4 Strategic partners include:

Over the years, July Business Services has established a network of strategic partners to help them provide more complete retirement plan services to their customers and plan members. July Business Services' key partners are also Data-Path Ltd's strategic partners.

### 2.2 Structure of the Organization

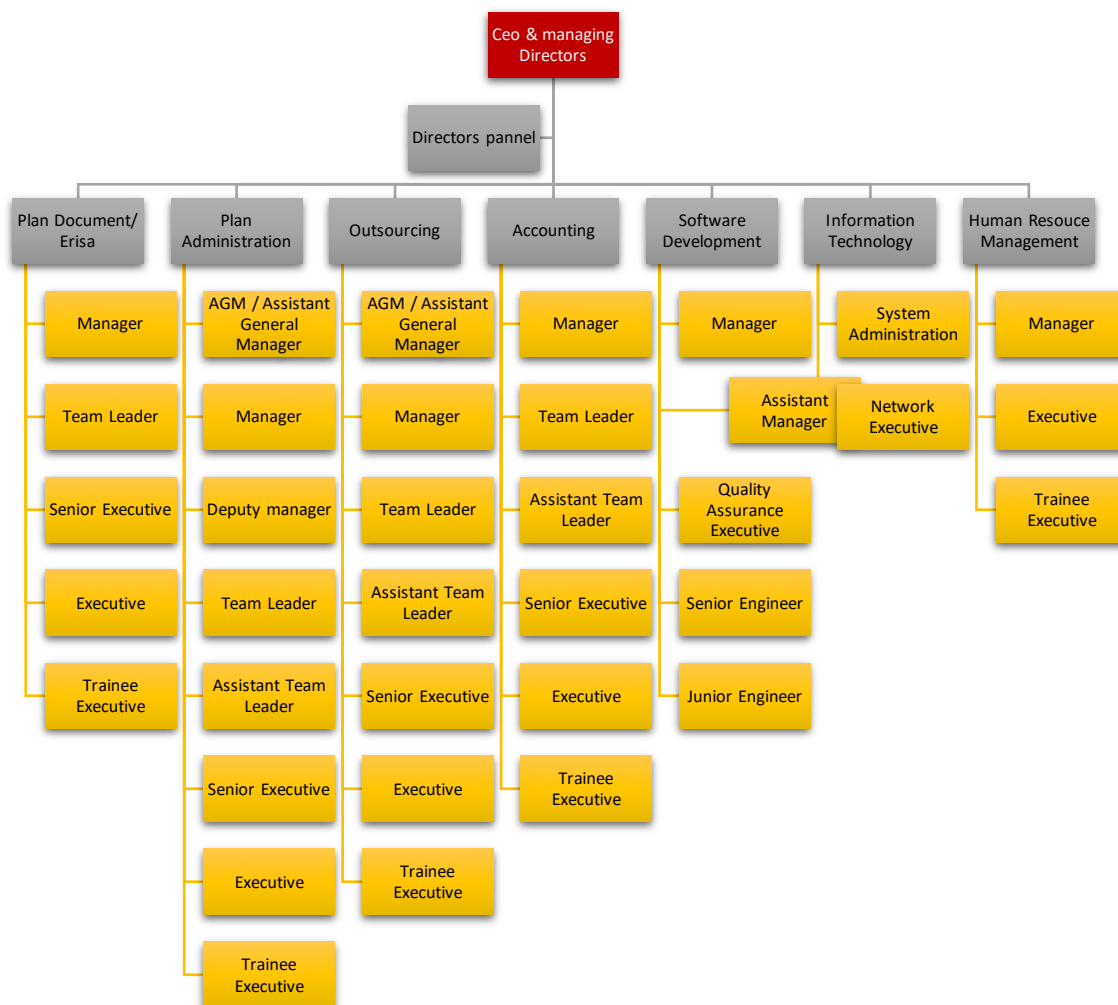


Figure 1: Organogram of Data-Path



**ERISA Consulting:** Companies that have a retirement provident plan are restricted by ERISA law from keeping all of the RPF plan funds for themselves. They must pay the money to a record-keeping firm. The record-keeping firms operate similarly to banks, except they specialize in RPF schemes. These RK firms use actuarial approaches to document their accounting practices. TPA businesses use both the financial basis and the actuarial basis to report it. Many RKs, like as Alerus, Principal, Vangaurd, John Hancock, and American Funds, have strategic ties with July Business Services. Data-Path Ltd benefits from these RK businesses. By submitting their year-to-date RK and loan statements, and other financial documents. Preparing accounting accounts for the RPS plan is very difficult without these statements.

Using the data provided by the sales and installation departments, this division creates the plan document. 401k plans, safe harbor plans, and profit-sharing plans are several types of documents that have 40 or more pages of regulations and laws that explain how they will impact the plan. They guarantee that pertinent information is forwarded to the proper departments.

**Outsourcing:** BPO team have been working in partnership with a different TPA. Unlike every other department in Data Path, outsourcing falls under a different TPA company rather than being directly connected to July business Services. Purpose of providing services like reconciliation, trust accounting, plan review, and plan process, each BPO team have been working in partnership with a different TPA.

**Accounting:** This department aids Data Path with all of its accounting and financial concerns.

**Software:** This section creates the software required to operate the company on a daily basis. As Data Path is a software-based company in addition to offering a 401(k) retirement plan, it is another essential division for the business.

**Information Technology (IT):** This division is in charge of managing the network for all electronic devices as well as ensuring the systems functioning properly.

**Human Resource (HR):** This division makes sure that employees are safe and that the workplace culture is maintained.

### **2.2.1 Customer Mix**

Along with JBS, Keating, Arisa, Altrigo, Tristar, APCI, and many other companies, the 20 TPA firms are among Data Path's most important clients.

### **2.2.2 Service mix**

**TPA Firms:** July Business Services became the first TPA in the United States to outsource its business processes to nations outside of the United States. Other TPA organizations sought to outsource their business processes after seeing their success with outsourcing. Data-Path has many competent people, and Data-Path is equipped to complete their task as well, according to July Business Services. Data-Path Ltd. now has 17 additional TPA clients that use Data-Path Ltd. to outsource most of their business processes.

**Plan Design:** Any new RPF plan must first be created before it can be implemented. When creating an RPF strategy, several considerations, laws, norms, and regulations must be taken into consideration.

**Plan setup:** To plan a retirement program quickly or convert an existing plan from another provider. The specialized setup staff at Data-path provides hands-on assistance with all parts of plan configuration.

1. Gather materials for enrollment.
2. documentation
3. Prepare a questionnaire
4. Annual Checklist
5. Scan previous year plan
6. Scrubbing the census
7. Run ACP-ADP Report
8. Print and combine Reports

**Plan Operation:** In the process, the Data-Path works all of the plan's evaluations, analyses, and financial reporting. This also applies to client email communications. The processes of the roots are listed below..

Census Scrubbing:

1. Structure Employee Information
2. Prepare Census
3. Import Census
4. Check census with client Info and Previous Year Census
5. Clear up the Confusion with the Client

Plan Valuation: All 401(k) plans are not created equal. As they are in order to evaluate your employer's plan

**Compliance Testing:** A plan must undergo and pass certain tests in order to be considered legal. The tests are designed to stop any unfairness in the plan that may exist:

1. Minimum Coverage Test
2. Top Heavy Test
3. ADP/ACP test

**Tax compliance:** In order for a plan to be considered legal in the regard of the law, statements such as Forms 5500 and 5330 must be filled.

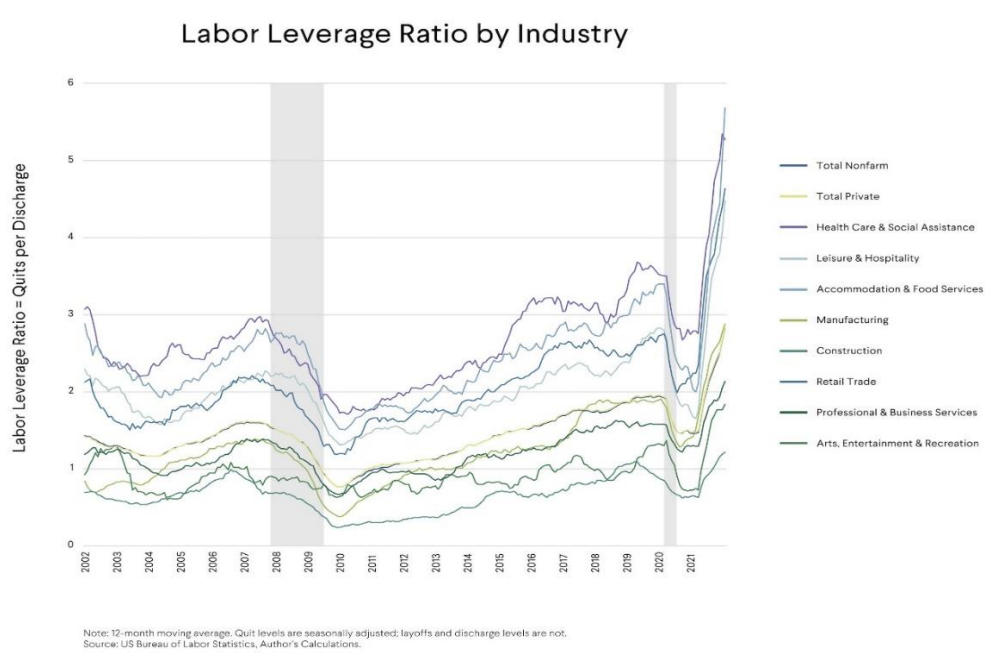
**Payroll Benefits/ Management:** The main objective of this service is to always process every paycheck without a mistake. Payroll services enable clients to drastically minimize their labor while also improving accuracy and efficiency.

**Investment Consultant:** The money belonging to the company and the employee seldom ever sits idle in the recordkeeper's institution. For the participants to receive some additional money, they are typically invested. Similar to that, Data Path advises clients on what industry would be appropriate for them to put their money in.

**Enrollment Materials:** The JBS provides these materials to the participants in order to help them make appropriate enrollment and investing decisions. Documents for enrolment and risk-profile worksheets are some of the items.

### 2.3 Industry Analysis

Outsourcing is a professional technique in which a firm employs another company to execute tasks that it is unable to operate. A web design business, for example, may be hired by an outsourcing company to develop a website. There are many different sizes and patterns of outsourcing companies. Some businesses concentrate on a certain service, while others provide a wide range of options. The TPA business in the United States is quite intricate. They frequently need to hire highly qualified staff due to the complexity of the task. And they must pay them as a result, huge numbers of American businesses are already outsourcing their maximum operations to third-world countries.



**Figure 2 : Labor Leverage Ratio by Industry**

The American job market is undergoing a major transformation. Employees are departing employment in unprecedented numbers in order to pursue greater opportunities elsewhere,

while layoffs are at an all-time low. To further understand what this implies for employees, we construct the Labor Leverage Ratio (LLR), which contrasts the number of resignations brought on by employees with those brought on by employers, such as dismissals or permanent layoffs. That is why to employ people from USA will bring extra cost for the company. Company must pay bigger amount of compensation to the employee.

According to a Capgemini poll, labor prices, advanced technologies functionality, and skilled labor are the top three considerations executives consider when choosing an outsourcing site. India and Bangladesh both provide low-cost IT solutions or business Process that benefit both high-skilled and low-wage workers in their respective nations.

### **2.3.1 Business process outsourcing Industry**

The worldwide BPO market is about \$500 billion, according to estimates. Sri Lanka, India and the Philippines are considered as the market leaders. According to the survey, Bangladesh has the comparative advantage of being the "lowest cost offshore destination" in the World wide outsourcing market (20-30 percent cheaper than India and the Philippines).

According to industry sources, the business process outsourcing (BPO) sector rose 20% annualized to over \$300 million 2018 year, owing to a few public institutions. the nations concerned. Government is encouraging to build more skilled labor for providing Service for 1<sup>st</sup> World country which bringing them

The project would provide training and job security to students at various universities and colleges around the country. The importance of forming a target group to develop Bangladesh's BPO business worldwide with government assistance, as a single BPO operator cannot contact every single global client individually. More BPO providers can be hired by both the government and the business sector for quicker and more effective operations.

### **2.3.2 Factors affecting the economy from outside the country**

Outsourcing is the new trend for any big, profitable organization in the world nowadays. The market capitalization of the outsourcing industry is currently in the billions of dollars. However, Bangladesh is currently falling behind in this industry. Academic expertise and technological skill are all linked to skilled labor.

#### **Factors of Technology:**

Data-Path Ltd. first started out, they just bought and employed the most widely used software in the industry. The scenario of the market now, each TPA customer in the RPF sector operates differently and makes use of a range of software. It was tough at initially since it is need Specialized software and updated technology. However, they have been now able to train their staff in a number of industrial applications over years. So, to operate smoothly in this industry company need updated technology and Knowledge.

#### **Threats of new entrants**

In the 401(k)-outsourcing industry, there is a Medium to low barrier to entry. The show industry needs a substantial amount of cash since enterprises that provide Data entry, financial/accounting services have a higher start-up cost as they need Some updated technology to access those specialized Software. This industry also requires specialized knowledge as a result, additional guidance is necessary. Additionally, launching an IT-based business requires a substantial sum of money. Most importantly, modern technology is needed for this type of outsourcing business to succeed.

#### **Threat of substitutes**

In the 401(k)-outsourcing industry, the threat of substitutes in the market is minimal for Bangladesh. As it is systematic study which Required proper guideline and knowledge to provide the service. Law and some legislations are interrelated with RPF. As a result, there is no comparable services. But now Companies are trying to develop Software to make the work process easy. Many software firms are now attempting to produce software that can construct a whole RPF plan from the ground up. That program might be used by anybody. Those software's, on the other hand, will take years to build. However, if the US authorities

doesn't really modify the RPF norm of regulation, there is no solid alternative for this business for the time being.

### **Bargaining power of buyer and supplier**

In the outsourcing sector, the interaction between suppliers and buyers is rarely very evident. We may presume that the TPA businesses are buyers, and Data-Path Ltd is the provider. In most cases, the relationship is similar to TPA businesses providing RPF plans to Data-Path Ltd. To finish all the processes in the allotted time. Because the TPA sector is so large. Also, The Industry is growing. The bargaining power of buyer is high to moderate. Bargaining power of suppliers is low to moderate. Like Bangladesh there are other country like India and Philippine which are providing outsourcing services.

### **Rivalry in the Industry:**

Not many Competitors offering similar services through internet which can pose a serious threat to the corporation. Even If we compered Globally there are very few companies which are offering 401(k) services. "Fin Source" is the directly competitor of Data-Path. They are providing similar 401 (K) services to the company.

## **2.3.3 SWOT Analysis**

### **STRENGTHS**

- Absolutely minimal market competition.
- providing a cheaper price than other third parties in the United States.
- a lot of talented graduates.
- a well-trained and English-speaking workforce

### **WEAKNESS**

- Completely new service business in Bangladesh
- due to a lack of well-developed technology.
- employees must be trained from beginning, which is time-consuming.
- Instability in politics.
- The US economy is slowing down.

## **OPPORTUNITIES**

- Latest technical innovation.
- The IT industry is flourishing.
- Cloud computing is an example of an emerging technological sector.

## **THREATS**

- Need to rely entirely on third-party corporations from the United States.
- some new rivals are emerging in the local market.
- Bangladesh's service industry is not well-known.

I would like to proceed by clarifying that I worked in the BPO department before I begin my findings and analysis.

There are several teams within this department. I belonged to the Keating team. Keating was handled by my supervisor. After I join to Datapath, this client was handed to me. For their retirement plan procedure, the corporation employs a program named "Relius." Therefore, I must employ this program. And I had to utilize this program for practically all the processes involved in the retirement plan process.



## **CHAPTER 3: PROJECT PART**

### **3.1 Information about the Background**

Data-Path Ltd is the underlying corporation of July Business Services. July Business Services Ltd was launched by Jim Hudson and John Humphrey. They are both qualified public accountants with a specialization on the RPF sector. The RPF industry's accounting methods, legislation, standards, and regulations are becoming quite complicated. In this industry, high-skilled workers are frequently demanded. Professionals with a Specialized Qualified 401(K) Administrator (QKA) degree are commonly demanded after in this area. The average salary rate in the United States, on the other hand, is quite significant. TPA firms such as July Business Services have to pay a significant compensation to its staff. As a result, July business services devised a plan to outsource their business processes to countries where the minimum salary is significantly lower than in the United States. As a result, Data-Path was founded in 2006. However, there were several issues with outsourcing the TPA industry's business processes to Bangladesh. The most serious issue was a lack of qualified personnel. People in Bangladesh have very little knowledge of the United States' Retirement Provident Fund, let alone its accounting methods. In reality, it is not emphasized in any of Bangladesh's academic or professional degrees.

Data-Path Ltd. now employs over 200 people and is continuing to expand. The Data-Path Human Resource department predicts that by next year, the company's workforce will have grown by 100 people. In addition, the firm currently has four QKA qualified employees. In addition, several individuals were given the incredible chance to relocate to the United States and work with July Business Services. Data-Path Ltd's BPO department is the fastest expanding and performs a key role in the organization's growth. It is the company's largest department. Following July Business Services' success in outsourcing their business process to another country, other TPA firms are eager in doing the same. As I previously stated, outsourcing labor processes in our business is difficult. As a result, July Business Services took control of the situation and offered other TPA's Data-Path Ltd. the option to outsource their business activities in exchange for a part of the earnings

I had the great privilege to join in the BPO department. It allowed me to have a better understanding of the sector. It allowed me to learn not only about July Business Services, but also about the other 17 clients. It had the opportunity to learn how techniques differed from one TPA client to the next. These experiences, I feel, will greatly assist me in completing my report.

### **Research topic**

401(k) plan encourages employees to be more productive and build high-performance

### **Broad objective**

This report's primary goal is to examine how the 401(k) plan functions and the important treatments responsible for employee satisfaction.

### **Specific objective**

- To analyze the retirement provident fund industry
- To get acquainted with government laws and regulations and the openness of retirement plans
- Understanding the difference between USA Retirement plan benefits and Bangladesh's retirement plan benefits.
- Major drawback on Bangladesh's retirement plan benefits.

### **Methodology**

The information obtained for this report may divide into two categories

#### **Primary data:**

1. Conversation feedback with the organization's employees
2. Direct communication and short interview with the management, supervisors and other employee.
3. Observations, engagement & teamwork help me to get more details information.

#### **Secondary data:**

1. Info gathered from the data-path database
2. Conceptual and practical work
3. RPF book & updated info from internet

Freelancing and outsourcing are sometimes mixed improperly. When someone performs independently, they are said to be freelancing, and when a foreign customer hires another company to do task for them cheaply, they are said to be outsourcing.

### 3.2 Retirement Policy of America

Any nation's retirement pension program is constrained by its specific laws and rules. From one nation to another, it differs. I discovered substantial policy contrasts between Bangladesh and the United States while researching and writing this paper. Types of retirement benefits Plan of USA:

---

Welfare  
Benefits

---

Pension Benefits      Defined Benefit  
                                    Define Contributions

---

#### **Program for Social Security Benefits (Welfare Benefits)**

An employee welfare benefit plan is defined under ERISA as any plan, fund, or program formed or managed by an employer or employee group that offers any of the benefits listed below. These facilities are mainly secured.

**Defined Benefit Plan:** Within this scheme, following retirement, a certain amount of money will be given. Benefits under this employer-sponsored retirement plan are determined by formulas that take into account a number of variables, including income history and length of work.

**Defined Contribution Plan:** This is a standard corporate retirement system in which both the employee and the employer make contributions. Funds are distributed in accordance with the amounts credited after each participant's account has been established.

#### **Employee Benefit Plans**

To enhance the financial, physical and psychological health of employees and their families, employers commonly offer benefits including health insurance, life insurance, disability pay, paid time off and retirement plans. Some benefits are meant to safeguard employees from severe financial hardship as a result of unpredictable extreme events, whereas others assist

to maintaining workplace security and effectiveness by raising job satisfaction and enabling proactive hiring practices. Since employees have grown accustomed to receiving benefits along to their pay, benefit plan programs are typically provided as a necessary component of a full compensation package.

**There are some other several kinds of pension scheme presented, which are:**

**Stock Bonus Plan:** As a benefit, participants who have been fired or retired are given shares of their company's stock. Since they are subject to the ERISA Act, they are regarded as qualified profit-sharing schemes.

**Safe Harbor:** This strategy, known as the Safe Harbor 401k Plan, is comparable to a traditional 401k plan but focuses on creating pledges for each participant. The commitment often reduces all types of responsibilities on the part of the government and is fully vesting. Basic match, improved match, and safe harbor non-elective are the three versions of this scheme.

**ESOPs:** Employee Stock Ownership Plans This retirement plan, which is allowed by the IRS, holds, buys, and trades the company's stock while giving employees an ownership stake in the company.

**Money Purchase Plan:** In many ways, this scheme is similar to a profit-sharing scheme, but there are several key differences. In contrast to profit-sharing plans, a money purchase plan requires the firm to deduct an annual percentage from the person's plan earnings.

### 3.2.1 Bangladesh Government's Pension Policy

In Bangladesh, the pension plan is mostly observed in government services and private companies are excluded from the retirement policy. To some extent some of the Private Company of have now following Retirement plan program. There is yet no example of a solo proprietorship implementing a retirement policy. The retirement policy in Bangladesh has the following features:

#### **Pension for Retirees**

The government is legally permitted to terminate a government employee's employment at any time after twenty-five years of service if it considers that doing so is necessary for the good of the public. If a dependent appointing authority wishes for a civil servant by it to retire

after 25 years of service or employee fulfilled their 57 Years , that authority must submit a proposal to the competent ministry. In the case of recognized officers, the decision to retire would be made by the President of Bangladesh.

- **Pension (optional)**

A government employee has the unqualified right to quit their job at any time even after twenty-five years ; the only stipulation is that they must provide the hiring authority written notice at least 30 days before the day they want to retire. In this case, the government must choose the option and cannot do otherwise on legal grounds.

- **Death or invalid Pension**

On the death of a person who holds pension, his or her spouse is entitled to a pension, which is known as more individuals of his or her family as successors for the entire or part of his or her family pension while still in service.

- **Family Pension**

A retired employee's family is entitled to a benevolent fund grant from the benevolent fund for a period of ten years depending on a scale defined in the schedule if the employee passes away while on the job or within five years after retirement.

- **Universal Pension**

Only government employees in the nation now get pensions. Government, on the other hand, had vowed to put everyone under a pension program, including private employees. Today, after the specified age (60 years) for pension is achieved, only the stipulated rate of pension will be paid against the deposit, together with the profits accumulated. After then, a person will get a monthly pension until he or she dies If a person deposits Tk 1,000 per month from the time they are 18 to the time they turn 60, they will receive Tk 64, 776 in pension payments until they turn 80.

### 3.3 Differences Between Bangladesh and USA Retirement plan Benefits.

AMERICA	BANGLADESH
1. Implies in both Private and Public sector	1. Public employees are eligible to pension schemes, while employees in the private sector are subject to the company's rules which is very rare
2. Entities, including the IRS and the ASPPA, deal with the Regulation	2. Govt. Manage its Regulation.
3. There are non-discriminatory tests for each scheme to ensure that participants receive fair compensation.	3. There are no tests followed for the Plan
4. Participants in the USA are aware of every situation involving their money. According to the IRS, employers are required to invest the funds in the RK within a specific time frame.	4. Bangladeshi participants are unaware of what happens to the money once it is taken from their paychecks. Once people retire or quit their jobs, they only get the money.
5. Participants have the option to roll over all of their funds to the new company and maintain their funds, or they can pull back all of their funds and change jobs.	5. Policy are not flexible. Participants in Bangladesh are unable to transfer their funds to new jobs and maintain their accounts.
6. Generally, TPAs manage retirement programs.	6. The pension schemes for employees of the government sector are managed by the Finance Ministry. whilst for employees in the private sector, their company handles it

### **3.4 Analysis of Bangladesh and USA Retirement Plan and their impact on Employee**

Bangladesh, a developing nation, struggles to care for its elderly population. According to information provided by the finance ministry, 7.5 million persons are eligible for pensions during the current fiscal year. Similar to this, around 1.5 million employees will receive financial assistance from a variety of sources. However, according to budget summaries for the 2016–17 fiscal year, more than 87% of the workforce did not have access to a pension or gratuity service, as reported by Sarker in "The Daily Star." Therefore, it is possible that Bangladesh could have a crisis related to retirement difficulties because as the elderly enter retirement, their gifts would deteriorate. In furthermore, retirees have recently suffered greatly as a result of the COVID issue. The Bangladeshi government repeatedly fails to maintain the retirement system's regulation. Nevertheless, the public employees are not aware of the retirement advantages that are accessible to them.

#### **Issues with Bangladesh's Pension Scheme and employee Insecurity**

##### **Amount insufficient:**

An employee works for the company for lifetime, when they retire due to old age, the elderly are extremely unsafe. The amount of money one individual earns and save, after retirement this is insufficient to live a respectable life in the years to come because the government does not offer any benefits or profit sharing to those retired employees. Old Age Allowance Program, which is launched by government, In the current fiscal year, the government has set aside Tk 39,637 crore for cash transfer programs, which include pensions for retired government officials and their families. which makes up a tiny percentage of the country's elderly who included in the pension system (Ali, 2022). Even after its limitations, this is really a fine idea forward into giving protection to most of the elderly who are not supported by the present pension system. It makes employee more insure about their future.

##### **Specified pensionable Services**

Pensions are not applicable for all services. It is only available for services that are pensionable. The basic rule is that people who are paid by the general revenue head of the

government are eligible for pensions when they retire. Therefore, not every government worker but specific workers qualifies for retirement.

### **Employee who has been terminated**

If an employee who were eligible for pension program, since their prior service is forfeited, individuals are not entitled for a pension if they are fired or removed from their job for misbehavior, an invalidity, or any other reason. On the other hand, Workers who are fired in the US are paid their statutory contributions in accordance with employer rules. Depending of what they 've done for their pension scheme, they will receive the percentage of contributions made up until the termination date. As a result, it reduces the Job satisfaction for the bangladesh's employee.

### **Insufficient management**

The department itself is responsible for charge of managing Bangladesh's pension polices. It is the only entity assigned to this policy, but every organization in the United States depends on the Third-Party Administrator.

The US government, on the other hand, really cares about the rights of its citizens to pension benefits. Any company that offers retirement benefits to its employees is given tax benefits by the American government. It is a complex process that businesses follow in order to give retirement benefits in accordance with the law and regulations. With funds exceeding \$26 trillion, America has the largest retirement market in the world. Additionally, according to Congruent Solutions in 2020, these accounts generate approximately \$430 billion revenue for retirement recordkeepers, asset and wealth managers and life insurers. Seniors from earlier generations benefited from the US retirement system and were also given access to suitable retirement resources. In terms of consumption, income, and wealth over the course of their retirement, pensioners also appear in appealing shape when compared to another group of the population.



**Summarize**

The scenario easily portrays that an employee must be influenced by the proper implementation of pension plan. Employee of Bangladesh is just only familiar the name retirement plan but never actually get the benefits of it. Retirement plan surely increases employee's quality of life, job satisfaction and positive perception about the company.

## **FINDINGS & RECOMMENDATIONS**

Introducing retirement plans for private businesses: It might be possible to create a pension strategy for employees working in the private sector. They'll be able to keep up their current lifestyle in retirement. In contrast to individuals who have no retirement plans, they will also be able to reach financial stability.

Non-government sector employees just get a gratuity when they retired and are not provided with a fixed retirement scheme. Correcting these problems will increase their financial security in society.

Regulations for HCE/NHCE: Contrary to the USA, prejudice is present in the Bangladeshi retirement system, as was already mentioned. In Bangladesh, employees with higher designations receive higher pension payments, whilst employees with lesser designations receive reduced pension payments.

However, because the salary is so much lower, this is not always acceptable. The Bangladeshi government must enact regulations to end discrimination against high-paid employees and low-paid employees. If these gaps are lessened, the low-paid workers will gain.

In addition to plan valuation, the IRS audits Form-5500. The CA similarly examines annual documents that list assets and liabilities. On the other hand, auditing is not required for Bangladeshi pension funds. This takes aim at Bangladesh's pension system's corruption and secrecy. Bangladesh therefore urgently needs a regulatory agency to keep track of all activities.

Knowing more about their contribution Employees are expected to have a better understanding of their earnings and the investments being made with it. If the company manages the retirement program, they can invest the money into a profitable investment. The participants can then share their funds and declare interest and dividends, increasing everyone's income.

Government could push Provident Fund: By providing incentives to new entrants, government can encourage banks to offer assistance. Bangladesh must create a pension

mechanism that is appropriate for retirees and enables them to adhere to fundamental human values.

## **CONCLUSION**

Bangladesh presently has a significant number of various outsourcing companies. Data-Path Ltd., however, currently has a distinct position in the marketplace. Because there is currently no other outsource like this on the market. The business has a bright future ahead of it as well. The business may serve as an example for Bangladesh's outsourcing sector.

I was completely unfamiliar with the accounting concepts and practices used by the United States retirement provident fund. They differ from the things we were taught in Bangladesh. In terms of the body of knowledge I have amassed over the past four months, I have found them to be extremely intriguing and difficult. It has really encouraged me to extend my perspective, and I think Bangladesh will someday have notable recordkeeping procedures to provide retirees with retirement plans, much like America provides.

I have concluded that Bangladesh can learn a lot from the United States after four months of practical experience studying the American retirement business. Not that we should exactly follow the American retirement model, but we may at least make an effort to improve the quality

## REFERENCES

- [1] S. Brian, "The Problem of Shot Selection in Basketball," *PLoS One*, 25 January 2012.
- [2] Uddin |, S. (2019, December 28). BPO sector needs plan, skilled human resource. The Financial Express. <https://thefinancialexpress.com.bd/trade/bpo-sector-needs-plan-skilled-human-resource-157733607>
- [3] Tasnim, A. (2022, May 27). Outsourcing in Bangladesh. Advance IT Center. <https://advanceitcenter.com/outsourcing-in-bangladesh/>  
<https://bdnews24.com/economy/2022/02/23/bangladesh-to-launch-universal-pension-scheme-over-60s-within-a-year>
- [4] Islam, M. Z. (2019, January 19). BPO showing great promise. The Daily Star. <https://www.thedailystar.net/business/news/bpo-showing-great-promise-1690048>