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Letter of Transmittal

May 21, 2019

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Subject: Report on Retirement plan of data path limited.

Dear Madam,

It is a great pleasure for me that I am submitting the report on retirement plan of Data path limited. This report is on the basis of the knowledge which I have acquired during my internship period.

I have tried my best to prepare this report on the basis of knowledge I could gather. I am begging pardon for any kind of mistake.

Thank you, for your kind support without you. It would not be possible.

Sincerely Yours,

Md. Adnan Nayem

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 BBA in Finance

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**ACKNOWLEDGEMENT**

I am very much grateful to my advisor ***ELIZA HUQ,*** Assistant Professor, Faculty of Business Administration, **UNITED INTERNATIONAL UNIVERSITY** Business School to give me guideline to prepare this report. He helped me a lot to choose the topic and help me to thing different way to make the report easier and fruitful. Without his proper guideline it will never be possible to prepare this successful report.

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Finally, I like to say that, I have prepared this report paper from my own limited knowledge and experience. I am ready to accept my unwilling errors and omission that are extremely belong to me.

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# Executive Summary

The report is about the Data Path Ltd. retirement plan services and also a brief description about their work method like force out campaign. This report will help to know how this industry looks like and what is the main work of Data path limited also how they work .In chapter one, there is a introduction of Data path limited. Chapter two includes company background, mission, vision etc. In chapter three there is an amplification of their works specially the work of Distribution department. There is some challenges which Employee faces at the time of work in chapter Four. Chapter five and six discusses the key findings of the report and recommendation respectively.

# Chapter: 1

# Introduction

## 1.1Rationale:

First of all, Internship program is a prerequisite for acquiring BBA degree. Internship program is a nice opportunity for the graduates to have a taste of the real business world before starting their career. Internship Program help students to demonstrate skills, competencies, personal and interpersonal behavior. For business students just hypothetical learning isn't sufficient for giving the genuine business circumstance; along these lines, temporary position program gives an open door for the understudies to think about the field of the business by being an ideal blend of the hypothetical and viable information. It gives the opportunity for the students as an academic requirement to get involved in the corporate life as well as to gain practical knowledge that could be used in the upcoming corporate life. Therefore, I got involved in corporate world as an intern in **Datapath** Ltd (*USA BASED COMPANY)* on January 15th, 2018 for 4 months internship program in Distributions Department which was assigned by HR manager. Datapath Ltd helped me to learn about the culture of corporate life and also helped me to cover my affiliation report.

Datapath Ltd for the most part gives retirement plan administrations to customers in USA. The U.S government is incredibly concerned and true about guaranteeing the benefit of the resigned individual and verifying them fiscally in their resigned life. To pick up tax reduction advantage and to draw in representatives a large portion of the associations receive a retirement plan. The rule and controls and the announcing strategy for American retirement plans are confused. To see every one of the things and act in like manner is exceptionally troublesome notwithstanding for US associations. It is over the top expensive to keep inhouse retirement plan revealing office. This is the reason they utilize Third Party Administrators (TPA) to prepare year end reports. Both the students and the mentors face various issues amid and in the wake of preparing period. This procedure of getting ready retirement plan report as per U.S. guidelines and guidelines is the fundamental employment of Datapath Ltd.

It is a business process of contracting out with third-party by exchanging of services and payment. Bangladesh is in the 3rd position in the world of outsourcing. There is a bright future of outsourcing in BD (Outsourcing in Bangladesh 2013). This business sector has great opportunities to growing up and build career in outsourcing business. That’s why I decided to undertake this report because it is based on outsourcing as the work is being done by Datapath Ltd (Business processing outsourcing).

There are many advantages of outsourcing in Bangladesh like competition and cost, geographical benefits, real time services, on time delivery, high standard of quality, available IT professionals, efficient project management, government support, language support, reliable communication facility, outsourcing experience. Which means we have great opportunity to earn foreign exchange from this sector if the government take the initiative and diplomatic steps.(Outsourcing in Bangladesh, 2013).

Retirement planning, in a financial context, refers to the allocation of savings or revenue for future. The goal of retirement planning is to achieve financial support.It is a financial arrangement designed to replace employment income upon retirement. These plans may be set up by employers, insurance companies, trade unions, the government, or other institutions. In USA, Congress has expressed a desire to encourage responsible retirement planning by granting favorable tax treatment to a wide variety of plans. Federal tax aspects of retirement plans in the United States are based on provisions of the Internal Revenue Codeand the plans are regulated by the Department of Laborunder the provisions of the Employee Retirement Income Securite Act (ERISA).

The process of retirement planning aims to;

* Assess readiness-to-retire given a desired retirement age and lifestyle, i.e., whether one has enough money to retire.
* Identify actions to improve readiness-to-retire
* Acquire financial planning knowledge
* Encourage saving practices

## 1.2 Objectives of the study:

Primary Objective:

 To describe about the retirement plan activities of data path limited.

Secondary objective:

* To describe different types of benefit plans and types of plan taken by other organization in the industry.
	+ To describe activities like Termination/Retirement, In-service (59.5) Withdrawal, Loan, Hardship Withdrawal,RMD (70.5), Force out, Corrective &Plan termination
	+ Detail about the force out campaign
	+ The challenges one could face working with data path.

## 1.3 Methodology:

It is a qualitative study as the report based on description regarding data path, also the report will describe about this industry and the activities of data path as well.

Here only the primary data is used to prepare this report. The information was provided by the Data path authority and other data from internet. We cannot find any kind of similar organization whose work match with their activities. But we have found 35 organizations within the world who works with different types of retirement plan so those 35 organizations is population and data path as the sample for this report.

## 1.4 Theoretical Background

In addition to wages, there are many types of benefits provided by employers to their employees, and benefits are indeed a growing proportion of the total employee-related costs of doing business.In some cases, the employer pays the full cost of such benefits, such as paid vacation days, and the employer considers them to be fully funded.However, often the employee and the employer share in the cost of providing and

obtaining benefits for the employee. Benefit plans for employees fall into two broad categories:

1. Welfare benefit plans that provide a variety of benefits ranging from vacation pay to health and life insurance; and

2. Pension benefits plans that provide retirement income.

### Representative Benefit Plans

To advance the physical, budgetary and mental prosperity of representatives and their families, managers routinely offer advantages, for example, wellbeing and life coverage, excursion time, incapacity pay and retirement plans. Certain advantages are intended to shield representatives from enduring genuine budgetary hardship because of unforeseeable disastrous occasions, while others serve to give solidness and profitability in the workforce by improving worker assurance and empowering focused enlistment rehearses. Since workers have generally expected advantages notwithstanding their pay rates, representative advantage designs regularly are given rather than extra money installments as an essential piece of an all out pay Package.Welfare Benefit Plans

A worker welfare advantage plan as any arrangement, store or program built up or kept up by a business or representative association that gives any of the accompanying kinds of advantages:

• Medical, careful or emergency clinic care;

• Benefits in the event of infection, mishap, incapacity or passing;

• Unemployment benefits;

• Vacation benefits;

• Apprenticeship or other preparing programs;

• Day care focuses;

• Scholarship reserves;

• Prepaid legitimate administrations; or

• Any advantage portrayed in Section 302(c) of the Labor Management

• Severance pay or comparable advantages. It prohibits retirement and survivor

• Pensions or protection to give such benefits.

### Annuity Benefit Plans

It Gives retirement salary to workers; or results in a deferral of assessable pay until dissemination. A worker annuity advantage plan applies to such game plans in spite of the technique for:

• Calculating the commitments made to the arrangement;

• Calculating the advantages under the arrangement; or

• Distributing profits by the arrangement.

• A plan that gives any of the accompanying kinds of advantages falls under the meaning of a worker annuity advantage plan:

• Retirement benefits for age as well as administration;

• Disability retirement benefits;

• Retirement benefits gave through amassing investment funds under

• individual account plans, for example, benefit sharing plans; or Deferral of pay for periods reaching out to or past the finish of business.

**Annuity Benefit Plans**

As life expectancies increment and the Baby Boomer age walks always rapidly toward retirement, discusses raise over the continuous suitability of Social Security and Medicare. The proceeding with development of conventional family bolster structures combined with the way that the investment funds propensities for Americans have crumbled alarmingly as of late raise genuine questions about our capacity to make the most of our retirement years in money related security. It is presently more significant than any time in recent memory that an individual expect a functioning job in getting ready monetarily for retirement, and the wide assortment of business supported retirement plans existing today offer themselves as an important investment funds apparatus for that person. To limit the potential for their abuse, manager supported retirement plans are liable to an unpredictable and dynamic arrangement of principles and guidelines. For an arrangement to be a certified retirement reserve funds plan, that is, for members and plan supporters to be qualified for good assessment treatment related to their utilization and activity of the arrangement, it must pursue these principles. While nonqualified plans exist, by definition they don't conform to the guidelines for qualified status, and they are all the more separately custom fitted toward their specific arrangement supports. Since they are far less regular than qualified plans, they are for the most part past the extent of this course.

Inside the setting of the regularly changing qualified arrangement principles and guidelines, the present retirement plan experts must address a few difficulties: they have to see altogether the complexities and exchange between capability prerequisites and plan organization, stay up with the latest with the occasionally disorderly administrative condition, adequately clarify the developing standards and their results to design supporters and members and expertly and proficiently actualize changes where essential

Retirement salary arranging starts with the essential reason that all representatives want monetary security all through their lifetime. As a major aspect of the making arrangements for that financial security, most representatives envision a decrease in income upon retirement and mean to balance this decrease with individual reserve funds that supplement boss supported annuity advantage plans and administrative projects, for example, Social Security.

Generally, these three components (individual investment funds, business supported annuity advantage plans and Social Security) join to turn into the three-legged stool supporting retirees. Be that as it may, every leg of the stool frequently isn't seen as equivalent in quality. The certainty level in the Social Security leg of the stool, especially for normal specialists under age 45, is low. Numerous additionally stress that inside the current monetary condition they will be unfit to gather satisfactory individual reserve funds before achieving retirement age. With two of three legs by no means in a well established position, today the three-legged stool model is being reinforced by the expansion of a fourth leg — proceeded with business. Directly, huge numbers of us pick or are required to keep working past retirement age so as to stay dynamic, to build salary or both.

Therefore, workers may progressively look to their manager's arrangement to give supplemental retirement pay, making a business supported annuity advantage plan an intensely powerful component of retirement salary arranging.

**There are two general classes of business supported annuity advantage plans: characterized commitment designs and characterized advantage plans.**

### Characterized Contribution Plans

A characterized commitment plan is some of the time known as an individual record plan on the grounds that a different record is kept up for every individual member. These kinds of plans characterize the commitment add up to be kept into the member's record. For instance, an arrangement may give that each qualified member will get a portion, or offer of the all out arrangement commitment, equivalent to 5 percent of his or her pay. Or on the other hand, the arrangement may characterize a member's commitment as a particular dollar sum, for example, $1,000.

Model 1-1: Defined Contribution Amount Mary functions as a visual craftsman for XYZ Corporation and wins $45,000 amid the year. On the off chance that the arrangement gives commitments equivalent to 5% of pay, Mary will get a distribution of commitment for the year in the measure of $2,250 ($45,000 x 5%). This sum will be stored into her individual record under the arrangement.

The member bears the speculation hazard in a characterized commitment plan in light of the fact that there is no imperative or guaranteed sum paid to the member at retirement. The member's complete profit by the arrangement will be the gathered esteem (all out commitments in addition to add up to income) of the member's record at retirement or end of business. In spite of the fact that the member's commitment sums will be contributed under the arrangement with the plan of expanding in esteem, speculation results are not ensured and don't influence the business' expense. Or maybe, the business' characterized commitments are the degree of the business' responsibility to the member's retirement salary. Thusly, the member will receive the benefits of positive speculation income yet additionally endure the worst part of any venture misfortunes.

For the most part, workers promptly comprehend a characterized commitment plan as it is anything but difficult to perceive what amount has been added to their records for the year. Every member routinely gets an announcement of his or her individual record that shows the a lot of commitments and plan income or misfortunes for the detailing time frame.

Model 1-2. Test Employee Statement. The speculation related bit of an example worker proclamation may resemble:

XYZ Corporation Profit Sharing Plan

Explanation of Account for the Plan Year Ended December 31, 2007

Member: Mary

• Beginning Account Balance as of January 1, 2007 $10,000

• Employer Contribution 2,250

• Investment Gains/(Losses) 1,000

• Ending Account Balance as of December 31, 2007 $13,250

More youthful representatives may locate the characterized commitment plan more alluring than their more established partners. This is principally in light of the fact that characterized commitment designs for the most part support more youthful workers as commitments for these representatives gather and acquire progressive accrual over a more extended timeframe under these plans. Consider the circumstance wherein a business designates $500 every year every representative's record. A representative who starts working for the organization at age 25 will amass an a lot bigger record by retirement than a worker who starts working for the organization at age 50.

Precedent 1-3. Gathering Based on Age. Jane was age 25 when she started filling in as a visual craftsman with ABC Corporation. In view of a $500 per year allotment to her record (disregarding venture gains/(misfortunes)), at retirement age 65 she would have a record equalization of $20,000 ($500 x 40 years).However, if Jane had been age 50 when she started working, her record balance at retirement age 65 would just be $7,500 ($500 x 15 years).

**Characterized Benefit Plans**

In contrast with a characterized commitment plan that by and large directs a specific commitment sum every year; a characterized advantage plan guarantees to pay a predetermined advantage at a future retirement age. Instead of characterizing the commitment to be assigned into a member's individual record, these plans characterize the measure of retirement advantage to be paid. The real dimension of advantage is determined utilizing a recipe expressed in the arrangement report. The advantage is generally payable at a predetermined future time, for example, accomplishment of age 65. A few plans additionally give benefits upon the inability or passing of the member before retirement.

Characterized advantage designs normally express the advantage to be paid as an annuity, a progression of for the most part equivalent installments made at determined interims, for instance month to month or yearly. Regularly, installments start at the typical retirement age picked by the arrangement, frequently accomplishment of age 65, with installments finishing upon the passing of the member. This is known as an actual existence annuity since installments stretch out over the lifetime of the resigned member. There are different sorts of annuities which might be utilized by a characterized advantage plan, for instance annuities which stretch out over the joint lifetimes of a member and his or her mate or recipient.

Not at all like a characterized commitment plan, characterized advantage plans don't keep up a different record for every member. The majority of the advantages in the arrangement are accessible to pay the advantages guaranteed. Since the guaranteed advantages must be paid paying little respect to the measure of venture additions or misfortunes, the business accept the speculation hazard. Therefore, speculation additions or misfortunes brought about by the arrangement's advantages serve to diminish or build boss expenses. One may see the guarantee of a predefined retirement advantage payable at a future date as attached naturally to the money related practicality of the supporting manager and the quality of the arrangement's contributed resources. To reduce a portion of the member's danger of seeing that guaranteed advantage vanish when a business bears a chapter 11 or comparable time of business insecurity, ERISA guarantees that members in most characterized advantage plans are ensured in any event a bit of their advantages from the arrangement. This certification is given through a program directed by an administration organization called the Pension Benefit Guaranty Corporation (PBGC). Managers secured by the PBGC pay premiums every year to the PBGC dependent on the quantity of plan members and a correlation of plan resources versus plan advantage liabilities. Consequently, the PBGC will venture in to pay member advantages should the need emerge. It ought to be noticed that there are restrains on advantages secured under the PBGC's end protection program.

A choice to utilize a characterized advantage plan as the favored retirement program relies on the objectives and goals of the arrangement support. Some portion of this assurance includes an examination of the workforce, since a definitive expense of the advantages under a characterized advantage program will rely on the representative socioeconomics, for example, age, years working for the arrangement support and remuneration. When all is said in done, if the worker populace is more established, the yearly subsidizing necessity that the business must make to the characterized advantage plan is higher for similar advantages than if the representative gathering is more youthful. This is on the grounds that a business has less time to exploit the collection of plan profit to help the financing of retirement benefits for more seasoned workers. From the representative's perspective, those closer to retirement age and with less time to look for relative budgetary steadiness typically favor the ensured retirement pay part of the characterized advantage plan instead of the potential esteem vacillations intrinsic in a characterized commitment plan. Where business costs weighed against worker contemplations bolster the points of its ideal retirement advantage program, a business could rule for a characterized advantage plan or even a characterized advantage plan as one with a characterized commitment plan.

# Chapter: 2

# Industry analysis

## 2.1 Other organizations in this industry

We did no longer discover deep groups whichever offers together with Retirement graph due to the fact it’s an special business. Although  incomplete agencies of the world do those business. Like Principal Financial Group, Massachusetts Mutual Life Insurance Company, the Retirement Company, LLC.

There are some companies who deal with retirement plan given bellow:

[Charles Schwab](https://www.schwab.com/)

Not many names come with as much recognition with the retirement planning industry as Charles Schwab. Charles Schwab offers Index Advantage 401K plans with low administrative costs, as well as some ETF options. This program comes with advisor services and also has an interest-bearing feature through the Schwab Bank.  Plans have no annual fees and employees will enjoy full access to all of Charles Schwab’s brokerage and banking services.

Individuals who are self-employed or have an owner-only business can contribute to an individual 401K plan which offers many of the same benefits as the traditional 401K. A great thing about the individual 401K plan is that you can direct how your contributions are invested. This plan has no monthly service fees or maintenance fees and no minimum amount to open an account. Contributions are tax-deductible and earnings are tax-deferred. All Charles Schwab plans come with retirement planning resources and 24/7 service and support.

[**Employee Fiduciary**](https://www.employeefiduciary.com/)

Employee Fiduciary has paltry fees because placing upon then administering 401K plans. In fact, CBS Money watch rated Employee Fiduciary namely the Best Small Company 401K provider. This corporation encourageemployers after compare theirs 401Kplans against their current providerplan,claiming paltry prices along the sameinvestment alternatives namely plans subsidized by the country's greatest organizations.

The minimum amount required to start a plan is $500 or $1,000 to convert an existing plan. There are more than 377 mutual funds, ETFs and access to brokerage through TD Ameritrade.  The fees for 401K plans are low and Employee Fiduciary provides tax return forms, annual report summaries, benefit statements and a toll-free number for participants needing assistance. Low-cost investment options include Vanguard funds, index funds, and Exchange Traded Funds (ETFs).

[**Paychex**](https://www.paychex.com/retirement-services)

If you are a small employer that is looking into 401K plans but also needs a payroll service, Paychex may be just what you are looking for. It is an all-in-one service for small employers with an excellent reputation and provides an affordable alternative to some of the more expensive 401K providers.

Paychex offers 401K plans to small employers in addition to payroll and HR services, outsourced benefits administration, business loans, and other services. It is mainly an HR/payroll services company but it does coordinate with 401K providers for you and takes care of administration services, making it an affordable option for small companies who need multiple services provided. Paychex has more than 100 offices around the country which can be contacted for assistance. Small employers are billed based on their number of employees and the number of pay periods each year. There are some additional fees for processing tax forms and other services.

# Chapter: 3

# Company analysis

## 3.1 Background of the Company:

Data path (DP) is a private restricted re-appropriating organization working in the U.S. what's more, Bangladesh by consolidating an unparalleled encounter, far reaching capacities over all ventures and business work. DP is most likely the main association giving start to finish arrangements, directly from the information and report catch to change, preparing, mining and work process utilizing forefront advances. This is practiced through a progression of leap forward items and administrations. DP for the most part attempts to give arrangements which can contribute in an important manner to their organizations.

Data path is an auxiliary July Business Services began from 2008. Which is co-financed by Jim Hudson and John Humphrey, CEO and Managing Director is Mr. AshfaqurRahman. July Business Services is one of the main names in retirement plan industry in the United States of America. This organization predominantly takes a shot at 401(k) regularly known as benefits plan. There are over one hundred and fifty representatives in Data path Ltd.

Jim Hudson started his retirement plan specialization in the mid 1980s while seeking after his profession as a Certified Public Accountant. Amid this time, Jim wound up known as a pro in this profoundly specialized field. He was legitimately in charge of creating and dealing with an enormous retirement plan practice before establishing July in 1994. John Humphery likewise started his profession as a Certified Public Accountant, furnishing charge counseling administrations with an enormous bookkeeping firm before having some expertise in retirement plan organization.

July business administrations accomplices with money related counselors and managers to give retirement plan, recordkeeping and organization with coordinated criteria plans and finance. July business administrations established in 1994 convey outstanding administrations by not making a tradeoff to roughly 3300 customers in every one of the 52 states till now.

DP was established in 2008 with a little office with exceptionally restricted activities as examination premise. Toward the starting it was giving steady activities to July. In the expressing days it attempted to contract skilled representatives who could comprehend the work with a complete number of six. Later in 2010, Data path moved to Gulshan as it developed in numbers to 50 representatives. Officially then July was absolutely subject to Data path on the grounds that they are doing every one of the works from Bangladesh and July chose to cut back their representatives in the United States. In 2015 Data path was developing quickly, needed to procure more workers and moved to Mohakhali in light of the fact that all the more Third-Party Administrators needed to redistribute their business procedure to Data path, as they are currently specialists in retirement plan industry. Presently Data path has eight distinct customers other than July Business Services and anticipating may more later on.

## 3.2 Mission and Vision of Data path:

**Mission:**

They need to serve their customer adequately with the assistance of most recent advances. Change and development is center to Data path.

**Vision:**

Their vision is to get the main position in the re-appropriating industry and advance from a conventional BPO to the cutting edge BPO.

2.**Services advertised:**

July Business Services and for their sake Datapath Ltd is giving the accompanying administrations to its US business customers.

1. Plan Design

2. Plan Setup

3. Plan Administration

4. Participant Services

• **Plan Design**:

Data path makes retirement intends to meet the exceptional objectives of every business. Regardless of whether the goal is worker maintenance or expanding benefits for all representatives, it has aptitude to structure the best arrangement for customers.

• **Plan Setup:**

It gives the majority of the administrations to effectively setup retirement plan or to change over existing arrangement from current supplier.

• **Plan Documents**:

In the event that offers far reaching plan records arranged by experienced ERISA experts. Its abilities include:

• Prototype Plan Documents

• Volume Submitter Documents

• Summary Plan Descriptions

• Loan Policies

• QDRO Procedure

• Other Required Forms

• Plan Setup and Conversion:

Data path’s committed setup group gives hands-on administrations to arrange all parts of plan setup or transformation. Our administrations include:

• Prepare Enrollment Materials

• Coordinate Enrollment Meetings

• Prepare Setup Paperwork

• Contribution Submission Procedures

• Coordinate Transfer of Assets

• Prepare Letter to Previous Provider

• Coordinate Information Needed for Takeover

**Plan Administration**

Datapath's specialists have more than 10 years of plan organization experience and are specialists in this profoundly specialized field. A committed record delegate serves customer's arrangement, bolstered by a group of gifted experts.

**Plan Operation Support**:

It gives everything customer needs to keep the arrangement in consistence including phone and email interchanges. Its administrations incorporate the accompanying:

• Eligible Calculations

• Contribution Allocations

• Vesting Calculations

• Distribution and Loan Processing

• **Compliance Testing:**

Its record delegate gives an entire bundle of consistence testing administrations to keep up the respectability of customer's arrangement. Its testing administrations incorporate the accompanying:

• Top Heavy Testing

• ADP and ACP Testing

• Minimum Coverage Testing

• General Nondiscrimination Testing

• Tax Compliance:

Data path’s experts convey signature-prepared government forms to satisfy all expense recording prerequisites. Its administrations incorporate the accompanying:

• Form 5500

• Form 1099-R and Form 945

• Form 5330 (when required)

• Form 5310 (for plan end)

• Recordkeeping:

Data path and July give computerized recordkeeping administrations through their union accomplices and through July's every day valuation recordkeeping stage:

• 24 Hours Internet Access

• Daily Valuation of Accounts

• Plan Sponsor Account Access

• Quarterly Participant Statements

• Participant Services:

Through its coalition associations with money related suppliers, July makes accessible excellent devices for members to get ready for and accomplish a safe monetary future.

## 3.3 Organizational Structure:

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Here the organizational structure starts with General Manager. Under the general manager there is a manager for each department like plan, allocation, distribution etc. On every department there is team leader, sr executive and executive.

#

# Chapter:4

# Project Work

## 4.1 Work Related Activities:

Within all the departments Distribution department is one of the most important and sensitive Department of this organization. There are many types of distribution and those are:

* + Termination/Retirement
	+ In-service (59.5) Withdrawal
	+ Loan
	+ Hardship Withdrawal
	+ RMD (70.5)
	+ Force out
	+ Corrective &
	+ Plan termination
* **Termination/Retirement of Employee:**

Termination or separation of service is a distributable event for a participant of a defined contribution plan. Because defined contribution benefits are easy to determine a distribution of participants vested account balance upon separation from service may be available as soon as it administratively feasible. Sometimes a participant may need to wait until the last employee’s contribution is made to the account for receiving the account balance. The contribution may be deposited any time up through the filing due date, with extension for the employers’ taxes, which will occur many months following the year in which the participant left the company.

* **In Service withdrawal:**

A withdrawal of money while still employed after performance of a particular number of years of service (59.5) length of time funds have been in the plan or attainment of the certain participant. Withdrawals rules vary depending on the source of money a participant has on his own account. In addition to being able to withdraw money from certain sources at any time.

Participant may be able to withdraw money due to other events. Events that may allow for a withdrawal while still employed include:

* Reaching normal retirement age
* Reaching 59.5
* Satisfying certain terms of services

**Normal retirement age:** Upon reaching NRA participants must become vested in their account balances or accrued benefits. The plan document will define NRA mostly is 65.

* **Loans:**

Loans available on a reasonably equivalent basis to participants are loans offered without regard to age, religion, sex, race, color or national origin.

* Rate of interest- A reasonable rate of interest
* Adequate security- 50% of the vested balance
* Loan amount limits- Minimum $1000 and maximum $50,000
* Term of loan-5 years for general purpose and 10-30 years for primary residence purpose

**Spousal consent:** If a plan is subject to the qualified joint and survivor annuity (QJSA) and qualified preretirement survivor annuity (QPSA) requirements the participants the participants spouse needs to consent to the plan loan.

* **Hardship Withdrawal:**

A withdrawal that is made on account of an immediate and heavy financial need and necessary to satisfy that financial need and a distribution must be necessary to satisfy the financial need. Hardship withdrawal is not considered eligible rollover distributions and therefore is not subject to the mandatory 20% federal and applicable with holding rules. The plan document will indicate if hardship distributions ae available or not in a particular plan. Plans may adopt the safe harbor standard to determine whether or not a situation meets the criterial of Hardship. Hardships are only paid out as lump sums and con not be rollover. Participants under age 59.5 will have a 10% additional penalty applied for early withdrawal and hardship generally reported as a taxable income.

* **Required Minimum Distribution (RMD):**

To comply with the IRC, participants who are not 5% owners of the employers must begin receiving required minimum distributions (RMD) by April 1st of the calendar year following the later of:

* The calendar year in which the participant attain age 70.5; or
* The calendar year in which the participants retires.

Participants who are 5% owners may not postpone receipt of RMD until retirement. They must begin minimum distributions by April 1st of the calendar year following the year in which they attain age 70.5 for both 5% owners and non 5% owners, the RMD for the second and subsequent years must be distributed by December 31st.

* **Force Out Distributions:**

Force out sometimes called cash out distributions or involuntary distributions represent an allowable method for handing small account balances under defined contributions plans or small vested accrued benefits under defined benefit plans. There are issues to consider regarding involuntary distributions including the form and manner of payments.

Many arrangement records give a power out arrangement that permits an arrangement support to require an ended member with a record parity of not exactly some limit (regularly $1000 to $5000) to appropriate their assets from the arrangement.

Requiring such disseminations lessens the arrangement supports managerial weight by end the need to keep up records and exact locations for fired workers and guarantees that any unvested segment of the members account balance is relinquished in an auspicious way. Members are told before power out (30 days) to choose whether to rollover their vested record balance or get a money conveyance.

In the event that they neglect to make an agreed decision a money dispersion is prepared and a check sends to the location that is recorded in the product.

Money dissemination is liable to the compulsory 20% retention and might be liable to a 10% expense punishment if the member is under 59.5 years old.

* **Corrective Distribution:**

Distribution for excess deferrals, excess annual additions and failed ADP or ACP tests. Mainly in these types of distribution is being done when particular participants have excess deferral money source by considering the others available money source and are being failed in the ADP or ACP test.

* **Plan Termination:**

Plan termination is occurred because of the plan sponsors financial hardship, restructuring of the employee benefit program, or the sale or acquisition of the plan sponsor. Plan termination will cause all participants to be 100 percent immediately vested in their account balance or accrued benefits.

**Force out distribution**:

 Under force out distribution there are also some segregation of work for example Force out campaign, Form request prepare, force out processing, email for force out, but main work was in force out campaign and email for force out. Mainly the work was in particular log which was DISTRIVBTION FORCE OUTS, which was mainly related with force out campaign. Besides this log we have worked in other related areas of force out for example Fore out processing and email for force out. For doing force out processing and force out email does not need any particular log actually only plan name is required.

For doing force out campaign at first, we need to open task open in new tab than account and the project for each task we need to check the record keepers and the agreement, here agreement checking was necessary for ensuring whether the plan is IRA rollover accepted or not. If the plan was accepted, I need to upload it on a particular WEB if it is not than I need prepare a notice to send by assigning the task to the office admin July.

**Force out Campaign:**

Procedures to do force out of IRA rollover agreement accepted plan (Participant upload):

* First of all, need to check the plan status whether it is active or not if active only then need to do work on this particular plan. If the plan is not active for example terminating, we cannot do force out campaign.
* Check the product of the plan if it is ANB (Amarillo national bank) or EXTRACO, only upload participants those have a balance only below five thousand. If the product is not ANB or EXTRACO then we will upload all the participants whatever amount they have.
* Then had to run the excel file with the help of RELIUS id and need to match with the terminated participants list.
* Only those participants will be considered those are in the terminated participants list.
* Check if any participant has active project or not if have then we need to delete the participants from the excel file because should not upload participants those have an active project and a status like (Hold, in process, in review, Payment requested, Deferred, Ready to trade, emailed to plan, Assigned).
* Every record keeper has own distribution form codes, we need to input the Distribution Form code according to the Record Keeper in a prepared excel file in the distribution from code cell. Need to be very careful regarding the distribution form code.
* Then need to upload the prepared excel file to the WEB by selecting an appropriate excel file.
* If needed create project by choosing a particular account name a plan has and by considering those participants with a balance less than five thousand and less than a plans distribution fee on their account. Those participants have a balance less than five thousand, we will create project with a name “**Auto rollover less than $5000**” and those participants have a balance less than a plans distribution fee, we will create project with a name **“Cash out fee”**. The project creation excel file will have three columns with a name of SSN (Social Security Number), First name and Last name.
* Finally, need to complete the checklist and action from the task and process will end.
* **ERISA Or Plan Document Department:**

ERISA division gets ready arrangement record from the data given by the deals and establishment office. Plan records resemble benefit sharing arrangement, 401(k) plans, and Safe harbor 401(k) plan which typically content at least 40 page with law, guidelines and guideline. They guarantee the correct data which will be trailed by different offices. For the most part this division is in charge of making plan record and updates any revision of plan report.

**IT Department:**

In data-path it department is maintaining the network of the organization and maintenance of the electronic device. IT departments is actively performing their job by giving all types of IT services from solving day to day employee computer problems are installation of various gadgets in office premise.

**New Business Or Installation Department:**

Mainly this department help new plan sponsor with plan design and plan setup. This department installs fee structure testing process and other elements of plan setup into TPA system and updates any change in the initial plan design according to DOL and state federal government.

**Outsourcing Department:**

In Data path the vast majority of the divisions are connected with july (USA office) yet re-appropriating office works are distinctive TPA instead of july (USA office). Each group of redistributing division works with various administrations like arrangement survey, plan process, accommodate and so forth. As of now this office perform portion and other consistence reports for different TPAs.

**ii. Workflow Department:**

In Data path work process 5500 gets ready from 5500, for each arrangement of july. The structure 5500 is the yearly return/report of worker advantage plan for submitting to the bureau of work. As per bureau of work, any executive or supporter of a representative advantage plan subject to ERISA must record a report about each advantage plan each year.

**iii. Human Resource Department:**

In data path human resource department maintain the environment of the organization. HR department is ensuring the safety and the environment of the company. Perform administrative duty of Data path Ltd Dhaka office and besides that responsible for hiring and training of employees at Data path.

**iv. Allocation Department:**

In Data path the allocation department is responsible for allocating each of the plans participants money for every year.

**v. Distribution Department:**

Appropriation division manages the disbursement of the retirement cash when the representatives are in the phase of retirement or pulling back the cash from one arrangement to other. This work is just be finished by the assistance of characterized set of guidelines and programming. This department mainly deals with ensuring the disbursement of funds to the participants of any particular plans through the distribution processing and other relevant activities. This departments main job is to provide services with a hundred percent accuracy as it is money related issue, because of these vesting calculation is directly related to the participants eligibility or withdrawal  money and it is been ensured by the well qualified employees those are now working in data path at distribution department.

Select template according to RK/ Custodian of email and send it.

* Based on the email we send to the Plan Sponsor &they will provide a confirmation sign and after receiving it we will and assign the task for processing.

**Figure 3: Email for force out**

The email force out has to do for unresponsive clients. 40 days time is given to client to respond. In between that if they respond then further progress start on that time or force out need to be conducted. Those are the steps Email for force out need to be done. Here horizontal axis indicates the steps of this work and vertical axis indicate the time (in minutes) for each work.

* At first need to check the plan provision which means what is the actual plan taken by the employee. This may take 3-3.5 minutes.
* Then need to check the status on website. The participant is active or not. This may take two minutes as well.
* Need to prepare the name list for the unresponsive participants
* Then according to the record keeper the email template need to select because each record keepers template is different according to the plan. This may take two minutes.

Overall 13-14 minutes needed for this activity.

## 4.2 Organization wide activities:

Data path is not providing their services with a single department. There are multiple departments in data-path those departments are jointly providing the retirement benefit plan services:

1. **Accounting Department:**

Accounting team provides all he accounting and financial support for data-path. This department works on different issues like billing all the works of other department, records of inventory, salary for the employees and preparing financial statements etc. Calculate and records

* Prepare an address file by converting excel file to word file and office admin letters based on the necessity.
* Then form account need to create a particular task.
* Assign the task to the office admin by giving proper note.
* Need to keep the address and Office admin letter file to the new created task folder.
* Complete the task id by creating a project if needed.

**Email for Force Out:**

Email for force out of accepted plan’s included with:

* For doing Email for force out at first need to check the plan provision from the particular plan document if the criteria match only then has to do otherwise we cannot sent email for force out.

|  |
| --- |
| **(b) Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the plan do not apply to any Involuntary Cash-Out below $1,000 (to the extent available under the plan).  To override this default provision, check this subsection (b).* The Automatic Rollover provisions under Section 8.06 of the Plan apply to all Involuntary Cash-out Distributions (including those below $1000)
 |

**Figure 2: Auto rollover provision**

* Sort the in process project of Auto- Rollover, Cash Out Fee and Distribution- Send to Forfeiture if any, cause force out processing only for the project with a status in process after doing the email for force out.
* Check the participant’s status in website (Only for Auto- Rollover not for Cash Out fee & Distribution-Send to forfeiture project) whether it is IRA account Assigned (ARO) or not. Need only to check status of the participants only for Auto rollover cause it is been uploaded earlier in the web. Participants those have a balance less than a distribution fee for them we only create project with a name of cash out fee and will not upload in the website.
* Prepare this participant’s entire name if there is available balance in website according the record-keepers and a particular website.
* Every record keeper has its own form just like a distribution form code. Based on the demand or necessity we need to prepare the record keeper form if required.

Figure: Force out Campaign

 For doing force out campaign need to follow the steps shown on the horizontal axis and vertical axis is showing each activities time.

* First need to run the participant list on relies website.2-3 minutes need to do it.
* Then need to run the excel file from unify website which may also take 4 minutes
* For preparing file we need almost 10 minutes and we need to upload that on a website.
* We to create a project for each participant with their given information. This may take 3-4 minutes.

This whole work takes 25-30 minutes to complete.

**Procedures to do force out of IRA rollover not accepted plan (Force out notice):**

* For doing the force out of IRA rollover not accepted plan at first need to check a force out provision (involuntary cash out below $1000) from the plan document.

end notice to the terminated participants for the IRA rollover not accepted plan.

* For sending notice, consider some things like, we will send notice with a particular office admin letter from based on the participants balance.
* For sending the notice, need two confirmed things in which one is participants with a balance in between two hundred to five thousands and another criteria is five thousands and above.
* For these two criteria, need to prepare office admin letter from if both criteria are being matched.
1. **Recordkeeping Department:**

 Record Keeping is keeping record of every transaction regarding plan and investment. Maintain website so that plan participants can easily check their accounts.

1. **Sales Department:**

 In Data-Path sales department is mainly responsible for preparing the paper work. But in July sales team talks to different clients to sell the retirement plans. Promote and sell plans to new clients. Maintain communication with new clients and communication between Julys, financial advisor, and other TPA.

1. **Software Development Department:**

 Software development team works with the software and internal database those are created by the team. This department works on different project and improves the software system.

**Building Strategic Partnership:**

July has developed close partnerships with strategic service providers and including the departments those are mentioned above they are trying to make available the best retirement plan services:

* **Mutual Fund Families**

Their shared reserve accomplices enable them to make accessible broadened portfolios for their specific plans members. Through these associations, July gives thorough arrangement organization, day by day valuation recordkeeping, and their common store accomplices additionally giving the high caliber shared reserve venture decisions.

* **Record Keeping**

 It shaped an association with a few key money related accomplices, including American Funds, Mass Mutual First Mercantile, ING, John Hancock, and others. These connections keep on profiting customers by giving them broadened venture choices and computerized plan record keeping administrations. Its record keeping accomplices furnish retirement plan stages with multi-subsidize family speculations, on-line member get to, far reaching trust between a client and expert administrations, venture guidance, and numerous other significant arrangement highlights. Through these associations, July is giving the total organization and consistence testing administrations.

# Chapter 5

# CONSTRAINTS/CHALLANGES

## 5.1 Identified/Observed In the Organization:

Data path’s all work is being done by computer. From their website came to know that they are business processing outsourcing and software Development Company which is mainly related to the students these those have a major in Information Technology or Management Information System, so here is some constraints and challenges one can face while working in Data-Path as an intern those are given below:

* **Lack of medical facilities:**

In Data-Path there are no medical facilities. If an employee suddenly became sick he or she will not be able to get any medical treatment immediately.

* **Lack of transportation facility:**

 They are not providing any transportation facilities for their employees as well as trainee, and so sometimes employees are being late because of not getting the vehicle timely.

* **Not providing conveyance motivation:**

 Through Data-Path is providing remuneration but they are not providing travel allowance for trainee to come over there.

* **Difficulties for understanding the retirement plan industry of United States:**

 While working in Data-Path as an intern one can face problems to understand about the services actually they are providing. I have found it little bit complex cause to understand the whole procedures of American retirement plan service it will take more time to understand. But within a short time it is not enough to understand about the retirement plan industry fully.

* **Different rules for different record keepers and a type of works:**

 There are different types of procedures and it also differs based on the record keepers a plan has. Based on the record keeper decision had to be made about the method, which should be followed.

* **Complexity regarding the rules and regulations:**

 It is difficult to understand the rules and regulations regarding the working procedure. One can find it difficult to understand the rules and regulations regarding the working procedure. It is a lengthy work procedure, must have to remember all the steps while doing the distribution processing and other types of work that are been done by the all departments employees.

**Disorganized way of training:**

 There were no particular framework of what need to be trained and when. As well as no particular duration and place.

* **Lack of association with practical work:**

 Hypothetical preparing the students don't get any thought regarding the work and how it ought to be done, so they will in general miracle what they need to do in future and in some cases get baffled.

* **Lack of reference/guide:**

 In Data-Path they are not keeping any reference or guide for the trainees regarding the work procedures except some hand notes, and so remember all of the things by only listening it is very difficult for the trainees.

* **Confidentiality:**

 The work Data-Path is doing is very much confidential. After a certain period of time they are  burning all the used papers.

## 5.2 Mismatch between academic learning & organization activity:

There are no major mismatches between the task that are assigned by the company and operation function of the organization. Only the minor difference is-

* In academic period all the documentation and calculation had to do in paper and pen. But academic knowledge helps to understand the work of Data-Path. In the distribution department, there is some relevance academic preparation and works, cause in distribution department there was lot of transaction and issues that one had to deal in Data-Path.

# Chapter 6

# Findings

## 6.1 Lessons learned from the internship program:

Internship program gives BBA graduates an opportunity to gain practical knowledge in accordance with the theoretical knowledge. Due to the internship, a student got the opportunity to work in a organization and can learn lots of lessons.

### Practical knowledge about retirement plan industry:

Before working in Data-Path one cannot know about the retirement plan industry. Through the internship program Data-Path limited gave the opportunity to work there and to gain some practical working experience regarding the American retirement plan services. After working with them, it is possible to understand what, how and in which procedures they are following for providing the retirement plan services.

### A greater sense of professionalism:

 Data-Path and internship program gave a intern the opportunity to know how to be a professional in the corporate field. As it was in totally different working environment and gave the opportunity to be a part of the professional one.

### Transparency:

 Data-Path taught how important to do a work in a more transparent way. Each and every employees of Data-Path are ensuring the transparency of their work. All of the employees believe in accuracy. As each department work is related to the other departments it was important to do so. In Data-Path for every work employees need to give justification so it is very important to do work transparently.

### Team working skills:

 Each and every employee of various departments of Data-Path is doing some set of team work. They are always connected to each other actively. They are solving the problems in a group. In distribution department one has to be connected with seniors to do communication and to solve the work related problems one can face during my internship period.

### Organizational etiquette:

 For every kinds of job behavior is important. By working in Data-Path, IT helps to develop some sort of skills regarding how to communicate professionally in corporate life..

* **Build up confidence regarding the assigned work:**

 At the beginning it is difficult to do the work confidently as the work is very much critical. But gradually one can overcome this and was able to do work confidently by remembering this proverb that “self confidence is the first step of success”

* **Time management and priority setting:**

In Data-Path for every types of work there is a particular time to do and that is fixed by the department managers. It help to develop time management quality.

* **Developed website and software navigation skills:**

 In Data-Path every day a employee has to log in a different websites and software’s in a different way based on his priority and types of work.

### Improved personal & decision making skills:

 In Data-Path after working a certain period of time an intern can gain some sort of personal & decision making skills, because in Data-Path for doing every work confidence is necessary. In Data-Path for every steps of work taking right decision is mandatory as it is very much critical.

# Chapter 7

# Recommendation

### Planned training program:

 Every new hire of employers or trainees get training after joining Data-Path. But it should be planned. Cause with the proper planning it will enhance the effectiveness of the training period more.

 **Guidelines regarding work procedures:**

 Every department has lots of task to do. If they proper guideline, it will be easy to relate with the theoretical learning with the practical work.

### Motivate employees or trainees more:

 Data-Path high official should increase the motivation level of their employee to increase their productivity.

**0ther Facilities**

 Data-Path should ensure the medical and transportation facilities for their employees for reducing the uncertainty of work place environment by taking necessary steps.

# Chapter: 8

# Conclusion

In end it can be said that Data Path is a decent job player in our nation to produce the revenue. From 2008 Data path is developing in the IT segment. It is getting everything whatever it needs to reach on the highest point of the It industry. In this report over all data of what Data-path is and diverse administration appeared which they give to the USA individuals as an outsider head and their specific work strategies as per my entry level position. Our neighbor nation India is a major player in this business. So if our authority gives appropriate chances to this industry they can have a growth. Bangladesh has an immense workforce to get this going. Legitimate compelling of the industry can produce increasingly outside money. In not so distant future government may give significantly more accentuation on redistributing as the nearby organizations close to contact the development. As per, all through this report it was endeavored to appear different practices of the organization, work methods, and challenges one can face as a intern etc. Though the company has some limitation it is going quite well. So we can hope that it will be the leader of the respective industry in the near future.

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