



*“A Comparative
Analysis on Retirement
Plan System Between
Bangladesh and
U.S.A”*

Internship
Report



United International University
QUEST FOR EXCELLENCE

Department of Bachelor of Business
Administration

Internship Report On:

*“A Comparative Analysis on Retirement
Plan System Between Bangladesh and U.S.A”*

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Letter of Transmittal

June 01, 2021

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Subject: **Submission of Internship Report on “A Comparative Analysis on Retirement Plan System Between Bangladesh and U.S.A.”**

Dear Ma'am,

It is a great honor for me to delivery my internship report titled “A Comparative Analysis on Retirement Plan System Between Bangladesh and U.S.A” as a requirement for earning the Bachelor of Business Administration (BBA) degree under your able guidance. I am generating this report with the highest quality possible under your direction, using a variety of different graphs, chats, and pertinent data to show it in a unique way.

The entire paper aims to investigate and find a technique for how two distinct countries' retirement programs work. My four-month internship at Data Path Ltd. was an ongoing learning process about their processes and the acquisition of a variety of new skills.

I am grateful for your kind support and monitoring as I prepared this report, and I genuinely hope that I will meet your standards for the quality of my work. I have been putting forth my best efforts in writing this report. However, if there are any flaws, I will gladly respond to any clarifications or ideas regarding this report.

Sincerely yours,

Sohel Rana

ID: 111 161 378

Major: Finance

Acknowledgment

To begin, I would like to express my gratitude to almighty Allah for providing me with this opportunity, strength, encouragement, and talent to give the internship report; also, this internship report achieves strategically by adhering to the time schedule despite numerous obstacles.

It gives me great pleasure to express my gratitude to those individuals whose gracious cooperative directly or indirectly assisted me in the preparation of this report. First and foremost, I would like to thank Nusrat Farzana, Assistant Professor, School of Business and Economics at United International University, for her excellent supervision and input, which made everything easier for me to put together this report.

I am also grateful to Data Path Ltd. for providing me with the chance and for picking me for the four-month internship and training program. For me, this was a great experience since I observe those who were willingly senior accepting responsibility and providing a lot of time to share their knowledge with new interns. I would like to thank Ehasanul Bari, my internship mentor at Data Path Ltd. for his thoughtful consideration and support with the report.

Above all, this is a real-world experience that will be extremely beneficial to me in the future as I build my career, preserve company culture, coordinate to develop working abilities, and perform daily tasks. In a nutshell, I believe this will be a voyage I will never forget. People are nice and cooperative, which makes it much easier for me to understand their work. I tried my hardest to complete this internship report as quickly as possible.

Executive Summary

This report focuses on how the program is implemented in the Bangladesh and U.S.A. In Bangladesh, on the other hand, the retirement industry lacks the necessary infrastructure to operate and maintain correctly. It is the comparison research, and I have done my best to figure out how well and efficiently the retirement industry in the U.S.A is governed.

First, I would want to discuss the retiring process in Bangladesh. The Bangladesh retirement industry in both the public and private sectors, there are a variety of unplanned and entirely unstructured pension schemes. There are no suitable pension plan standards in place, such as gratuity, the benevolent fund, government housing, and community benefit, amount other things.

The U.S.A retirement industry is briefly mentioned in the analysis second stage. The federal government has established several well-being features, laws, and regulations to make the retirement industry more practical and efficient. They work for a variety of public and private companies based in the U.S.A. The U.S.A is deeply concerned about protecting and financially securing the interests of older persons in retirement. The internal revenue service and the department of labor provide guidance to the company on how to handle the pension if they choose to provide retirement benefits to their employees. The employer can also request tax benefits on the company's earnings through the retirement savings account.

Within the third phase, I attempted to identify how the retirement programs of the Bangladesh differ in various details. Government rules, people's rights, economic participation, dependency, profit margins, and other factors differ.

Finally, the analysis was backed up. I made some important recommendations to protect retirees; rights, such as the government's need to agonize and be honest. It would be required to place during a structured policy if the government modifies or reshapes the policy. This research will also assist Bangladesh in increasing its retirement provident fund.

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Chapter: 1

Introduction

1.01 Background of the Report

Firstly, the internship is crucial for obtaining Bachelor of Business Administration (BBA) degree. The internship program may be a pleasant open door for the graduates to own a sample of the real business world before beginning their professions. Internships in the modern business world help students demonstrate skills and abilities from their supervisory experience and allow them to demonstrate the best and accepted professional, personal and interpersonal behaviors in their lives. This program is a chance for students to become aware of real-life situations. Data-Path Ltd. has allowed me the prospect to complete my internship program at this company and that I am working with Data-Path Ltd. since December 17, 2020. It gives students the chance to induce fascinated by corporate life as well as acquire practical experience which will be applied within the future. I have learned significant issues with respect to US retirement plan benefits, the principles, and guidelines that the association pursues to do design and the contrasts between the USA and Bangladesh.

1.02 Problem Statement

The U.S.A government is very aware of the importance of preserving the rights of retirees, and in retired life, the government. Many companies introduce retirement plans to increase tax benefits and attract workers' attention. The laws and regulations of the U.S.A retirement scheme, moreover because the reporting process, are extremely complicated.

In Bangladesh, the retirement benefits systems are not enough structured public and private sector. The Bangladesh government rules, and regulations have not very well-structured thought get in terms of ensuring employee profit. The regulatory body is failing to require the requisite measures to shield the rights and benefits of employees. There are no steps taken to eliminate disparity between highly paid and lowly compensated employees.

1.03 Scope of the Report

From December 17 until March 31, I worked for Data Path Ltd. Throughout this time, I discovered critical issues concerning the U.S.A program industry, its foundations, and regulations, and I gained knowledge of the program's policy and methodology.

Nusrat Farzana, instructor for my internship program, has given me permission to arrange an internship report on a comparative analysis of retirement plan system in Bangladesh and U.S.A. He approved and gave it to me advice during the trimester on how to prepare an internship

report back so that I could have a realistic understanding of a company's current activities. I prepared this report in accordance with his requirements.

1.04 Limitation of the Study

Despite of the fact that the instructor and the workflow & 5500 team provided excellent assistance in the preparation of this report, there were a few obstacles to overcome. The following are some of them:

- Any relevant information is not shown here due to the privacy law. For example, the participant's Social Security Number (SSN), how much they are paid, how much they defer, and which formula the client or employer follows to provide employer participation or benefit sharing.
- Due to employment stress, obtaining appropriate the interviewer's time to compile data was extremely challenging.
- Despite of the fact that congress modifies the foundations and regulations governing monetary and economic policy on a yearly basis, it is not possible to execute all the amended rules and constraints.

1.05 Methodology of the Study

The Methodology is to mean using various techniques for this research. My broad purpose is to report on **“A Comparative Analysis on Retirement Plan System Between Bangladesh and U.S.A”**. For this analysis, the fine print is as follows was acquired from primary and secondary sources.

- **Primary Sources**

- The permissible department evaluation.
- Developing language with possible department personnel.
- Details about the employees.

- **Secondary Sources**

- RPF, ERISA, RK, Admin Plan, and Workflow 5500 are just a few of the topics

covered in this section.

The analysis demands a scientific procedure from the selection of research through the final compilation of the analysis. You will discover and collect information references to conduct the research. It should be categorized, examined, taken, and granted in a highly orderly manner, and the fine print must be putted.

1.06 Objective of the Study

- **General Objectives:** Because I work in Data Path workflow & 5500 team, the primary goal of this study is to learn more about Data Path Ltd. Program operations.
- **Specific Objectives:** The specific goal of this research is to define, collect data on, and introduce numerous ideas related to the development of the U.S.A retirement check to increase Bangladesh's old age retirement industry.
- **Broad Objectives**

The following are the research's broad objectives:

- Obtaining more pertinent facts on the Bangladesh retirement plan system and U.S.A.
- To comprehend the employer's strategy of limiting the separation after they have contributed to the employer, among high pain and non-highly pain staff.
- To have a better understanding of the IRS and the Department of Labor's supervisory functions in to increase openness in the program.
- To be aware of the guiding concepts and regulations that govern the procedure for distribution.
- The difficulties encountered with teaching new staff to produce report for distribution.

Chapter: 2

Organizational Overview

2.01 Historical Background

Data-path Ltd. is a Bangladeshi outsourcing firm that works with July Business Services. Jim Hudson and John Humphrey own the company, which is a registered outsourcing firm. July business in the U.S.A, the retirement account industry is well-known. Data Path Ltd. Began operations in Uttara in 2005 utilizing a small office. It was clearly conducting support operations of July Business Services at the outset. It had only ten staff in its early years. With their wonderful appreciation, 180 incumbents are now functioning here.

July Business Services is a company that provides advisory services dedicated to providing business clients with specialized organizational operations as well as a government pension. Companies with business associates collaborate closely with us to develop tailored services that match their specific needs. The specialist provides arm assistance with execution of the strategy and operation. We have worked with a diverse range of client, ranging from small, family-owned companies to big conglomerates for many years. It first opened its doors in 1995, but without any customers but also only a small workplace of a professional. Investment advisors, open end investment company companies, banks, and brokerages firms all referred business firm because of its ability towards advertising. July Business Services have around 250 people departed savings account clients and 5 workers by the end of 1996. July Business Services works together with importance of cost expert's companies to provide workflow & 5500 team as well as government of retirement savings accounts, as week as salary and food programs are connected. July was founded in 1994 and serves about 3,000 clients in 50 states with great service and strict precision.

2.02 Vision and Mission of Data Path Ltd.

Vision: Their vision is the become the industry leader in outsourcing and to transition beyond conventional BPO to next-generation BPO.

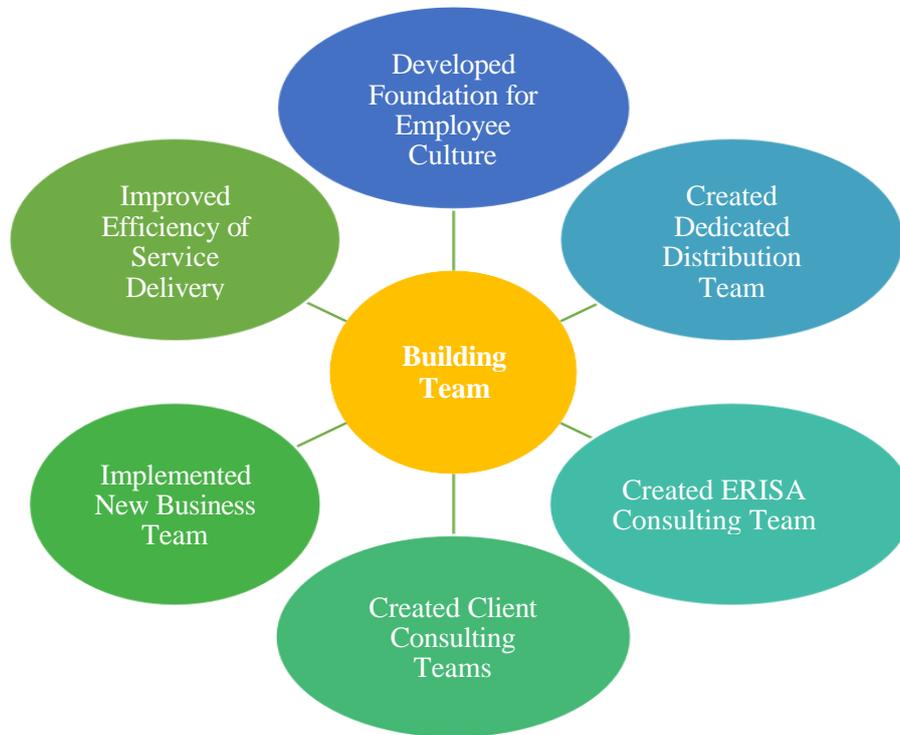
Mission: Data Path Ltd. mission is to provide effective service to clients using cutting edge technology. The organization's main values are change and innovation.

2.03 Statement of Purpose

Data Path Ltd. main purpose is to deliver competent service to consumers using the most up to date technology. This organization's major objective will be on development and adaptation.

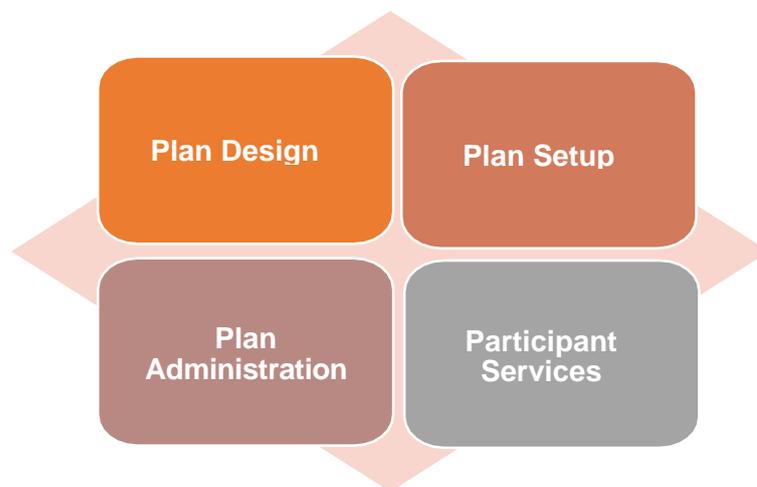
2.04 Building Team

From 2008 to 2010, Data path Ltd. saw a significant increase in the number of associations of groups of major importance. Throughout that period, their panel’s membership traveled here to previously mentioned locations:



2.05 Services Offered:

July Business Services provides offers essential capabilities to its corporate customers in the U.S.A, which Data Path Ltd. handles on their behalf:



I. Plan Design: It indicates that retirement aims to meet the company’s specific objectives. If the objective is to achieve thoughtful performance and retention or expanding remuneration with important personnel, it will develop the appropriate agreement for businesses.

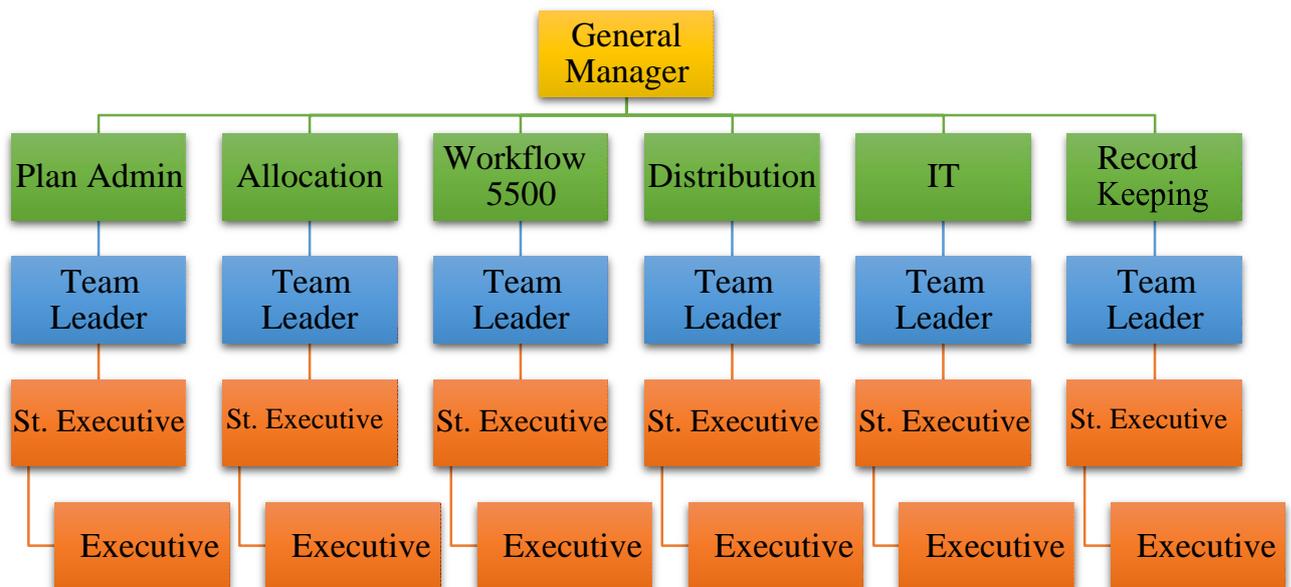
II. Plan Setup: Several governments are eligible for lifetime pension successful contract or the ability to control the same the accord of a different source.

III. Plan Administration: The methods to get information consultants have over five years of working experience in planning and coordination professionals in this highly complex field. An ardent employee plans are handles by a register manager, who is assisted by only a team of skilled workers.

IV. Participant Services: Through its collaboration organization of money related vendors, July provides fantastic chances for members can prepare for it and achieve a safe financial future.

Data Path Ltd. outsources July Business Services in Bangladesh is responsible for certain trade rules, and this has provided a photocopy of the majority of its documents work to its own secure infrastructure.

2.06 Organizational Structure



2.07 Retirement Plan Fundamental Training

I was given training on the U.S.A retirement plan principles in a flash after starting at Data Path Ltd. for me could gain a better understanding of the business in which I would be at my workstation. For the very first one week, I had book related instruction “Retirement Plan Fundamentals 1”.

The department I am working with is the “Workflow & 5500 Team”. Workflow & 5500 department works on processing of different forms (such as SSA 8955, form 5500) which needed to be submitted to Department of Labor’s. After the training of RPF1, I had training on how to fill up and submit SSA 8955 form. During the internship program, my primary task was to fill up SSA 8955 form for the retirement plan. This task is completed by using the help of three systems (software/web such as TPA, Relius, and FT William).

Chapter: 3

USA Retirement Plan Industry

3.01 USA Retirement Plan Industry

On September 2, 1974, 1974 saw the enactment of the Health Insurance Act. It created the framework for imagery benefit enactment and outlined a detailed set of regulations that applied to practically all bundle of pay raises. 1974 enactment, still because the enactment party that pursued and administers representative advantage plans, are mentioned as ERISA.

Within the continually expanding rules of authorized systems as standards, specialists should create the latest proposal address the following issues: they should be able to identify the intricacies as well as the exchange among training needs with project structure, stay up to date on the frequently unorganized administrative context, and clearly express the developing requirements.

The basic explanation for the arrangement of retirement salaries is that everyone workers want financial security during their lives. Many workers expect a call-in profit after retirement as a part of their financial planning, and that they will offset this drop with personal contingency accounts that supplement company-sponsored annuity advantage schemes and administrative measures like social insurance.

A retirement plan of U.S.A can vary in so many ways, they can find out different policy rules regarding retirements plan industry. An employer can put so many conditions in allocation which increase the complexity of the plan, the retirement plan which are giving facility to employee and employer, where no obliged for any employer as they offer as a benefit to employee. I was a very hard challenge to understand the whole U.S.A retirement industry and how it works.

3.02 Types of Retirement Plan in USA

On a massive scale in the U.S.A, there are only two types of retirement plans:

1. Benefit welfare plans
 - Medical, surgical care.
 - Advantages in the event of infection, mishap, incapacity, or passing.
 - Excursion opportunities.
 - Day care focuses.
 - Paid ahead of time legitimate administrations.
2. Benefit Plans for Annuities



As it happens, there are two additional retirement employee benefit categories include:

1. The benefit of advantages is described.
2. Features of the payment plan.

3.03 Defined Benefit Plans

Every company in U.S.A offers benefits package includes things such as well-being, sick time, salary for people with impairments, as well as a pension plan those who retire help employees and their families with their physical, emotional well-being. In most defined benefit models, the benefit is provided as an annuity, which is a series of occasionally comparable transactions are paid over periodic times, such as periodically or yearly. In most cases, installments begin when member reaches the plan's usual pension age.

3.04 Defined Contributions Plans

Because each individual participant has their own document. The specified donations program commonly referred to a personal competitive strategy. Despite diverse strategies define the amount of promise that will be written down profile in the participant's file. For instance, a briefly could state that a payout, and proposal, will be made to an eligible participant combination dedication to the contract, equal to 6% of their income. A participant's contribution could also be described in terms of a specific financial amount, such as \$2,000. Portion of donation is predetermined for example: Angie works at FKL company as a creative person and makes \$50,00 per year. If everything goes according to plan offers donation allocation of \$3,000 ($\$50,000 \times 6\%$). This sum will be being placed on their personal purse as part of this strategy.

3.05 Types of Defined Contributions Plans

Strategies for participation have been developed come in a variety of shapes and sizes. Several strategies are now in the works keep detailed record for each participant. Both plans outline its inclusion of involvement on that will be kept in a participant's history. That participant bears the risk as in enterprise, there is no predetermined benefit to be given at retirement, as there is with a specified benefit contract. The following are examples of defined contribution plans:

- Profit Sharing Plans & 401(k) Plans
- Safe Harbor (k) Plans
- Money Purchase Plans
- Stock Bonus and Employee Stock Ownership Plans

3.05.01 Profit Sharing Plans: Employers should contribute to a profit-sharing scheme to compensate their workers for their hard work. Employers will value their annual contribution to the plan more than their actual contribution, and there is no requirement to contribute based on income. Although it is not appropriate to determine the exact amount of money that will be contributed to the plan each year.

3.05.02 Safe Harbor (k) Plans: A 401 (k) plan with a safe harbor is one that like a traditional 401 (k), except that each employer is looking for the company to make promised. Corporate obligations were fully engaged inside these initiatives right away, and it supports managerial responsibilities as particular. This framework encourages commitment in three ways:

- Match
- Safe Harbor 3%
- Safe Harbor Match

3.05.03 Money Purchase Plans: A cash purchase plan resembles a price share plan in appearance, except that these are individual record plans. regardless of the case is also, the differences are important. A cash buy plan commits the corporate to pay a particular amount or level of the participants' remuneration to the agreement annually. A cash purchase commits business of pay set amount or level among individual's remuneration to the agreement annually, notwithstanding the fact that and organization will select annually what proportion benefit sharing payment in should unless you are wanted to create something, think about what

you are trying to build.

3.05.04 Stock Bonus and Employee Stock Ownership Plans: A stock fee structure is a profit-sharing arrangement in which a portion of the company's stock is distributed to dismissed or resigned workers as a bonus. Optional contributions equations can be used in stock extra schemes as a kind of benefit-sharing arrangement, and managers can contribute to the form of cash or company stock.

3.06 Plan Documentation

Developing the best plan to fulfill the plan sponsor's objectives, producing written plan papers, and setting the plan in motion or installing the plan are the first critical steps in the plan administration process. This procedure is essential for developing and sustaining a qualified retirement plan for the benefit of both the employer and its participating workers.

3.06.01 Adoption of a New Plan Document: The first ever planned year's final date is the deadline for signing a qualifying plan contract for all non 401 (k) plans. For the calendar year 2008, there is profit-sharing system, for example, must be implemented by December 31, 2008. 401(k) programs have an accelerated deadline and must be accepted before the first elective deferrals are withheld from workers' paychecks.

3.06.02 Basic Plan Document Language:

- **Eligible Employees:** Workers and representatives use their common concept to identify people who are expected to have any involvement in the contract or are secured by it, as well as those who are barred of involvement.
- **Employee Benefits plans:** Data Path Ltd. is Bangladeshi company. Employee benefit plans, I discovered, are required. To qualifying employees, Data Path Ltd. offers a wide choice of benefit options. The qualification with each plan of assistance is determined by a variety of factors, monitoring their occupational category, length of service, and performance.
- **Normal Retirement Date and Age:** Ordinary time of departure and average retirement age are departure by certain plan file drafters, whereas the two phrases are combined by others. Typically, their life expectancy as defined fixed age, such 65, predefined age

and management time, the anniversary of that participant initial involvement in the contract.

- **Fiscal and Plan Year:** Agreement assistance's monetary calendar year, also because arrangement year, are going to be noted within the arrangement record meanings section. In certain cases, the 2 cycles do not coincide.
- **Leave of Absence:** Through my company Data Path in Bangladesh. I found that difference leave of absence policy. Data Path used this policy when employees terminated or absence of few months or year, and again rehired company in same department then employees lose their position and designation.
- **Hours of Service:** In my company used hours of service requirements. They mainly used it when calculated entry in the provident fund schemes.
- **Year of Services:** The word “administration year” can be defined in a variety of ways. The most known defined as a time in where a worker having completed for compensation for 800 hours of management work at any cost.

3.07 Testing

To qualify for the tax benefit, the plan must pass a series of measures. The Top-Heavy Test is one of the most important tests. Minimum coverage testing is also needed. Plans must set their eligibility and participation requirements in such a way that they benefit a nondiscriminatory cross-section of HCEs and NHCEs.

3.07.01 Top-Heavy Test: Following the identification of key personnel, the task at hand is to determine the plan's top-heavy status. The top-heavy rules are introduced in the plan text, along with how they will be applied to the plan. If the account balances (in a fixed contribution plan) of key workers surpass 60% of the total account balances or current value of accumulated benefits of all members, the plan is considered top-heavy.

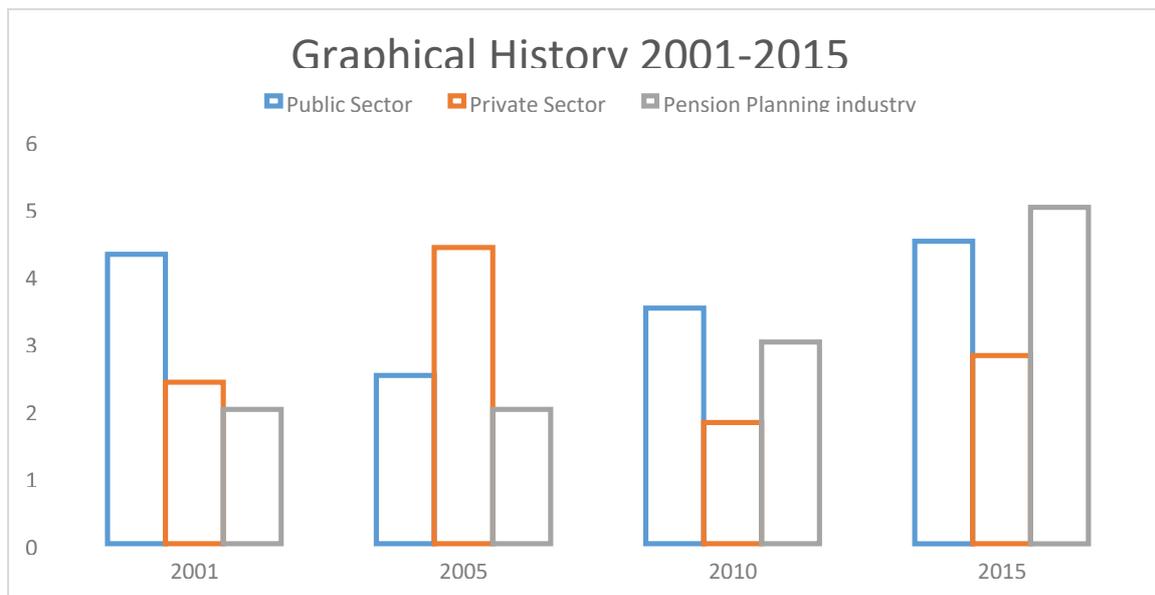
3.07.02 Nondiscrimination Testing: Under the Internal Revenue Code, eligible programs do not discriminate in the degree or amounts of benefits offered to plan participants in favor of the highly paid. An eligible 401(k) plan must demonstrate compliance with these laws each year by demonstrating that HCEs are not contributing more than an allowable percentage of their income to the plan, either pre-tax or after-tax.

Chapter: 4

Bangladesh Retirement Plan Industry

4.01 Bangladesh Retirement Plan Industry

Even after an extended time, maturing may be a action everywhere the globe. This refers to the degree to which the older generation has reached the age of sixty or more. In Bangladesh, it's becoming more of a challenge. With the expansion of human capital and an expanded future, it's becoming a systemic issue in developing countries, including Bangladesh. Over the previous couple of decades, Bangladesh's elderly population has been steadily increasing. for example, 9 million people, or around 6% of the population, are over the age of 65. By 2025, one out of each ten people are going to be over the age of 18.



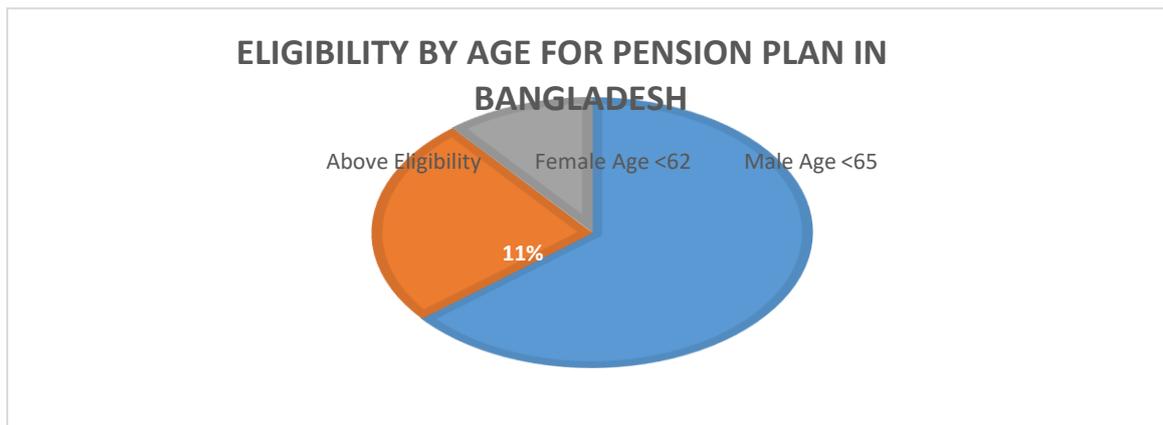
This represents rising tendency in the number of senior individuals living longer lives, which may draw attention to the issue of elderly care in the coming years. The following could be a genuine pattern prognosis for the number of older persons as a percentage of the overall nation:

Year	Total Population in Bangladesh (in million)	% of elderly people above 60 in Bangladesh
1980	88,221	5.28
1985	99,373	4.99
1990	1,09,465	4.87
1995	1,18,616	4.89
2000	1,29,155	5.11
2005	1,40,566	5.48
2010	1,51,799	6.05
2015	1,61,540	6.94
2020	1,70,194	8.01

Because Bangladesh lacks a government managed savings program like those of others affluent countries, the country’s aging population has become a severe societal issue. In Bangladesh, aging is an excellent choice significant issue because to the country’s number of participants, prosperity, shortage, uncertainty, dreadful social centers, and hence the lack assets handled by the administration. The elderly, in general, rely on their families for care and treatment. Most of the more seasoned individuals in Bangladesh board extreme need after a lifetime of poverty, ill health, and social segregation.

4.02 Pension System in Bangladesh

Bangladesh's the authorities changed the rules advantages controls primary the year 1972. within the same way because the previous scheme did, incentives are provided by fixing salaries by and huge with the foremost recent salary for a year instead of ordinary buy the previous three years. In 1974, rather than a daily year's payment, the annuity was charged supported a selected percentage of the last salary received. the very best percentage of pay represented 60 percent of the whole income.



Retirement requirements have been announced in 1977, supported a system of modification involving family rewards and tips, and the most vital compensation total was set at 80 percent of the fundamental payout earned. Finally, in 1994, the administration reorganized the conditions and guidelines for the regulatory authority's endorsement of annuities.

4.03 Types of Pensions in Bangladesh

According to the laws of Bangladesh administration, differing types of annuities are permitted

by the legislature to open governing body. Below are a few the things that are explored:

4.03.01 Compensation Pension: There is retirement paid government employees who are laid off thanks to the government's downsizing of certain departments or organizations to keep up their economic viability. For previous service, a government employee could also be eligible for a compensation pension. (1) Invalid Pension: When a person is fired applies for any illegitimate pension throughout the past turning 58, that manager of the company should deal with the situation and advantages approval with medical advice concerning the representative's refusal. (2) Retiring Pension: if every subordinate delegating specialist needs a member of its staff to depart after 25 years of administration, the expert may make a recommendation to the service in question thereto effect.

4.03.02 Retirement Benefits: The term "retirement" refers to the act of ceasing to figure in one's current role. 'Retirement may be a period when people leave those positions and pursue new ones,' consistent with one blogger. Several benefits are available to a former employee. (1) Gratuity: the govt. currently requires a nonworker to receive a gratuity of up to 80% of his or her emoluments after completing 25 years of pensionable service. (2) Family Pension: It is obtainable toward deceased specific life former employee, but the retired employee must appoint or even so much of their family relatives because retirement successor. but the case of female employee, husband, the deceased's children and Unmarried and windowed sister, brother of but 18 years old, Father & Mother.

It should be noted that if the deceased employee's wife does not remarry, she will be eligible for the pension. She would not be eligible for such a pension if she remarries.

Chapter: 5

Topic Analysis and Discussion

5.01 Topic Analysis and Discussion

Every country follows its own set of rules and regulations when it comes to retirement benefits. The situation varies by country. Bangladesh complies to the same rules as the rest of the world. I have highlighted the U.S.A retirement approach and discovered a few differences with Bangladesh, according to Data-Path Ltd.

Title: “A Comparative Analysis Retirement Plan System Between Bangladesh and U.S.A”

In our country, there is a retirement pension scheme for government employees, but it rarely exists for private sector employees, and if it does, it is not well-organized like the Retirement Provident Fund in the U.S.A. A retirement package ensures that an employee can be financially stable after retirement. The comparison of two countries will be used as the basis for the following retirement plans. It gives them the assurance that in the event of a more serious financial emergency, they will be able to survive.

I will follow the same framework of that retirement plans of U.S.A. How much Data Path Ltd. used the policy?

- 1. Employee Benefits plans:** For the info Data Path Ltd. is Bangladesh firm. Employee benefit plans, I discovered, are required. To qualifying employees offers a wide choice of benefit options.
- 2. Pension Benefit plan:** According to my review in my company Data Path Ltd. They have benefit plans for employees.
- 3. Eligible Employees:** I found that in my company Data Path Ltd. they need used employee eligibility once they applied provident fund schemes. Data Path Ltd. contributes to your Provident Fund by matching the quantity deducted from your compensation.
- 4. Hours of Service:** In my company used hours of service requirements. They mainly used it when calculated entry in the provident fund schemes.
- 5. Year of Service:** Some employees hired 6 months of eligibility requirements. After 6 months they need eligible for provident fund schemes. This date was mentioning when hired employees.

6. **Leave of Absence:** Through my company Data Path Ltd. in Bangladesh. I found that difference leave of absence policy. Data Path Ltd. used this policy when employees terminated or absence of few months or year, and again rehired company in same department then employees lose their position and designation.
7. **General Non-discrimination Testing:** Data Path Ltd. ensure in terms of benefits; the plan does not discriminate in favor of workers are highly rewarded must have the same perks as those who are not paid staff.

5.02 Economic Impacts of Using U.S.A Retirement Policies through Data Path Ltd. in Bangladesh

A national retirement arrangement would in a perfect world eloquent a lot of core values intended to give people the chance to accomplish monetarily secure retirements. These criteria could include and discuss factors like retirement service usability, benefit sufficiency, risk distribution, treatment of different wage levels, motivational use, single decision, expenditures, and transportability and spillage. It is important to remember that expectations can change over time because of changes in socioeconomics, monetary, and political conditions. Well-chosen criteria would be sufficiently broad and far-reaching to represent and resolve sex and race disparities in wealth, incomes, and reserve funds.

The level of economic development, the age structure of the population, and political factors all influence the retirement pay structures that are appropriate for different countries. Changes in retirement pay frameworks may be needed as the financial, statistical, and political circumstances of a country change. Retirement pays structures progress after a period because of the connection between government-managed savings mature age frameworks and change. People who are not in the workforce on a long-term basis or who have large gaps in their careers may often be included in a successful arrangement. The rise and consequences of a high-innovation-based economy, in which transient engagement is common, may also be considered. Even though providing financial security to workers when they retire is clearly an important goal of a successful retirement system, difficult questions remain, such as how much retirement salary is sufficient or what characteristics of the projects that will provide this pay. Is it enough for the system to provide everybody with the tools they need to build a financially stable retirement while still placing the responsibility of using those tools on their shoulders?

What role should employers be expected to play in the distribution of retirement benefits? These are the kinds of questions that a national retirement plan would be able to answer. To be successful, a national retirement arrangement does not need to result in a general upgrade of our retirement system.

Alternatively, it may serve as a roadmap for potential steady improvements that would advance the strategy's expectations. After some time, relying on a well-crafted national retirement plan to evaluate current retirement schemes and potential improvements to those projects could help our retirement system become more proficient and viable while minimizing unnecessary multifaceted nature and coverage. As nations have grown and become more familiar with the structure and executives of retirement-pay systems, retirement-pay frameworks have become more volatile. The most recent government frameworks have focused on tried-and-true assistance services. They were trailed by government-sponsored social security, which had been in place for over a century. In several countries, such as the Netherlands, Norway, and Sweden, structured savings retirement pays schemes initially provided only level benefits, with a profit-related benefit added later. The number of countries that have such structures has increased over time. Manager-supported word-related benefits have grown significantly in importance in OECD countries during the second half of this century, despite their importance being negligible in many other countries. Expanding the complexity of retirement pay structures is appealing because it provides more significant protection against risks. The United States government has a very well-defined framework for managing and retaining their retirement policies, and it outsources the activities related to those policies to companies like Data-Path Limited and Summit, among others. Data-path Limited formed a branch in Bangladesh to handle the functions of USA retirement policies. As data path ltd establishes a branch in Bangladesh, they hire more employees to complete their jobs, assisting the government in lowering the unemployment rate. By joining with **Data-path Limited**, many people get the opportunity to earn their livelihood and get the facility to contribute to their family. It is very important to mention that at present 130 employees are working with data path ltd in Bangladesh. These employees are participating in the economic development of the country. By increasing their income, they are also increasing the country's GDP, which is the most important component of any country's economic growth.

The U.S.A administration had done many things to improve their pension plan. They offer a variety of benefits to employees leaving after a certain amount of time. They provide retirement insurance to any or all workers, including private and public sector employees, by enacting a compulsory law that applies to any or all styles of businesses. The u. s. government also guarantees that the corporate complies with the legislation. One of the policies of the United States' retirement scheme is to create a provident fund that is contributed equally by both the employee and the employer during the duration of employment prior to retirement. Any company creates a fund for the potential betterment of the employee under this arrangement by deducting a portion of the employee's and employer's profits. And the company invests this money in assets that have a higher return on investment. Typically, they invest in the equity or share market, which provides the highest return to workers. As a result, both companies support workers by offering adequate retirement benefits and contribute to the growth of infrastructure and the economy. If an employee changes jobs, they can withhold their funds from their former employer. For the benefit of workers, the United States government created the 401(k) scheme, which allows employees to move their money from former employers when they change jobs. It is necessary to remember that under a 401(k) plan, employees can move their provident funds from former employers to current employers if the latter is a 401(k)-plan participant. The money cannot be transferred if this is not the case.

Everyone knows that Bangladesh does not have a formal retirement scheme or policies for its workers. Apart from that, not all companies provide retirement benefits to their employees. Some private and public companies offer workers meager retirement benefits. Since the government of Bangladesh has not established any mandatory rules and regulations, most organizations do not have retirement benefits, and as a result, employees of these organizations live in deplorable conditions after they retire. They will not be able to cover their family's expenses because they have no savings. As a result, Bangladesh should adopt the United States' retirement policies and improve and enforce these policies in Bangladesh. Without a doubt, if the Bangladesh government implements these policies, workers will be able to live a happier life after retirement because they saved a portion of their salaries, and the company will benefit from a happy and motivated workforce, which will increase the organization's efficiency and productivity. Since the company keeps a portion of its earnings for its workers and invests the rest in the equity market or share market, it contributes to the country's and employees' economic growth.

To function properly, all pension frameworks necessitate excellent governance and administration. All mechanisms must respond to macroeconomic uncertainties such as inflation, unemployment, wage growth rates, demographic changes, and changes in funding costs. Although a diverse range of government disability mechanisms are suitable for achieving societal goals, the following general recommendations apply to most countries. A destitution reduction scheme, an unfunded social security program, a subsidized program, and private investment funds could all be implemented. There should be a mandatory investment in a unified national pay-as-costs-rise system with no preferential treatment for favored groups. If the funded service is obligatory, consideration should be given to the issue of fixed costs, which are a significant burden for small records.

Chapter: 6

Findings & Recommendations

6.01 Findings

After organizing all the data from the Bangladesh and U.S.A, I discovered some gaps between the two retirement plans. Some of them are significant and are listed below:

6.01.01 U.S.A Retirement Policy

There are some distinguishing characteristics of U.S.A retirement policy that have made it so common and widely used by both government and non-government organizations, including sole proprietorships.

- **Government Rules:** The U.S.A Department of Labor has several retirement options available. Aside from government entities, all non-governmental entities must follow at least one of these plans. The retirement plans must also be adopted by sole proprietorship companies.
- **Rules for Highly and Workers that Are not Well Rewarded:** The HCE is not allowed to contribute over the allowed percentage of their salary to the program. As a result, the u. s. will reduce discrimination between HCEs and NHCEs.
- **Contribution to the national economy:** Money saved from various retirement plans is invested in an exceedingly style of projects, especially the securities market. The accumulated amount is extremely high, and the return on the invested amount is additionally very high, since almost everyone seems to be protected by retirement plans.
- **Age limit:** The majority limit is 65.5 years. At that age, they are completely vested. They even have an early retirement plan that lasts for 55 years.

6.01.02 Bangladesh Government's Pension Policy

In Bangladesh, the pension scheme is mostly observed in government services. Pension disputes are resolved in accordance with the Public Servants' Laws. In Bangladesh, private companies are exempt from the retirement scheme. The following are the characteristics of Bangladesh's retirement policy:

- **Insufficient amount:** The elderly is very insecure and unstable because of retirement due to old age. Since the government does not provide any benefits or profit-sharing to citizens, the amount received after retirement is insufficient to live a comfortable life in

the future. Despite its limitations, this is a good start toward offering security to most of the elderly who are not covered by the current pension scheme.

- **Terminated employee:** When government employee gets terminated, discharged derived through work due to wrongdoing, bankruptcy, infirmity their former would be a business forfeited, and as a result, he or she is not eligible for a pension.
- **No Scheme for Private sectors:** Bangladesh's population is mostly employed by private businesses. Private-sector employees do not have a standardized retirement insurance plan. They are only paid a small bonus when they retire. They are exempt from government pension laws.
- **No Specific Organization for retirement policy:** Bangladesh's pension scheme is managed by the department itself. There is no other agency appointed to this policy, while in the United States, any organization is reliant on the Third-Party Administrator.
- **Qualifying Conditions:** Only civil servants and railway workers are eligible for the program. A government employee may retire at the age of 57 or after 25 years of service, whichever comes first. It is 60 for Bangladeshi teachers and freedom fighters. Early retirement also necessitates 25 years of service.

6.02 Recommendations

During my time working at Data Path Ltd. and implementing pension policies, I discovered some gaps and shortcomings in Bangladesh pension policy. Both for Data-path and the Bangladesh pension fund, I have made some strong decisions. To improve this situation, I would like to make a reasonable and confident recommendation.

6.02.01 For Data Path Ltd.

- **Right person in the Right Place:** The policy of recruiting should be to place the proper person within the right place at the proper time. Data-path should hire the simplest and most deserving candidates for the work. It must be managed to keep up performance and quality. the worker must be trained to know the United States' retirement and pension benefits. As a result, the training should be completed fully. Employees must be excellent communicators because they are going to be communicating with clients and US consultants. they ought to be ready to handle extra work during the busy season before the official document deadline. As a result, Data-path should choose the simplest

one who can adapt to any situation.

- **Should carry on the faith:** Data Path Ltd. has been providing support for July Business Services since the beginning. After a while, they were able to gain permission to create a report for JOBS' customer by establishing confidence. Here, safety and security are the most important factors to consider when preparing the study. We learned some sensitive information at the last minute before submitting a paper. As a result, we should keep this strategy in place. If we continue in this direction, the number of people who outsource will rise. Our national income will also rise because of this.

6.02.02 For Bangladesh

- **Should introduce in private sector:** The private sector could have its own provident fund scheme. However, it differs slightly from government regulations. If the government launches a pension scheme or makes it free for all Bangladeshi sectors. It will also be beneficial to everyone. As a Bangladeshi employee, they must be entitled to such benefits from the government's pension fund.
- **Should have a responsible organization:** Every government agency has a pension scheme in place. It would be preferable if Bangladesh had its own pension reform organization or a third-party organization. To keep the pension scheme in place, Bangladesh should create a separate agency that is solely responsible for it. It will be beneficial to the people and will not be a financial burden to others.
- **Should have rules for HCE/ NHCE:** To minimize the disparities between highly and non-highly paid workers, the Bangladesh government should impose some rules for highly compensated employees. ' NHCEs will benefit if HCEs adhere to the limits or percentages.

Conclusion

In Bangladesh, there are many outsourcing companies, but only some are appreciating Data Path Ltd. Data Path Ltd. could be a company headquartered within the U.S.A that deals with retirement plans within the us. As a result, it influences the company culture and values. Jim Hudson and John Humphrey, two Americans from the us, lead Data-path. Data Path Ltd. started with just six employees and has since grown to 150. All of this was only possible because the two Americans preferred upper executives were highly motivated, inspiring, and well-led.

During an investigation of the USA retirement advantage plan was revealed to be in violation of IRS laws and regulations advises Americans to avoid wasting money for his or her retirement. In any case, we've plenty of problems in Bangladesh when it involves workers retirement reserves. The American retirement insurance scheme is dedicated to its capital market and piques people's interest in trading stocks and contributing to the economy. This study has the potential to enhance Bangladesh's retirement benefits.

In our country, the working environment is not particularly favorable. Among the workers of our country's businesses, organizational politics continues to play a task. But I used to be ecstatic to determine how supportive the employees of Data Path Ltd. Data Path Ltd. do not fund its Bangladeshi agency, but with the help of July Business Services within the us, this business is prospering to become the most effective Third-Party Administrator (TPA) outsourced provider.

I am thankful for the opportunity to do internship with Data Path Ltd. here I used ready to learn plenty latest things, win my supervisor's job, and receive guidance that I will be able to remember and apply for the remainder of my life.

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