



INTERNSHIP REPORT

on

“Comparative Study on Pension Policy (with Focus on USA and Bangladesh)”

Supervised By

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111173022

Date of Submission August 26, 2022

INTERNSHIP AFFILIATION REPORT ON

“Comparative Study on Pension Policy (with Focus on USA and Bangladesh)”

Letter of Transmittal

Date: 26/08/2022

Ms. Zinnatun Nesa
Assistant Professor
United International University

Subject: Submission of Internship Report on “Comparative Study on Pension Policy with Focus on USA and Bangladesh)”

Dear Madam,

It gives me great pleasure to share the internship report, "Comparative Study on Pension Policy with Focus on USA and Bangladesh" which was given to fulfill my BBA degree.

It is a privilege for me to work with one of Bangladesh's top organizations and acquire in-depth understanding of lending procedures and monitoring strategies. I have made every effort to include as much material and pertinent topics as I can throughout the study and to adhere to the guidelines you have provided. I made every effort to include as much information as I could in this report.

At each stage of my work on this report, I appreciate your advice and kind assistance.

Sincerely yours,

Tanzim Arefin Haq

Department of Business Administration

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Acknowledgment

I want to express my sincere gratitude to my esteemed supervisor, Ms. Zinnatun Nesa, for her close supervision, encouragement, and concern over the completion of my internship report. Since there is no end to learning, my four months of employment at Data-Path Ltd. have been a singular opportunity for me to discover fresh information about the sector. Additionally, I would want to thank the other instructors whose guidance and teachings I have found to be costly and beneficial during my training.

I would really like to dedicate special thanks to the ones people without whom it was hard for me to keep my internship report. My special thanks go to Khandaker Fazle Rabbi (Director, HR Department), and thanks to Ashiq Mosaddek, Director (IT Department), and MD. Kamruzzaman Milon, Sr. Executive [sales and 3(16) department] and MD. Din Islam, Trainee Executive [Distribution and 3(16) Department] for helping me in every way to finish my internship efficiently. This experience will certainly improve my perception of the business world in which I can more efficiently conduct my theoretical expertise in real life.

We appreciate all of the support from our classmates, who did everything in their power to assist me in any way they could during my internship.

Last but not least, I'd want to thank United International University for enabling me to experience self-development through real-world experience.

Letter of Endorsement

The Internship Affiliation Report entitled “Comparative Study on Pension Policy with Focus on USA and Bangladesh)” has been submitted to the Office of Placement & Alumni, in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA), Major in Finance, Faculty of Business Administration on 28/07/2022 By Mr. Tanzim Arefin Haq, ID#111173022.

My professional understanding has improved as a result of writing this report, which also gave me the opportunity to connect a conceptual trait to actual professional dealing strategies. I want to express how grateful I am that I was given the opportunity to create this report, since I had a lot of fun doing it.

Tanzim Arefin Haq

ID:111173022

Department: BBA

Executive Summary

The report titled the skills and knowledge acquired during the internship term are compiled in the report titled “Comparative Study on Pension Policy with Focus on USA and Bangladesh”. The first chapter covers the motive and the objective of the report it also limitation. Second chapter covers the background of the organization, mission and vision. Third Chapter shows the overall internship experience. In chapter 4, the procedures, rules, and regulations of the American Retirement plan are discussed in detail. Fifth chapter discusses the retirement plans steps and sequences that have been taken by Bangladesh. Chapter Six talk about the pension plan in Bangladesh private sector. There I discussed about the pension plan of United International University. In chapter-7 I discuss about findings regarding this report, recommendation and concluding statement. To justify this report it is based on the experience gathered from the seniors and colleagues and the supervisor. Most of the information in the research is covered in terms of the information sources utilized to obtain the data needed.

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Chapter-1

INTRODUCTION

Chapter -1

Introduction

1.1 Rational:

All BBA students are encouraged to attend the internship program is a requirement for graduation. This report is one of the requirements for completing the BBA program. This curriculum is included in the BBA program for real-world work experience. Only classroom learning will not prepare a student to deal with real-life situations. In practical life students can learn about the environmental elements of any business through internships. organization.

For professional life, only theoretical knowledge is insufficient. For professional life, only theoretical knowledge is insufficient. Internships are the finest way to put academic knowledge into practice. The ideal venue to put academic knowledge into practice in the working world. by way of an internship program, I can apply my theoretical knowledge in the workplace. In order to collect the working life knowledge.

1.2 Broad objective

As I worked in the 3(16) department of Data-Path ltd, my specific objective of this report is to look into the company's retirement plans and participant's information.

- Learned how to apply theoretical in practical life.
- Learned how to word in team and accomplish task properly.

1.3. Specific Objective

- To know about the American Retirement plan industry.
- To gain knowledge about the overall work of 3(16) fiduciary service.
- To know about deferral rules and regulation.
- To Know about Pension facilities in Bangladesh

Limitation of study: There are confidential information of the clients which I was not allowed to share. It is totally new in Bangladesh. Totally depend on third party company in USA. There are chances to make mistake as it is new to Bangladeshi people.

Chapter 2

Company Analysis

Chapter-2

2.1. Background of Data-Path

“**Data-Path Ltd**” is a private limited Outsourcing company operating in Bangladesh working for national and international companies. It was founded by Md Ashfaqur Rahman (CEO and Managing Director) in 2008. It is mainly work as an TPA of a mother company named “**July**” business service situated in America. At the beginning Data-Path started with a small office in Uttara with very limited operation for experimental purpose. At that time there was only 6 employees who really understand the work. Later in 2010, Data-Path moved its office to Gulshan and grew their employees 29 in numbers.

At that point, July Business Services was reducing its workforce and relying heavily on Data-Path Ltd. Ltd. for most of its operations. Because of the Business Process Outsourcing Department, the company began to grow quickly in 2015. Similar to July Business Services, many other USA TPA companies in the USA regarded this outsourcing procedure as a chance. They nevertheless began to outsource their business operations through Data-Path Ltd. despite setting up their own office. 17 additional TPA firm clients are currently served by Data-path. Data-Path Ltd. is currently operating in Dhaka, nevertheless. Ambon Complex, (8th, 9th, & 13th Floor), Mohakhali, Dhaka is where Data-Path Ltd. is currently located.

Vision:

Data-Path’s vision is to get the driving position within the outsourcing industry. To advance from a conventional BPO to another era BPO.

Mission:

Information way needs to serve its clients successfully with the assistance of the most recent innovations. Transformation and advancement are central to Data-Path Ltd.

2.2 Services:

July Business Services and for their gain Data Path Limited is giving the following:

Plan Design

Most of the time, retirement plans are designed to meet each and every corporate goal and strategy. Whether its staff on-boarding and maintenance, or enhancing benefits for essential task reps and scheduled, always keep your eye on the professional.

Plan setup

To set up retirement plans quickly or to take over the current provider's business. Data Path ltd specialized setup institution offers hands-on services to set up all aspects of the plan. Our service includes:

Plan administration

July's professionals have more than 25 years of experience in plan administration and are experts in this competitive industry. The client's strategy will be managed by a team of professionals who will act as account consultants.

- Benefit and contribution or allocation portions of a plan document typically refer to the definition of remuneration. The total pay received by a contributor is frequently used as evidence of benefit and contribution. On the other hand, plan sponsors are free to add or subtract a portion of pay, such as moving expenses and discretionary deferrals, as long as the final amount of compensation is less than the IRS-declared maximum.
- Eligibility Calculation. All active full-time and part-time associates working for a Company or any other subsidiary or associated company that has accepted the Plan are typically eligible to participate in the Plan.
- Fiscal years can be either the calendar year or the odd year. If any plan sponsor opts for the year, The program will start on January 1 and run throughout December 31. Plan year may

be an angled year; for example, the plan sponsor may begin the plan on July 1 of 2019 and finish it on June 30 of 2020. The plan sponsor will choose an option from the plan document in this situation but since fiscal year matches to the odd plan year.

- While some financial planners make a distinction between the ideas of a typical retirement age and a normal retirement date, others conflate the two. The phrase "typical retirement age" designates a specific age, such 65. indicated seniority and age, e.g., 65 years, length of service, and the fifth anniversary of the participant's initial inclusion in the plan.
- Contribution Allocation
- Vesting calculation. The service necessary to vest in your Cash Balance Account is called as the "Vesting Service." Once you have three years of vesting service,
- Distribution and loan processing.
- **Compliance Testing:**

Its account representative provides a complete package of services to maintain the integrity of the customer's plan. Its testing services include the following:

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

Plan record keeping

July and Data Path give automated record-keeping administrations through their group partners and through July's day by day valuation record-keeping stage:

- ✚ 24 Hour Internet Access.
- ✚ Day by day Valuation of Accounts.
- ✚ Plan Sponsor Account Access.

- ✚ Quarterly Participant Statements.

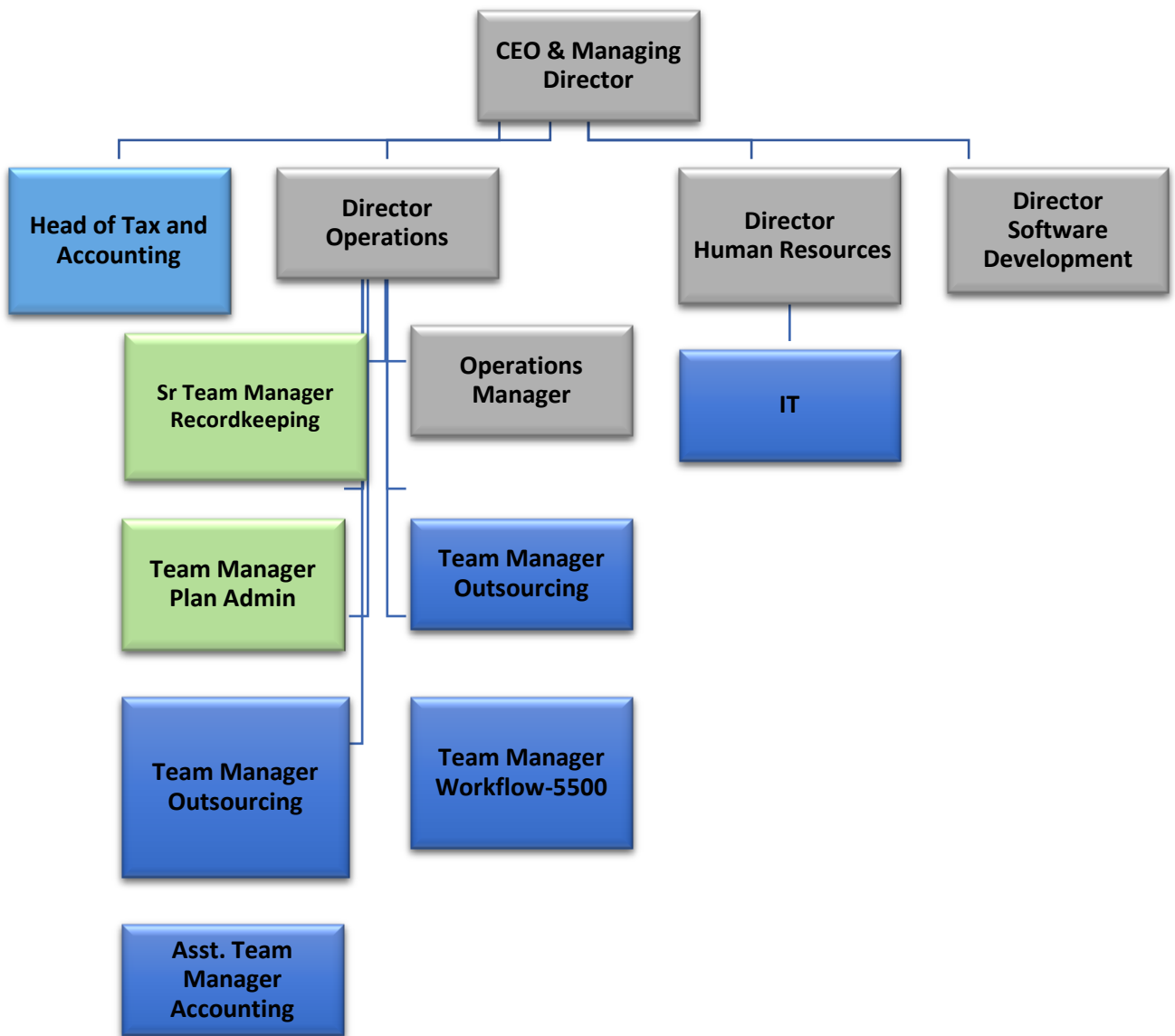
Participant service

Through its alliances with financial service providers, July provides participants with the highest quality tools to anticipate and achieve a secure financial future.

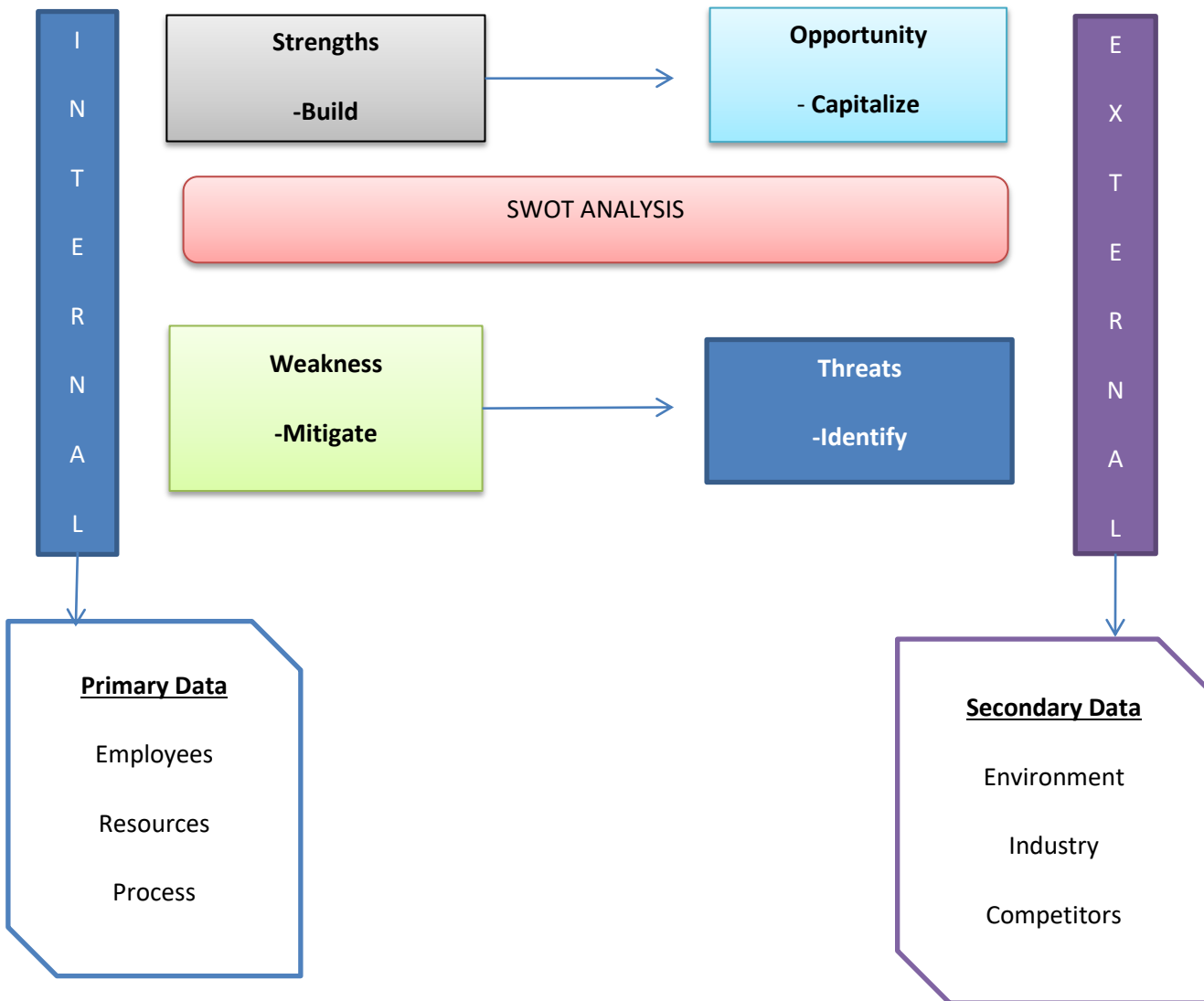
Fringe benefit

- ✚ July service provide the following benefits:
 - ✚ Medicinal repayment plans
 - ✚ Adaptable spending records and section 125 Fringe Benefit Plans
 - ✚ Health Reimbursement Arrangements (HRAs)

2.3 Organizational Structure



2.4 SWOT Analysis



Strengths	Weakness
<ul style="list-style-type: none"> ❖ Its software and technology is totally secured. ❖ This company is growing rapidly and highly potentiality to sustain. ❖ Earning foreign currency. ❖ This company has less competitor in the industry. ❖ It is contribution to Bangladesh economic growth because this business is earning foreign remittance. 	<ul style="list-style-type: none"> ❖ As the client and advisor cannot physically meet, a communication problem occurred. ❖ This kind of business is totally new in Bangladesh. ❖ As it is totally new in Bangladesh that's why employees need to train in detail which is very time consuming. ❖ Employees have to go through a 4 months of training period before getting live work. So it takes time to train an employee ❖ Lack of software efficiency
Opportunity	Threats
<ul style="list-style-type: none"> ❖ As there is no competitor in Bangladesh it has high potentiality to grow rapidly. ❖ Although the there is a communication gap but with the help of video conferencing the technological experience will be increased even will know about retirement plans procedure. ❖ Workflow depends on the US economy. 	<ul style="list-style-type: none"> ❖ It is totally new in Bangladesh. ❖ Totally depend on third party company in USA. ❖ There are chances to make mistake as it is new to Bangladeshi people. ❖ In Bangladesh there is one competitor who are working with the same industry name FINSO but that also made by few employees of Data-Path.

2.5 External Economic Factors

In the contemporary corporate world, outsourcing is the current trend for any significant business success. The outsourcing market is currently worth many billions of dollars. Although Bangladesh now lags behind in this area. Companies like Data-path Ltd., meanwhile, are just starting to appear in this nation. There is a good probability that this company can attract a sizable amount of foreign money into this country because it specializes in the TPA industry, which is a large market in the USA. External Social Factors

2.6 External Technological Factors

Data-Path Ltd. initially restricted itself to purchasing and employing the most popular RPF industry software. Each TPA client operates significantly differently from the others and employs a different kind of software in the RPF sector. It was quite challenging at initially since Data-Path not only served 17 additional TPA clients in add to July Business Services. But over time, they have been successful in exposing their staff to a wide range of industry-specific software. Data-Path Ltd. is also now developing some of its own software. In terms of creating for their personal needs, they also wish to sell in the US RPF market.

Chapter-3

Internship Experience

Chapter-3

Experience 3.1.

3(16) department is totally new department in Data-Path Ltd. Basically the department works with all the department. Its main works is checking the eligibility of a participant whether the participant is eligible for the enrollment or not.

Work related activities.

During my internship period I have worked totally in new team some of this works are listed below

- Measuring Employee Eligibility

1. Frequency checking
2. Signature date checking.
3. Payroll contribution checking

- Works with UNIFY and RELIUS.

- Fiduciary Oversight

Measuring Employee Eligibility:

We have to find out the participant who is eligible for the enrollment. We have to check that if a participant fulfilled the whole requirement or not. if the participant fulfilled his/her requirement than we give an entry on excel sheet after the latest date with everything in mind about requirement.

Frequency checking-

It mainly indicates how long the contribution occurs. It can be weekly, monthly, semiannually, or annually. For this we have to use unify and use plan specification. Under plan specification file

we have to choose Plan Questionnaire. In plan questionnaire under page 8/9 it is mentioned that if the plan contributes weekly, monthly, semiannually, or annually.

Signature date checking-

After prepared a plan document it is sent to our mother company in USA named July services for checking whether the plan document is acceptable or not. After checking whole plan document, it is sent to us with “**Receive from Client**” status. After receiving the plan document, we used to check the date the document signed and record the date in excel file.

Payroll contribution checking:

In this part we have to check whether a participants contribution started or not. If the contribution started it seems that the payroll also started, as contribution is started from the payroll. For checking the contribution, we have to use UNIFY software. We have to enter the plan name than all the information arrives. From there we have to go in transaction bar and check the contribution first date and last date

Works with UNIFY and RELIUS:

This 2 are software which mainly used in Data-path LTD. Without these data-path could not do their business. Our all the works depends on this two software. From eligibility checking to sending email all the things included in Unify and RELIUS. We can also check yearly and monthly report from RELIUS.

Fiduciary Oversight

This is mainly new work in Data-path ltd. Recently it started the fiduciary oversight. This works is mainly done with each and every department in Data-path. Because in the fiduciary oversight we have to check that if all the department do their work properly or not. We have to complete almost 26 tasks under the fiduciary oversight. It's not that much easy to complete the oversight. If the task full-fill the requirement we have to mark the task as “Completed”. Otherwise mark the

task as “Not Required” or escalate the task to the in-charge, person or team. After assigning the problem we have to wait for the reply or solution if we got our solution than mark those task as completed and also add note to final review task (Task # 300)

During my internship at Data-path Limited, I met numerous obstacles and limits, which I will detail below:

3.2. Training:

As it was a new department, so it takes long time to arrange a training session and it was arranged all of a sudden so first day we faced some technological problem. As I was not familiar with such type of work it took time to catch the overall idea. And I was only one intern in the training session, so I was little bit nervous.

3.3. Work Pressure:

As I mentioned before that it is totally a new department and I am only one person in that department, so all the pressure is going through me. And every day I have to complete at least 4/5 oversight project which is very difficult for me as I was new.

3.4. Technological problem

In case of Unify sometime the unify connection is lost in middle of the work and its very irritating when sometimes I have to escalate any task urgently and also meeting the deadline. Sometime VPN also doesn't work.

3.5. Limited access:

In case of RELIUS there is limited access of the employee. There is only 40 access in RELIUS. So many times, I need RELIUS but could not logged in because of access exceeded that time I it was very difficult to manage the RELIUS access. I had to wait for someone's logging out. As almost all work is depending on RELIUS its very difficult in that moment.

3.6. Professional communication:

One of the most significant abilities I've acquired throughout my internships is how to communicate with others in a professional context. Interactions with supervisors or employees differ from those with professors or other students, and an internship is the perfect place to observe how people communicate in a formal situation. It's also a good chance for you to practice that conversational style. This can greatly assist you when you begin interviewing for employment because you will sound more mature and experienced and more assured in a professional situation.

3.7. Work Life balance:

Every employee should maintain a high level of work ethics. It's a set of values centered on the value of hard effort. I learned about the projects and which ones should be completed first. For some works, there is a time limit. I had to work attentively on those projects.

3.8. Self-Assurance:

I learned how to portray myself with confidence in front of others. I've developed the capacity to converse with others in a confident manner. A person's personality can be boosted through confidence.

3.9. More proficiency in Microsoft Excel

I had many training sessions on Microsoft Excel during this internship program because I needed to be able to function in Excel with ease in order to process a plan. This knowledge will aid me in my future profession, as Microsoft Excel is a critical tool for making life easier.

Chapter-4

USA Retirement Plan

Chapter-4

4.1 What is ERISA?

In order to protect the members in these plans, the Employee Retirement Income Security Act of 1974 (ERISA), a federal law, establishes minimum requirements for the majority of voluntarily created retirement and health plans in the private sector. Employers are not obligated under ERISA to create pension programs. Therefore, it does not usually mandatory that plans include a minimum level of benefits. Instead, it governs how a pension plan is managed once it has been established. According to ERISA, pension plans are required to have provisions for vesting employee benefits after a predetermined minimum number of years. Employers who sponsor plans must meet specific minimum financing standards under ERISA.

Defined benefit and defined contribution pension plans are the two major kinds. Based on years of service, income, and other factors, defined benefit plans offer retirees a fixed level of benefits. Retirement benefits under defined contribution plans are determined by the amount and investment performance of contributions made over a period of years by the employee and/or employer.

4.2 How Do 401(k) Plans Work?

Numerous American companies have 401(k) plans, which are retirement savings plans with advantageous tax treatment for the saver. The United States' Internal Revenue Code is required to have such a clause. Employees who take part in 401(k) plans consent to having a portion of each paycheck put into an investment account. The employer could match all or a portion of the contribution. The worker has many investment options, most frequently mutual funds.

- Roth 401 (k)

Roth 401(k) contributions are made from an employee's after-tax income, which is their salary after income taxes have been withheld. As a result, there is no tax deduction for the contribution year. When funds are taken out during retirement, there are no further taxes due on the capital gain or the employee contribution.

- Traditional 401k

Traditional 401(k) plans deduct employee contributions from the principal amount, which implies that they are taken out of the employee's pay prior to the deduction of taxes. Thus, employee income tax is removed from the total contribution for the year and is deductible from taxes for the tax year. Before the employee is given the money, which really is often a pension, no payments are made for the intervention.

Limits on Contributions

Periodically, the maximum amount that an individual or company may put toward a 401(k) plan is raised to take inflation, a measure of rising prices in an economy, into consideration.

4.3 Workplace Matching

Employers who match employee contributions can do so using a number of methods. For instance, up to a specific percentage of compensation, an employer might match 50 cents of every dollar an employee contributes.

The employer sponsors a retirement benefit plan, which has two different sorts:

4.4 Benefit Plan of a 401(k)

You can lower your tax burden while investing for retirement with a 401(k) plan. Gains are not always tax-free, but contributions are automatically taken from your salary so there are no problems. Moreover, a lot of firms will match a percentage of their employees' 401(k) contributions, giving their employees' retirement savings a free boost.

4.5 Contributing to a 401(k) Plan

The majority of the time, a defined contribution step is referred to as an individual account plan because each user has a separate account. These tools display the sum that will be credited to each participant's account. As according their income, a plan can stipulate that each qualified member will receive 5 percent of their compensation or some percentage of the total plan contribution.

An Illustration on Defined contribution plan

Suppose, Participant X works as an accountant for ABC organization and have an income of \$50,000 during the year. If the plan provides contributions of 5% of the compensation, Participant A will receive an annual contribution of \$2,550 ($\$50,000 \times 5\%$). This amount will be credited to personal account of participant X's of this plan.

4.6 Types of Contribution Plan

1. **Profit Sharing Plan**: In profit sharing plan participants are given fixed amount based on a specific portion of the company's income, therefore in this plan employees are given chance to gain their portion in the complete profit of the company. This encourages them to contribute more and more to the organization's profit and motivates them to give their best efforts.

Example of PS Allocation: The employer contributes \$ 60,000 to the current profit-sharing plan. The distribution system stipulates that the participants will share the profit in proportion to the participants compensation. If the payoff for all participants is eligible in the plan for a profit-sharing grant is \$600,000 and the per capita income for the participant is \$60,000, the participant will receive 10% ($\$60,000 / \$600,000$) of user contribution or \$ 6,000.

1. **SIMPLEs (Savings Incentive Match Plans for Employees)** were developed to satisfy the needs of small businesses and to simplify the administration of qualifying plans for its creators. Only businesses with 100 or fewer employees are eligible to use SIMPLE plans, which must be the employer's only benefit arrangement. All SIMPLE plans are exempt from the nondiscrimination test if the employer makes the necessary payments. Despite having similar names, SIMPLE plans and Simplified Employee Pensions should never be combined. There are two categories of SIMPLEs.

- ❖ SIMPLE IRAs
- ❖ SIMPLE 401 (k) Plan.

Money purchase pension plan: Money purchase plan and a profit-sharing plan are individual account plans, which lets them seem very similar. Profit-sharing payments are provided at the employer's discretion, a money purchase plan forces the business to spend an exact number or portion of the individual's revenue on an annually. The special contribution formula is specified in the plan document.

Example on Money Purchase Allocation. Participant W's income is \$60,000 from XYZ Company, a sponsor of a money purchase plan holds a contribution formula of 10% of eligible compensation. The plan's allotment formula is the same as the contribution formula. The Participant's required allocation for the year would be $\$60,000 \times 10\% = \$6,000$.

Chapter-5

Bangladesh Pension Plan

Chapter-5

5.1 Bangladesh Retirement Plan

In the year 1972, the Bangladeshi government changed the pension laws. In accordance with the changed regulations, retirement was granted based on a fixed payment equal to, on average, 12 months of compensation rather than 36. In 1974, pension payments can be made based on a portion of the most recent payment in terms of a year's worth of standard salary. The highest payment made was 60% of the previous installment. The new retirement amount was set at 80% of the starting pay scale once more in 1977. The Bangladeshi government finally established common pension laws and regulations for government employees in 1994.

All citizens, including foreigners, who are 18 and older may enroll in the program. Pension payments for beneficiaries will begin at age 61. Government and autonomous body personnel won't be covered by the program at first.

Once a beneficiary has made installment payments for at least 10 consecutive years, they become eligible for a pension. A beneficiary who has paid Tk 1000 in monthly installments from the age of 18 until 60 will begin receiving a Tk 64776 monthly pension when they turn 61.

5.2 Pension Plan for Government Job Holder

The technique entails developing a list of government employees who will be fired for the smallest sum of money. The most important aspect is that raising government revenue is required in order to eliminate the posts. The amount of the pension to be paid through this process must be more than the government's earnings. Any employee who leaves a job after fulfilling their duties under specific working conditions, however, is not eligible for a retirement plan. It is not authorized to pay pensions or other forms of compensation for the loss of a certain wage. If they are discharged from the postal service, school teachers or other employees who perform duties for the postal department in addition to their own are not eligible for a pension.

The salary, pension, and benefits payment shall be disclosed to the employee in line with the rules if the official responsibility changes. Regular employees must get equivalent salary for any

period of time that falls short of three months if a notice of layoff is given with less than a three-month notice period. The employee should be shown their salary, pension, and gratuity payment in accordance with the rules whenever their official responsibility changes. If a notice of layoff is issued with less time than three months, regular employees must get equivalent compensation for the portion of the notice period that is less than three months.

Classification of Pension Plan:

1. Superannuation Pension
2. Retiring Pension
3. Option Pension
4. Family Pension

Superannuation Pension: A government worker receives a special pension if they reach a certain age. The Public Service Act of 1974 specifies this. The retirement age is 57 years old. For judges and college students, it was eventually raised to 65 years. The key problem with this pension is that because the exact date of birth is not frequently known, it is guessed instead, and the age is overlooked.

Retiring Pension: According to the law, a public employee can be fired at any moment after 25 years of service if the government decides it is necessary in the eyes of the public. However, no other judge is allowed to use this authority. If a subordinate judge wants to retire a worker after 25 years of service, they must submit a request in writing to the relevant ministry. The President of Bangladesh would be informed of the matter of public officers retiring for his or her consideration.

Option Pension: A public employee has the absolute right to resign from their position at any moment after 25 years of service, subject to certain conditions. In this case, the government is required to accept the option and is not permitted by law to do otherwise. However, once made, a decision of this nature cannot be undone or changed.

Family Pension: When a pension-qualified employee passes away, his or her family members may be entitled for a pension, sometimes known as a family pension. In the event that a government worker continues to work, he or she may choose one of their offspring to take over as a substitute; but, if no one else is available, the governing body will select the replacement for the family pension.

5.3 Implementation of American Pension Plan

Introduce retirement policies for private organizations. There may be formed a private sector retirement fund program. It does, however, differ slightly from governmental rules. In the event that the government decides to do otherwise, it offers a retirement program open to all Bangladeshi industries. It will be beneficial to all of them. As a Bangladeshi employee, they must be qualified for certain retirement benefits from the government.

Presenting a reliable organization. Every government organization has a retirement program. A third-party institution would be desirable for pension policies. Building up an organization is required in order to construct a pension plan. It will release the pressure, and Bangladesh could be successful in establishing a lot more dedicated and hardworking corporation. Bangladesh ought to have a TPA as the United States already has one for distribution. Bangladesh's contribution and deferral can be handled by a very responsible, reputable organization in order to create a practical policy. He won't interfere with others because the people need his team.

Must understand their contribution. Employees must understand how much money they make and where it is invested or spent. The organization can invest the revenue in a secure position if it is in charge of working on the retirement plan. These kinds of organizations may have a store for people. By providing financial support, these participants can receive interest and dividends. All people's incomes will rise.

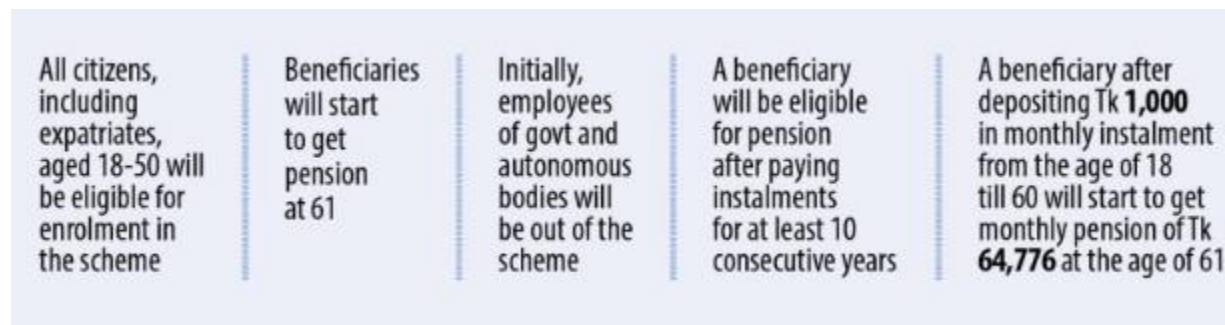
5.4 How Can We Solve Retirement Plan Problems

Solutions to Retirement Plan Issues. The retirement policy in the USA is maintained in accordance with IRS, DOL, and ASPAA regulations, which is unusual in Bangladesh. The BD government manages the pension plan for those who work for the government, and no specific agency is responsible for developing the pension plan.

The IRS has conducted an audit of the plan valuation, and CA has conducted an audit of the plan's assets and liabilities. IRS also conducts Form-5500 audits. Pension funds are not properly audited or maintained in Bangladesh. Thus, the issue of fraud activity and transparency in the pension system is raised. Therefore, a regulating agency is required to ensure the pension plan's transparency.

In the non-government sectors, there are no set retirement policies, and the employee gets their gratuity when they retire. The employee's financial security is lacking. In the USA, people are able to contribute more money to pension funds each year in order to get better returns when they retire, but in Bangladesh, the government determines the pension amount, which is not in the best interest of all employees. This must therefore be resolved.

5.4 New Changes in BD pension Plan



Within the year, the long-awaited universal pension project, one of the promises made by the ruling party in its 2008 election platform, is anticipated to be completed. Finance Minister AHM Mustafa Kamal gave a synopsis of the scheme and declared, "We are assuming that the [scheme's] implementation will commence within six months to a year."

Chapter-6

Private Organization Pension Plan (United International University Pension Plan)

Chaper-6

6.1 Objective

The object of the Provident Fund is to provide every Member, on his/her retirement from service of the UIU, with a sum of money which will be ascertained in accordance with these Rules.

The employees of the UIU other than:

- + Persons who are receiving the pension from Government/ Semi Government/ Autonomous Bodies;
- + Person who are on reputation;
- + Person appointed on a purely temporary basis;
- + Part-Time employees;
- + Persons appointed in leave vacancies;
- + Persons employed on contractual basis who are not enjoying any salary scale, and
- + Persons who are not nationals of Bangladesh

Shall be eligible: To become Member of the Provident Fund as soon as they are employed in a scale of pay and shall subscribe every month to the Provident Fund except when on leave without pay.

Despite the following clause, the Board of Governors may decide, at the time of a specific appointment, whether or not the person appointed to the particular office will be a Member of the Provident Fund. Any disagreement over a worker's eligibility to join the provident fund must be brought to the Vice Chancellor, whose judgment is final and binding on all parties.

A member who has previously joined the Provident Fund is not permitted to leave the Provident Fund while working for the UIU. Any Provident Member who stops working for any employer shall cease immediately to be a Provident Member of the fund.

6.2 Management of the provident Fund

The UIU Provident Fund Board of Trustees will be in charge of managing the fund. The Provident Fund shall bear all costs, charges, and expenses related to the administration of the fund, including any costs spent by the trustees in carrying out their obligations.

The duties and responsibilities of the BOARD OF TRUSTREES are as follows:

- I. Arrange to deduct 5% of each Members basic monthly salary and deposit the amount to the individual account of the Member in the Provident Fund.
- II. Arrange to collect an equal amount, as provided in clause (a) above, from the university and deposit the amount to the individual account of the Member in the Provident Fund.
- III. Arrange to invest any cash balance in the bank account of the provident Fund in excess of TK 250000 only in proper method.
- IV. To take necessary step to fix the interest rate from time to time which will be credited to the member's account.
- V. To distribute annual Statement of Accounts of the Provident Fund to each Member for each financial year within October of the year.
- VI. Arrange to collect the "Form of Declaration" properly filled up by the member.
- VII. To make the final settlement of the claim from the provident fund when a Member retires, resign or is dismissed or discharged from service.

The UIU Provident Fund Board of Trustees will be in charge of managing the fund. The Provident Fund shall bear all costs, charges, and expenses related to the administration of the fund, including any costs spent by the trustees in carrying out their obligations.

The Provident Fund and its assets shall be entirely within the Trustee's supervision, and the Trustee shall resolve any disagreements or disputes that may develop in accordance with these Rules. Any damage to the Provident Fund that does not result from the Trustee's own fraud, deliberate neglect, or willful default is not covered by this clause. Any Co-Trustee who violates or is suspected to have violated the Trust is not subject to legal action by the Trustee. A trustee is not entitled to any compensation for their work on the Board of Trustees.

6.3 Contribution

Each month, 5% of the basic pay of each Member shall be withheld from that salary and paid into that Member's individual Provident Fund account. The UIU shall also make a monthly contribution equivalent to that amount in respect of each Member. As long as the Member has paid his subscription for the entire period for which the UIU contribution is due.

Any fraction of a taka of the monthly pay must be excluded when determining the amount of salary from which deductions and contributions are to be made.

6.4 Accounts

The Board of Governors should establish a UIU Provident Fund Account in a Commercial Bank in Dhaka, where the total deduction from the Members' salaries for the Provident Fund as well as the corresponding contribution from the UIU under Rule 26 shall be credited at the start of each month.

For the time being, the Trustees will handle the Provident Fund's bank accounts; however, the Chairman and Member Secretary of the Board acting jointly may manage these accounts.

6.5 Investment

The Chairman of the Board must invest any remaining cash in the Provident Fund bank account that exceeds \$250,000 only before the end of each month in securities that have been approved by the Board of Governors on the Board's advice.

The chairman and member Secretary of the Board of Trustees are permitted to purchase such securities. All Securities shall be purchased in the name of the Provident Fund.

6.6 Book of accounts

The Board Member Secretary shall maintain the register of members, books of accounts, and other records and papers of the Provident Fund. Each Member's account must be maintained in the format required by the National Board of Revenue for use by the authorized Provident Fund.

Along with the other finances of the institution, the UIU provident fund account will be audited by a "Firm of Chartered Accountants."

Each member shall receive an Annual Statement of Accounts from the UIU, not later than October 15th of each year, containing the following information:

- I. Account Number
- II. Name of the Member
- III. Opening balance
- IV. Employee's contribution during the year
- V. UIU's contribution during the years
- VI. Interest, profit and other income, if any during the year
- VII. Withdrawals
- VIII. Closing balance

6.7 Payment

Upon a Member's termination of employment with the UIU, the Trustees must, pursuant to the provisions of these Rules, pay to him or her the amount of his or her contribution, along with any accretion thereto, if any, then standing to his or her credit, as well as interest. No portion of the UIU's contribution or accretion thereto standing to the credit of the individual account of such Member in the Provident Fund shall be payable to him/her to any person claiming to be entitled to it if any before completing five years of service with the UIU resign, are discharged for any legitimate reason, or are terminated from his/her employment by the UIU.

Before making any payment, the subject shall be addressed to the Board of Directors if the University is notified that a reduced Member has left a "Will" that purports to represent his or her accumulation in the provident fund or any portion thereof. Any assignment or encumbrance that has been made or attempted to be made that affects how a Member's accumulation is distributed after death prior to retirement is not binding upon or recognized by the University.

6.8 Income and Expenditure Account

The Income and Expenditure Account will be credited with any income from investments made with Provident Fund money. The Income and Expenditure Account shall be credited or debited for any profit or loss on the sale of investments and securities, as appropriate. All other Provident Fund expenses as well as the Trustee's out-of-pocket costs must be charged as a first charge to the Income and Expenditure account.

Every year on June 30th, the Trustees are required to transfer the balance on the Income and Expenditure Account to the credit of each Member's individual account in proportion to the amount that is currently to that account's credit in the provident fund. At the conclusion of such as the Trustee may from time to time determine, and the amount so placed to the credit or debit of each.

Chapter-7

CONCLUSION

Chapter-7

7.1 Findings

I gained a range of expertise while working on the USA retirement plans throughout my internship. It aided me in understanding the distinctions between the Bangladeshi and American pension systems. Furthermore, in Bangladesh, only government-run sectors offer pension plans. In our nation, the majority of the private sectors lag behind these pension plans and provident funds. The clarity, standards, and regulations of retirement programs are not maintained by a specific regulating organization for pension systems. There are no clear guidelines in place to prevent discrimination between higher- and lower-level employees. Employees' lack of knowledge on their contributions to the plans.

<u>Pension Plan of BD Public Sector</u>	<u>Pension Plan of USA</u>	<u>Pension Plan of UIU</u>
<ol style="list-style-type: none"> 1. BD pension plan for government job holder is monitored by BD government, therefore there is no intervention from any other company. 2. Pension funds are not properly monitored and maintained in Bangladesh. Thus, the issue of fraud activity is not resolved. Therefore, a supervisory authority is required to make sure the pension plans monitored properly. 3. The pension program was enforced by the Bangladeshi government, and it is essentially the same for all employees of the government. The 	<ol style="list-style-type: none"> 1. The retirement policy in the USA is maintained in accordance with IRS, DOL, and ASPAA regulations, with the exception of Bangladesh. 2. The IRS has audited the plan valuation, and CA has examined the assets and liabilities used in the plan's other financial reporting. IRS also executes Form-5500 audits. 3. In order to encourage larger contributions to pension funds and higher returns during retirement, the deferral limit and employer contribution limit both rise annually in the USA. 	<ol style="list-style-type: none"> 1. Any dispute as to whether an employee is or is not entitled to become a Member of the Provident Fund shall be referred to the Vice Chancellor whose decision shall be conclusive and binding upon all parties. 2. An amount equal to 5% of the basic salary shall be deducted in each month from the basic monthly salary of each Member and Paid into the individual account of the Member of the Provident Fund and the UIU shall contribute an equal amount in respect of each member in each month. 3. Any cash balance in the bank account of the provident fund in excess of 250000 only shall be invested by the Chairman of the Board before

<p>pension amount is determined by the organization's employee status. The higher designated employee receives a higher pension amount, whereas the lower designated employee receives a lesser pension amount. Since they get substantially less than the higher designated employee, the pension amount for the lower designated employee is not justified. Accordingly, there is inequality in Bangladesh's pension policy.</p>		<p>the end of each month in such securities as approved by the Board of Governors on the recommendation of the Board.</p> <p>4. The Bank accounts of the Provident Fund shall be dealt with by the Trustees for the time being and the Chairman and the Member Secretary of the Board acting jointly may operate such accounts.</p>
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7.3 Conclusion

Bangladesh is home to a large number of partners, yet not many exist like Data Path Ltd. Data-path works with US retirement accounts because it is a US-based corporation. Thus, it also has an impact on the employer's values and way of life. Our company's goals are to supply TPA carriers and give their clients retirement plan solutions. America natives Jim Hudson and John Humphrey are in charge of Data-Path. They went from six sales representatives to over 150 employees in ten years, and they are still expanding, since they employed highly motivated individuals who were continuously willing to learn new things. I've learned during my four months at Data path Limited that it's a superb firm that creates an environment where employees may where employees can continually share their goals to make the process easier and more efficient.

I'm happy I had the chance of finishing my internship at Data Path since it means having skills a great deal of information, get experience, and seek advice from my administrator, all of which I will remember for the rest of my life and apply properly. As Data-Path is a BPO company and deals with client's confidential information, hence I have restriction from my organization to share those information and here was no scope for me to do any financial analysis.

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UIU provident fund document