Comparative Analysis of Retirement Plan: USA vs Bangladesh

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This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

Internship Report

On

Comparative Analysis of Retirement Plan: USA vs Bangladesh

Submitted to:

Muhammad Enamul Haque

Assistant Professor,

School of Business and Economics

United International University

Submitted by:

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BBA (Finance)

Registration Trimester: Spring 2025

School of Business and Economics

United International **University**

Date of submission: November 24, 2025

LETTER OF TRANSMITTAL

24 November, 2025

Mr. Muhammad Enamul Haque
Assistant Professor, School of Business & Economics(SoBE)
United International University

Subject: Submission of Internship Report

Dear Sir,

I am pleased to submit my internship report titled "Retirement Plans: A Comparative Analysis between Bangladesh and the USA." This report has been prepared as part of the requirements for the completion of my BBA degree in Finance at the United International University (UIU).

During the course of my internship, I have gained valuable insights and practical knowledge, which I have tried to incorporate into this report. The analysis presented within highlights the differences in retirement plans between Bangladesh and the USA, exploring their respective structures, benefits, and future outlook.

I have put forth my utmost efforts in compiling the information, and I hope that the findings meet your expectations. I am confident that the report reflects the skills and knowledge I have acquired throughout my academic journey and my internship experience.

I would like to take this opportunity to express my sincere gratitude for your guidance and supervision during my internship. Your support has been instrumental in the preparation of this report.

Sincerely,
Mominul Hoque Himel
ID: 111 202 177
BBA in Finance
United International University (UIU)

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Comparative Analysis Between the US Retirement Plan and the Bangladesh Retirement Plan of Data Path Ltd.

Mominul Hoque

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Declaration of the Student

I hereby declare that the internship report titled “Comparative Analysis Between the US Retirement Plan and the Bangladesh Retirement Plan of Data Path Ltd.” has been prepared as a partial requirement for the degree of Bachelor of Business Administration (BBA), Major in Finance. This report has been submitted by me, Mominul Hoque Himel, under the supervision of Muhammad Enamul Haque, Assistant Professor, School of Business & Economics, United International University.

This report is entirely based on my own work, analysis, and observations. The insights and conclusions presented in this study have been developed from my practical internship experience at Data Path Ltd., Bashundhara Branch, as well as from an in-depth review of relevant documents and financial materials available to me during the internship period.

All information, data, and references have been used with proper acknowledgment following academic integrity guidelines. I affirm that this report has not been submitted, either fully or partially, for any degree, certificate, or academic purpose at any other institution.

I take complete responsibility for the accuracy and authenticity of the content presented in this report. I also acknowledge that the work reflects my genuine effort to understand the financial operations of the organization and apply my academic knowledge in a real-world setting.

Corporate Evidence

datapath

DP/HRD/2025/036
November 20, 2025

Certificate of Internship

This is to certify that **Mominul Hoque Himel** worked with us as an **Intern** in the **Outsourcing** department. He joined our company on **July 22, 2025** and completed his Internship on **October 31, 2025.** He was a sincere worker and was not involved in any illegal activities as per our knowledge.

This certification is issued to whatever purpose it may serve him best. We wish him all the best.

Best Regards,

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ACKNOWLEDGEMENT

I would like to express my sincere gratitude to Mr. Muhammad Enamul Haque, my internship supervisor, for his constant guidance, support, and encouragement throughout my internship. His valuable insights and feedback were pivotal in shaping this report. Without his assistance, completing this report would not have been possible.

I also extend my heartfelt thanks to the United International University(UIU) and all of its faculty members, whose teachings and mentorship have significantly contributed to my academic and professional development. The knowledge I have gained at UIU is reflected in this report.

I am immensely grateful to Data Path Ltd. for providing me with the opportunity to undertake such an enriching internship experience. I would like to specifically thank Mr. Zahidur Rahman, DGM, and my Team Leader, Mr. Mohaiminul Hoque, for their valuable support, guidance, and supervision during my internship period. Their continuous mentorship allowed me to gain practical insights into the industry and further develop my professional skills.

I truly appreciate all the support and opportunities provided by the entire team at Data Path Ltd., which have contributed greatly to my learning journey.

Executive Summary

This report provides a comparative analysis of the retirement plans in the United States and Bangladesh, focusing on the differences in structure, regulation, and effectiveness. It aims to highlight the well-established nature of the U.S. retirement system and how Bangladesh's retirement sector remains relatively underdeveloped and unstructured.

The report begins with an overview of the retirement process in the United States. U.S. retirement policies are highly regarded due to their distinct features, which make them widely adopted by both government and private sectors, including sole proprietorships. These policies are popular due to several factors: strong governmental regulations, public desire to save for retirement, transparency regarding individuals' rights, and contributions to both the national and local economies. The U.S. government has made significant efforts to protect the financial security of retirees, with agencies like the Internal Revenue Service (IRS) and the Department of Labor (DOL) providing clear guidelines for employers managing retirement benefit plans. These regulations also allow employers to benefit from tax savings on business profits.

The second section of the report examines Bangladesh's retirement industry. In contrast to the U.S., retirement systems in Bangladesh, whether in the public or private sector remain largely unstructured and unregulated. There is no comprehensive system for retirement benefits such as gratuity, benevolent funds, government housing, or group insurance. This lack of organization and regulatory framework has resulted in an unreliable and ineffective retirement provision system.

The third section compares the retirement policies of the two countries, identifying key differences such as government involvement, citizens' rights, economic contributions, dependency rates, and the scale of benefits provided.

In conclusion, the report offers several recommendations for improving Bangladesh's retirement system. These include the need for a more structured policy, greater governmental attention to retirees' financial security, and reforms to enhance transparency and reliability in retirement benefit provisions.

This report serves as a resource for understanding the disparities between the U.S. and Bangladesh's retirement plans, with the goal of guiding Bangladesh toward a more organized and effective retirement system.

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List of Acronyms & Abbreviations

Acronym	Full Form
BPO	Business Process Outsourcing
RPF	Retirement Provident Fund
DOB	Date of Birth
DOH	Date of Hire
DOT	Date of Termination
Gross Comp	Gross Compensation
401(k) Cont.	Deferral
R401(k) Cont.	Roth 401(k) Contribution
IRS	Internal Revenue Service
FICA	Federal Insurance Contributions Act
ERISA	Employee Retirement Income Security Act
CPA	Certified Public Accountant
TPA	Third Party Administrator
QKA	Qualified 401(k) Administrator
HCE	Highly Compensated Employee
NHCE	Non-Highly Compensated Employee
ADP	Actual Deferral Percentage

Acronym	Full Form
ACP	Actual Contribution Percentage
PS	Profit Sharing
SHM	Safe Harbor Match
SHNE	Safe Harbor Non-Elective

Chapter 1: Introduction

1.1Background of the Report

This internship report, titled "A Comparative Analysis Between the US Retirement Plan and the Bangladesh Retirement Plan," has been prepared as part of the required 3-credit internship component of the BBA program (Finance major) at United International University (UIU). This academic requirement allows students to apply theoretical concepts to real-world financial systems and understand how retirement policies differ across countries.

Retirement planning is a key aspect of long-term financial security, shaped by a country's economic conditions, regulatory framework, and financial literacy levels. The United States has a mature retirement system consisting of Social Security, employer-sponsored plans such as the 401(k), various IRAs, and several tax-advantaged savings arrangements, which together ensure strong oversight, transparency, and diversified investment opportunities.

In contrast, Bangladesh's retirement system is still developing. Existing structures such as the GPF, CPF, and government pension schemes primarily cover public-sector employees, while private-sector participation remains limited. As a result, many individuals lack access to structured and sustainable retirement options, and improvements are needed in regulatory capacity, investment mechanisms, and overall system coverage.

The main objective of this report is to analyze the differences between the two systems and identify which effective features of the US framework—such as tax incentives, employer contributions, automatic enrollment, diversified investments, and strong regulation—could be adapted to strengthen Bangladesh's retirement ecosystem.

The study also identifies several challenges that may hinder such adaptation, including limited financial literacy, low formal-sector employment coverage, weak regulatory infrastructure, and insufficient public trust in long-term financial products. Addressing these issues will require government involvement, policy modernization, and greater collaboration between public and private institutions.

Overall, the background establishes the purpose of the report, clarifies the importance of comparing two different retirement structures, and highlights the policy implications for developing a more inclusive and sustainable retirement planning framework in Bangladesh.

1.2 Objective of the Report

The primary objective of this report is to conduct a comprehensive comparative analysis of the retirement plans in the United States and Bangladesh, with the aim of identifying effective practices that could enhance the structure, efficiency, and sustainability of Bangladesh's retirement system. The study seeks to examine the key components of the US retirement system, including Social Security, 401(k) plans, and Individual Retirement Accounts (IRAs), to understand the factors that contribute to their effectiveness, long-term financial sustainability, wide coverage, and strong regulatory framework. By exploring these features, the report aims to identify lessons that can be adapted to the Bangladeshi context.

At the same time, the report evaluates the existing retirement mechanisms in Bangladesh, such as the General Provident Fund (GPF), Contributory Provident Fund (CPF), government pension schemes, and emerging private-sector retirement plans. It assesses the structure, coverage, and limitations of these systems, highlighting challenges such as limited formal-sector participation, insufficient investment options, inadequate regulatory frameworks, and low public awareness regarding retirement planning.

Through this comparative approach, the report seeks to identify specific elements of the US system—such as tax incentives, employer contributions, automatic enrollment, diversified investment opportunities, and strong regulatory oversight—that could be beneficial if suitably adapted for Bangladesh. It also examines potential barriers to implementation, including cultural, economic, and institutional constraints, and offers practical recommendations to address these challenges.

Furthermore, the report emphasizes the critical role of government policy, regulatory support, and public-private collaboration in creating a robust retirement framework. By doing so, it aims to provide actionable insights for policymakers, financial institutions, employers, and other stakeholders, helping them develop strategies to expand coverage, improve financial sustainability, and enhance the overall effectiveness of retirement planning in Bangladesh.

1.3 Rationale of the Report

The rationale of this report is to analyze the effectiveness of retirement plans in Bangladesh, with a focus on leading companies such as BRAC, Banglalink, Grameenphone, ACI and Unilever, and to compare them with the established retirement systems of the United States. A survey conducted among 25 employees from these companies revealed several key issues: many employees are dissatisfied with the retirement plans, there is a lack of transparency regarding fund management, and most are unaware whether their contributions are being invested for long-term financial growth. These gaps indicate that current retirement schemes do not fully meet employee expectations or provide sufficient financial security.

This study aims to explore how successful features of the US retirement system, such as structured long-term investment, employer contributions, and clear transparency can be adapted to the Bangladeshi context. By highlighting these areas, the report seeks to provide actionable insights for employers, policymakers, and financial institutions to improve retirement plan effectiveness, enhance employee confidence, and promote sustainable financial security for the workforce. The study also underscores the importance of government involvement and policy support in implementing these improvements effectively.

1.4 Scope of the Report

The scope of this report is centered on a comparative analysis of retirement plans in the United States and Bangladesh, aiming to explore how effective features of the U.S. system can be adapted to improve Bangladesh’s retirement planning framework. The study specifically focuses on the structure, benefits, and employee perceptions of retirement plans offered by leading Bangladeshi companies such as BRAC, Grameenphone, and Unilever. A survey of 25 employees from these companies was conducted to gather firsthand insights regarding satisfaction levels, transparency, employer contributions, and the long-term investment of funds. By comparing these findings with the U.S. Retirement Plan system, the report identifies areas where Bangladesh can improve coverage, governance, and employee confidence in retirement schemes.

The report also highlights challenges related to implementing advanced retirement practices in Bangladesh. This includes issues such as limited awareness among employees about fund management, low transparency regarding how contributions are utilized, and insufficient government involvement in ensuring long-term financial security. By discussing these aspects, the study provides practical insights for policymakers, companies, and financial institutions on how to enhance retirement benefits, strengthen trust, and create a more sustainable system for the workforce.

1.5 Limitations of the Report

Despite its scope, this report faces certain limitations. First, the survey sample is relatively small, with only 25 employees from selected top companies. While the survey provides valuable insights, it may not fully represent the experiences of all employees across Bangladesh, especially those working in smaller organizations or rural areas. Second, access to detailed data on company retirement plans and fund management was limited, which restricted the depth of quantitative analysis. Many organizations maintain confidential information regarding their retirement contributions and investment strategies, making it difficult to evaluate all aspects comprehensively.

Time constraints during the internship also posed a limitation. The short duration meant that only a few companies could be studied, and the analysis primarily relied on available resources, interviews, and training sessions. Additionally, the report focuses solely on retirement plans and does not cover other employee benefits, such as health insurance, bonuses, or salary structures, which can influence overall employee satisfaction. Finally, while the U.S. retirement system provides useful benchmarks, differences in economic, cultural, and regulatory environments between the two countries mean that direct implementation is not always possible, and adaptations must be carefully considered.

Overall, while this report provides a detailed comparative analysis and practical recommendations for improving retirement plans in Bangladesh, its findings should be understood within the context of the identified limitations. Despite these constraints, the study offers meaningful insights into employee perceptions, best practices from the U.S. system, and strategies to overcome implementation challenges, which can guide policymakers and organizations in strengthening the country's retirement planning framework.

1.6 Definition of Key Terms

Elective Deferrals

Elective deferral is the portion of an employee's salary that they voluntarily choose to contribute to a retirement plan, such as a 401(k). It's called "elective" because the employee decides how much to defer from their paycheck. This money is usually taken before income tax is applied, which lowers taxable income for the year. The deferred amount is then invested inside the retirement account, where it can grow over time. The funds are later withdrawn during retirement.

Catch-Up Contributions

Catch-up contribution is an extra amount that workers aged 50 or older are allowed to add to their retirement plans, such as a 401(k) or IRA. It lets older employees save more than the regular annual limit. This rule exists to help people who may not have saved enough earlier in their careers. The additional contribution also grows tax-advantaged inside the account. These funds can then be used after retirement.

Designated Roth Contributions

Designated Roth Contributions are the portion of an employee's salary that they choose to contribute to a retirement plan, like a 401(k), as a Roth contribution. Unlike traditional contributions, these are made with after-tax dollars, so they do not reduce taxable income when contributed. The money grows tax-free inside the account. When withdrawn in retirement (meeting certain conditions), both contributions and earnings can be taken out tax-free. It's essentially the Roth version within an employer-sponsored plan.

Employee Eligibility and Entry Date

Employee eligibility defines who can participate in a retirement plan. Generally, all regular employees are eligible, except those covered by union agreements or classified as nonresident aliens. Additional conditions, such as minimum service periods or age, may also apply.

The entry date is the date an eligible employee can start contributing to the plan and when the employer begins making contributions. From this date, the employee is included in all plan tests, including eligibility, vesting, and allocation calculations. Accurate entry date determination ensures proper administration and compliance.

Long-Term Part-Time (LTPT) Employees

The term Long-Term Part-Time (LTPT) refers to employees who work part-time over an extended period. This classification gained importance following the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 and SECURE Act 2.0 (2022), which expanded retirement plan access for part-time workers.

Definition of LTPT Employees

Under the SECURE Acts, an LTPT employee is defined as someone who:

- Works at least 500 hours per year,
- For three consecutive years (as per SECURE Act 1.0), or two consecutive years starting in 2025 (under SECURE Act 2.0), and 21years of age or older

Impact on 401(k) Plan Eligibility

Previously, part-time employees could be excluded from participating in employer-sponsored 401(k) plans. However, under the SECURE Acts:

- Employers must now allow LTPT employees to contribute through salary deferrals to the company's 401(k) plan.
- Employers are not required to provide matching or other employer contributions to LTPT employees unless they choose to do so.

Normal Retirement Age

Plan documents usually define the Normal Retirement Age (NRA), which specifies when a participant becomes eligible for full retirement benefits. In most cases the normal retirement age is 65, though some plans define it as the later of age 65 or the participant's fifth employment anniversary. Clearly defining the NRA ensures fairness and uniformity in determining when employees qualify for retirement benefits (American Society of Pension Professionals & Actuaries, 2025).

Vesting

Vesting determines how much of a retirement account or benefit an employee fully owns. When an employee is 100% vested, they have complete ownership of the account, and the employer cannot reclaim any portion of it, regardless of employment status. Forfeited amounts may be applied to plan expenses, used to reduce future employer contributions, or redistributed to other plan participants.

Vesting Schedules

The plan document specifies vesting provisions, including the schedule that determines a participant's vested percentage, typically based on years of service. A defined contribution plan generally follows one of two statutory minimum schedules:

1. **Three-Year Cliff Vesting**: Under this schedule, an employee becomes fully vested after completing three years of service. Prior to the third year, the employee has no vested rights.

Table 01: Three-year Cliff Vesting

Years of Service	Vesting Percentage
1	0%
2	0%
3	100%

2. **Six-Year Graded Vesting**: Under this schedule, employees gradually earn ownership of employer contributions, becoming fully vested after six years. A minimum percentage must be granted starting from the second year to ensure partial ownership before full vesting.

Table 02: Six-year Graded Vesting

Years of Service	Vesting Percentage
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Chapter 2: Company and Industry Profile

2.1 Company Analysis

2.1.1 Overview and History

Data Path Ltd. is the first registered outsourcing company in Bangladesh. It operates as a subsidiary of July Business Services, a leading Third-Party Administrator (TPA) company based in the USA. The company was founded by John Humphrey and Jim Hudson. July Business Services specializes in providing retirement plan services and other administrative services to clients, and is one of the top organizations in the TPA sector (TPAs, 2010).

Founded in 1994, July Business Services offers a range of services including retirement plan administration, record-keeping, and other related services. It operates nationwide across the United States, serving approximately 94,464 clients (July Business Services Competitors, Revenue, Alternatives and Pricing, 2024). The company's current net worth is estimated at $5 billion, with an annual revenue of approximately $28.1 million. On average, each employee generates $210,000 in revenue (July Business Services Competitors, Revenue, Alternatives and Pricing, 2024).

Data Path Ltd. began its operations in Bangladesh in 2006, initially setting up its office in Uttara, Dhaka, with a small team of six highly skilled professionals. As the company grew, it expanded to 50 employees and relocated to Gulshan. During this time, July Business Services was reducing its workforce and increasingly relying on Data Path Ltd. to handle much of its work. Starting in 2015, Data Path Ltd. experienced significant growth, particularly due to its Business Process Outsourcing (BPO) department. This growth was noticed by other USA-based TPA firms, which began outsourcing their operations to Data Path Ltd. rather than establishing their own offices in Bangladesh.

Today, Data Path Ltd. Serves more than 50 TPA firms and employs more than 550 people. The company's office has moved to Mohakhali to accommodate its expanding operations and recently it has relocated its office from Mohakhali to the 300 Feet area in Bashundhara.

Vision

The vision of Data Path Ltd. is to become the leading retirement plan administrator in the United States.

Mission Statement

Data Path Ltd. aims to empower financial advisors and plan sponsors by providing them with the ability to select the retirement plan solutions that best meet the needs of business owners and their employees. The company strives to deliver responsive, unbiased, and reliable services in plan design, administration, recordkeeping, and consulting, all of which encourage individuals to save for retirement.

Core Values

The core values of Data Path Ltd. reflect the guiding principles that help the company foster teamwork and achieve its collective goals. These values are as follows:

- Positive Attitude
- Embrace New Ideas
- Creative Solutions
- Celebrate Success
- Commitment to People
- Teamwork
- Technical Competence
- Result-Oriented Approach
- Accountability

Founding Partners

The owners of July Business Services, Jim Hudson and John Humphrey, are also the co-founders and chairmen of Data Path Ltd. The CEO of Data Path Ltd. is Mr. Ashfaqur Rahman.

2.1.2 Trend and Growth of Data Path Ltd.

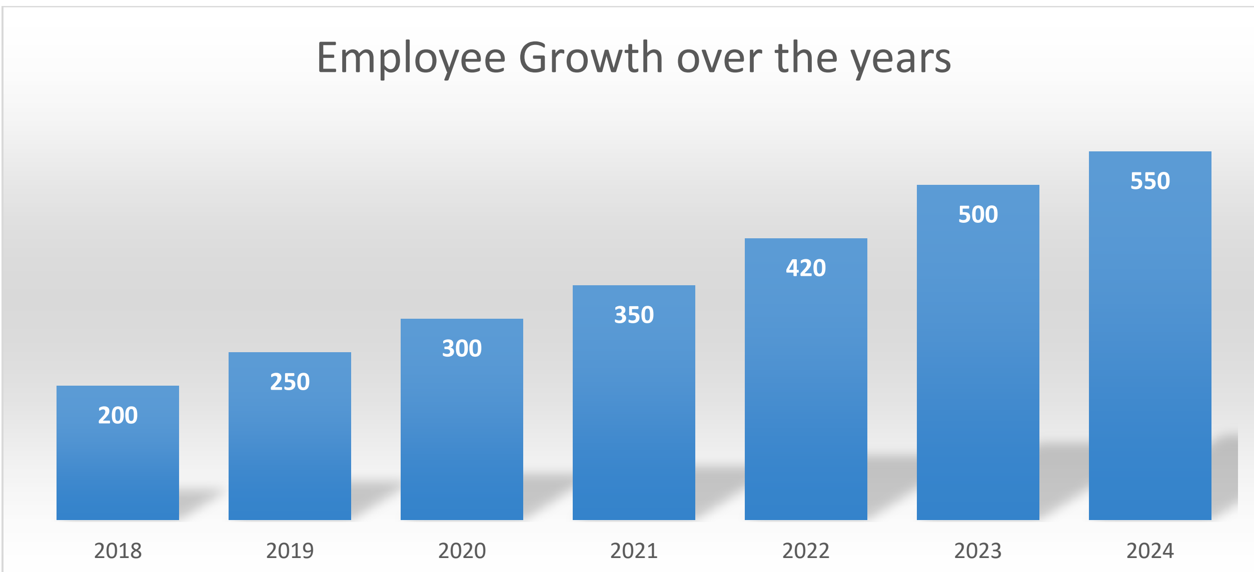

Figure 01: Yearly Employee Growth (2018–2024)

Employee Growth Over the Years

The first graph illustrates the steady increase in the number of employees from 2018 to 2024. Starting at 200 employees in 2018, the workforce grew consistently each year, reaching 550 employees in 2024. This upward trend indicates a sustained organizational expansion and suggests improved capacity to handle increased operational demands. The consistent growth rate over the seven-year period reflects effective human resource planning and recruitment strategies, contributing to the company's overall development.

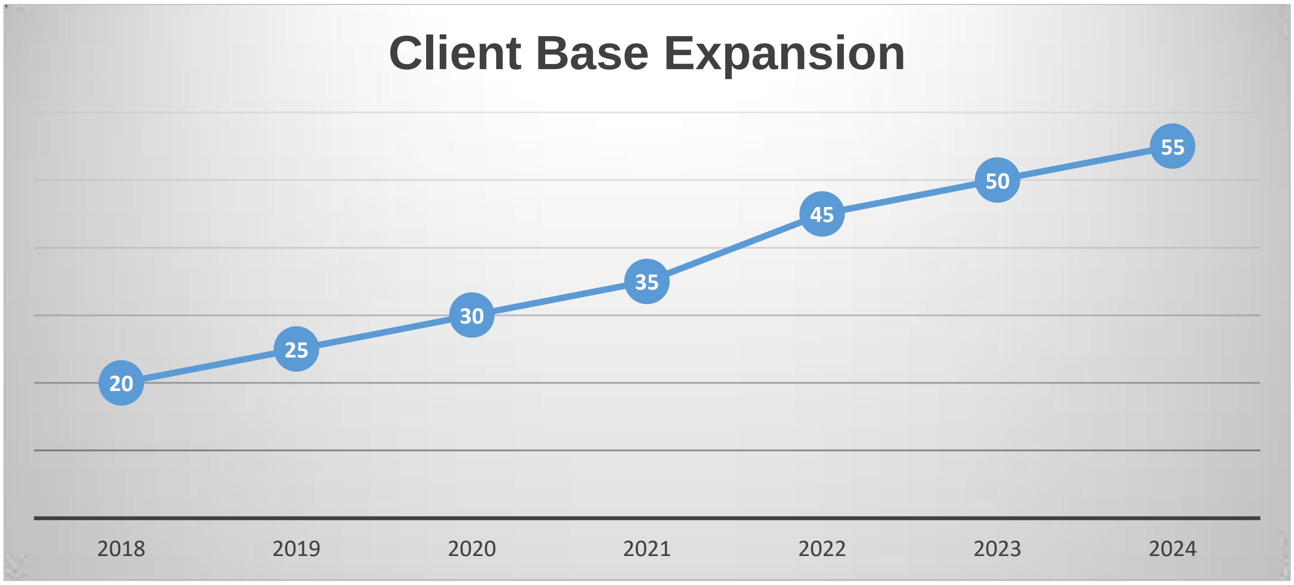

Figure 02: Yearly Client Base Growth (2018–2024)

Client Base Expansion

The second graph shows the growth in the number of clients served by the organization over the same period. Beginning with 20 clients in 2018, the client base expanded gradually to 55 clients by 2024. Although the increase appears more moderate compared to employee growth, the consistent rise demonstrates the company's ability to attract and retain clients over time. This steady expansion suggests growing market presence and improving customer relationships, which are critical for long-term business sustainability.

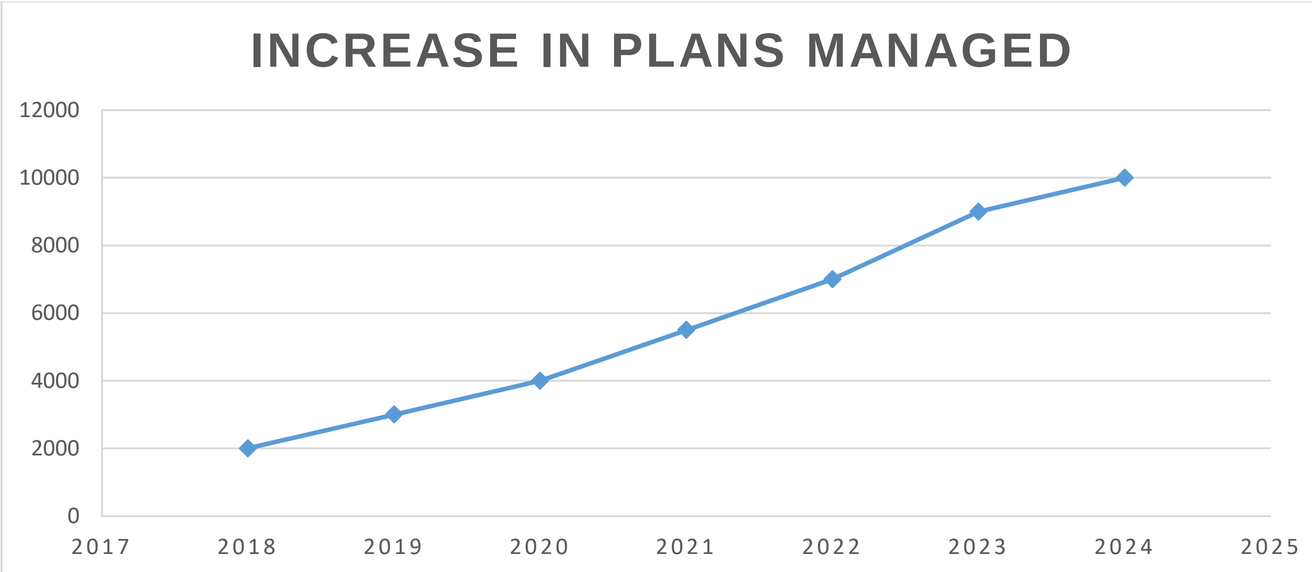

Figure 03: Growth in Number of Plans Managed (2018–2024)

Increase in Plans Managed

The third graph represents the total number of plans managed by the organization from 2018 to 2024. The data shows a significant rise from 2,000 plans in 2018 to 10,000 plans in 2024. This fivefold increase reflects the company's enhanced operational capacity and effectiveness in managing a larger portfolio. The rapid growth in plans managed likely correlates with the increase in employees and clients, indicating a successful scaling of services. This trend highlights the organization's growing influence in its sector and its ability to meet increasing customer demands.

2.1.3 Product / Service / Customer mix

Products and Services Mix of Data Path Ltd

Data Path Ltd. offers a comprehensive suite of products and services designed to support Third-Party Administrator (TPA) firms in managing retirement plans efficiently and effectively. The company's core offering is its retirement plan service, which covers the full lifecycle of plan administration. This includes handling administrative tasks, ensuring compliance with U.S. regulations, calculating employee eligibility, contributions, and vesting, reconciling loan balances and plan assets, and performing required discrimination tests such as ADP/ACP, top-heavy, and minimum coverage testing. By managing these critical processes, Data Path ensures that retirement plans are accurate, legally compliant, and effectively administered, thereby reducing the operational burden for its TPA clients.

In addition to retirement plan administration, Data Path provides recordkeeping services through strategic partnerships with major record keeper companies such as MassMutual, Principal, John Hancock, and American Funds. These services include maintaining accurate account balances, offering daily valuations, generating quarterly participant statements, and providing 24-hour online access to plan accounts. This ensures transparency, timeliness, and accuracy of financial data, allowing both plan sponsors and participants to monitor and manage their retirement accounts effectively.

The company also offers tax compliance services, assisting in the preparation and submission of key regulatory documents such as Form 5500, Form 1099-R, and Form 5330. These services help ensure that clients meet all U.S. tax requirements and remain fully compliant with legal obligations.

Furthermore, Data Path provides investment advisory and custodial services to plan participants. Investment guidance helps participants make informed decisions about allocating their retirement funds according to their risk profiles and long-term financial goals, maximizing the potential for returns. Custodial services ensure the safe handling and secure management of plan assets, giving both plan sponsors and participants confidence in the integrity of their retirement funds.

By integrating retirement plan administration, recordkeeping, tax compliance, investment advisory, and custodial services, Data Path Ltd. delivers a holistic and reliable suite of products and services. This integrated approach not only enhances operational efficiency and accuracy for TPAs but also strengthens participant satisfaction and confidence in managing retirement plans.

Customer Mix of Data Path Ltd

Data Path Ltd. primarily serves Third-Party Administrator (TPA) firms in the United States, providing specialized support for retirement plan management. The company works with over 50 TPA firms, offering them reliable outsourcing solutions for plan administration, recordkeeping, investment guidance, and compliance-related services. These clients include both large established TPAs and smaller firms that rely on Data Path's expertise to manage complex retirement plan processes efficiently.

In addition to servicing external TPA clients, Data Path maintains a strong relationship with its parent company, July Business Services, handling a significant portion of their administrative operations. Through this collaboration, the company contributes to the seamless management of retirement plans and ensures consistent service quality across all engagements.

Some of the prominent TPA clients of Data Path Ltd. include TriStar Pension Consulting, APCI, APA, CRS, Human Interest, and DF Pensions. These partnerships demonstrate the company's ability to meet the needs of a diverse client base, ranging from specialized pension consultants to larger multi-service TPA firms.

By focusing on a well-defined client segment of U.S.-based TPAs and providing tailored services that address the specific challenges of retirement plan administration, Data Path Ltd. has established a strong and reliable customer base. This strategic customer mix not only ensures steady business growth but also reinforces the company's reputation as a trusted outsourcing partner in the retirement services industry.

2.1.4 Company Operations / Activity

Data Path Ltd., headquartered in Bangladesh, operates as a specialized outsourcing provider for U.S.-based Third-Party Administrator (TPA) firms, including its parent company, July Business Services. The company plays a critical role in managing the full lifecycle of retirement plans under the Employee Retirement Income Security Act (ERISA) of 1974. Its operations focus primarily on defined contribution plans such as

401(k) plans, 403(b) plans, profit-sharing plans, safe harbor 401(k) plans, and other tax-advantaged retirement arrangements. By handling both administrative and compliance-related activities, Data Path Ltd. ensures that TPA firms can provide accurate, timely, and legally compliant services to their clients while maintaining the security and integrity of highly sensitive retirement plan data.

The company's operational activities begin with the design and setup of retirement plans. This includes ensuring that each plan complies with ERISA regulations, defining contribution types, determining employee eligibility and entry dates, establishing loan and rollover policies, and preparing the necessary plan documents and adoption agreements. Data Path Ltd. also assists in determining key plan parameters, such as the plan year, fiscal year, normal retirement age, and compensation definitions, which are critical for accurate calculations of contributions, benefits, and testing requirements. By meticulously managing these initial phases, the company ensures that retirement plans are well-structured, compliant, and ready for ongoing administration.

Once the plan is operational, Data Path Ltd. conducts detailed administrative processes that include importing and verifying employee census data, calculating eligibility, contributions, and vesting, allocating and reconciling contributions, and managing loan balances and plan assets. In line with ERISA compliance, the company performs necessary discrimination and top-heavy tests, including ADP/ACP, minimum coverage, and general nondiscrimination testing. These activities ensure that retirement benefits are distributed fairly among participants, prevent disproportionate advantages for highly compensated employees, and maintain the validity of each plan under U.S. law.

A significant component of the company's operations involves tax compliance and regulatory reporting. Data Path Ltd. prepares and submits essential IRS and Department of Labor filings, such as Form 5500 (Annual Return/Report of Employee Benefit Plans), Form 5330 (Return of Excise Taxes Related to Employee Benefit Plans), and Form 1099-R (Distributions from Retirement Plans). Accurate and timely submission of these forms is critical to maintaining compliance and avoiding penalties for TPA clients and plan sponsors.

Data Path Ltd. also provides extensive recordkeeping services through strategic partnerships with Record Keepers such as MassMutual, Principal, John Hancock, and American Funds. These services include maintaining accurate account balances, providing daily valuations, offering 24-hour online access for plan sponsors, generating quarterly participant statements, and ensuring all plan records are up to date. This recordkeeping infrastructure supports transparency, improves operational efficiency, and allows both plan sponsors and participants to monitor retirement accounts effectively.

In addition to administrative and recordkeeping activities, Data Path Ltd. offers participant-focused services, including investment advisory support and professional enrollment materials. Participants receive tools to understand their investment options, assess risk profiles, and make informed decisions about their retirement savings. The company also integrates payroll and retirement services, reducing administrative burden for employers and ensuring accuracy in contributions, allocations, and compliance with contribution limits.

A critical aspect of Data Path Ltd.'s operations is compliance management concerning employee classification and service calculations. The company accurately tracks hours of service, years of service, and breaks in service, ensuring proper vesting, eligibility, and contribution allocations. It also identifies highly compensated employees (HCEs) and key employees, adhering to IRS regulations regarding top-paid group elections and key employee definitions, which is essential for maintaining fairness and compliance in retirement benefit distribution.

All activities are conducted through secure digital platforms that allow seamless communication with TPA clients and ensure the confidentiality of sensitive data. Data Path Ltd. leverages proprietary software and secure networks to manage client data, submit digital reports, and perform operational tasks efficiently. This integration of technology, skilled workforce, and strict adherence to U.S. retirement plan regulations enables Data Path Ltd. to deliver reliable, accurate, and compliant retirement plan administration services to its clients, helping TPA firms meet their fiduciary obligations while enhancing participant satisfaction and trust.

2.1.5 SWOT Analysis of Data Path Ltd.

Figure 04: SWOT Analysis of Retirement Plan Services

Strengths

1. **Expertise in USA Retirement Plans:** Data Path Ltd. has deep knowledge of the complex rules governing U.S. retirement plans, including ERISA compliance, defined contribution plans like 401(k) and 403(b), and detailed recordkeeping. This expertise ensures that clients' retirement plans are managed accurately, minimizing errors and regulatory risks. It positions the company as a trusted partner for TPAs and other plan sponsors.
2. **Partnerships with Record keepers:** The company works closely with large record keepers like MassMutual, John Hancock, and American Funds, and

serves over 50 TPAs. These partnerships allow timely access to financial data and seamless plan administration. Offering end-to-end services; from plan setup, administration, compliance, and payroll integration to participant services: enhances client satisfaction and differentiates the company from competitors.

Weaknesses

1. **Heavy dependence on U.S. market and skilled workforce:** A large part of Data Path Ltd.'s revenue comes from U.S. based TPAs and July Business Services. This geographic concentration makes the company vulnerable to market changes, regulatory shifts, or economic downturns in the U.S. Additionally, handling retirement plans requires highly skilled staff, and training or retaining such employees is resource-intensive, which can limit scalability.
2. **Limited brand recognition outside the retirement plan niche:** While Data Path Ltd. is well-known among TPAs and BPO networks specializing in retirement plans, its brand may not be widely recognized in broader financial or outsourcing markets. This can restrict opportunities for growth in adjacent sectors or new service areas beyond retirement plan administration.

Opportunities

1. **Growing demand for outsourced retirement plan services in the U.S. and potential global markets:** With the increasing number of 401(k) and defined contribution plans, more organizations are seeking reliable outsourcing partners to manage compliance and administration. Data Path Ltd. can capitalize on this demand domestically and consider expansion into global markets where similar retirement regulations exist.
2. **Technological advancements and expansion of value added services:** New fintech solutions, automation tools, and AI-powered compliance checks allow more efficient and accurate plan management. The company can also offer additional services like participant education, payroll integration, or investment

advisory support, providing more value to clients and enhancing competitive advantage.

Threats

1. **Competition from other BPOs and emerging automation software:** The outsourcing market is competitive, with several firms offering similar services at lower costs. Additionally, automation software capable of handling retirement plan administration could reduce the need for human-managed outsourcing in the long term, challenging traditional business models.
2. **Regulatory changes, data security risks, and economic fluctuations affecting client demand:** Retirement plan regulations, ERISA compliance rules, and IRS requirements may change, necessitating costly adaptations. Handling sensitive retirement data also carries security risks, where breaches could damage reputation and incur legal consequences. Moreover, economic downturns can reduce contributions to retirement plans, indirectly affecting outsourcing demand.

2.2 Industry Analysis

2.2.1 Specification of the Industry

The industry in which Data Path Ltd., Speedway, and Fin Source operate is the Business Process Outsourcing (BPO) industry, specifically within a highly specialized niche known as Knowledge Process Outsourcing (KPO). This segment focuses on outsourcing complex, knowledge-intensive tasks that require advanced analytical skills, regulatory understanding, and technical competence. Unlike traditional BPO services such as call centers or basic data entry, this specialized branch handles expert-level functions that demand extensive training and high accuracy.

Within this broader KPO domain, companies like Data Path operate in an even more targeted sub-industry: U.S. Retirement Plan Administration Outsourcing. This is a globally emerging niche market where firms in countries like Bangladesh support U.S.

Third-Party Administrator (TPA) companies by managing retirement plans such as 401(k), 403(b), Profit-Sharing Plans, and Safe Harbor Plans. This specialized sector requires comprehensive knowledge of the Employee Retirement Income Security Act (ERISA), IRS regulations, compliance testing procedures, contribution calculations, and retirement plan reporting requirements. Because of the sensitive nature of retirement data and the strict regulatory framework of the U.S. financial system, this industry demands high levels of confidentiality, precision, and secure digital infrastructure.

The industry is also characterized by strong dependency on technology. Companies must use advanced software platforms, secure servers, and automated tools to manage large sets of financial and participant-level data. Daily valuation systems, tax compliance tools, and encrypted communication channels form the backbone of operations. As a result, the industry blends financial expertise, IT capability, and administrative efficiency, making it both skill-intensive and technologically driven.

Bangladesh has emerged as a competitive participant in this niche due to its growing pool of educated professionals, cost-effective labor, and increasing global reputation in outsourcing services. While the number of companies specializing in U.S. retirement plan outsourcing is still limited—primarily Data Path Ltd., Speedway, Fin Source; the sector is expanding steadily. These companies form an important part of Bangladesh's broader BPO/KPO landscape by contributing to high-value international services, generating foreign revenue, and strengthening the country's position in the global outsourcing market.

Overall, the industry can be defined as a specialized, technology-driven, and compliance-heavy outsourcing sector that provides end-to-end retirement plan administration services to U.S. firms. Its focus on accuracy, confidentiality, expertise, and regulatory compliance sets it apart from general BPO work, making it one of the most sophisticated outsourcing domains currently operating in Bangladesh.

2.2.2 Size, Trend, and Maturity of the Industry

Size:

The retirement and fintech BPO sector in Bangladesh remains relatively small compared to traditional BPO areas such as IT services, call centers, or shared services. Mid-sized companies like FinSource dominate this segment, with estimated annual revenue between 10 and 50 million US dollars. They employ more than 100 professionals and manage multiple clients from the United States, primarily in fintech and retirement plan administration. These companies have steadily expanded since their establishment, leveraging structured workflows and some technology tools to handle larger volumes of work efficiently. Even though the total market size is modest, it has been slowly growing as more international firms recognize the potential of Bangladesh as a cost-effective outsourcing destination.

Small niche providers like Speedway Solutions operate on a much smaller scale, with employee numbers ranging from 10 to 50. Their revenue is not publicly disclosed, which reflects the limited size of their target market. Despite their small scale, these niche providers deliver highly specialized services, including compliance-focused retirement plan management and customized 401(k) administration for US clients. Such companies serve critical functions for clients who require meticulous handling of sensitive financial data. Overall, the total market size of the sector in Bangladesh is estimated to be around 100 to 150 million US dollars, showing that there is room for growth, especially for companies that can balance scale with specialized expertise.

Trend:

The trend in Bangladesh's retirement and fintech BPO sector shows steady growth, though it varies by company size. Mid-sized companies like FinSource are expanding more rapidly, driven by increasing demand from US-based clients seeking cost-efficient outsourcing options. These companies have been investing in structured processes and some automation tools, allowing them to handle more clients simultaneously and maintain service quality. The expansion has also been supported by the growing recognition of Bangladesh as a reliable destination for outsourcing niche financial services, which has encouraged international firms to explore partnerships with local providers.

In contrast, smaller niche players like Speedway Solutions experience slower growth. Their expansion is gradual, as they focus on highly specialized services and prioritize quality and compliance over rapid scaling. Despite slower growth, these firms maintain stability by serving specialized client segments that are difficult to replace, ensuring a consistent flow of work. The overall trend suggests that while mid-sized players drive rapid revenue and employee growth, niche providers sustain the market's core expertise. The sector is expected to continue growing steadily in the coming years, as international demand for specialized financial and retirement outsourcing increases.

Maturity:

Maturity in the retirement and fintech BPO sector varies widely across companies. Mid-sized firms such as Fin Source are considered semi-mature. They have developed structured workflows, some level of process automation, and the ability to manage multiple clients effectively. Operational efficiency is gradually improving, and these companies are increasingly capable of meeting international compliance and quality standards. Their semi-mature status allows them to expand at a faster pace compared to smaller niche players while maintaining a relatively high level of service reliability.

On the other hand, niche companies like Speedway Solutions are still developing. They rely heavily on human expertise, manual processes, and specialized knowledge to deliver their services. While they cannot scale rapidly, their focus on specialized financial and retirement services enables them to maintain a competitive edge within their niche. These companies are gradually improving operational maturity as they adopt better workflow processes and explore basic automation options. Overall, the sector is in a developing stage but shows promise for both semi-mature and niche players to increase efficiency, enhance service quality, and expand market presence in the coming years.

2.2.3 Industry SWOT Analysis

Strengths:

- **Cost Advantage:** Bangladesh offers significantly lower operational costs compared to countries like the US, UK, or even India for specialized BPO services. This makes it attractive for international clients who want high-quality retirement and fintech outsourcing without paying premium rates. Lower costs also allow mid-sized companies like Fin Source to reinvest in technology, staff training, and process improvement.
- **Skilled Workforce:** The country has a growing pool of finance, accounting, and IT professionals. Graduates familiar with international financial regulations and software tools are increasingly available, making it possible for companies to handle specialized tasks such as 401(k) administration, payroll processing, and compliance checks with competence.
- **Niche Expertise:** Some smaller providers, such as Speedway Solutions, focus on highly specialized areas like retirement plan management, ensuring precision and compliance. Their expertise allows them to serve niche clients effectively and maintain long-term contracts, even though they operate on a smaller scale.

Weaknesses:

- **Limited Scale:** The industry is small, with a few mid-sized companies and several niche providers. This limits their capacity to take on very large international projects, reducing bargaining power and visibility in the global market. Smaller companies struggle to expand rapidly without significant investment.
- **Process Maturity:** Many companies still rely on manual or semi-automated processes, especially the niche players. Lack of advanced process standardization can lead to inefficiencies, human error, and difficulty in scaling operations when client demand increases.
- **Technology Adoption:** Widespread use of advanced automation, AI tools, or cloud-based fintech solutions is still limited. Companies without modern technology risk slower turnaround times, less accuracy in financial processing, and difficulty competing with fully automated competitors in other countries.

Opportunities:

- **Rising Global Demand:** There is growing demand for specialized retirement and fintech BPO services from US and European clients. Companies in Bangladesh can expand their client base by offering high-quality, cost-effective solutions tailored to niche markets such as retirement plan administration, compliance, and financial reporting.
- **Digital Transformation:** Implementing cloud-based platforms, workflow automation, and fintech tools can improve efficiency, reduce errors, and enhance scalability. This also allows smaller companies to handle more complex tasks and compete with larger international BPO providers.
- **Service Expansion:** Companies can diversify offerings beyond retirement and fintech processing. Services such as payroll management, tax compliance, audit support, and financial analytics are in high demand. Expanding into these areas can increase revenue streams and make the company more attractive to international clients.

Threats:

- **Competition from Other Countries:** Countries like India, the Philippines, and Vietnam have well-established BPO industries with experienced workforces and advanced infrastructure. Bangladesh companies may face difficulty competing unless they improve technology, skills, and service quality.
- **Regulatory Risks:** Changes in international retirement plan regulations or financial compliance standards can create operational challenges. Companies must adapt quickly to remain compliant, or they risk losing clients and facing penalties.
- **Talent Retention:** As demand grows, retaining skilled professionals becomes challenging. Trained staff may leave for higher-paying jobs in other sectors or international markets, making it difficult for companies to maintain service quality and continuity.

Chapter 3: Internship Experience

3.1 Position, Duties and Responsibilities

As part of the requirements for completing my Bachelor’s degree, I began my internship at Data Path Limited on July 22, 2025. Throughout this period, I actively participated in various activities that allowed me to apply my academic knowledge, gain new practical skills, and demonstrate my professional abilities.

According to Data Path Limited, the internship program is an intensive three-month training initiative designed to develop interns’ technical and analytical capabilities. During this time, interns undergo comprehensive training sessions and are evaluated at each stage of the process. The evaluation outcomes help the company identify potential candidates for permanent employment after the internship period.

The organization prefers to recruit interns who intend to continue working with the company for at least one year following the internship. This is because the program is paid, and during the training phase, interns primarily focus on learning rather than contributing directly to the company’s output. Therefore, if an intern leaves immediately after completing the internship, it results in a loss for the organization in terms of training investment.

Upon joining Data Path Ltd., I received training on the fundamentals of Retirement Plan Services (RPS). Gradually, I advanced to more complex topics such as:

- Census Checking
- Trust Accounting
- Software Training
- ADP-ACP Testing
- General Non-Discrimination Testing
- Form 5500 Preparation
- Report Valuation
- Contribution Calculation

- Asset Reconciliation
- Contribution Reconciliation
- Ending Balance Reconciliation

After completing the theoretical training, I was assigned practical exercises for hands-on experience. These tasks were based on prior-year data that had already been processed by the company. This approach was designed to ensure that interns could practice real-world RPF accounting procedures without the risk of handling live client data, as the information involved is highly sensitive. Even a minor error could result in significant consequences for the company, so this method provided a safe yet practical learning environment.

Through these practical assignments, I became proficient in using the specialized software employed by Data Path Ltd. for recording and managing RPS accounting procedures.

3.2 Training and Development

During my internship, I underwent a comprehensive training program designed to provide a thorough understanding of the Retirement Plan and 401(k) industry. The training was divided into theoretical and practical segments, ensuring that interns gained both conceptual knowledge and hands-on experience.

The theoretical training began with the first week under Trainer Mr. Maruf, who provided a general introduction of the 401(k) industry. During this phase, we were familiarized with the basic concepts, industry structure, and the overall processes involved in retirement plans. This initial introduction helped us understand the importance of retirement planning and set the foundation for more in-depth learning.

Following this, our main trainer, Ms. Luna, guided us through a detailed step-by-step study of Retirement Plans. The training was organized into 10 chapters, each focusing on different aspects of retirement planning. Every day, we studied a specific chapter theoretically, followed by assessments that tested our understanding of the concepts covered. These daily evaluations helped reinforce our learning and allowed us to identify areas that required further attention. At the end of the theoretical segment, a comprehensive exam was conducted covering all the chapters. This final assessment ensured that we had a strong grasp of the material and were ready to apply our knowledge in a practical setting. The structured and progressive nature of the theoretical training significantly enhanced our understanding of retirement plan management, making the concepts clear and actionable.

The practical training began after we completed the theoretical portion and focused on applying our knowledge in Test Relius, the software used for retirement plan administration. During this phase, we learned several key tasks, including Plan Setup, Employer Setup, and DER Setup. We were trained to prepare census data, upload it into the system, verify the information for accuracy, and ensure that account balances were updated correctly. We also learned to cross-check the ending balances with the RK data, which taught us the importance of accuracy and attention to detail in retirement plan management. Additionally, we were guided through the preparation of Form 5500, a crucial document for retirement plans, and successfully completed 2-3 full plans in Relius, which significantly boosted our confidence and motivation.

After completing the training program, I was assigned to a team where I began working on real client projects. Our client, Pension Source, provided us with practical exposure to actual retirement plan management processes. This opportunity allowed me to apply the theoretical knowledge in a real-world environment, improving my problem-solving skills, attention to detail, and overall understanding of client requirements. Working as part of a team also enhanced my collaboration and communication skills, which are essential in professional settings.

Overall, the training and development program was highly effective in preparing me for practical work in the retirement plan industry. It provided a strong balance of theory and practice, ensuring that I am confident in both understanding the concepts and performing the tasks required in professional retirement plan management.

3.3 Contribution to organization / Operations

During my internship, my primary focus was on undergoing an extensive and structured training process designed by the organization to develop interns as future assets. Although in the initial months, the immediate contributions to the organization were limited, this period was crucial for building a strong foundation to handle professional responsibilities effectively in the future. The organization invested in our development through a deep learning procedure, providing us with both theoretical and practical training to ensure we could perform efficiently once allocated to live projects.

Once I was allocated to a team, I had the opportunity to apply the knowledge and skills gained during training. I practiced tasks on old plans to build confidence and familiarity with real operational procedures. Additionally, I actively participated in ongoing projects for our client, Pension Source, which involved handling specific tasks under team supervision. These projects allowed me to contribute to the team’s workflow, collaborate with colleagues, and understand the practical challenges of retirement plan management. Some projects were completed successfully, while others are still ongoing, giving me continuous exposure to real-world operations and problem-solving.

Through this process, my contribution to the organization evolved from learning and skill-building to practical involvement in client projects. While the immediate tangible benefits to the company were limited during the training phase, my participation helped the organization in developing competent future team members capable of handling tasks independently. By actively engaging in both practice exercises and client projects, I was able to gradually integrate into the team, support ongoing operations, and gain meaningful professional experience that aligns with the organization’s long-term goals.

Overall, my internship experience demonstrates that contribution to an organization is not always immediate in measurable output; it can also be in the form of skill development, preparedness, and readiness to handle responsibilities, which ultimately benefits the organization in the long run.

3.4 Evaluation

During the internship, our evaluation process was structured in multiple stages to assess both our theoretical understanding and practical skills in retirement plan management.

The evaluation began during the first week, which included an introductory session on retirement plans. After this session, we were given two worksheets based on the content covered. In the second week, an exam was conducted on this introductory material, and a primary marking was done based on the results. However, the specific marks were not shared with us at that time.

During the main training sessions, we studied ten chapters covering the step-by-step procedures of retirement plans. For each chapter, an end-of-day exam was conducted to evaluate our understanding of the material and to ensure that we were grasping the concepts effectively. After completing all ten chapters, a comprehensive exam covering all chapters was held to assess our overall theoretical knowledge.

In the practical training segment, evaluation was continuous and hands-on. Each day, the trainer introduced a new task, which we had to learn and perform individually. The trainer would review our work, check our understanding, and ensure that we could complete the tasks independently. This step-by-step practical assessment allowed us to develop confidence and competence in performing real tasks such as Plan Setup, Employer Setup, DER Setup, and managing census data.

After mastering individual tasks, we were given the opportunity to complete full plans for practice purposes. Our work on these full plans was also evaluated by the trainer to ensure that we could handle tasks independently and accurately.

Finally, the results of all evaluations, both theoretical and practical were submitted to the team managers, who then made decisions regarding team allocation based on our performance and competencies. Overall, the evaluation process was thorough, recurring at multiple stages, and designed to ensure that interns gained both knowledge and practical skills required to perform effectively in real-world projects.

3.5 Skills Applied

During my internship, I had the opportunity to apply several skills in real work scenarios, which significantly contributed to my performance and efficiency. One of the most important skills that I applied throughout my work was proficiency in Microsoft Excel. The company relies heavily on Excel for managing data, preparing reports, and performing various calculations. My fluency and efficiency in Excel made it much easier to handle daily tasks, complete assignments accurately, and solve problems quickly. Many challenges that could have been time-consuming were resolved efficiently due to my Excel skills, which I consider my primary technical strength in this role.

In addition to Excel, Microsoft Word was another key tool that I applied regularly. Creating structured documents, reports, and forms required precision and attention to detail, which my Word skills helped me achieve. These technical skills combined allowed me to work confidently and contribute effectively to tasks such as data management, report preparation, and plan documentation.

Another essential skill that played a crucial role was English communication. Since we were dealing with the U.S. retirement plan industry, understanding and interpreting client instructions accurately was mandatory. My proficiency in English helped me comprehend client requirements, communicate effectively with team members, and deliver accurate results. This language skill was indispensable for ensuring smooth interactions and achieving the desired outcomes in client projects.

Finally, adaptability and flexibility were critical skills that I applied consistently during my internship. The nature of the work required us to switch between theoretical learning, practical tasks, and team projects regularly. Occasionally, team allocations or tasks changed, and being able to adjust quickly to new situations ensured that I could continue contributing effectively without disruption. My ability to adapt allowed me to work harmoniously with different teams, stay productive under changing circumstances, and maintain a positive and cooperative work environment.

Overall, my technical expertise in Excel and Word, proficiency in English, and strong adaptability and flexibility were the key skills that I applied during my internship. These skills not only helped me perform my tasks efficiently but also allowed me to integrate smoothly into the work environment and contribute meaningfully to team operations.

Chapter 4: Research Analysis

4.1 Sources of Data

The study followed a descriptive research design, aiming to present a clear and factual understanding of the topic. To ensure accuracy and depth, both primary and secondary data sources were utilized through a mixed-method approach.

Primary Data Sources

Primary information was collected directly from practical experiences and firsthand interactions. These included:

- Conducted a Survey with relevant individuals through Google Form.
- Personal work experience and observations at Data Path Ltd.

Secondary Data Sources

Secondary data were gathered from credible and verified materials to support the primary findings. These included:

- Reports from previously completed plan years
- News articles, books, and other published resources
- Official websites of the Governments of Bangladesh and the United States

This combination of data sources ensured a comprehensive understanding of the subject matter and enhanced the reliability of the research findings.

4.2 Survey Data Analysis

A survey was conducted among 25 employees from different private sector organizations in Bangladesh to understand the retirement benefits they receive and how secure they feel about their financial future after retirement. The goal was also to gather their views on developing a stronger retirement system in Bangladesh, inspired by the U.S. Retirement Provident Fund model.

The respondents were employees from reputed companies such as Grameenphone Ltd., BRAC, Banglalink, ACI Limited, and Unilever Bangladesh. These organizations were selected because they maintain structured provident fund or employee benefit policies, providing diverse insights into current practices.

In Bangladesh, provident fund systems operate under the Provident Fund Act, 1925, and are usually managed by each organization. By the survey we got the knowledge that Grameenphone, BRAC, and ACI Limited have provident fund schemes where both employers and employees contribute a fixed percentage of salary, paid out upon retirement or after a specific service period.

The survey revealed that while most employees appreciate having provident fund facilities, many expressed concerns about the lack of transparency and insufficient regulatory oversight. Participants emphasized the need for a centralized and well-regulated retirement system to ensure greater security and trust among private sector employees.

The results of the survey are discussed below:

- Years of Service in the current organizations-

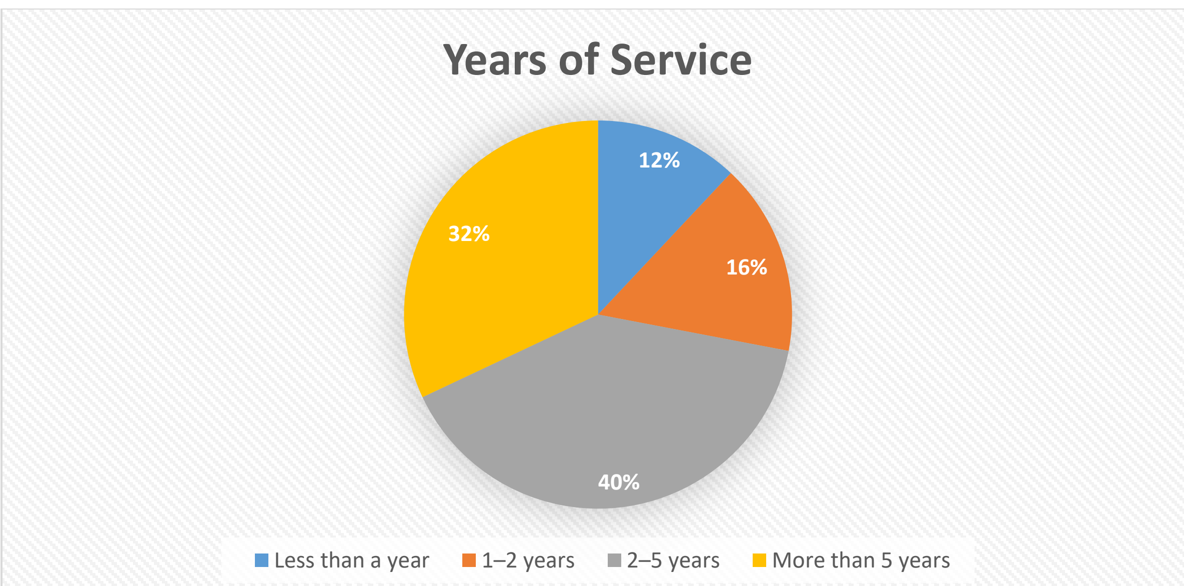

Figure 05: Distribution of Employees by Years of Service

The data shows that most respondents have stable work experience, with the majority having 2–5 years (40%) or more than 5 years (32%) of service. Only a small portion are newer employees, with 12% having less than a year and 16% having 1–2 years of experience. This indicates that the survey reflects the opinions of experienced employees who are familiar with their organizations' policies.

- Does the Organization Provide Retirement Benefits?

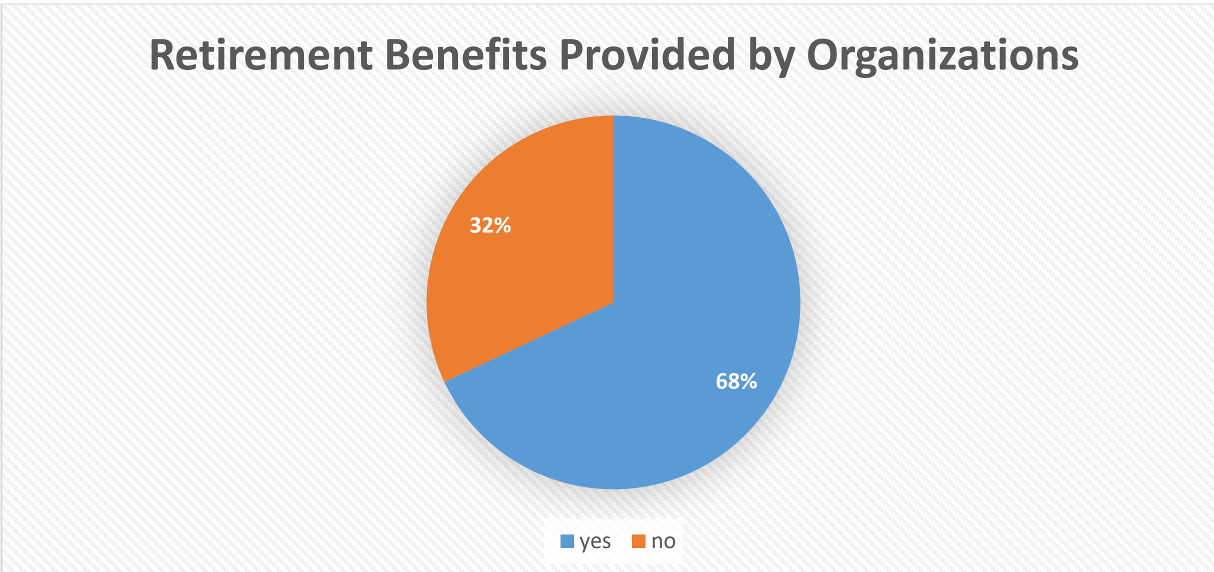

Figure 06: Retirement Benefits Provided by Organizations

The data shows that a majority of employees receive retirement benefits from their organizations, while a smaller portion reported that no such benefits are provided. This indicates that although retirement facilities are available in many private companies, a notable number of employees still work in organizations that do not offer any structured retirement support.

- Employers/Organizations' contribution-

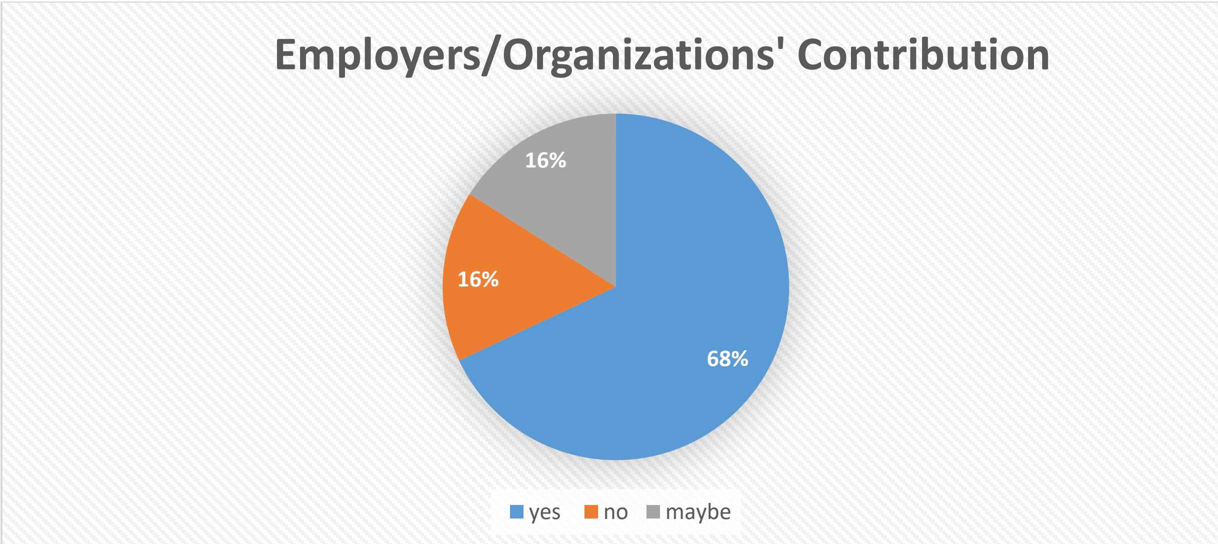

Figure 07: Distribution of Employers'/Organizations' Contribution Responses

This indicates that while most organizations provide financial contributions toward employee retirement funds, a portion of employees either do not receive such benefits or are not fully informed about their organization's contribution policies.

- Transparency about the Money-

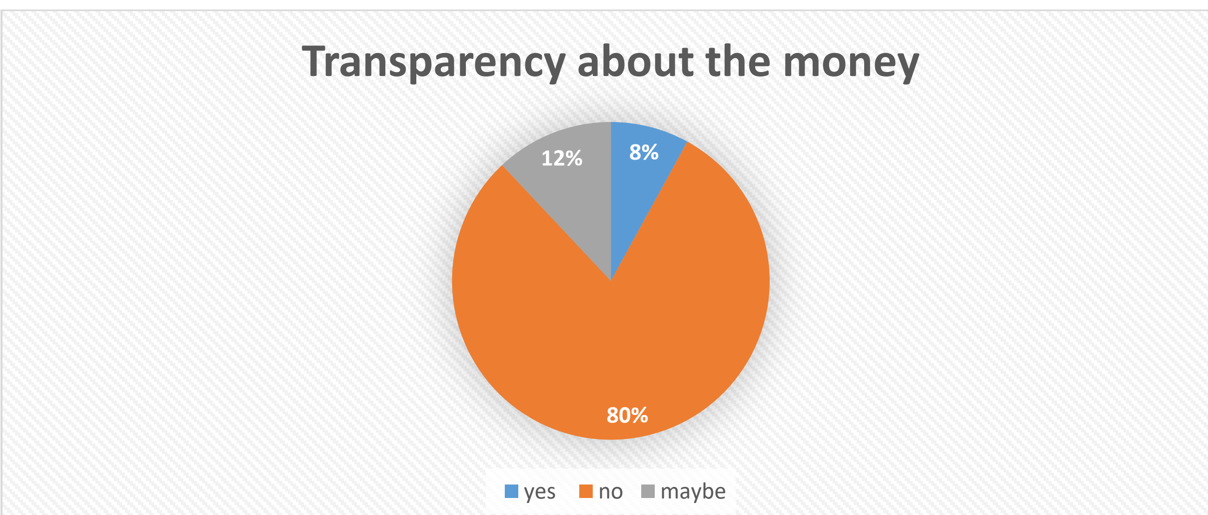

Figure 08: Transparency about the money

The chart clearly indicates that most people perceive a lack of transparency regarding money. This suggests that there may be issues with communication, financial disclosure, or accountability, as only a very small percentage feels confident about transparency. The organization or context being assessed might need to improve clarity, reporting, and openness to build trust.

- Satisfaction of the Current Retirement System of Bangladesh-

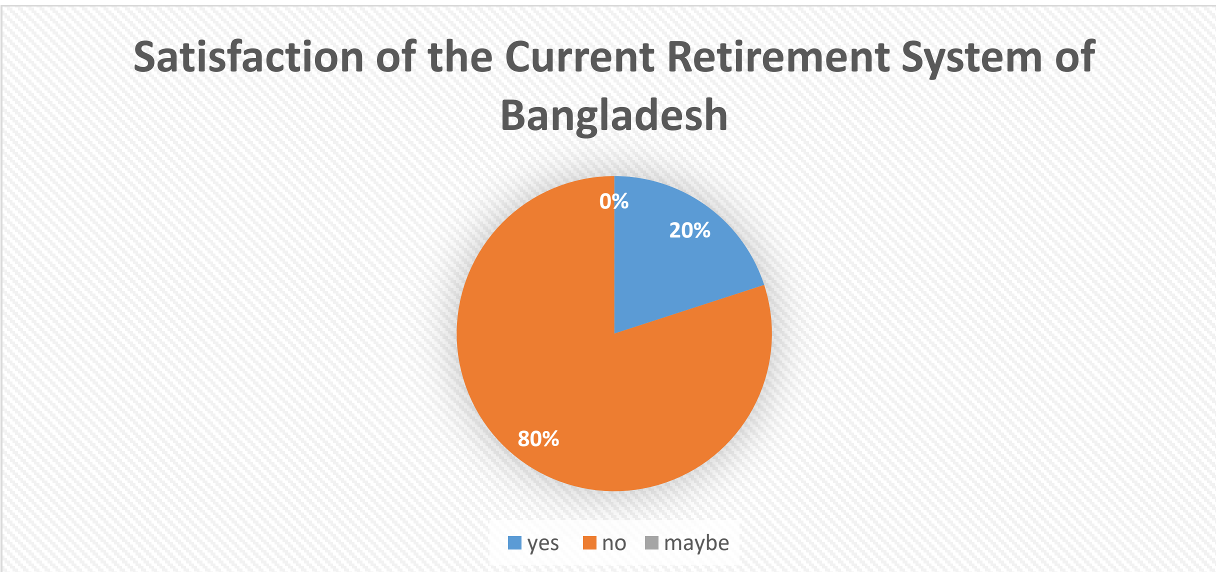

Figure 09: Satisfaction Levels with the Current Retirement System in Bangladesh

The data shows that the majority of employees (80%) are dissatisfied with the current retirement system in Bangladesh, reflecting concerns about its structure, transparency, and effectiveness. Only a small portion (20%) reported satisfaction with the system.

- Government involvement in the Private Sector-

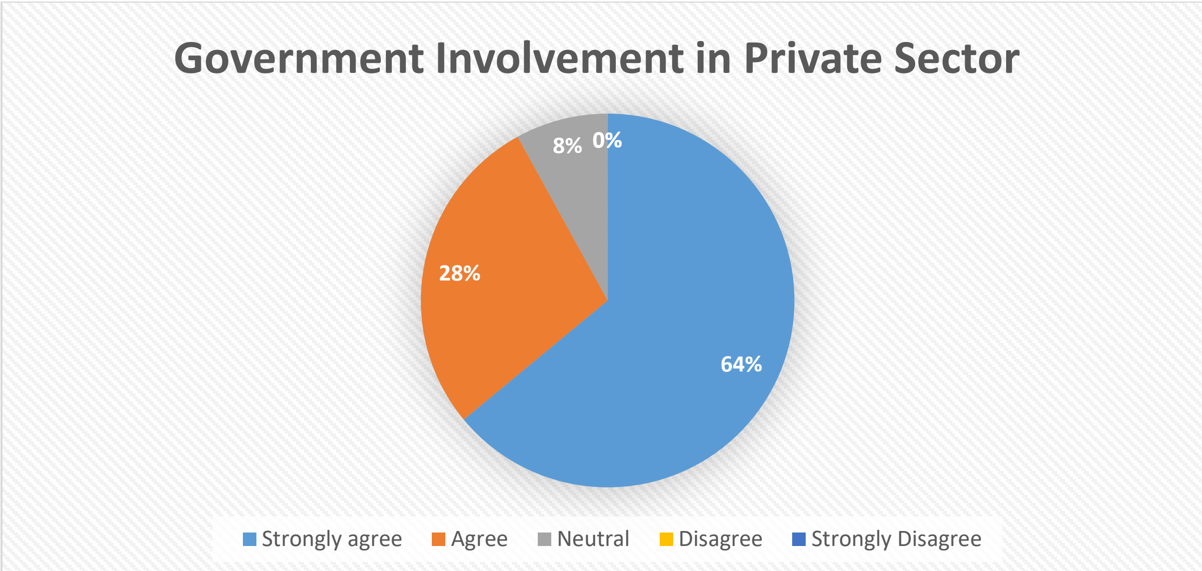

Figure 10: Government involvement in the Private Sector

The results indicate that most employees support government involvement in providing retirement benefits for private-sector workers. A majority (64%) strongly agree, and 28% agree, showing a clear preference for regulatory oversight to ensure fair and secure retirement plans.

- Thoughts on Retirement Plan like the USA-

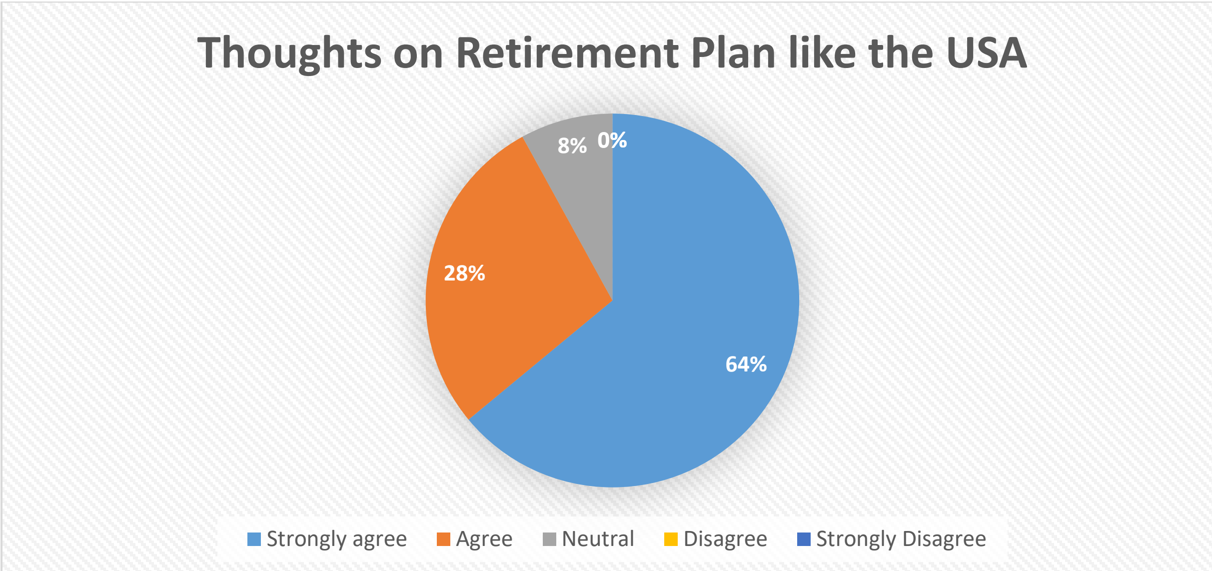

Figure 11: Thoughts on Retirement like USA

These findings indicate that a large majority of private sector employees favor the introduction of a U.S. style retirement plan in Bangladesh, believing it would make retirement benefits more dependable and efficiently managed.

4.3 Comparative Analysis

Table 03: Comparison between Retirement plan of U.S. and Bangladesh Provident Fund

Aspects	U.S. Retirement Plan	Bangladesh **Provident Fund/Pension**
Coverage	Retirement plans in the U.S. are compulsory for both public and private sector employees.	Only government employees are entitled to a pension. Private sector employees depend on their organization's own provident fund or

		retirement policy.
Regulatory Authority	Retirement plans are strictly regulated by several government agencies such as the Internal Revenue Service (IRS) and the American Society of Pension Actuaries (ASPA).	Government employees' pensions are regulated by the Ministry of Finance. For private employees, regulations depend on the individual organization's policies.
Administration	A separate Third Party Administrator (TPA) manages the retirement plans of organizations.	For government employees, the Ministry of Finance oversees pension management, while private organizations manage their own provident funds.
Fairness & Compliance	Each plan undergoes non-discrimination tests to ensure fair treatment for all employees, particularly non-highly compensated ones.	There are no such non-discrimination tests or equivalent mechanisms in Bangladesh.
Transparency	Participants are well-informed about where their money is invested and how much they have accumulated. Employers are legally required to deposit contributions within 3 to 7 days as per IRS regulations.	Employees generally have little to no idea how their deducted money is managed or invested. They only receive the accumulated amount upon retirement or after leaving their job.
Employee Contribution	Employees have full flexibility in deciding how much they wish to contribute, and they can even	Employees are required to contribute a fixed percentage

	choose not to contribute at all.	of their salary every month.
Employer Contribution	Employers contribute in different ways such as matching or profit-sharing. In some cases, (like Safe Harbor Non-Elective Plans), employees receive contributions even if they do not contribute themselves. The contribution rates for employers and employees are not necessarily the same.	Employers contribute a fixed percentage of the employee's salary, matching the employee's own contribution each month.
Withdrawal Process	Employees can withdraw or transfer (roll over) their retirement funds when they retire or switch jobs. This process is strictly regulated, ensuring transparency and timely access to funds.	Employees, both in the public and private sectors, often face difficulties in receiving their funds upon retirement. Moreover, they cannot transfer their savings to a new organization when changing jobs.

Summary

Overall, the United States retirement system is more structured, transparent, and supportive of employees. It offers flexibility, ensures fair treatment, and provides strong legal protection for contributions made by both employers and employees. In comparison, the retirement system in Bangladesh, especially in the private sector, often lacks transparency, effective regulation, and flexibility. With better policies and stronger management practices, the Bangladeshi system could become more reliable and equitable in the future.

Chapter 5: Recommendations and Conclusion

5.1 Key Understandings

Based on the research and survey results, several key findings have been identified:

- The retirement system in the United States offers multiple plan options, allowing flexibility for both employers and employees in terms of contribution, investment, and withdrawal.
- In contrast, Bangladesh's retirement system remains largely unstructured, especially in the private sector, with limited regulation and standardization.
- A well-organized retirement plan can serve as a significant source of financial support for elderly individuals and their families, reducing dependency and ensuring long-term stability.
- In Bangladesh, only government employees are entitled to pension benefits under the Public Servants' Rules, while private sector employees are excluded from such facilities. This gap contributes to a sense of financial insecurity among private sector workers.
- The provident funds in many Bangladeshi private organizations are not properly invested in profitable or regulated financial instruments, which limits potential returns for employees.
- The U.S. government strictly monitors and regulates all retirement plans through various authorities, ensuring transparency, fairness, and security for employees' future savings.

Overall, the findings suggest that Bangladesh could benefit greatly from adopting a more structured, transparent, and government-regulated retirement system, similar to that of the United States, to enhance financial stability and employee confidence across both public and private sectors.

5.2 Recommendations

During my time at Data Path Ltd., I gained valuable insights into the existing financial and retirement-related challenges in Bangladesh. One of the most critical issues observed is the lack of financial security for individuals after retirement, especially for those working in the private sector. By comparing the retirement systems of Bangladesh and the United States, the following recommendations are proposed:

- The Bangladesh government should extend retirement benefit schemes to private-sector employees, similar to the facilities enjoyed by public-sector workers.
- To encourage private organizations to adopt retirement plans, the government could introduce tax incentives or exemptions for companies that implement structured employee retirement programs, as practiced in the United States.
- A strict regulatory framework should be established to ensure proper monitoring, management, and accountability within all retirement benefit systems.
- Private companies that already provide retirement benefits must enhance transparency regarding employee contributions — specifically how the deducted funds are managed or invested.
- Provident fund contributions should be carefully invested in reliable and profitable financial instruments to generate higher returns for employees and ensure long-term financial security.
- The government could impose mandatory requirements for private-sector organizations to adopt standard retirement schemes, which would significantly improve overall social and economic stability.
- Regular evaluation and testing of retirement plans should be introduced to ensure fairness and prevent discrimination against employees with lower incomes.

By adopting these measures would help Bangladesh build a more secure and transparent retirement system, benefiting both employees and the nation’s economic future.

5.3 Conclusion

After completing three months of practical experience in the American retirement industry and conducting in depth analysis of the pension system in Bangladesh, it has become increasingly clear that Bangladesh has significant opportunities to strengthen its own retirement structure by learning from established international models. The retirement system in the United States stands out for its strong regulatory foundation, clear administrative processes, and commitment to protecting the long term financial wellbeing of workers. These qualities have allowed the American system to operate with consistency, fairness, and a high level of trust among employers and employees.

While Bangladesh does not need to follow the American model entirety, there are many principles that can be adapted to suit the local economic and social context. Key features such as reliable oversight, transparent fund management, efficient recordkeeping, timely communication with participants, and broad participation across industries could make a substantial difference. A stronger emphasis on financial literacy and retirement planning would also help workers understand the importance of long term savings and feel more confident about their future.

By thoughtfully adopting the most effective practices from the United States retirement framework, Bangladesh can create a system that is both sustainable and adaptable to changing economic conditions. This would involve improving coordination between regulatory bodies, encouraging private sector employers to follow consistent standards, and ensuring that retirement funds are managed with accountability and integrity. Over time, such reforms would promote confidence among workers and employers, increase national savings, and support wider economic stability.

Ultimately, a more modern and efficient retirement system would not only enhance financial security for individuals in both the public and private sectors but also contribute to broader social progress. A reliable retirement framework encourages long term planning, reduces pressure on future government resources, and promotes a stronger sense of well-being across society. Through gradual but committed reform, Bangladesh has the potential to build a retirement system that reflects global best practices while meeting the unique needs of its own population.

Survey Questionnaire

The following questionnaire was designed to collect opinions from private sector employees regarding their existing retirement and provident fund benefits, as well as their views on improving the retirement system in Bangladesh.

Table 04: Questions of the Survey

No.	**Questions**	**Response Options**
1	What is your email address?	Open-ended
2	What is the name of your current organization?	Open-ended
3	How long have you been working in your current organization?	☐ Less than 1 year ☐ 1–2 years ☐ 2–5 years ☐ More than 5 years
4	What is your current job position or department?	Open-ended
5	Does your organization provide any form of retirement or pension benefits?	☐ Yes ☐ No ☐ Not sure
6	Does your organization contribute any amount to your retirement or provident fund?	☐ Yes ☐ No ☐ Not sure
7	Is your organization transparent about how the deducted provident fund money is managed or	☐ Yes ☐ No

No.	Questions	Response Options
	invested?	
8	Are you satisfied with the current retirement or provident fund policy offered by your organization?	☐ Yes ☐ No ☐ Somewhat
9	Do you believe the Bangladeshi government should ensure retirement or pension benefits for private sector employees similar to public sector employees?	☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree
10	Would you support a government-regulated national retirement plan where both employees and employers contribute, and funds are safely invested for long-term benefits?	☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly disagree

Reference:

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