Retirement Planning with a Comparative Analysis between Bangladesh and USA

Abdullah Mohammad Saadi

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

Internship Report

On

Retirement Planning with a Comparative Analysis between Bangladesh and USA

Submitted To:

Zinnatun Nesa

Assistant Professor

Finance

Submitted By:

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111 172 088

Finance

Trimester: Fall, 2025

School of Business and Economics

United International University

Date of submission: 28 March, 2026

Letter of transmittal

Ms. Zinnatun Nesa

Assistant Professor

United International University

United City, Madani Avenue, Dhaka

Sub: Internship Report on “Retirement Planning with a Comparative Analysis between Bangladesh and USA”

Dear Miss,

It is my Pleasure to submit this report on “Retirement Planning with a Comparative Analysis between Bangladesh and USA”, which is prepared with great effort and commitment. I have tried to include all the information I have gathered during my internship period. This report shows the overview of Datapath and the retirement policy of both Bangladesh and USA. It has given me a great joy while making this report as I got to learn so many things.

I would like to thank you for giving the chance to make this report and your constant support has given me the strength to complete it.

Sincerely Yours,

Abdullah Mohammad Saadi

111 172 088

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Declaration

I, Abdullah Mohammad Saadi, a student pursuing Bachelor of Business Administration with ID: 111 172 088, hereby declare that my internship report which is titled as "Retirement Planning with Comparative Analysis between Bangladesh and USA" which is prepared by me under the supervision of my instructor Ms. Zinnatun Nesa (Assistant Professor), School of Business and Economics after the accomplishment of my internship program at Datapath. This report has been prepared and submitted for educational purpose and to complete my Bachelor of Business Administration (BBA) degree at United International University. While preparing this internship report, I got to learn and enriched my knowledge and also improved my professional comprehension. It helped me to connect the real world approaches to handle professional matters. I want to express my profound gratitude for giving me the opportunity to create this report.

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Abdullah Mohammad Saadi	**Ms. Zinnatun Nesa**
ID: 111 172 088	(Assistant Professor)
Department: BBA	School of Business & Economics
Major: Finance	United International University

Acknowledgment

At first, I want to thank Almighty for giving me the opportunity, strength, and ability to finish this report in spite of many challenges and difficulties. I am very grateful to my academic mentor, Ms. Zinnatun Nesa. I am also grateful to my supervisor Md. Zahidur Rahman in Datapath BPO. I am thankful to him for co-operating and supporting me throughout my internship. I have got to learn a lot of things under his instruction. He provided me valuable professional advice and knowledge. He instructed me on this topic at hand as well as helped me building confidence and strong relationship throughout the time. I also want to thank my peers at Datapath Ltd. for their assistance, which included giving me important information and making it easier for me to work with them.

Executive Summary

The primary subject of this research is “Retirement Planning with a Comparative Analysis between Bangladesh and the USA”. This study evaluates the effectiveness of financial stability of both of these countries. It examines for important rules, analyzes their effects, and make recommendations for Bangladesh based on lessons learned from the US model. Bangladesh’s approach to retirement planning is heavily reliant on government pension systems; there is no alternative following system. The operating system faces challenges such as insufficient finance, administrative challenges and minimal private sector participation. On the other hand, the National Pension Scheme (NPS) seeks to encourage voluntary savings, although the overall regulatory environment is underdeveloped. In contrast to the Bangladesh system, the ERISA-regulated system in the United States provides a well-established structure with a variety of retirement options, such as employer-sponsored plans and IRAs, which provide strong fiduciary safeguards. Furthermore, the US system aims to provide improved financial stability for retirees through tax breaks and a stable financial market.

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List of Abbreviation

- HCE= Highly Compensated Employees
- RPF= Retirement Plan Fundamentals
- BPO= Business Process Outsourcing
- TPA= Third Party Administration
- ERISA= Employee Retirement Income Security Act
- JBS= July Business Services
- SSN= Social Security Number
- IRS= Internal Revenue Service
- DOL= Department of Labor
- DOP= Date of Participation
- ASPPA= American Society of Pension Professionals Actuaries
- UPS= Universal Pension Scheme
- NASRA- National Association of State Retirement Administration
- CGA – Controller General Account
- NPA – National Pension Authority

Chapter 1: Introduction

1.1 Background of the Report:

Internship is an excellent way to apply academic knowledge in practical life. A student apply the theoretical knowledge professionally, in his entire internship period. It is mandatory for a student to complete internship for earning BBA degree. A student working for a certain company, makes him become skillful, confident, and most importantly giving experience in his corporate world. It is a four months program that opens up my career opportunity in corporate life in this competitive era. Data-path Limited has provided me the opportunity to complete my internship, and gave me an extra ordinary experience.

1.2 Objective of the Report:

The objective of the report is:

- To provide a detailed information about how USA process their retirement planning system and their distribution of retirement fund
- To understand how third party associate firms operate the business
- To provide the information about the retirement planning sector of Bangladesh
- To compare both the Bangladesh and USA's retirement planning and their impacts

1.3 Motivation:

The motivation of this report is to study and compare the retirement planning process of Bangladesh and USA. While making this report I have discovered and get to learn how retirement planning process works for both Bangladesh and USA. I have understood the pension distribution system and studied the differences and discussed the comparison of both Bangladesh and USA. In addition, how it is affecting both of the country's people.

1.4 Scope of the Study:

This report is about Data path's retirement plan procedure and management. For this research, I focused on the detail information of the retirement plan of the USA and Bangladesh. I have also demonstrated the comparative analysis between these two countries. I took help from my peer and senior colleagues. Their experience, advice, and their completed reports helped me to finish this report.

1.5 Limitation of the Study:

Some information of Datapath is not included here due to the privacy and confidentiality concern of the company. I have collected most of the information from secondary sources. This information may not be properly correct or it can vary depending on the retirement plan. As USA retirement plan system changes over time due to their economic condition, so it is difficult to provide comparison details.

1.6 Definition of Key Terms:

Retirement Planning: Retirement planning is preparing financial and social security for life when an employee quit his job. When an employee quits or retires from his job he doesn't have any source to earn money. So he needs to make a retirement plan to earn money even after he quits his job after his end of the employment period in a certain company. The employee can save his money, choosing suitable investments, and taking part in pension plans to get long-term financial stability.

BPO (Business Process Outsourcing): Business process outsourcing refers to the companies who hire different companies that has specialized work force for that certain task of that company. These tasks can include retirement planning, payroll, accounting, HR and customer service.

1.7 Sources:

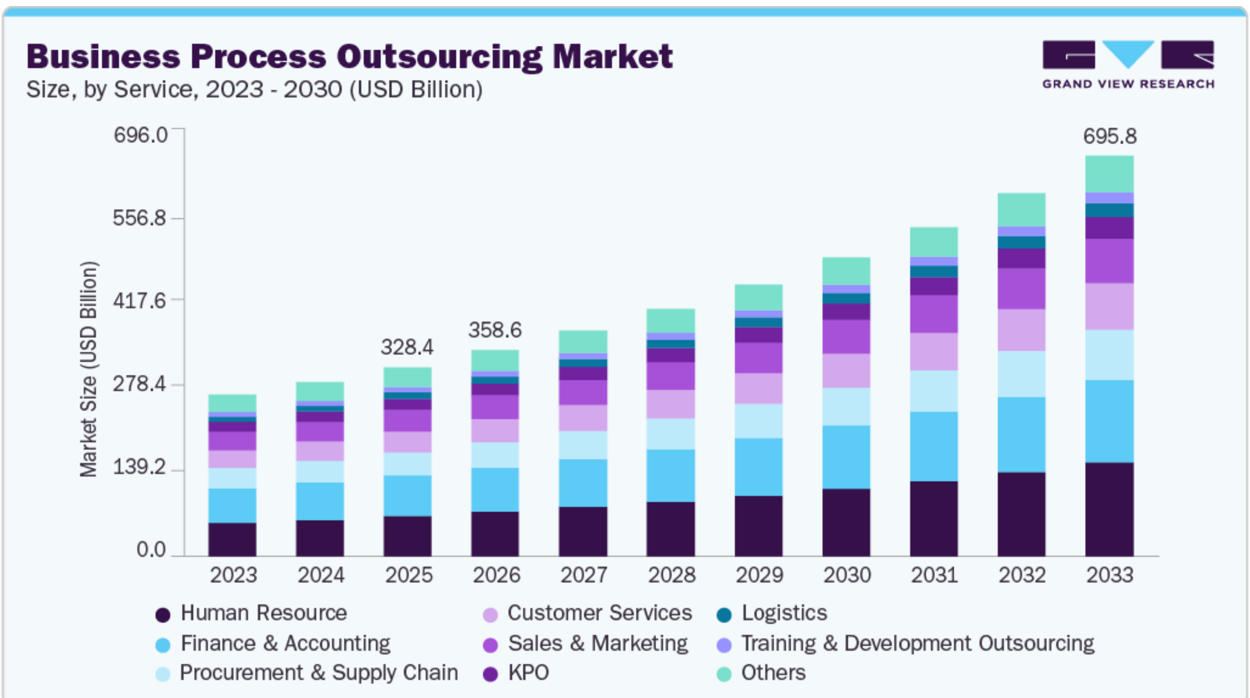
I used both primary and secondary sources to get the data for this report.

Primary Sources: Primary source means the direct source from where I have collected the data. I have gathered the data while working with my office and collected the information from my peer, senior colleagues, manager, and my supervisor. Additionally, Discussed with my seniors who has expertise, knowledge and have experience in this similar financial sector.

Secondary Sources: The secondary source means the data I have collected from an existing source that I used to make this report. I collected information using the Data-path and July Services databases' preserved data and I also went through the websites data and journals.

Chapter 2: Industry Analysis

Outsourcing business is refer to a third party who works full or a part of other company's business process. This minimizes the company's cost and boosts the overall productivity of the company. The global business outsourcing market size is estimated around USD 328.37 billion in 2025 and expected to reach by USD 695.77 billion by 2033. Within these 7 years the expected growth rate is 9.9%.

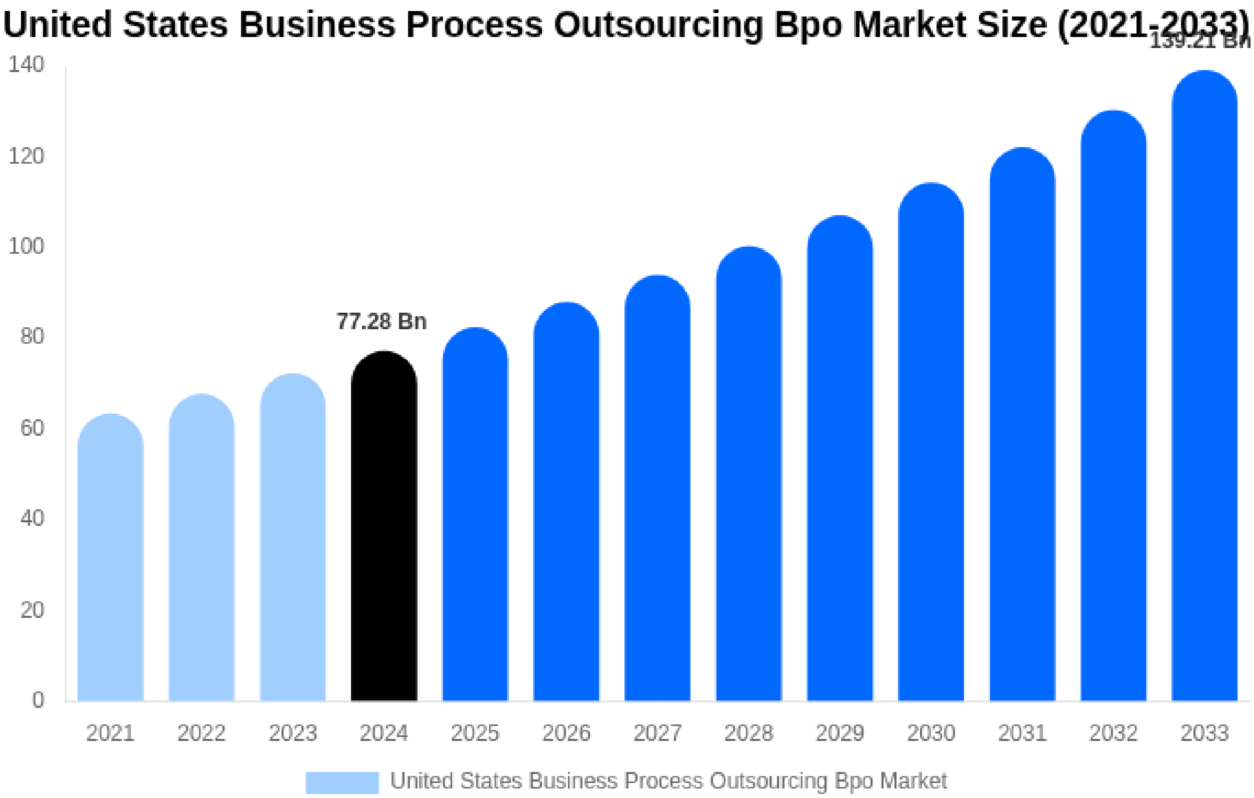


Global business process outsourcing market over the years

According to the research the image shows how business process outsourcing market size rising over time. From 2023 to 2026 it has rose USD 278.4 billion to USD 358.6 billion and it will grow from USD 358.6 billion to 695.8 billion by 2033. The finance and accounting holds the largest market share in BPO industry. It holds 21.4% market share in 2025. Some world wide leading companies are holding the market of outsourcing industry. They are: Accenture, Capita PLC, TATA Consultancy Services Limited etc. UK, Germany, France, China, India, Japan, Australia, South Korea, Singapore, Malaysia, Brazil, UAE, Saudi Arabia, South Africa are the most dominated countries by outsourcing industry.

2.1 Outsourcing Industry in the USA:

The United States has one of the largest outsourcing markets in the world. Around 300,000 jobs are outsourced annually in the USA. North America business outsourcing dominated the global market with the largest revenue share of 37.4% in 2025..



BPO market size of USA over the years

It is expected to grow significantly over the forecast period. The BPO market in USA has significant growth of CAGR 9.7%. from 2025 to 2033. US companies outsource in three different ways. 1. Onshore 2. Near shore 3. Offshore. The graph shows how US company BPO market size in these three ways. AS per a deep research it has been founded that USA BPO market rose up USD 77.28 billion in 2024 and expected to have a significant growth of USD 139.21 billion by 2033. The USA has contributed 28.52% globally in BPO market in 2024. BY 2033 it will dominate the whole market industry. Finance and accounting is the 4th largest service of BPO industry after IT and telecommunication in USA.

To summarize, we can say that total market size of USA considering the GDP 2024 is USD 29.18 trillion from which USD 931 billion is the outsourcing market. To be more specific, in IT sector it is around USD 170 billion and BPO USD 77.28 billion.

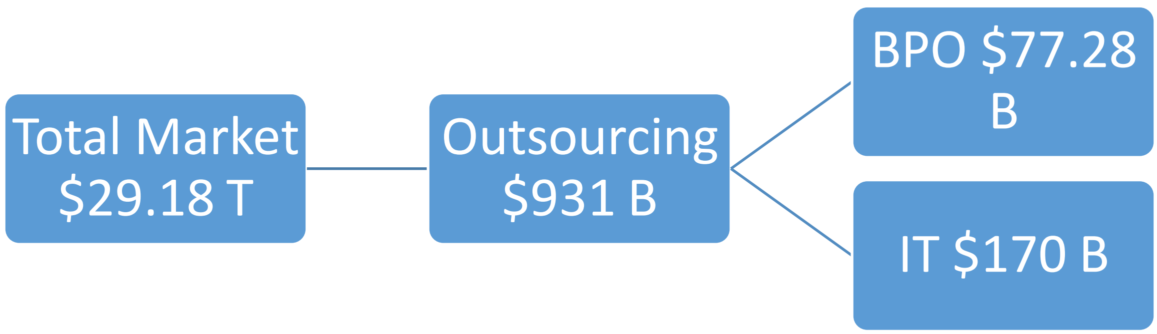


Figure 1 Outsourcing market size in USA

2.2 Outsourcing Industry in Bangladesh:

The outsourcing industry in Bangladesh is experiencing a developing growth over the last 10 years. A young group of people seems more active into outsourcing. As Bangladesh has low labor cost and has a large young work force, the foreign countries prefer to work with them. It is efficient in IT service, data entry, digital marketing and graphics designing sector. Freelancing is one of the popular outsourcing online platform in Bangladesh. Bangladesh has 450 BPO companies and 6.50 lakh people are engaged in freelancing.

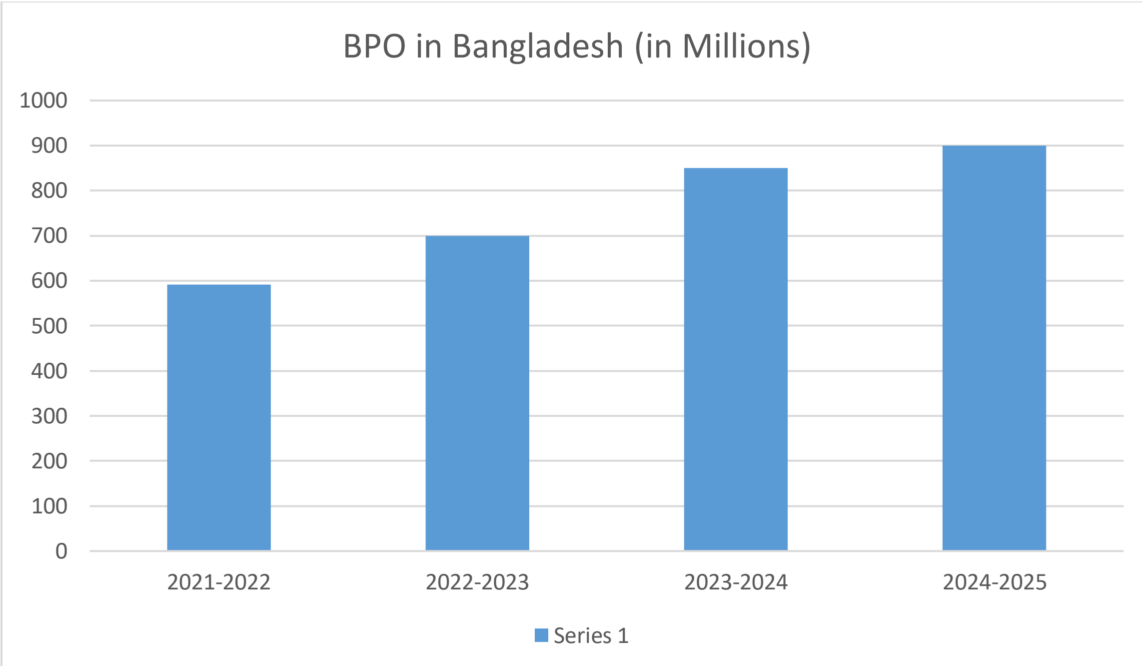


Figure 2 BPO growth in Bangladesh

According to BACCO (Bangladesh Association of Contact Center and Outsourcing), Bangladesh has earned USD 900 million through outsourcing in 2025 and USD 850 million in 2024. EPB (Export promotion Bureau) has stated that it has earned USD 592.06 million from 2021 to 2022. BACCO has hold a target to earn up to USD 5 billion and create 30000 jobs by 2030.

Datapath, Augmedix, Sky tech Solutions, Digicon Technologies limited, Graphics Bangladesh limited etc. are the leading outsourcing compnies in Bangladesh. These companies work with USA, UK, Europe and Australia.

Popular outsourcing services in Bangladesh:

Company name	Services
Datapath, LDS, Finsource, Speedway	Retirement planning
Augmedix, Radiant Data Systems	Health care
Brain Station23, Avien Tech, Therap	IT and software
Digicon technologies Ltd, Service Engine BPO	Call center
Ace Advisory Ltd, ASL BPO	Finance and accounting

Table 1 Different services of outsourcing companies

Chapter 3: Datapath Profile

3.1 Company Overview:

Data Path is the service based BPO (Business Process Outsourcing) company that works with July Business Service. July Corporate Services is a professional service firm which provides the business clients specialized retirement plan and other administrative services. The parent company of Data Path Ltd. is July Business Services, a TPA based in the United States. The actual owners of JBS. are John Humphrey and Jim Hudson. Jim Hudson initiate the idea of opening a TPA firm on his own at early 1980 while he was doing his work as public accountant. In 1994 he started his own TPA firm as he was efficient, well known and respected in his field of work. Later on, john the co-founder joined with Jim to manage July services. It currently serves about 94464 clients and operates throughout the USA. (July Business Services Competitors, Revenue, Alternatives and Pricing, 2022) The current net worth asset of July business service is 7 billion US dollars. Also, the projected yearly income is currently estimated at $28.1 million a year. In 2005, Datapath began operations for July Business services for a purpose of an experiment. Data Path Ltd was providing supportive operations to July Business Services. In 2008 it officially started work for July Business Services. Mr. Ashfaqur Rahman is the CEO of the company. The company hired the efficient employees to work for the July Services. At first it had only 10 employees. But now more than 600 people are working for this company with their brilliant appreciation. July Business Service is working as a Professional Service firm for their client and focused on the USA 401(k) retirement industry and all other related administrative services. It plays an important role to work very closely with the employers and financial partners for customized services.

Datapath is the first outsourcing company which is registered in Bangladesh. It was founded on 2006, which was located in Uttara. After then it was moved to Mohakhali and currently it has opened its permanent branch, situated in Bashundhara R/A. Datapath began its journey with a group of six skilled employees to found a strong business. Later on, the company grew to 50 employees and currently it’s working with 600 employees. The company witnessed its significant growth in 2015 because of the Business Process Outsourcing Department. The outsourcing process was considered as an opportunity by

July Business Services and many other TPA firms in the United States. However, they began outsourcing their business procedures through Datapath in spite of setting their own business.

Data Path Ltd. in Bangladesh is mainly providing services to Third Party Administration (TPA) firms in the US. Data Path Ltd.'s Business Process Outsourcing branch provides support to 50 other TPA firms in addition to July Business Services Ltd.

3.2. Company Growth:

Datapath started its journey with July Business Services on 2006. At first, they had 10 employees working for one TPA (Third Party Administration). In 2015, Datapath started their BPO (Business Process Outsourcing Department) along with 7 more departments which had a great impact. The number of employees grew fast to 100 employees. Currently Datapath have 300 employees in the BPO department with 50 TPAs and around 600 employees overall. They are targeting to reach 80 TPAs by 2028.

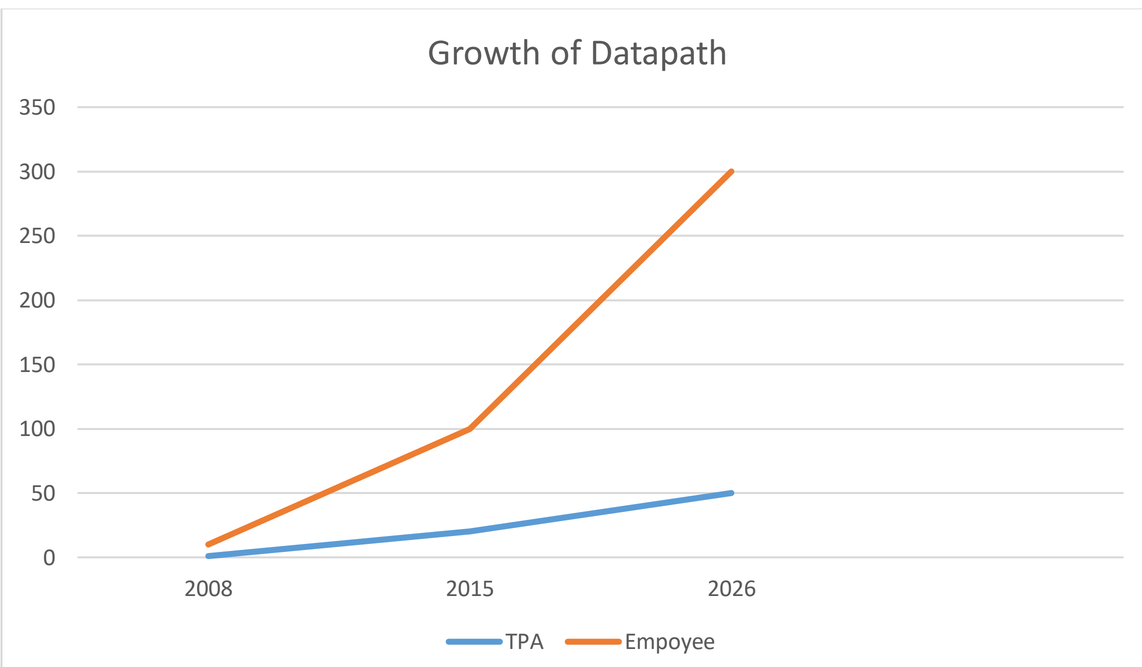


Figure3 Datapath Growth

3.3 Organogram of Datapath

On the following chart, I have reported the hierarchy and total departments of Datapath Ltd.

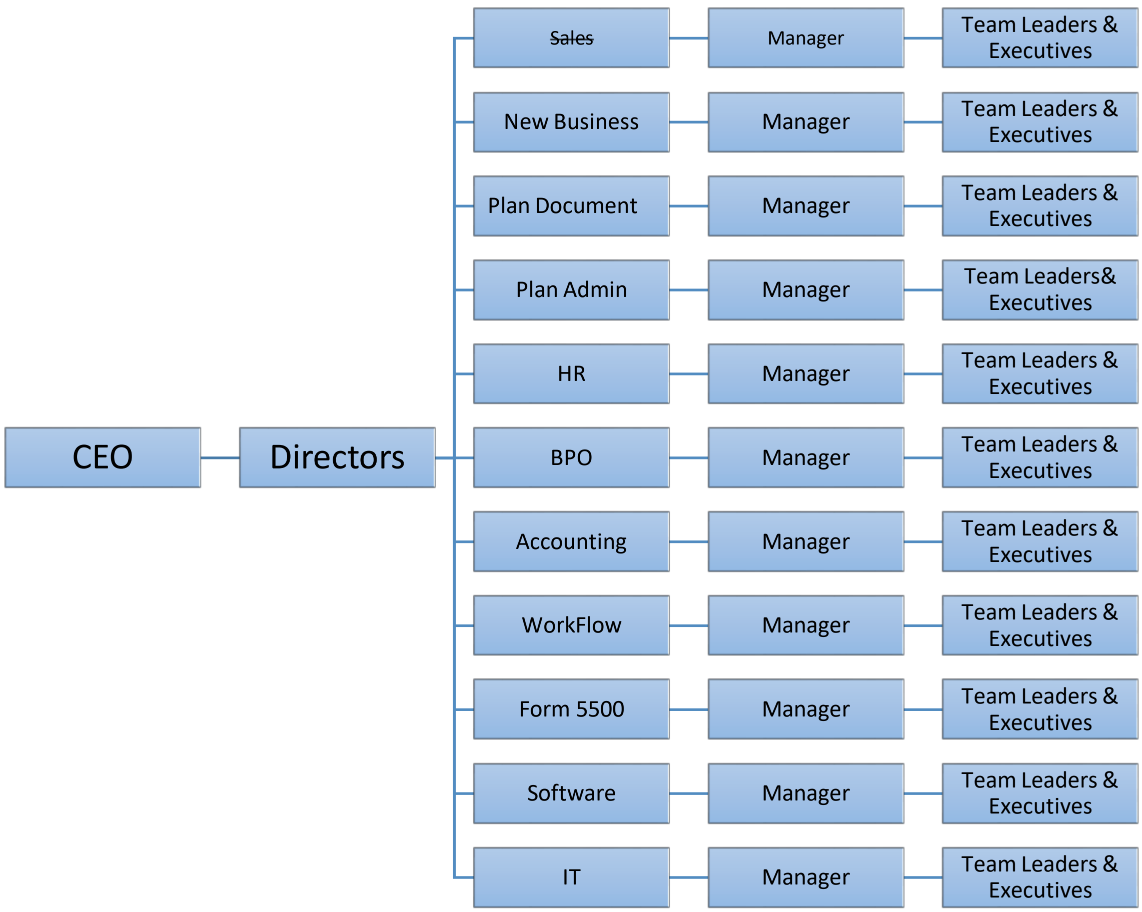


Figure 1 Organogram of Datapath

3.4 Services of the Business Process Outsourcing Department:

This department has the autonomy to work with other TPA services. Each team comprising in this department works with diverse TPA by giving numerous administrations like arrangement survey, plan process, accommodate and so on. Currently the department is assigned with more than 50 TPA services based in the USA. There are two types of retirement plan and they are:

- Employee Benefit Plan
- Pension Benefit Plan

Employee Benefit Plan: When the company provides benefits to the employee's and their families in terms of financial, social and mental condition, it is called employee benefit plan. Employers provide benefits like health and life insurance, Vacation time, Disability income and retirement plan.

Pension Benefit Plan: It is maintained by both employer and employee. The employee can take the money after they retire from that company. They will receive the pension payment monthly basis. The employee doesn't have to pay the tax immediately. They will pay the tax after their retirement when they will withdraw the money. There are two different types of Pension Benefit Plan:

1. Defined Benefit Plan
2. Defined Contribution Plan

Defined Benefit plan: A defined benefit plan is a plan when an organization provides a fixed amount of money after his retirement. The employee doesn't get benefits annually. The organization promises an amount of pension in future. The employees get to know how much he will get after his retirement.

Defined Contribution Plan: In this benefit plan, all employees will get their benefit or contribution from their employer yearly. All the calculation are normally calculated yearly.

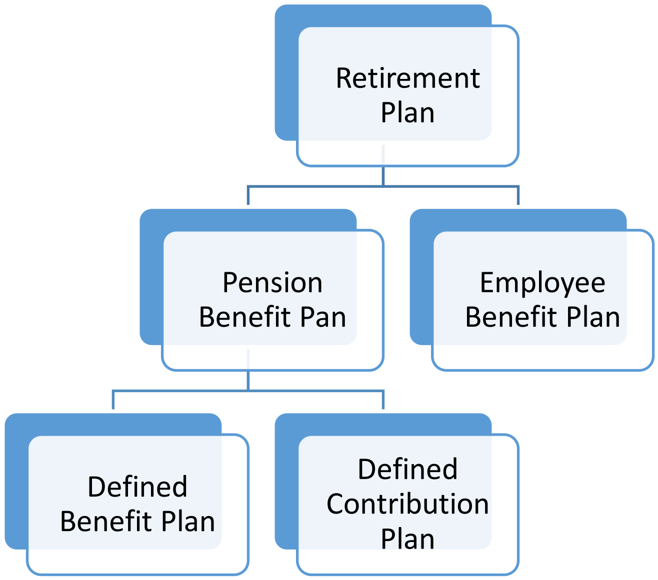


Figure 5 Types of Retirement Plans

In the BPO department, we mainly work throughout the Defined Contribution plans.

We strictly have to follow a process for every Defined Contribution plans. They are:

1. Plan Document
2. Plan Set up
3. Census Scrub
4. Contribution Test
5. Prepare Valuation Reports
6. Balance Sheet
7. Form 5500

Now let me provide some briefing of the following steps:

1. **Plan Document:** In this industry, every plan holds customized rules and policies to make employees financial future secure and sound. Through every plan, it needs to be fall under IRS (Internal Revenue System – USA retirement governing body) rules and guideline. Company cannot go outside the IRS rules and guideline to customize their retirement plan. The documentation is similarly essential as it provides important information about the plan.
2. **Plan Setup:** We follow the Plan Document and set up the plan in specific retirement like DATAIR, FTWILLIAM.
3. **Census Scrub:** Census scrubbing is checking or correcting data. After inserting the plan document into the software, we upload all the employee information to the software. After that, again we check employee questionnaire. After updating all the data, we have to export employee information from the software and then compare with client census and software census. In census, we check SSN (Social Security Number), Employee birth date, Hire Date, DOP (Date of participation), Employee compensation, and Salary deferral, Date of termination and employer contribution.
4. **Contribution Test:** After checking census we have to find out if there is any error in software census and then we have to correct them. After that our job is to calculate Employer contributions where employer give profit sharing and matching contributions to their employees. There are few types of Contribution testing:

- Profit Sharing
- Safe Harbor (match and elective)

Profit Sharing Plan: In the profit-sharing plan it is kind of different because in this kind of plan the sponsor company must give their employee a certain amount of money. The amount of money can be varied from plan to plan. It must be written in the plan document. Normally they give the profit share in a prorate basis where they give a certain amount of money to their all-active employee according to their compensation ratio.

Safe Harbor Plan: In this contribution, every eligible employee gets contribution according to the formula provided in Plan Document. In safe harbor plan the employer can choose which type contribution they will provide.

5. **Prepare Valuation Report:** We have to input all the numbers from their investment brokerage account into the software and prepare all the necessary reports accordingly.
6. **Balance Sheet:** We create balance sheet from employees investment accounts and prepare annual balance sheet.
7. **Form 5500-** Lastly, we prepare the Form 5500 report which clients submit to the government for Tax prove.

Form **5500-EZ**

Department of the Treasury
Internal Revenue Service

Annual Return of A One-Participant (Owners/Partners and Their Spouses) Retirement Plan or A Foreign Plan

This form is required to be filed under section 6058(a) of the Internal Revenue Code.
Certain foreign retirement plans are also required to file this form (see instructions).

Complete all entries in accordance witl
Go to *www.irs.gov/Form5500EZ* for in

OMB No. 1545-1610

2023

Part I Annual Return Identification Information

For the calendar plan year 2023 or fiscal plan year beginning (MM/DD/YYYY) **and ending**

A This return is: (1) ☐ the first return filed for the plan (3) ☐ the final return filed for the plan
(2) ☐ an amended return (4) ☐ a short plan year return (less than 12 months)

B Check box if filing under ☐ Form 5558 ☐ automatic extension
☐ special extension (enter description)

C If this return is for a foreign plan, check this box (see instructions) . . . ☐

D If this return is for the IRS Late Filer Penalty Relief Program, check this box
(Must be filed on a paper Form with the IRS. See instructions). . . . ☐

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here . . . ☐

Part II Basic Plan Information — enter all requested information.

1a Name of plan

1b Three-digit plan number (PN)

1c Date plan first became effective (MM/DD/YYYY)

2a Employer's name

Trade name of business (if different from name of employer)

In care of name

Mailing address (room, apt., suite no. and street, or P.O. box)

City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

2b Employer Identification Number (EIN) (Do not enter your Social Security Number)

2c Employer's telephone number

2d Business code (see instructions)

3a Plan administrator's name (if same as employer, enter "Same")

In care of name

Mailing address (room, apt., suite no. and street, or P.O. box)

City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

3b Administrator's EIN

3c Administrator's telephone number

4 If the employer's name, the employer's EIN, and/or the plan name has changed since the last return filed for this plan, enter the employer's name and EIN, the plan name, and the plan number for the last return in the appropriate space provided

a Employer's name **4b** EIN

4c Plan name **4d** PN

5a(1) Total number of participants at the beginning of the plan year . . . **5a(1)**
a(2) Total number of active participants at the beginning of the plan year . . . **5a(2)**
b(1) Total number of participants at the end of the plan year . . . **5b(1)**
b(2) Total number of active participants at the end of the plan year . . . **5b(2)**
c Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested . . . **5c**

Part III Financial Information

			(1) Beginning of year	(2) End of year
6a	Total plan assets . . .	**6a**		
b	Total plan liabilities . . .	**6b**		
c	Net plan assets (subtract line **6b** from **6a**) . . .	**6c**		

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 5500-EZ. Catalog Number 63263R Form **5500-EZ** (2023)

Figure 6 Form 5500

3.5 SWOT Analysis:

Strength	Weakness
● Strong company culture ● Loyalty and trustworthiness to July Business Services ● Ensuring the maximum benefits for the employees ● Quality and operational control ● Technological expertise ● Less competitors	● Lack of practical knowledge ● Depended on July Business Service ● Lack of physical communication ● Employee training ● Promotional activities
Opportunities	**Threats**
● Business expansion ● IT outsourcing ● Cheap labor cost	● Political instability ● Government rules and policy ● Weak IT infrastructure ● Third party dependency

Table 2 SWOT analysis

SWOT analysis is describing in detail down below:

Strength:

- **Strong Company Culture:** Datapath Ltd maintains strong Company culture. In the workplace, employee can directly communicate with the top level manager to solve any kinds of issues. Senior employee gives support to junior employee. Datapath Ltd maintains strong relationship between junior and senior employee for the better productivity in the workplace. There is a prayer room for the male and female employee so that every employee can pray. Data path believes that, Strong company culture can uplift the employees' performance and helps to achieve the goal and objective.
- **Loyalty and Trustworthiness on JBS:** Data path Ltd has gained loyalty from July Business Service (JBS) through performing the job efficiently and effectively. JBS is satisfied upon Data path Ltd and it encourages JBS to manage more clients. In the last 4 years, JBS has invested more than 1.5 crore taka on Data Path Software development project following to the proposal of Datapath Ltd.
- **Ensuring Maximum Benefit for Employee:** Data path Ltd is highly concerned to protect the employee interest. Data path Ltd provides the following benefits to the employee:

- Transportation Facility

- Lunch and snacks facilities
- Sick leave and sick allowances
- Festival allowances
- Incentives
- Gratuity
- Yearly bonus
- Overtime allowances
- Medical bonus
- Paid leave

➢ **Quality and Operational Control**: Data path Ltd ensured the top quality services for the Client. Due to strong organizational structure, Quality of the services never downgraded. Manager assign the task with Reviewer and Supervisor. Each of the plan is processed by the plan processor and it is reviewed by the Reviewer and Supervisor. Every plan is cross checked through manual and automation process. So, Chances of error is very low. Data path Ltd maintains unique strategy for the improvement of the service quality.

➢ **Technological and Service Expertise:** Data path Ltd is continuously providing top quality services for the JBS. At present, 300 expert employees are working to provide backhand operational support for the JBS. Data path Ltd is growing fast because of the role of is these expertise. Data path Ltd is adapting with the technological changes and these employees can acquire new skill to cope up with the changes. With these expert employee, Data Path Ltd is moving forward to achieve its goal and JBS finds reliability on Data path Ltd employees.

➢ **Less Competition:** There are less competitors in the local market as the industry is comparatively new in our country.

Weakness:

➢ **Lack of Practical Knowledge:** In Bangladesh, Most of the outsourcing Jobs are IT and Call centering based. In Data path, the nature of the jobs are different from IT and Call centering. Any outsiders can’t be employed directly instead of training and Employee can switch to other job if it goes unwell. So, Lack of practical knowledge in this field requires long term training which is costly and time consuming too.

- **Dependent on JBS:** Data path is dependent on JBS. Data path Ltd works on the July network, July upload all the client files and document. Data path Ltd process all the files and upload on the July server. Any changes in the operation process decides by the JBS management. So, there is high chances of conflict of interest between Data path Ltd and JBS.
- **Lack of Physical Communication:** As Datapath is an outsourcing company in Bangladesh, most of the time the company communicates with their clients through online. Physical communication is more accurate sometimes. When the server goes down the company lack to communicate with their clients.
- **Employee Training:** The employees need to be trained from the basic which is a time consuming and less cost-effective matter.
- **Promotional Activities:** There is a lack of promotional activities that the company should be concerned about. Many people still doesn't know about the existence of such company in Bangladesh. Therefore, Datapath should work on their promotional activities for the company benefits.

Opportunities:

- **Business Expansion:** Data path Ltd works for the JBS client at present. In future, there has highly potential chances to increase its client number outside the JBS client. There is a high scope of expanding its business in the future based on the future demand.
- **IT Outsourcing:** IT and the Software department of Data path Ltd is well structured. The impact of the advancement of the technology will influence most of the company to transform from manual process to automation process in the future. Data path can capture the opportunity providing IT outsourcing services to the local and international Company.
- **Cheap Labor Cost:** JBS has got the investment opportunity due to cheap labor cost in Bangladesh. JBS can invest to other servicing sector to expand its business unit and data path Ltd can increase its operational branch to handle the new business of JBS.

Threats:

- **Political Instability:** Data path Ltd is foreign operated company. So any political instability can terminate the existence of the company as Data path has no control over its ownership and business process.
- **Government Rules and Policy:** Government rules and policy can affect the business in positive and negative way. If the rules and policy regarding the taxation, custom excise duty, trade policy affect the financial health of the company. It will be barrier for the company to achieve sustainable growth in the future.
- **Weak IT Infrastructure:** Bangladesh is not advanced in the technology comparing to USA. Data path Ltd is connected to the July server, July is using all the updated technology where data path Ltd is lagging behind due to poor IT infrastructure in Bangladesh. So, the cyber security is the big challenge for data path ltd. If the cyber security can't be ensured, all the progress of the work will be hampered and company may lose valuable client.
- **Third Party Dependency:** The organizations functional efficiency is fully dependent on third party companies in the USA. If any problem arises in USA it will affect straight to the operation of Datapath. That's why it uses its strength like specialized expertise, strong client relationship and cost effectiveness to explore the opportunities into new markets, meeting the growing demand for outsourcing, and adopting new technologies. At the same time, the company also works on its weaknesses, making advertisements and making more scopes to communicate with clients, not relying on all clients, and building a strong brand. To mitigate threats, Data Path Ltd. should stay ahead of regulatory changes, strengthen data security, and adapt to technological adaptations, ensuring the best service offerings to the clients.

Chapter 4: Internship Overview

4.1 Student Information:

Name: Abdullah Mohammad Saadi

ID: 111 172 088

Major: Finance

4.2 Learning Outcome:

I have joined Data Path on May 24, 2022 as an intern and started my internship journey. This was a 4 months internship which ended on September 24, 2022. Most of the company run their internship program approximately 3 months, but Datapath has designed their internship program around 4 months as they always try to recruit their interns as permanent employee for which they need to train their interns adequately. Datapath always tries to find their way to make sure that new intern gets their best training session so that they can learn and get an actual experience of USA retirement plan and how Datapath runs their business and operations. Things I have learned specifically:

Professionalism: Datapath is the first company I have ever worked professionally and sincerely. I wasn't engaged with any work or company in a professional way. So at first it was quite difficult for me to cope up and work with the corporate environment but gradually I got to learn and became one of them. Throughout my internship period I go to learn some basic things about office management. Such as how to conduct a meeting, how to communicate with the managers and peers or senior colleagues and how to work as a team. All of them have supported me a lot. As a result I have understood the necessity of working as team member to support them, help them, and work sincerely with them. Because it will affect the whole group if one member fails to do his task.

Time Management: I have learned a lot about time management and punctuality there. Time is everything in data-path and we all must run through our deadline every day. We know that if u can't to finish your assigned task within a certain period of time they it will effect on other member of your team then u will realize that there is no scope to be late and there is no scope to be wrong here. Therefore, I got the chance to make myself more time conscious and punctual.

Communication Skill: During the time of my internship, I get to know many people and new faces in Datapath. Through my internship I also had to communicate with different foreigners as clients as well. I am very glad that my peers and senior colleagues are so friendly that it doesn't take me so much time to blend with this environment as I'm also very talkative and friendly minded. On my first day of internship, they were introduced to a lot of people in the office. Moreover, during our training sessions there were a lot of trainers who used to train us. So, over the training period I have met a lot of trainers. Also, we were a big internship batch consisting of 14 interns. But in total there were almost 30 interns in all departments. These huge numbers of new connections and daily conversation with them really helped me to develop my communication skills.

Software Skill: During my internship I got to learn about different software like I have already decided. I was introduced with my software called "Datair" for retirement benefit plan. Census maintenance, automatic contribution calculations, and report preparation are the most common uses of this software. The majority of my work is related to this software. Apart from that, Microsoft Excel is primarily utilized to complete daily business tasks. The VLOOKUP (Vertical Lookup) function in Excel is the most commonly used function for Plan Process and Review.

Chapter 5: Project Part

5.1 Retirement System of USA

The retirement system of USA is very clear and well organized. The government of USA wants to protect their people by providing them financial security when they retire. They provides tax advantages to the companies that does retirement plans for their employees. The rules and regulations and the laws of retirement planning in USA are very complicated and it is very difficult and costly to manage as they use third party administrations (TPA). They hire the TPA firms to handle the retirement planning reports and other tasks related to it. The United States has the world's largest retirement market with the assets of $26 trillion in retirement-related accounts. Like DC, DB, IRAs. These accounts generate about $430 billion in revenue for the financial companies. USA retirement pension Policy is highly supervised and audited by three governing body of USA and they are:

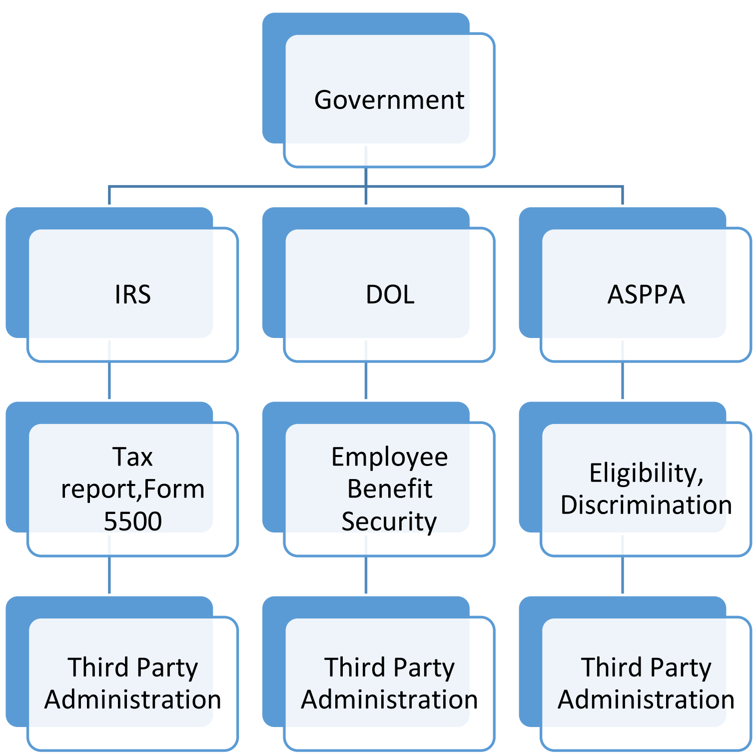


Figure 7 Retirement Structure by the Government

IRS: Internal Revenue Service set the rules and regulation of the Employer and Employees contribution in the retirement fund and provide the tax information of every citizen. IRS imposed the taxation amount on different types of retirement Plan. Also, IRS involved in auditing Form -5500 report, taxation report, Wages and compensation report.

DOL: Department of Labor works for the welfare of the Labor. DOL set the laws for wages and hours, works Compensation, Employee benefit security, financial aid for the employee, safety workplace and health etc.

ASPPA: American Society of Pension Professionals Actuaries is the principle governing body of retirement pension policy in USA. The function of ASPPA is to set the standard rules for the eligibility, Vesting, Discrimination and other compliance issues. ASPPA audit the plan valuation, Investment summary and other compliance report for the verification and validation.

IRS, DOL and ASPPA evaluates the retirement policy and propose to USA government if any amendment requires for the improvement of the retirement policy. The role of these three terms are to ensure the transparency in the system.

5.2 Provident Fund Managed in USA

The funds in USA are managed by some large Investment companies like Vanguards, Fidelity Invest and Charles Schwab. They invest the money in stocks, bonds, index funds, real estate etc.

According to NASRA (National Association of State Retirement Administration) the fund allocations invested in public equities 43.6%, fixed income 20.8%, and real estate 9.7%, alternatives 25.8%, in fiscal year 2023, showing below:

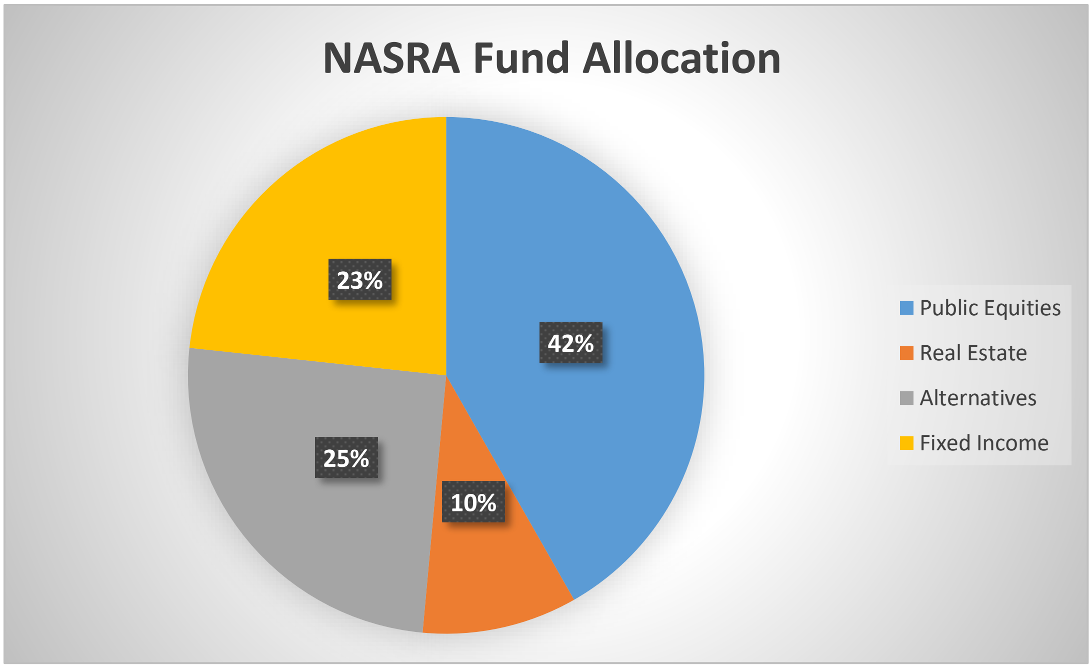


Figure 8 NASRA retirement fund allocation

Now, for the past five years, it is observed that, the participants who participated in retirement planning, experienced a significant growth. Let's say, if a participant invested $10,000 in 2020, he will get a good amount of return after 5 years (2024) which is $18,200 or 82%.

Year	Amount (USD)	Annual Market Return Rate
2020	11626	16.26%
2021	14752	26.89%
2022	11879	-19.44%
2023	14757	24.23%
2024	18200	23.31%

Table 3 Retirement invested fund over 5 years

As the market return rate fluctuates over time, the rate of return also fluctuates as well.

5.3 Bangladesh Retirement System

Bangladesh government introduced the pension rules in 1972 for the first time. In general, retirement in Bangladesh is governed by several laws and rules based on the industry. Appropriate planning and compliance are ensured by these rules and policies. In Bangladesh, employee retirement usually varies depending on the industry you work in. Employees in the private sector usually retire at the age of 60, while employees with government service retire at the age of 59. When an employee exits its official age determined by government for retirement benefit is called retirement age. Pension plans are offered by various organizations. Both public and private companies offer it to the employees between the ages of 59 and 67.

Retirement Benefits of the Government Employee:

- **Family Pension:** The retiring employee shall nominate one or more members of his/her family as successor for the pension. In the absence of nomination, the method of nominating successors for his/her family pension and gratuity shall be as follows:

If Successors are available	If Successors are not available
1. Spouse of the employee	1. Brother (less than 18)
2. In the case of female employee, her husband.	2. Unmarried and widowed sister.
3. Children of the deceased.	3. Father.

Table 4 Family pension system

- **Gratuity:** The government presently allows gratuity to the retiring person up to 80% of the emoluments of the retiree after his/her completing 25 years of pensionable service.
- **Provident Fund:** Provident fund is being given by both private and public sector in Bangladesh. It is a retirement saving scheme where both the employee and employer contribute a portion of its monthly salary regularly. This fund grows by time with interest and is paid out as a lump sum when the employee retires, resigns, or leaves the organization after a certain period. In public sector GPF is given to the permanent employees. Usually 10% of the basic salary is being deducted monthly for PF. The interest rate is 10-13% which given by the ministry of finance annually.

- **Medical Allowance** The medical allowance benefit which is 2500 BDT is given to all the retired employees above the age 65 monthly.

Types of Pension:

Superannuation Pension: Superannuation pension is when an employee reach his official retirement age determined by the government and enjoy the pension afterwards. The age limit is fixed in the Public Service Act 1974. According to the law, employee leaves their position when they turn 59. But the government recently upgrade the retirement age to 65 for public university instructors and judges. The main problem with this pension many employee doesn’t have their original recorded birthdate. As a result the government suffers in confusion whether the employee is older or younger. For this reason the retirement period is calculated incorrectly.

Retiring Pension: The retiring pension is given by the law when an employee is free to retire from his job whenever he desires after 25 years of his service without giving a reason. The can leave the job before their official age exits. The pension is calculated based on their salary and how many years they have given service in his job.

Optional Pension: Optional pension is when an employee is given an option whether to take pension in monthly basis or take a lump sum amount of money for once and reduce the monthly pension after completing 25 years of service. The government has no legal right to reject the option in this situation, so it must accept it.

Compensation Pension: It is provided when the employee cannot continue his job for some certain reasons. It is given to the employee if the job position is abolished permanently or the company department is closed. But the employee doesn’t lose this job for his own fault. By then, the company provides him compensation as a financial support without him leaving with nothing.

Invalid Pension: If an employee is unable to do the job physically and mentally due to sickness, accident or different mental issues, the company pays invalid pension to them.

Pension System of Private Sector:

In Bangladesh, generally, private companies do not offer any pension schemes like many developed countries like USA. However, the labor Act 2006, amended in 2018 outlines some certain retirement benefits like Gratuity and PF. There's no mandatory retirement benefits has been given to the employee. Some large companies like BAT, Unilever, and Nestle often offer medical allowance or post- retirement medical schemes.

Universal Pension Scheme: The Universal Pension Scheme (UPS) in Bangladesh is a government retirement program that is designed to provide financial security to the old age employee of the informal or private sectors who do not enjoy the formal pension systems. It was introduced in August 17, 2023. It is governing under ministry of finance. All Bangladeshi citizens aged 18–50, both in-country and abroad including expatriates are the target beneficiaries.

Private employees deposit an amount every month and the after 60 they will enjoy the monthly pension for life. The government can contribute as well to add support. Employees must select one of the four plans listed below for this.

- **Probash** For Expatriates
- **Progoti** for Private Sector Employees
- **Surakkha** for the Informal Sector
- **Samata** for Low-Income Citizens

The Universal Pension Scheme is open to eligible persons who are typically 18 years of age or older. Until they become 60, qualified people between the ages of 18 and 50 must continue to pay subscription fees.

For qualified persons over 50, they must pay for ten years in order to earn a pension till they pass away. Participation in this program is open to all Bangladeshi citizens, even those who are employed or residing overseas.

5.4 Provident Fund Managed in Bangladesh:

In Bangladesh, pension funds are managed in two ways.

1. The government pension plan

2. Universal Pension Scheme (UPS)

The government pension plan is managed and controlled by the Controller General of Accounts (CGA) and the Ministry of Finance. It works for pension of government employees. Universal Pension Scheme (UPS) is managed and controlled by the National Pension Authority (NPA). It was recently introduced in Bangladesh for self-employed people and employees in the private sector in 2023.

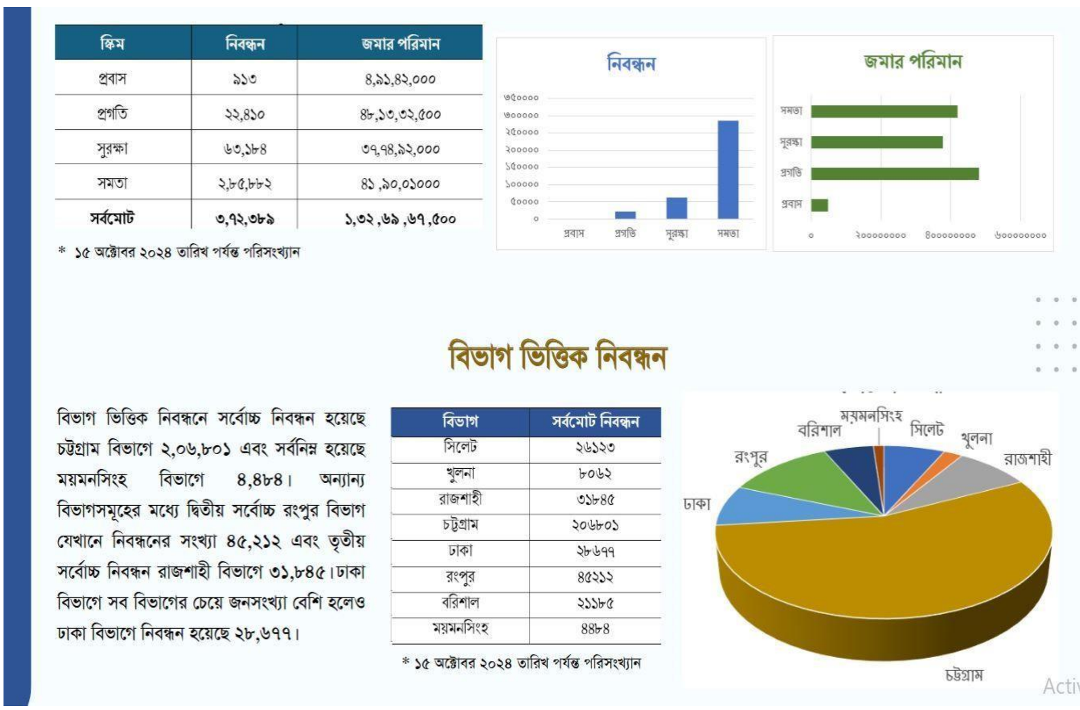


Figure 9 2024 UPS fund collection from divisions

Bangladesh focuses on low risk investments like bonds, securities, treasury bills, infrastructure projects, banks to ensure the pensions are protected to provide the employees in the future. However, the market in Bangladesh is under developed for pension fund investment compared to the countries like USA.

Retirement Fund Invested by Government: According to the CGA fiscal year 2017-2018, BDT 15,629 crore was invested from the retirement fund of Bangladesh, which was lower than the previous fiscal year 2016-2017 which was BDT 16,031 crore.

Government Provident Fund: According to the CGA fiscal year 2017-2018, BDT 40,531 crore was the saving from the retirement fund of Bangladesh, which was higher than the previous fiscal year 2016-2017 which was BDT 35,8833 crore.

১৪. অবসর ভাতা ও আনুতোষিকের হিসাবঃ

২০১৭-২০১৮ অর্থবছরে অবসর ভাতা ও আনুতোষিক বাবদ মোট ১৫,৬২৯ কোটি টাকা ব্যয়িত হয়েছে, যা ২০১৬-২০১৭ অর্থবছরে অবসর ভাতা ও আনুতোষিক বাবদ ১৬,০৩১ কোটি টাকা ব্যয় করা হয়। একই ভাবে ২০১৭-২০১৮ অর্থবছরে এই খাতে ব্যয় এর ২০১৬-২০১৭ অর্থবছরের তুলনায় ২.৫১ শতাংশ কম। নিচের সারণিতে বিগত চার অর্থবছরের অবসর ভাতা ও আনুতোষিক পরিশোধের একটি তুলনামূলক চিত্র তুলে ধরা হলো।

(কোটি টাকা)

	২০১৭-২০১৮	২০১৬-২০১৭	২০১৫-২০১৬	২০১৪-২০১৫
অর্থের পরিমাণ	১৫৬২৯	১৬০৩১	১০৪৫৫	৭১২৮
প্রবৃদ্ধি (%)	(-২.৫১)	০.৫৪	৪.৬৭	৩১.৮০

উল্লেখ্য ২০১৭-২০১৮ অর্থবছর হতে পেনশন ও আনুতোষিকের বাজেট কেন্দ্রীয়ভাবে অর্থ বিভাগের উপর ন্যস্ত করা হয়েছে। সুতরাং এখাতে সকল ব্যয় অর্থ বিভাগের বাজেট হতে নির্বাহ করা হয়ে থাকে।

১৫. রাষ্ট্রীয় প্রভিডেন্ট ফান্ডের হিসাবঃ

২০১৭-২০১৮ অর্থবছর শেষে রাষ্ট্রীয় প্রভিডেন্ট ফান্ডের স্থিতি ৪০,৫৩১ কোটি টাকায় দাঁড়িয়েছে যা ২০১৬-২০১৭ অর্থবছরের তুলনায় প্রায় ৪,৬৯৮ কোটি টাকা বেশি। ২০১৬-২০১৭ অর্থবছরের এখাতে স্থিতি ছিল ৩৫,৮৩৩ কোটি টাকা এবং ২০১৫-২০১৬ অর্থবছরে যা ছিল ৩১,৬৯৮ কোটি টাকা।

Figure 10 2017-2018 Govt. retirement fund

Investment from Universal Pension Fund: According to NPA, from 11.10% to 11.61% on deposits made under UPS for the fiscal year 2024-2025. The fund deposited by subscribers invested in government bonds, treasury bills and fixed deposits. So we can say that if a person deposit 100 BDT their balance will increase up to 111.61 BDT.

Now, for the past five years, it is observed that, the participants who participated in retirement planning, experienced a significant growth. Let’s say, if a participant invested USD 10,000 in 2020, he will get a secured amount of return after 5 years (2024) which is $16,105 or 61%.

Year End	Amount (USD)	Annual Provident Fund Return
2020	11000	10%
2021	12100	10%
2022	13310	10%
2023	14641	10%
2024	16105	10%

Table 5 Retirement invested fund over 5 years

5.5 Findings and Analysis:

This report demonstrates the comparative analysis of retirement plan in USA vs Bangladesh. The studies show how both the governments generate their knowledge, efficiency, and attitudes towards the necessity for changes in retirement preparations.

After all the research about the retirement policy of USA and Bangladesh, we have found some differences which is given in the following:

Retirement Plan in the USA	Retirement Plan in Bangladesh
Common in both private and public sectors.	Only government employees get the government pension scheme benefits and private sector employees relies on UPS.
Different TPA firms handles the retirement plans of an organization.	The Ministry of Finance handles the government pension. Private sector companies handle the fund by themselves.
Keeps the transparency so that the employee knows where his or her money goes, how it is invested, and how much money he currently has in the account. Also, employers have to deposit the money in the brokerage account within 3 or 7 days as per IRS.	No transparency and employees don't know what happens to the money which is deducted from their salary. They only get the money when they retire or leave the job after a certain period.
Strictly regulated by different government organizations like IRS, ASPA, etc.	Regulated by Government pension and fund management and UPS which is under Ministry of Finance.
They make sure the under paid employees has their right and treated fairly. So there is a legal test to identify that.	The employer contribution is fixed.
Organization give flexibility to the employee to withdraw money whenever they retire, quit or switch their job.	Bangladeshi employees often struggle to get the money when they retire in both the public and private sectors.
The employees are more aware about their pension schemes	In Bangladesh, most employees are not aware and do not actively plan for their retirement.

Table 2 Findings of retirement system in Bangladesh & USA

Chapter 6: Conclusion

After this brief discussion about the “Retirement Planning with comparative analysis of Bangladesh and USA”, so far what we get to conclude is that there are notable difference between Bangladesh and USA retirement planning system. USA encourage their employees to save and invest for their retirement. They have straight and clear rules and regulations towards their retirement planning system. All the companies in USA must follow these rules for their people. By applying a proper guideline the employees can secure their future. However, there is a beneficial side in Bangladesh retirement planning. It has secured and more stable investment as they mostly depends on fixed deposits and government securities. These fixed deposits and government securities are regulated by Bangladesh Bank. The retirement planning is more preferred for long term wealth growth that has higher risk. In contrast, Bangladesh retirement planning system offers lower risk with stability. To conclude, most of the economists stated that, USA system is powerful but also risky. On the other hand, Bangladesh system is simple and safe.

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