United International University

Internship Report on *"Behind the Scenes: Exploring DataPath's Impact on the Administration of 401(k) Plans in the United States"*

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Submitted By

Shamsul Arefin

ID: 111-192-078

Major: Management Information System (MIS)

Submitted To

Ahmed Imran Kabir

Lecturer

School of Business and Economics

United International University

Date Of Submission: 4th January, 2024

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Letter of Transmittal

4th January, 2024

Ahmed Imran Kabir

Lecturer

School of Business and Economics

United International University.

United City, Madani Avenue, Badda, Dhaka 1212, Bangladesh.

Subject: <u>An authorization letter for submission of Internship Report.</u>

Dear Sir,

I am submitting the paper entitled "Behind the Scenes: Exploring DataPath's Impact on the Administration of 401(k) Plans in the United States" as a mandatory component of the internship program, which is a very important step toward finishing my Bachelor of Business Administration at United International University. There is an immense amount of information in this report that I have learned at Data-Path Ltd. As an employee of this company, the whole internship period was interesting and fun for me. This report is mostly based on the 401(k) plan for American retirement. I sincerely hope that you will accept this report and that it fulfills the requirements and goals of my internship. I'd be pleased to respond to any inquiries you might have. If you could read the report and assess my performance, that would be greatly appreciated.

Yours Sincerely,

Shamsul Arefin

ID: 111-192-078

Department of Business Administration

United International University

Acknowledgement

First and foremost, I would like to thank Almighty Allah, and then I would like to express my heartfelt gratitude to my respected supervisor Ahmed Imran Kabir for his close supervision, support, and concern for the completion of my internship report. I'd like to thank everyone who assisted me in preparing this internship report. Working for Data-Path Ltd for 120 days has been an incredible opportunity that has taught me a lot about the industry. Additionally, I'd like to express my gratitude to the other instructors whose guidance and instruction were invaluable to me throughout my training.

From the very beginning, I received invaluable assistance from my superiors, colleagues, team leader, and department manager at DataPath Ltd. They were there to provide suggestions, answer my questions, and help me with a variety of papers and materials. The employees at Datapath Limited also deserves my gratitude. From the department head to the team leader, everyone assisted me in completing my internship report. I'd also like to thank Mr. Safullahil Maruf, Avijit Ghosh, and Mr. Redwan Ahmed for their assistance during my work at the American Retirement Company. I am grateful to everyone at Data-Path Ltd. for their enthusiastic cooperation.

I sincerely thank each and every one of my classmates for their constant encouragement and support throughout my internship.

Lastly, I would like to express my gratitude to United International University for granting me the chance to develop professionally through hands-on experience.

Executive Summary

The report "A 401(K) Plan Analysis for Effective Retirement Savings" is a compilation of the skills and knowledge gained during the internship. This paper examines various aspects of the retirement plan process in the United States. I learned how well established the retirement plans in the United States are by completing the research paper.

The aim of this report is to showcase the measures and actions implemented by the plan processors of Data-Path Ltd, a reputable outsourcing company based in Bangladesh. The US government is committed to protecting retirees' rights and financial security in retirement. The Internal Revenue Service and the Department of Labor provide employers with guidelines for administering retirement benefit plans. Compliance with these requirements can result in tax savings for businesses. To promote the well-being of their employees and their families, employers frequently provide benefits such as health and life insurance, vacation time, disability compensation, and retirement plans. Employee benefit plans are frequently incorporated into total pay packages, and the annual retirement plan report, Allocations Report, is compiled by Third-Party Administrators (TPA). Data-Path Ltd. is known for its innovative strategy, commitment to technology, and customer-centric attitude. The organization is a trusted partner in the administration of retirement benefits for businesses, focusing on compliance, efficiency, and client satisfaction. Through expertise, regulatory adherence, and tailored solutions, Data-Path provides financial security and peace of mind to all stakeholders involved in the ever-changing retirement planning landscape.

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Chapter-One

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Chapter 1: Introduction

Internship programs provide students with hands-on experience in the business world. It's an excellent chance to integrate theoretical and practical knowledge. For business students, it is critical to connect academic knowledge with real-world experience. Trainees are typically recent graduates or undergraduates, with most internships lasting one to three months. The internship might be full-time or part-time, and it can be paid or voluntary. The internship program's goal is to provide the trainee with practical skills, job experience, discipline, and great understanding of a certain industry, as well as to provide the employer with the benefits of the trainee's labor. Thus, an internship can allow students to put their university knowledge into reality while also gaining experience by completing various duties. Our university has allowed its students to combine practical knowledge with classroom information and build abilities in a professional setting. I had the opportunity to get active in the professional field as a BBA student. Data Path Ltd. (a well-known outsourcing organization) gave me the opportunity to get real-world professional experience, which tremendously benefited me in covering the topic required for my internship program. On October 3, 2023, I began working for Data-Path Limited. During this time, I learned about major issues in the US retirement plan industry, like the laws and regulations that control it, as well as the present condition of the Bangladesh retirement sector, prompting me to conduct comparative research on the United States and Bangladesh retirement plan systems. I was assigned to the Actuarial team, which was in charge of conducting entire retirement plan valuations for some clients, on the basis of which I wrote my internship report. Based on this knowledge, this research demonstrates how successful the retirement sector in the United States is. On the contrary, it demonstrates how unstable Bangladesh's retirement plan structure is. The scope of development for the Bangladesh retirement process is also highlighted in this study.

1.1 Objective of the Study

Work experience is necessary to complete that knowledge, That is why completion of an internship is mandatory for our degree curriculum. The internship report is an important tool for students since it provides internship experience, improves communication skills, and evaluates the program's professional experience. Internships play an important role in a student's life in a quickly competitive country like Bangladesh, preparing them for greater job opportunities and practical knowledge. We must learn practical material and apply it in the actual world as BBA students. The

primary objective of this study is to discover a wide variety of concepts related to the American retirement benefit plan, acquire knowledge on the subject, and subsequently apply those concepts to enhance the retirement benefits industry in Bangladesh.

The broad objectives of the study are:

➢ To understand how Third-Party Administration (TPA) firms conduct business.

➢ To gain an understanding of the retirement plan industries in the United States and Bangladesh.

➢ To make the retirement plan industry more transparent, it is necessary to learn more about the duties of the Internal Revenue Service (IRS) and the Department of Labor regarding oversight.

➢ To be aware of the governance and transparency of their retirement plan.

➢ Developing multi-skilled abilities.

➢ To understand the company's method for eliminating discrimination between highly compensated and non-highly compensated employees when making employer contributions.

1.2 Significance of the study

The student is required to produce an internship report during their internship, which should be based on the tasks assigned to them upon completion of the internship. The report assists students in the following manner:

▪ Provides internship experience.

▪ Encourage advanced and written communication abilities.

▪ Consider an internship program's professional experience.

In a country like Bangladesh, where competition is increasing rapidly and on a daily basis, internship experience is extremely important in a student's life. Freshers can expect a better job as they gain knowledge of practical world.

1.3 Methodology of the Study

The report was created with the assistance of seniors and colleagues, as well as the supervisors involved. The methodology of the study largely masks the sources from which the necessary data were gathered. The data was compiled using both primary and secondary sources.

Primary Sources:

- ✓ Self-experiences.
- ✓ Collection of data by working with office teams.
- ✓ Questioning colleagues, seniors, managers.

Secondary Sources:

- ✓ Various IRS, RPF, and ERISA articles, collections, and websites.
- ✓ Online Journals and books.
- ✓ Previous plan documents and census.

1.4 Scope of the Study

The scope of the report denotes the area in which it must be completed. For my research, I'm concentrating on the retirement plan's 401(K) Plan Allocation section. The understanding, paperwork, and completed plan reports of all those who work there all contribute to the final outcome of the research report.

1.5 Limitation of the Study

There are limits to every work. There were several restrictions when it came to writing internship reports for the reasons listed below:

- Due to the need to maintain confidentiality, very little information is divulged.
- The amount of time available was insufficient to cover all of the sections.
- Due to concerns regarding confidentiality, certain pertinent information and examples have been omitted from the presentation. The Social Security Number (SSN) of the participant, the amount of money they are paid, the amount of money they save, and any formula that the client or company employs in order to provide employer contribution or profit-sharing are all examples of such factors.

Chapter-Two

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Chapter 2: A Brief Introduction of 401(k) Industry

A 401(k) plan is an employer-sponsored retirement savings account. Employees have the option of having a portion of their pay withheld and deposited into the account. The account balance can be invested in a variety of ways, including stocks, bonds, and mutual funds. It is a tax-deferred retirement savings account, which means that the funds you contribute are not taxed until they are withdrawn. This can result in a significant tax benefit, particularly if the 401(k) plan is funded with pre-tax dollars.

Since their inception in the 1970s, the use of 401(k) retirement savings plans has grown dramatically. According to estimates, participation was around 60% prior to the implementation of major regulations in 2006. By the late 2000s, nearly 90% of earners were using these accounts to save for retirement, with nearly 50 million workers and their employers contributing a total of $3 trillion.

After a few years, its retirement assets grew even more, reaching $7.3 trillion in March 2022. A 401(k) plan appeals to both parties because it allows your employer to contribute to your retirement without incurring pension liability. Frequently, your employer will match your contributions up to a certain percentage of your earnings or a maximum annual contribution based on your income. While they are more appealing to high-income earners, the majority of workers benefit from them as well.

Chapter-Three

Chapter 3: Organizational Overview

3.1 Introduction

Outsourcing firm Data-Path Limited was where I did my internship. Data-Path Limited and July Business Services are partners in a joint venture. July Business Services essentially runs it as a division. This is the first outsourcing firm in Bangladesh to be officially registered. The term "outsourcing" describes the practice of handing over the management of a whole business function to a third party. Outsourcing refers to the process of moving an organizational function to another country, whether it's done externally or stays within the same company. With its larger labor supply, competitively low pay rates, and relatively inexpensive knowledge transfer for competent workers through training and development, Bangladesh has tremendous potential. More and more companies in today's results-driven, cost-conscious business world are looking to outsourcing as a way to cut costs and increase profits. In order to assist parent company July Business Services of the US in cutting costs and achieving more strategic business goals, Data-Path, the outsourcing company, is dedicated to providing high-quality services.

3.2. History

The proprietors of July Business Services are Jim Hudson and John Humphrey. In the early 1980s, Jim Hudson began to focus on retirement plans while working as a Certified Public Accountant. Jim became known as an authority in this niche field during this time. Prior to founding July in 1994, he oversaw the creation and administration of a sizable retirement plan practice on his own. After earning his CPA license, John Humphrey worked as a tax advisor for a big accounting firm. He then moved on to specialize in retirement plan practice and launched July in 1994. After gaining experience as a certified public accountant (CPA) with a big accounting firm, John Humphrey shifted his focus to retirement plan administration. In 1994, John helped establish July Business Services. When it comes to American retirement plans, July Business Services is a big deal. As a professional service provider, July Business Service has been assisting a client with all aspects of management, with a particular emphasis on the American 401(k) retirement industry. For every service, tight cooperation between employers and associates is essential. Numerous entities, such as brokerage houses, mutual fund companies, investment advisors, and banks, are associated with the organization. Data-path began operating July Business Services on a trial basis in 2005. July

Business Services relied on Data Path Ltd for support operations in 2006. They began working for July Business Services in 2008. Mr. Ashfaqur Rahman owns Data-Path Ltd. and serves as the company's CEO. The company recruited skilled workers to serve as employees for the July Business Services. It started with no more than 10 employees. However, this company now employs over 300 people with excellent benefits. Data Path began operations in Uttara and later relocated to Gulshan. However, their current office is in Rupayan Shopping Square, Level 10 Plot no # 02, Sayem Sobhan Anvir Road, Bashundhara Residential Area, Dhaka 1229 and Ambon Complex, 99 Bir Uttam AK Khandakar Road, Mohakhali Commercial Area, Dhaka, Bangladesh. Due to the expansion of Data Path, July Business Services has reduced its workload. Because of the Business Process Outsourcing Department, the company began to grow rapidly in 2015.

3.3. Vision

"Is to become the best retirement plan administrator in the USA"

3.4. Mission

Is to facilitate retirement savings by offering advisory services, recordkeeping, plan design, and administration to help financial advisors and plan sponsors find the best fit for company owners' and workers' needs.

3.5. Objectives

Goal: Double the annual number of TPA company clients by 2025. Invest in retirement plan software like DATAIR, ASC, RELIUS, and so on. Data Path Ltd. is currently running the software from remote PCs in the office of a TPA client in the United States. However, doing things in this manner takes a long time and reduces the company's output. As a result, Data Path Ltd. is thinking about buying its software this year.

3.6. Values

Core values are fundamental beliefs that guide a company's actions, decisions, and culture in order to ensure a healthy work environment, attract and retain employees, promote engagement, motivation, and commitment, and maintain the company's integrity and reputation.

Allow a group of people to work in a team to achieve common purpose company values. The following are Data Path Ltd.'s core values:

- Positive Attitude

- Embrace New Idea
- Creative solution
- Celebrate success
- Commitment to people
- Teamwork
- Technical competence
- Result oriented
- Accountability
- Effective communication

3.7. Services Offered

Data-path Limited provides specialized solutions to July Business Services to improve the efficiency of Third-Party Administrator processes. Because of the large impact of pension schemes, the US retirement business is significant, with employees investing their assets across multiple sources, resulting in a substantial money market. Accounting, Actuarial, Allocation, BA Team, BPO 2, Distribution, ERISA, HR, IT, New Business, OPS, RK, Sales, and Software departments comprise Data-Path Ltd.

Data-Path provides the following services and operates in a unique manner:

Plan Design: First and foremost, a plan must be developed in order to establish any Retirement Provident Fund (RPF). Laws, rules, and regulations must be followed prior to developing the RPF plan. The main goal should be to give the most to Highly Compensated Employees (HCE) while not discriminating against Non-Highly Compensated Employees (NHCE). However, the plan should not fail the discrimination test, and what type of contribution and employee types will be included in the plan should be specified.

Plan Document: The preparation of plan documents, with the assistance of the ERISA specialists, is the primary focus of their efforts.

Plan Setup: Many types of paper work must be completed before assessing a plan's statements, which is referred to as plan setup. This method includes the following steps: setup paperwork, plan questionnaire, checklist preparation, record keeping statements, loan policy, amendments reports, and plan documents. Employee census, rollover policy.

Plan Administration: In order to provide plan Administration services on a consistent basis, Data-path has a team of specialists who are exceptionally knowledgeable and appropriately qualified.

Plan Operation: This is the stage at which Data-Path performs some processes, estimates calculations, and performs the accounting operation. The following are the steps of plan operation:

- Census Import
- Census Checking
- Eligibility Calculation
- Vesting Calculation
- Contribution calculation
- Contribution allocation
- Contribution Reconciliation
- Loan Reconciliation
- Ending Balance Reconciliation
- Asset Reconciliation

Compliance Testing: According to Internal Revenue Service (IRS) law, various types of discrimination tests must be passed. These tests are performed to balance the discrimination. The company's main goal is to pass the discrimination tests. The following are the tests:

- ADP ACP Testing
- Top Heavy Testing
- Minimum Coverage Testing

Tax Compliance: The final step in retirement plans is to ensure compliance with tax laws. In order to be in compliance with the laws of the United States of America, certain statements need to be prepared. For example:

- Form 5500
- Form 5330
- Form 1099-R and Form 945
- Form 5310

Record Keeping: Automated recordkeeping services are consistently provided by Data Path's partners and the July Business Service's daily recordkeeping stage assessment. Participants are provided with quarterly statements, access to their plan sponsor accounts, and additional services.

Payroll Services: Through the provision of payroll services, Data-path minimizes occupational stress and increases efficiency for its clients.

Investment Advice: Funds contributed by both employers and employees are deposited into the record keeper's bank, with the intention of providing participants with a substantial retirement income. Serving as an investment advisor, Data-Path Limited recommends to clients where they ought to invest their funds.

Organizational Hierarchy of Data-Path Limited:

3.8. Industry Rivalry of Data-Path

If we are discussing companies that delegate the management of their 401K plans to external entities, there are several options available in Bangladesh. DataPath Limited is one of them. "Fin Source Ltd" is Datapath's primary competitor. "Fin Source," a Bangladesh-based RPF outsourcing firm. Some of Data-Path Ltd.'s senior employees left in 2011 to start their own RPF outsourcing company called "Fin Source." There is currently no other competitor in the market besides them.

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Chapter-Four

Chapter 4: Training Program

4.1 Training Session

We started with the basic and advanced excel. After learning basic and advanced excel, we were instructed on the essentials of a retirement plan with the title "Retirement plan fundamentals" (RPF). The training on RPF lasted first few days as it contained a lot of information which we need in order to make plan for any client. We were given multiple documents contained every piece of important information. After the RPF training, we were instructed in calculations such as eligibility and participation date calculations. The calculations were difficult for us since we were unfamiliar with them, and they were based on RPF research, which was challenging to recall. There are many tests required to run the retirement plan which we learned during the training. The tests include- ADP, ACP, Top-Heavy, minimum coverage tests and many more. After completing the planning procedure, we were required to examine the testing part to determine whether all the tests had passed or failed. If the test was passed, our plan procedure is complete, but if it was not, we were instructed to perform refund calculations to fix the test results.

4.2 Introduction to Software

We learned about the software that Data-path uses. Data-Path uses RELIUS, UNIFY, DATAAIR, F.T. WILLIAM, and ASC software. We were just given a bare minimum of information on the software. The Actuarial Department collaborates with Relius and Unify. We are well-versed in these two programs. From updating plan specs in Relius to downloading all files from Unify, reading allocation questions from Unify, and contacting clients through Unify. Relius performs the census, the tests, and the compensation for each client. We were given access to Test-Relius first to practice MOC plans. Each piece of software runs on its operating system. They each stick to their pattern. Because the customers vary, so do their preferences, and varied software is utilized to accommodate this.

4.3 Duties and Responsibilities

I'm summarizing all of the topics in chronological order based on what we've learned over the last few months:

Allocation Procedures-

- At first, we learned to read the plan doc.
- How to fill up the checklist
- Eligibility requirement (Hour method/elapsed time)
- Entry date calculation
- Census checking
- Trust accounting, IDA, Solo Trust
- SH 3% calculation, Profit sharing, SH Basic match, Enhanced match
- Contribution calculation
- Relius Plan Specs Update
- Update census in Relius
- Deferral Posting, SH 3% Posting, Prior Compensation Update, HCE change
- Run Eligibility
- Report Print-
  - ➢ 1a DISTRIBUTION SUMMARY
  - ➢ 2 PLAN SPECIFICATIONS
  - ➢ 3 CENSUS REPORT
  - ➢ 4 CONTRIBUTION REPORT
  - ➢ 5 SUMMARY OF ACCOUNTS AND PLAN TOTALS
  - ➢ 8_Top Heavy Report
  - ➢ Census CR9
  - ➢ Contran (Contribution Report)
  - ➢ Variance with Roth
  - ➢ Workpaper
  - ➢ MAX DED

4.4 Learnings

Plan Document Analysis: When a plan is assigned to someone, her first step is to read the plan doc. If there's any mistake identifying any data, the following steps will be wrong, value will not be accurate.

In plan doc- not everything requires attention, but the assigned person must focus on some selective sections such as section 1.3, 2.1-2.4, 3.1, 4.1(a), 4.1(b), 4.2, 4.3, 4.4, 5.3, 6.1, 6B(1), 6C(2), 6C(1), 6A(1), 6A(4), 6A(5), 63(c), 6C(4), 6A(8), 6A(9), 6B(3), 6A(5)c, 7.1, 7.2, 8.2(a), 8.3, 8.4, 8.5, 8.6 that includes-

- Plan Name
- Plan effective dates
- Plan restatement dates
- Plan number
- Eligibility requirements include -age, service, hours, and entry
- There is a section for compensation exclusion for some employment and forfeiture amounts.
- What the plan allows, allocation requirements, period for contribution- Profit sharing, Allocation conditions for PS (conditions are for current employees, Deceased, disabled, Retired, and Terminated employees), Match, Safe Harbor 3%, Allocation conditions for SH 3% and SH Match, Safe Harbor Match, QACA SH Match, Deferral, Catch-up Deferral, Roth Deferral, Loan.
- Retirement age, early retirement, vesting schedule, ADP/ACP testing- Current year or Prior year.

After gathering all of the necessary papers from the customer, I need to study the plan document. The plan's paper is a roadmap for how it should be carried out. It is an operational issue that necessitates corrective action and may result in the loss of qualified status if the conditions of the plan document are not met. The plan document also outlines how participants or beneficiaries may be eligible for plan benefits, as well as the nature and scope of such benefits. As a result, everything in the plan document must be carefully reviewed for the plan to be properly handled.

Checklist: When we read the plan doc, we mark all the necessary information. Then summarize them in a soft copy, generally in MS Word doc. It takes about one page so the work become much easier. We don't need to look into the plan doc now and then and scroll, and search. A checklist makes the work less time-consuming.

Update Relius Plan Specifications: Relius is a well-known provider of software and services for human resource professionals in charge of qualified retirement and health benefits program administration, compliance, document production, testing, and reporting. This program is used by Data Path / July Business Services to process a plan. As a result, for each design, the requirements mentioned in the plan document must be adjusted correctly in the Relius software.

- It will always be a 401(k) plan for the daily plan, Choose the ERISA option, and input the plan effective date and last amendment date.
- Check Employer name, plan name, year, address, EIN, fax no. (To correct - file - open - edit information - save employers - exit by clicking cross button- restart)
- Compensation is very important. If the fringe option in the plan doc is marked, here we will remove the tick sign. If the plan includes prior compensation- select the "none" option and if it's excluded - select the plan entry date.
- If the plan is first year computed - select the year credited option. If not - select not-computer option. Always anniversary plan year will be - initial participation hr.
- Calculation method for hr/elapsed, check exclusion groups, select correct vesting options, input retirement age data, update contribution requirements,
- In the contribution part update correct options for specific plans. For example- the basis for the employer - always will be YTD compensation. If SH 3%- input 3% for fire 100%, 2% for second 50%.
- Source summary description name checking, select ADP for Deferral, ACP for Match.
- Account summary - check receivable, SH, PS full form in investment summary.
- Select specific options in the processing part, compliance part, and general nondiscrimination.
- Top heavy will be 5% for the combo plan, and 3% for the 401(k) plan. check the Govt. form number.

- And most importantly run eligibility. After updating plan specs, we must run first eligibility, if there's any error it won't run and point out the mistakes. We correct them and try to run eligibility. [Transaction - Apply filter (NO) - E+ select - Effective date (End date) - run]

It's also important to run eligibility after updating compensation, and hours. [Transaction - No- E+ select - Date - only select compensation, hour, HCE option - select update without changing date - run]

Census Checking: For each component, the census file from the previous plan year and the one imported into the Relius program must be compared. Relius is the principal program into which all data and information are entered. Microsoft Excel is used throughout the census verification phase, employing a range of complex techniques. This step in the planning process is critical because we need to establish whether or not the individuals are suitably involved.

The census has information on participants, their SSN, Name, Birth Date, Hire Date, Rehire Date, Entry Date, Category/Status, Termination Date, Gross Compensation, Deferral, Hours, Vest Year, Ownership Percentage, HCE + Key. The steps of census checking are given below:

- Print CR9 from Relius, gather prior year census, client census (also known as scrub)
- Remove "-" in the SSN column from all 3 files and format Cells - social security number - United States.
- Enter the serial number in the current year census.
- Sort the original hire date from oldest to newest.
- Insert rows before employees who were hired in 2022.
- Manually check the total gross compensation amount with the current year census and client census, if any differences mark them and find out the reason.
- Check the current year's census with the prior year's census up to category.
- Insert V look-up check SSN, name, birthdate, hire date, rehire date, entry date, termination date, and status. If there is any difference, insert data from the client census and mark them. Calculate the entry date for new eligible employees.
- Insert V look-up and check salary deferral, hours, and client census data are correct. If any difference is found in the current year's census, insert data from the client census and mark them. Calculate vest year. Formula =if(hours>=1000, previous

year vest+1, previous year vest) Go to Compliance questionnaire and check ownership percentage, officer, prior year census compensation amount. And this year's compensation amount. If the compensation limit table, identify them as HCE and identify KEYS.

- If employees are terminated, but compensation amount and hours are given, ask the client for the rehire date and correct data.
- From the client census, check Gross wages, deferral, and hours. if 2 different data are given, formula example =IF(L11="",K11,L11)
- Update all changes in Relius.

Print variance with Roth and run macro: V look-up salary deferral amount and roth deferral amount from client census and input data in per census column. If there is any positive variance shown, we need to post the variance amount in Relius.

Download Contran with SSN from Relius: Run macro- insert serial number - sort by entry date - delete participants who don't have entry date - sort by serial number - look for prior compensation from client (if prior comp. excluded) - check allocated compensation limit for the plan year - mark HCE + Key employees - SH 3% calculation [=round(alloc comp*3%, 2)] - Calculate SH 3% forfeit [=SH3% cal-SH 3% funded]

QT in Relius: Need to setup a QT according to the numbers in the Plan Spec. Then **r**un QT in Relius, and download 4 contribution report raw files to know in which sources the amounts are posted.

Prepare Contribution Calculation Table: Take a Contribution Calculation Table and prepare it.

- Insert Name, Entry Date, Termination Date, Gross Compensation, Allocated Compensation.
- Calculated SH 3%, SH 3% Funded, SH 3% Forfeit, Profit Sharing, Calculated Match, Match Funded, Match Forfeit, Forfeitures, Salary deferral percentage, Total Contribution. The formulas are given in the table and it will auto-calculate. We are required to be very careful not to remove formulas from the contribution calculation table while preparing the file.

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Deferral, SH 3%, Mach, Prior Comp Posting:

- Post Pre-tax Deferral, Roth Deferral from variance report in Relius, post SH 3%, SH Match from contribution report.
- [Transaction - NO - pre-tax post ✓ EE pre-tax - ✓ EE Receivable Deferral Receivable, Acct # Def Rec - Select SSN - Insert amount one by one - ok - post], press Alt-A C for shortcut.
- For SH 3% posting: [Transaction - NO - ✓ Employer Rec SH 3% rec - Acct # SH 3% Rec - Name - amount - ok - post]
- Prior comp change: Census - participants - computed compensation - before prior comp - insert the prior comp in 3 boxes - regulatory compensation - testing comp - prior to plan compensation - insert the same amount in 8 boxes - run eligibility test.

Print Reports:

- Summary of Accounts: Custom - Description - 5 summary of accounts & plan totals - Amount data includes (tab 2) - Trade (tab 1) PDF.
- Distribution Summary: Custom - 1a Distribution Summary (1) - All Accounts - Trade - Window - (if any participants are shown) 1a Distribution Summary - File - PDF.
- Top Heavy Report: Processing - Compliance Tests - Top Heavy - File - PDF - "8_Top Heavy Report"
- Plan specs Report: Custom - 2 Plan Specification - All Accounts - Effective date - PDF.
- Census Report: Custom - Description - 3 Census report - All accounts - Effective date - File - PDF

Trust Accounting: To do trust accounting, we need 3 reports - 4 Contribution Report PDF file, 5 Summary of Accounts PDF files, and a Prior Year trust accounting file.

The reason for doing trust accounting is to see if everything is right. Clients can easily understand amounts related to July Business Service, Receivable, Loans, and Total end balance by reviewing trust accounting. It's a simple Excel file that contains data that can assure clients and make it easily understandable. Here, all the formulas are inserted into the template and we just have to input the

correct data. Prior year trust accounting ending balance is the plan year's beginning balance. After completing all the steps, we match the amounts with the 5 Summary accounts' total balance.

Executive Summary: It's a Word file that contains all the summaries from the beginning to the end. For example-

- It includes the employer's name, date, and plan doc requirements, if the plan allows Safe Harbor, then on the left side there will be a green sign. If the plan has a forfeiture balance, there will be warning signs and additional instructions, etc.
- Then there is the action list, Pre-tax deferral receivable, Roth deferral receivable, Match receivable, and Safe harbor receivable from the contribution calculation file.
- Lastly, there is a Memorandum page where the employer's name, plan name, date, declaration of the calculated amount of Safe Harbor 3%, and Profit Sharing.

Chapter-Five

Chapter 5: Learning Experience

I was hired by Data-Path Limited for my internship. I was assigned to work in the Actuarial Department. Data-Path hires people with backgrounds in finance, MIS, and accounting. Data-Path has a four-month internship program. They offer a variety of services, including transportation (right now it's only for full-time employees), lunch, and a generous stipend. My internship began on October 3rd, 2023.

Our group consisted of 6 interns. One intern joined a month before our joining. We were chosen through a Excel exam where we had to calculate some numbers, sort, format, v- lookup, and do some basic tasks. We also had an online quiz that contained multiple-choice questions on math, prepositions, and general knowledge. Then we sat for the interview. From the very start, we were assigned to this department and our training was designed according to the Actuarial Team. I got my desk on the second day. Then we had to go through many days of training to learn about the general retirement program of the United States and practical training. We learned how the process works here, and all Data-Path employees create retirement plans for their clients. Initially. Then they expose us to their work and the tools they use, as well as a two-week training schedule. We already had 2.5 months of Microsoft Excel training which is still ongoing. We are a small team. Our team comprises 14 people including interns.

Generally speaking, I am delighted working in this environment. The work environment at Data-Path is very friendly. All the seniors are taking great care of us. They've put a lot of thought into designing our training program. At first, I had a bit of trouble coping with the lessons but over time I gradually got used to it. In the beginning, the interns of our department got the desks in one block. But later, to make our training easier and more efficient, they made a change in the seating arrangement and tagged us with individual seniors. It made our job much easier. We need to ask questions constantly and as the seniors were assigned to train us individually, the whole process now has become simpler. If we don't get a topic, we are free to ask questions repeatedly without any embarrassment.

From the very start, I heard others saying that the Actuarial department is really good. The relationship between everyone here is excellent. Now I can see in person that whatever they said, it's true. They are all very friendly and understanding with each other. Everyone has a positive

attitude, works diligently, and always tries to create a happy environment. Because of this, we feel less pressured.

There are multiple events I really liked, which is worth mentioning.

- When we joined here, the busy season was ongoing. Everyone had a lot of plans assigned to them. But every one of them completed all the tasks on time. And because of their effort, dedication, time and hard work, the higher authority gave Actuarial Dept. two days off after submitting all tasks. For me it was a good way of motivation.

- Data-Path arranges an annual tour every year. This year it was at Cox's Bazar in November last. Everyone was excited. We weren't added because we joined the office after the arrangements were done. But everyone was very happy and excited. They made various plans about tour schedule, about dinner, relaxing time in between works. Overall, the office culture, working environment, and employee relationships are excellent. I am satisfied that I could join Data-path and get the chance to work and learn here as an intern.

- Our Actuarial team planned the very first unofficial tour. They are going to visit Darjeeling, India in this Christmas break. After lots of planning and re-planning, they have fixed the schedule. Everyone is beyond happy and excited. Seeing all these made us very regretful not being able to join this team earlier.

- In the office, I really liked the environment. Working systems is very organized, behavior of other employees, time schedule, office structure etc. are notable.

With all other good things, there were also a very few negative situations.

- One of them was software related issues. For almost 2 weeks Test Relius was down and it was under maintenance. It was a big obstacle for our training. Though Data-Path tried to contact July IT team as soon as possible, send them emails regularly, the reply was quite delayed. Because of that we could not do all the steps that were required and faced a lot of trouble with numbers as we couldn't get the accurate answers form Relius. But everything was fixed within that period of time and we could continue our training.

Chapter-Six

Chapter 6: Learning Experience

During my internship with Data-Path LTD, I gained a lot of knowledge and experience. Some criteria for sharing my learning experiences are listed below:

6.1 Knowledge Acquired

I learned a lot about the retirement systems in the United States, as well as advanced Excel tools for calculating contributions. They looked into Data Path Ltd.'s operations in Bangladesh and discovered it was profitable. I learned firsthand about the company's operations and other relevant issues, demonstrating its industry success. As a Data Path Ltd. intern, I noticed a few things that would most likely cause me problems:

1) **Misleading Impression of Data Path Ltd.**: Data Path Ltd. has a reputation that is not always accurate. People have different ideas about what Data Path Ltd. does; some assume it's a data entry company and others a foreign call center. I had a hard time getting the word out about the business. Therefore, it is imperative that Data Path Ltd.'s management and employees pay closer attention to this matter.

2) **Pursuing A Second Degree in Retirement Planning:** I felt as though I were pursuing a second degree in American retirement plans due to the number of training sessions I attended on the fundamentals of retirement plans. Despite the fact that it was a degree, it was valuable. I gained a greater sense of assurance following that training session, and I executed the duties entrusted to me by my team leader with distinction.

6.2 Skilled Learned:

With the assistance of some excel professionals, I have developed my corporate skills in this organization. I learned how to use advanced Excel and how to create an official mail here. Datapath assists me in comprehending some complex software and developing some potential to serve the corporate. Datapath also teaches me how an employee can improve their professionalism by working as part of a team.

6.3 Observed Attitudes and Gained Values:

During this training period, I observed many attitudes and values regarding how to advance one's career in any corporation by utilizing one's own skills and knowledge. I discovered at DataPath ltd. that being very calm and soft with colleagues can create very good manners and set the mind towards a very good working environment. I also discovered that hard work done with honesty and dignity can help you build a good image and a successful career.

6.4 Most challenging task performed:

In this internship period, I performed a lot of tasks to serve the company. The task that appears to be the most difficult to me at this time is the Live plans that my manager has assigned to me for the first time. I was nervous while working on a plan that required extremely difficult calculations that I had not encountered during my training period. But, with the help of my confidence and belief in myself, I was able to manage my nerves and overcome the obstacles I faced.

Chapter-Seven

Chapter 7: SWOT Analysis

7.1 Strengths:

- Software that is protected and IT-based service software
- There is almost no competitive rivalry in the industry.
- Provide a competitive price from U.S. TPAs.
- The business climate in Bangladesh is stable.
- It contributes to increased foreign remittances to Bangladesh.
- Developed the confidence of other TPAs over an extended period of time. • More clients are joining day by day.
- Highly experienced trainer are working to train others.
- Shifting members to various teams to increase their potentiality in every task.

7.2 Weakness:

- There isn't enough polished software.
- It's an entirely new industry that needs to be introduced.
- It's going to take a long time to train employees from the ground up.
- Weak marketing project and website.
- Complicated task demotivates sometimes to continue with the organization.
- Working time is huge in busy seasons which creates problem to employees.

7.3 Opportunities:

- Opportunities for discovering new employment
- Expanding opportunities for Bangladesh's outsourcing sector.
- Forming global alliances with businesses from all around the globe.
- The US economy sets the tone for the workflow.

7.4 Threats:

- Clients are not obligated to make promises.
- Must rely entirely on third-party companies based in the United States.
- New competitors are entering the local market.
- In Bangladesh, there is no well-known service zone.

Chapter-Eight

Chapter 8: Problem Identifications and Solutions

In this section, I compared the US retirement policy to Bangladesh's retirement policy and identified some gaps and problems. And I also devised some solutions for this, which are detailed below:

8.1: Findings

8.1.1 Government Rules Regarding Retirement Plan:

The US Department of Labor offers several retirement choices. Every nonprofit organization, in addition to government entities, is expected to implement at least one of these strategies. For sole proprietorship enterprises, retirement plans must also be developed. While the Bangladeshi government has rules, they are not strictly enforced in this country.

8.1.2 People desire to save:

People must deposit a portion of their salary to a retirement plan in order to enjoy a safe and wealthy future. Each employee contributes to the retirement fund, resulting in savings for them. When they retired or were terminated, they would get a significant profit-sharing incentive on their delayed sum.

8.1.3 Rules for Highly and Non-Highly Compensated employees:

In the United States, certain employees are classified as HCE and NHCE, which has helped to reduce discrimination between HCE and NCHEs. The HCE is not permitted to contribute more than the specified percentage of their pay to the plan. Bangladesh, on the other hand, has no such retirement programs with HCE and NHCE.

8.1.4 Employees right to know:

Participants in any scheme have the right to know where their money is going and who stands to gain. The United States has strong rules in place for deferring and receiving contributions, ensuring that each participant knows exactly how much they will receive upon retirement. A Bangladeshi employee, on the other hand, may not be aware of the retirement fund.

8.1.5 Contribution to the national economy:

The amount of deferral that an employee contributes to the company in the United States is invested in a variety of industries, including the stock market. The total amount accumulated is enormous, and the return on investment is also substantial. This sum makes a significant contribution to the economy. On the contrary, the money in our retirement plans did not contribute significantly to the economy.

8.1.6 Contribution to the homeland economy:

In the United States, a big number of immigrants work for various US organizations. These immigrants are also covered by a variety of retirement programs. They contribute to their home country's economy in this way.

8.1.7 Increase Self-dependency:

As they age, they no longer need to rely on their offspring because retirement programs are available in every firm in the US. Their principal route to self-sufficiency is these savings and advantages. On the flip side, children usually take care of a retired person in Bangladesh.

8.1.8 Age limit:

The maximum allowed age is 65.5 years. At that age, they are fully vested. They also offer a 55-year early retirement plan. According to 2020 data, the retirement age in Bangladesh is 59.

8.1.9 Government and Private sector:

In Bangladesh, the pension system is typically observed in the public sector, while private enterprises are exempt from the retirement policy. However, in the United States, almost every organization has a retirement policy in place to ensure their employees' safety and self-sufficiency.

8.1.10 Insufficient amount:

Because the government doesn't give enough profit-sharing to older people, they are very unsafe and vulnerable after they leave. The amount of money one person gets when they retire is not enough for them to live a happy life in the future. The Old Age Allowance is a new program from the government for older workers. This helps a small group of old people in the country who aren't covered by the pension system.

8.2 Solutions/Recommendations

Working in Datapath allowed me to discover numerous differences between Bangladesh pension policy and US pension policy. I made some recommendations for Data-Path and the Bangladesh Pension Fund based on my observations of both pension systems.

8.2.1 For Data-Path:

Right Person in the Right Place: The purpose of the recruitment policy should be to place the right person in the right position at the right time. Data-Path should select the most qualified and deserving candidates for recruitment. To ensure efficiency and quality, it must be kept up to date. Employees must go through training because they must understand US policy and interact with US clients. They will need a lot of data and understanding to make allocation reports. Before the tax return due date, they should be able to get more done. When this happens, workers need to be honest to deal with it.

Should carry on the faith: Initially, Data-Path performed some support functions for July Business Services. After a certain period of time, they were granted permission to create a report for a July Services client by establishing trust. The primary concern in this report is privacy and security. We learned about many of their sensitive issues while writing the report. This demonstrates our dependability. It should make us proud that a country like the United States trusts us enough to entrust their pension report to us. As a result, we should maintain this policy. It embodies our national character. If we continue in this manner, the number of people who outsource will rise. It will also boost our national revenue.

8.2.2 For Bangladesh:

Amount should be sufficient: The compensation or allowance that the government provides to its employees should be adequate. If the sources of contribution for both employees and employers are numerous, the interest rate will be high, as will the amount repaid. For example, the greater the amount saved through contributions, the greater the amount invested. It provides the government with yet another source of revenue. Furthermore, this sum will assist an employee in their old age and they will not have to rely on others.

Fund Investment to economy: Employers in our country should invest employees' retirement funds in various stock markets or mutual funds rather than solely in banks. Employees' retirement

savings can grow at a healthy rate as a result of this. This will benefit both the employee and the economy.

Should have a responsible organization: Bangladesh should set up a separate group that is only in charge of the pension plan to keep it going. Bangladesh should have a TPA for allocation, just like the US. If our country has a third-party institution that sets pension plans for its workers, we may have a very responsible and trustworthy company by setting up a practical policy, contribution, and deferral. It will help people and won't put others in a tough financial spot.

Should introduce in private sector: Our country's private sector has its own policies on provident funds that differ from official rules in several ways. Employees in the private sector are not eligible for pension funds like government employees. Everyone will benefit if the government establishes or makes a pension system available to all Bangladeshi sectors. The government may impose additional restrictions on the private sector's retirement benefit program in this case.

Have to be aware about the contribution: The employee should understand the amount of their contribution and where it is invested or spent. If some organizations are built to make employee pension policies, then they may have access to their invested funds and be aware of their contribution. They will also be eligible for profit and interest sharing.

Should motivate for provident fund: All employees should be able to use the provident fund. The government should offer more incentives or facilities to employees who contribute to the provident fund to get them to do so. In our country, most elderly people depend on their families to keep them safe, which is very rude to them. A few small pieces of legislation and institutional institutions should be set up to give them social security. A lot of people want to set up a retirement and pension system that is fair and equal for everyone, meets the constitutional requirement for social security for the elderly, and treats people with basic respect. They should be aware of the benefits of having a provident fund as well as the disadvantages of not having one. It will be beneficial to both the employees' and the government's future lives.

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Chapter-Nine

Chapter 9: Conclusion

Based on the Internal Revenue Service (IRS) laws and regulations, it can be concluded that the American Retirement benefit scheme motivates both citizens and employees to save money for their future. The retirement program that they offer provides employees with a variety of different sources of contributions, which enables them to have a safe and secure future. On the other hand, there are still a great deal of problems in Bangladesh regarding the retirement funds of employees. The activities of the organization that is responsible for monitoring the operation of an industry are directly related to the efficiency with which the industry operates. Through the establishment of a number of different pension industries, American Retirement Programs ensures the effectiveness of their policy. They have a separate third-party administrator who is responsible for creating retirement programs for each and every employee under their employ. In addition, they conduct non-discrimination testing in order to strike a balance between the discrimination that occurs between highly compensated and non-highly compensated employees. On the contrary, our nation does not have such an institution that can create retirement programs and protect workers' rights. Because our private sector does not place a greater emphasis on this, our nation is falling further and further behind. Furthermore, our government sector is also plagued by a great deal of inconsistency with regard to the policy. In this particular scenario, if we were successful in bringing about changes to the existing system, it would be a significant achievement for the entire nation. In addition to boosting people's interest in the stock market and contributing to the overall economy, the American retirement benefit plan also makes a contribution to the stock market in the United States. The distribution of retirement funds across a variety of money and capital markets is another step that our nation ought to take in order to stimulate the economy as a whole.

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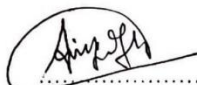|		
Student Name: Shamsul Arefin	Institutional Supervisor: Avigit Ghosh	
Student ID #: 111-192-078	Institution Name DataPath Ltd.	
Major: Management Information System	Academic Supervisor:	Ahmed Imran Kabir

Activities undertaken during the month

Date	Dept.	Activity
Date 3-11 Oct, 2023	Actuarial	Theory and Basic Concept Discussion
Date 12-20 Oct, 2023	Actuarial	Trainning on CG and Plan Doc to checklist Preparation. Then exam + Discussion on last class
Date 23-31 Oct, 2023	Actuarial	Entry and vesting calculation practice
Date 1-30 Nov, 2023	Actuarial	Contribution calculation, SH, PS, Match, Prior comp, True up/down, Relius Plan specs update
Date 1-31 Dec, 2023	Actuarial	Trust Accounting, ADP/ACP, Coverage testing, Top-Heavy, Executive Summary. Then recap + mock.

Institutional Supervisor's

Date: .... Time: ....

Additional Comments

Supervisor Signature: (...................)   Date: 04.01.2024

Student Signature ... Shamsul Arefin ...   Date: 04.01.2024

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