



MORE MONEY

For Drivers and Fleets with Daily Driver Per Diem

The driver shortage is forcing carriers to increase wages and benefits. Learn how both drivers and fleets can benefit from daily driver per diem.

How much is driver pay increasing?

From 2012 to 2018¹, driver wages per mile increased by **43%**.



In 2018, labor surpassed fuel as the industry's highest cost.¹

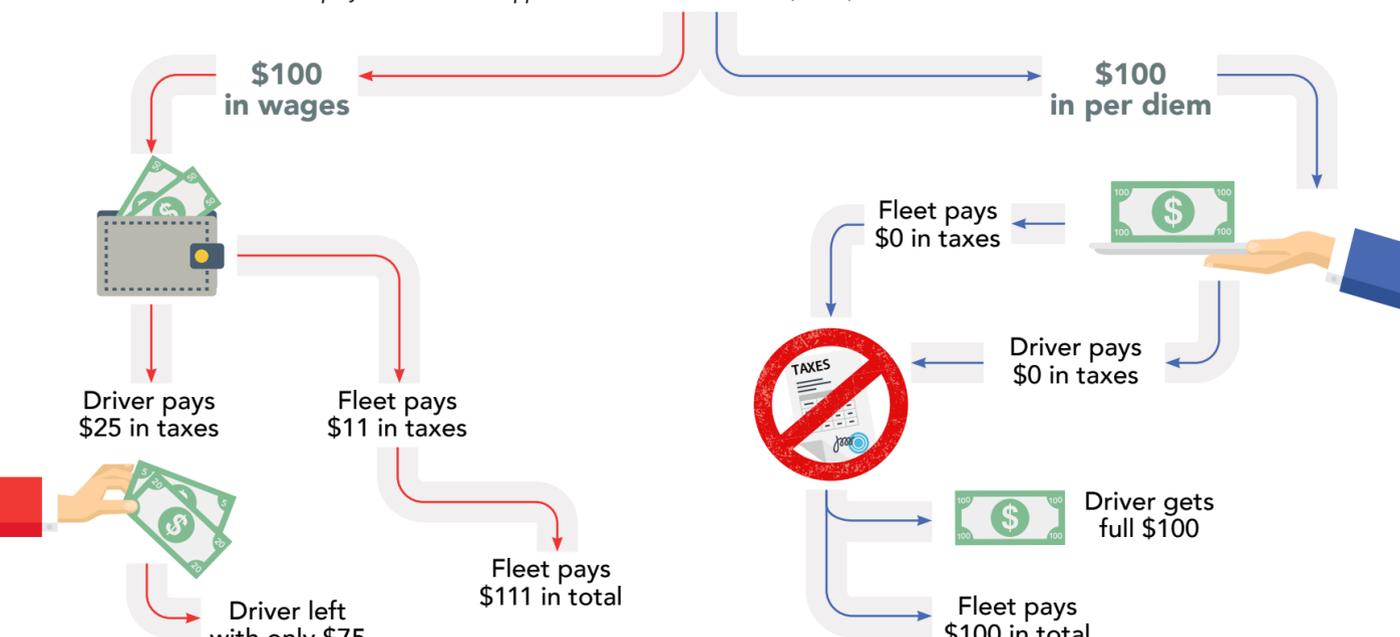
Today, fleets offer per diem pay programs to maximize take-home pay. But first, what is per diem?

How Per Diem Works



Compare \$100 of taxable paid wage to \$100 of non-taxable per diem.

Company and driver taxes are examples. Fleet tax includes wage-based taxes such as payroll and unemployment. 25% is an approximated combined Federal, State, and FICA rate for the driver.



*Based on sample tax rate of 25%

But, not all per diem programs are created equal!

Cents Per Mile Per Diem vs. Daily Per Diem

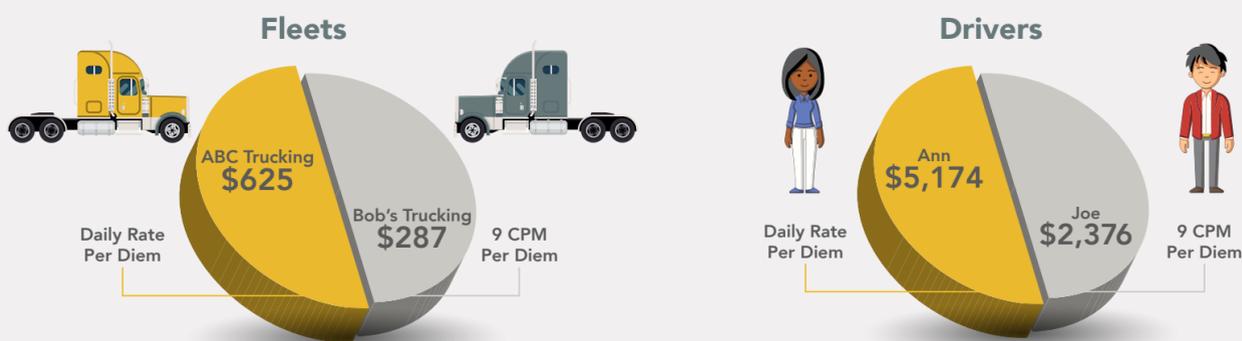


With cents per mile (CPM) per diem, fleets reimburse drivers a set amount (for example, 9 cents) per mile.

With daily rate (or substantiated) per diem, fleets reimburse drivers for meals and lodging based on the government standard amount of up to **\$66/day**.

- Per Diem**
- Meals & Incidentals - Can write off 80%
- Lodging - Can write off 100%

How much extra cash do fleets and drivers get each year, per driver?*



*Based on 2200 miles/week at 52 cents/mile. Calculations include meal and lodging per diem figures, and federal and state tax averages.



With daily rate per diem:

- Fleets pay fewer taxes
- Drivers pay fewer taxes
- Drivers take home more
- Fleets simplify compliance

With CPM per diem:

- Drivers take home less
- Fleets pay higher taxes
- Fleets risk IRS noncompliance
- Fleets waste time trying to correctly account for miles driven



Did you know?

Tax law no longer allows drivers to claim per diem on their own taxes unless through a company-sponsored program.²

Omnitracs Per Diem Manager is a win-win solution with immediate ROI that's easy to implement. Linked to your Hours of Service logs, the IRS-accountable daily rate per diem plan is paperless and automated — with no additional software required.

To learn more visit www.omnitracs.com or call 800.348.7227.

Sources:
1. <https://truckingresearch.org/wp-content/uploads/2019/11/ATRI-Operational-Costs-of-Trucking-2019-1.pdf>
2. <https://www.irs.gov/>

