



Unlock Fleet Savings With Per Diem Amid Economic Uncertainty

The freight market has experienced steady softening over the past few months while the nationwide average price for a gallon of diesel fuel hovering around \$5.36 or about \$2.02 more than just one-year agoⁱ. So how can fleets mitigate the exploding cost of fuel and softening freight ratesⁱⁱ? Use per diem compliance tech to unlock fleet savings amid economic uncertainty and record inflation.

An automated telematic solution, like Per Diem Plus[®], allows motor carriers to rapidly deploy a solution to realize immediate savings, offset pain at the pump and boost driver pay. Additionally, our cloud-based, mobile-enabled platform offers flexible [Service Plan Options](#) allowing motor carriers to easily implement an IRS-compliant fleet per diem plan that:

- Saves a fleet thousands of dollars annually per driver
- Enhances recruiting & retention by raising driver take-home pay
- Can be implemented in a single day
- Automates per diem accounting, tax compliance & auditing
- Eliminates the need to retain ELD backups for 3 years to substantiate per diem

FLEET TAX SAVINGS FROM USING PER DIEM PLUS

Although Congress temporarily increased the trucker per diem deduction to 100% for 2021 and 2022, there is a common misconception in the industry that at 80% deductibility per diem will not save a motor carrier money. This table proves otherwise.

Analysis Assumptions: 2,500 average weekly miles / driver; \$69 per diem; \$65,000 annual driver wages; 255 nights away from home; 12% effective federal income tax rate, and \$10/\$100 workers' comp rate

PAYROLL TAX SAVINGS	100% DEDUCTION	80% DEDUCTION
Per Diem Rate	\$69	\$69
Per Diem Rate x 255 Nights Away From Home	\$17,595	\$17,595
20% Non-Deductible Per Diem	\$0	\$3,519
Tax on Non-Deductible Per Diem	\$0	(\$422)
Employer Share FICA @ 7.65%	\$1,346	\$1,346
Annual Payroll Tax Savings To Fleet / Driver	\$1,346	\$924

WORKERS' COMPENSATION SAVINGS

Twenty-three states are members of the National Council on Compensation Insurance (NCCI), 39 rely on NCCI regulations. Under NCCI rules a motor carrier paying substantiated per diem under an IRS-accountable plan can exclude up to \$69/day of per diem from taxable wages, which provides a significant per driver annual savings to a fleet ⁱⁱⁱ.

WORKERS' COMPENSATION SAVINGS	
Drivers Weekly Income	\$1,300
Workers Comp Rate / \$100 Of Wages	\$130
Per Diem Exclusion (\$69/day x 5.4 days)	-\$373
Adjusted Workers Comp Wages	\$927
Rate / \$100 Of Wages	\$93
Weekly Workers Comp Savings To Fleet / Driver	\$37
Annual Workers Comp Savings To Fleet / Driver	\$1,850

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ⁱ Kingston, John, "Weekly DOE/EIA diesel price decline is biggest since 2008", Freightwaves, July 25, 2022 [LINK](#)

ⁱⁱ Achelpohl, Scott, "Survey points to exodus of small operators - and fuel costs as the culprit", FleetOwner, May 23, 2022 [LINK](#)

ⁱⁱⁱ North Carolina allows a \$75 exemption for per diem Rule 2-8-2 [LINK](#)



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FLEET SAVINGS FROM USING PER DIEM PLUS

With growing economic uncertainty and recessionary clouds on the horizon it is not known if Congress will extend the 100% deduction for per diem. However, a motor carrier that implements Per Diem Plus will be in a stronger position to weather the economic storm.

ANNUAL TAX & WORKERS' COMP SAVINGS	100% DEDUCTION	80% DEDUCTION
Annual Payroll Tax Savings / Driver	\$1,346	\$924
Annual Work Comp Savings / Driver	\$1,850	\$1,850
Annual Fleet Savings / Driver	\$3,196	\$2,774



CASE STUDY

ANNUAL FLEET SAVINGS	100% DEDUCTION	80% DEDUCTION
Number Of Over-The-Road Drivers	75	75
Combined Annual Savings / Driver	\$3,196	\$2,774
Annual Fleet Savings	\$239,700	\$208,050

DRIVER TAX SAVINGS FROM PER DIEM

As of January 1, 2018, employee drivers can no longer claim per diem as an itemized deduction on their federal income tax return. However, motor carriers can offer per diem to employee drivers to recapture the lost tax savings.

The average Married over-the-road driver earning \$65,000 annually will save approximately \$3,457 in federal income taxes equivalent to \$0.03 cents per mile.

MARRIED DRIVER

MARRIED DRIVER BENEFIT	NO PER DIEM	PER DIEM
Annual Wages	\$65,000	\$65,000
Company-Paid Per Diem	\$0	\$17,595
Standard Deduction on US Income Tax Return	(\$25,900)	(\$25,900)
Taxable Income	\$39,100	\$21,505
Federal Income Tax	\$4,281	\$2,170
Employee Share FICA @ 7.5%		\$1,346
Total Income & Payroll Tax Savings		\$3,457
Extra Equivalent Per Mile Cash		\$0.03

The average Single over-the-road driver earning \$65,000 annually will save approximately \$4,485 in federal income taxes equivalent to \$0.04 cents per mile.

SINGLE DRIVER

SINGLE DRIVER BENEFIT	NO PER DIEM	PER DIEM
Annual Wages	\$65,000	\$65,000
Company-Paid Per Diem	\$0	\$17,595
Standard Deduction on US Income Tax Return	(\$12,950)	(\$12,950)
Taxable Income	\$52,050	\$34,455
Federal Income Tax	\$7,068	\$3,929
Employee Share FICA @ 7.5%		\$1,346
Total Income & Payroll Tax Savings		\$4,485
Extra Equivalent Per Mile Cash		\$0.04



USE PER DIEM COMPLIANCE TECH TO UNLOCK FLEET SAVINGS AMID ECONOMIC UNCERTAINTY

GPS-Based Tracking: Per Diem Plus® utilizes telematics to establish IRS-required “time, date and place” substantiation to prove away-from-home travel.

Proven: Drivers have logged millions of miles using Per Diem Plus! Join those that value their time, love to eliminate inefficient paperwork, and want to simplify tax compliance and save money.

Easy Setup: Our IRS-compliant, cloud-based ELD-integrated platform and mobile app solutions allow for rapid deployment with minimal investment in IT resources.

Easy to Use: Web services interface that allows non-technical users to manage individual and team drivers.

Scalable: Whether 5 or 15,000 trucks, our secure cloud-based platform will meet the growing needs of your fleet.

ABOUT PER DIEM PLUS

Per Diem Plus is the leading provider of cloud-based, IRS-compliant trucker per diem software solutions in the transportation industry. Established in 2015, Per Diem Plus was born over the founders 30 years of individual experience as IRS agents and tax practitioners and a relentless pursuit to introduce efficiency to the time-consuming task of per diem tax compliance for truckers and fleet managers.

