




**Per Diem
Manager**


**Driver
Handbook**

WHO WE ARE

About Us

Atlantic HR Solutions is a leading provider of innovative fleet and driver solutions for the transportation industry.

Since 2004, Atlantic HR Solutions, Inc. has developed and maintained substantial solutions for the trucking industry, including IRS-compliant Per Diem programs as well as intuitive software applications. AHRS provides federal tax compliance and applicable updates to federal tax laws affecting Omnitracs new Hours of Service integrated Per Diem Manager software.

Contact Us

Chief Training Officer: **Chris Nichols**
 Phone: (800) 577-3163
 Email: ChrisN@atlantichrsolutions.com
 Web: www.AtlanticHRSolutions.com



ATLANTIC HR SOLUTIONS, INC

P O Box 4619
 Murrells Inlet, SC 29576

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Per Diem Manager applies prevailing Treasury Regulations, IRS Revenue Procedures, FMCSA and DOT rules.

* - 2016 IRS Tax Tables.

** - Total deduction is less than standard deduction, therefore standard deduction of \$12,600 is used.

TAX ADVANTAGES OF PER DIEM MANAGER

MARRIED – FILING JOINT RETURN*	No Per Diem	Per Diem
Driver Annual Income	\$56,000	\$56,000
Employer-provided Per Diem	-0-	\$16,700
Gross Taxable Income	\$56,000	\$39,300
Schedule A – Deductions		N/A
M&IE (\$63/day x 5 days x 50 weeks) =	(\$15,750)	
Less 20% Non-Deductible & 2% of AGI =	\$4,270	
Total Deduction	(\$11,480**)	N/A
Standard Deduction	N/A	(\$12,600)
2 Exemptions	(\$8,100)	(\$8,100)
Taxable Income	\$36,420	\$18,600
Tax*	\$4,536	\$1,863
Tax Savings		\$2,673

SINGLE*	No Per Diem	Per Diem
Driver Annual Income	\$56,000	\$56,000
Employer-provided Per Diem	-0-	\$16,700
Gross Taxable Income	\$56,000	\$39,300
Schedule A – Deductions		N/A
M&IE (\$63/day x 5 days x 50 weeks) =	(\$15,750)	
Less 20% Non-Deductible & 2% of AGI =	\$4,270	
Total Deduction	(\$11,480)	N/A
Standard Deduction	N/A	(\$6,300)
1 Exemption	(\$4,050)	(\$4,050)
Taxable Income	\$40,470	\$28,950
Tax*	\$5,889	\$3,879
Tax Savings		\$2,010

THE IRS IS VERY SPECIFIC ON PER DIEM

A payment to an employee under an account expense reimbursement allowance that is -

- Paid for business expenses the employer reasonably anticipates will be incurred by an employee for travel away from home for:
 - Meals and Incidental Expenses
 - Lodging
- Per Diem is paid instead of reimbursing actual lodging, meals and incidental expenses: **No receipts required.**
- All amounts paid under an accountable plan are: *Tax free, are not reported on Form W-2 and are not subject to income or employment taxes.*
- A driver must be “off duty” to collect Per Diem and confirm their HOS-log daily.
- Anyone who travels out of town overnight for work is allowed to claim Per Diem.
- A driver must be performing services for the employer.
- A driver must be working away from home for at least 12 hours. *This refers to the day a driver starts and ends their travel.*
- Within a reasonable amount of time the employer / driver must substantiate “Time, Date , and Place”, business connection and purpose of travel.

DRIVER ADVANTAGES OF PER DIEM MANAGER

Comparison	No Per Diem	Per Diem Manager
Driver Income	\$ 1077	\$ 1077
Per Diem	\$ -0-	\$ 334
Taxable Income	\$ 1077	\$ 743
Taxes @ 23% (Federal, FICA)	(\$248)	(\$171)
Net Tax Savings		\$77
Take Home	\$ 829	\$ 906
Extra Driver Cash Per Mile		3.5¢

Accountable per diem is:

Tax free, is not reported on Form W-2 and is not subject to income or employment taxes.



HOS-INTEGRATED PER DIEM MANAGEMENT SOLUTION

THINGS TO REMEMBER

- A driver who is out of town overnight may receive a **\$52** meals & incidental expense reimbursement each calendar day while traveling, up to 7 times per week. A driver may also receive one **\$74** lodging expense reimbursement each week.
- Per Diem is automatically awarded only after a driver confirms their DOT HOS-log each day.
- A driver must depart for an overnight trip before 12 o'clock noon to receive a Per Diem on the day he leaves his tax home.
- A driver must return from an overnight trip after 12 o'clock noon to receive a Per Diem on the day he returns to his tax home.
- Per Deim is awarded when travelling at least 50 miles from your tax home zip code.
- IRS-required “Time, Date and Place” substantiation is retained and accessible to a driver for 7 years.
- Company drivers cannot claim Per Diem for a day on their own Form 1040, Schedule A if they already received an employer-provided reimbursement for the same day.
- Teams must log 1st co-driver “on duty” for 5 min prior to entering sleeper on first day, when starting a trip before noon.



REMEMBER TO CONFIRM YOUR LOG EVERYDAY!

