

# Logistics Per-Diem Program

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## Purpose

The purpose of this policy is to define the guidelines and procedures for administering per-diem (daily allowance) payments to eligible drivers for meals and incidental expenses incurred while they are on the road. The per-diem program is designed to simplify expense reporting, provide tax advantages, and compensate drivers for some of their out-of-pocket costs.

## Eligibility

All company-employed over-the-road (OTR) drivers who are away from home overnight for work-related travel are eligible and will be auto-enrolled in the per-diem program.

- Local drivers or those who return home daily are not eligible for per-diem.

## Per Diem Rate

The company pays a non-taxable per-diem allowance based on the current IRS-approved rate and may adjust the rate annually in accordance with IRS guidelines and company policy.

## Method of Payment

Per-diem is paid at a **daily rate** of \$50.00.

- Per-diem payments are processed as part of the regular payroll but are **non-taxable** and not subject to income or payroll taxes (subject to IRS limitations).

## Tax Compliance

Drivers must be away from their tax home overnight to qualify for tax-free per-diem. The company will maintain compliance with IRS substantiation requirements.

- Per-diem will not be paid on days the driver is home, on leave, or not under dispatch.

## Record Keeping

The company will maintain logs and documentation to support per-diem eligibility.

- Drivers are not required to submit meal receipts but must maintain an accurate Record of Duty Status for each day away from home, noting date, location and Sleeper Berth status.

## Opt-Out Policy

Drivers will be given a chance to opt out of the program; however, once a driver opts out, they cannot rejoin the program, and their full wages will be taxed.

- Opt-out requests must be submitted in writing and be approved by management.

## Limitations and Exceptions

Per-diem is not paid for layovers, breakdowns, or days off unless otherwise specified.

- Any abuse of the policy (e.g., falsifying logs) may result in disciplinary action, including termination.

## Policy Review

This policy is subject to annual review and may be updated to reflect changes in IRS regulations or company practices.

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