

## Traveler Rents an Apartment and Flat-Rate Per Diem Transitions to Lodging Plus Per Diem Mid-Month (JTR, par. 020311)

**Note:** Rates and dates used in this example may not be current and are for illustrative purposes only.

**Scenario 3:** The traveler is on a TDY from Lawton, Oklahoma to Washington, DC for 210 days, from June 1 through December 27. The locality rate in Washington, DC varies by season from a low of \$244 to a high of \$322. The locality per diem rate for Washington, DC for August is \$175 for lodging, \$64 for meals, and \$5 for incidental expenses, for a total daily locality rate of \$244. The TDY is more than 180 days, so the flat per diem rate of 55 percent of the locality per diem rate applies. The flat-rate per diem is computed at  $\$244 \times .55$  for a daily flat-rate per diem amount of \$134.20. The traveler rents a corporate apartment at a rate of \$2,400 per month. No lodging receipts are required for *flat-rate per diem*.

The National Defense Authorization Act (NDAA) of 2019 eliminates the flat-rate per diem. The President signed the law on August 13, eliminating the flat-rate per diem method effective August 13. Beginning August 13, the traveler's per diem transitions to the lodging plus computation method. The lodging plus method reimburses the actual cost of lodging up to the locality lodging rate plus an amount equal to the locality meal and incidental expenses (M&IE) rate. Receipts are required for all lodging under the *lodging plus* computation method.

The computation for the month of August is as follows:

| Date                                                                   | Per Diem Rate                                    | Lodging Cost                                                               | M&IE                                | Per Diem Calculation                            | Total Per Diem    |
|------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------|-------------------|
| <b>Flat-Rate Per Diem</b>                                              |                                                  |                                                                            |                                     |                                                 |                   |
| August 1-12                                                            | Flat-Rate Per Diem $\$244 \times .55 = \$134.20$ | $\$175 \times .55 = \$96.25$ per day                                       | $\$69 \times .55 = \$37.95$ per day | $(\$96.25 + \$37.95 = \$134.20) \times 12$ days | \$1,610.40        |
| <b>Transition Day from Flat-Rate Per Diem to Lodging Plus Per Diem</b> |                                                  |                                                                            |                                     |                                                 |                   |
| August 13                                                              | Lodging Plus Per Diem of \$244 maximum per day   | $\$2,400 \div 31$ days = \$77.42 per day (actual cost of lodging incurred) | \$69 per day                        | $(\$77.42 + \$69 = \$146.42) \times 1$ day      | \$146.42          |
| <b>Lodging Plus Per Diem</b>                                           |                                                  |                                                                            |                                     |                                                 |                   |
| August 14-31                                                           | Lodging Plus Per Diem of \$244 maximum per day   | $\$2,400 \div 31$ days = \$77.42 per day (actual cost of lodging incurred) | \$69 per day                        | $(\$77.42 + \$69 = \$146.42) \times 18$ days    | \$2,635.56        |
| <b>Total Per Diem</b>                                                  |                                                  |                                                                            |                                     |                                                 |                   |
| August 1-31                                                            |                                                  |                                                                            |                                     |                                                 | <b>\$4,392.38</b> |