

## Traveler Moves to Hotel at Rate Higher than ILPP Rate After Flat-Rate Per Diem Transitions to Lodging Plus Per Diem (JTR, par. 020311)

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

**Scenario 5:** The traveler is on a TDY for 88 days from Alexandria, Virginia to Seattle, WA, from July 5 through September 30. The locality per diem rate for Seattle is \$244 for lodging, \$69 for meals and \$5 for incidental expenses, for a total daily locality rate of \$318. Seattle is an Integrated Lodging Program Pilot Site (ILPP), and rooms are available at an ILPP facility to rent at \$200 per day. The TDY is between 31 and 180 days at one location, so the flat-rate per diem method is used. The flat-rate per diem is computed at 75 percent of the locality per diem rate (\$318), for a daily flat-rate per diem amount of \$238.50. The traveler rents a hotel room for \$130 per day and is not lodging in an ILPP facility. 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.

On the day the flat rate per diem is eliminated, the traveler moves from the hotel initially occupied to a hotel where he or she can get reward points, and rents a room for \$220 per day. Although the traveler's new hotel room is less than the locality per diem rate for lodging, he or she is limited to the Seattle ILPP rate of \$200 per day. When an ILPP room is available and the traveler chooses to use other lodging, reimbursement is limited to the ILPP room cost.

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 \$318 x .75 = \$238.50	\$244 x .75 = \$183 per day	\$74 x .75 = \$55.50 per day	(\$183 + \$55.50 = \$238.50) x 12 days	\$2,862
<b>Transition Day from Flat-Rate Per Diem to Lodging Plus Per Diem</b>					
August 13	Lodging Plus Per Diem of \$318	\$200 per day (limited to the ILPP cost per day)	\$74 per day	(\$200 + \$74 = \$274) x 1 day	\$274
<b>Lodging Plus Per Diem</b>					
August 14-31	Lodging Plus Per Diem of \$318 maximum per day	\$200 per day (limited to the ILPP cost per day)	\$74 per day	(\$200 + \$74 = \$274) x 18 days	\$4,932
<b>Total Per Diem</b>					
August 1-31					<b>\$8,068</b>