

CRS Report for Congress

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Former Presidents: Federal Pension and Retirement Benefits

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Summary

In 1958, almost two centuries after the nation's first President took the oath of office, Congress enacted the Former Presidents Act (FPA) to provide former Presidents an annual lifetime pension, currently \$171,900, and staff and office allowances administered by the General Services Administration (GSA). The FPA, as amended, also provides former Presidents with travel funds and mailing privileges (3 U.S.C. 102 note). Secret Service protection for former Presidents is also authorized by statute. For FY2004, the House (H.R. 2989) and Senate (S. 1589) have each passed legislation recommending \$3.4 million for presidential allowances and office staff. Final action on these bills has not been completed. This report will be updated to reflect any changes in benefits or funding.

Introduction

Chief Executives leaving office prior to 1958 often entered retirement pursuing various occupations and received no federal assistance. When industrialist Andrew Carnegie announced a plan in 1912 to offer \$25,000 annual pensions to former Presidents, many Members of Congress deemed it inappropriate that such a pension would be provided by a private corporation executive. That same year, legislation was first introduced to create presidential pensions, but it was not enacted. In 1955, such legislation was considered by Congress because of former President Harry S. Truman's financial limitations in hiring an office staff. Enacted in 1958, the Former Presidents Act (FPA) has been amended to provide increases in presidential pensions and the allowances for office staff.

Benefits Available to Former Presidents

The General Services Administration (GSA) is authorized by the FPA to provide an office staff and suitable office space, appropriately furnished and equipped, at a location within the United States designated by a former President, for the rest of his or her

lifetime. In 1961, the Comptroller General of the United States ruled that the FPA also applies to office supplies such as stationery and local and long distance telephone service.

Pensions. The Former Presidents Act, as amended, provides each former President a taxable pension that is equal to the annual rate of basic pay for the head of an executive department (Executive Level I), currently \$171,900. The pension begins immediately upon a President's departure from office at noon on Inauguration Day, January 20. The Secretary of the Treasury is responsible for making the monthly pension payments, as authorized by the FPA.

A presidential widow is provided a \$20,000 annual lifetime pension and franking privileges. The widow must waive the right to any annuity or pension under any other legislation. Lady Bird Johnson is presently the only surviving widow.

According to a 1974 opinion by the Department of Justice concerning President Richard Nixon's resignation from office, a President who resigns before his official term of office expires is entitled to the same lifetime pension and benefits that are authorized other former Presidents. However, a President who is removed from office by impeachment forfeits his pension and related benefits. The ruling states that:

The FPA [Former Presidents Act] provides certain benefits to "former Presidents." A former President is defined in Section (f) as a person who has been President, is not currently President, and who was not removed from office pursuant to impeachment and conviction in the Senate. The statutory language is unambiguous and Mr. Nixon clearly meets the statutory definition of a former President.¹

Transition Expenses. As authorized by the Presidential Transition Act, as amended, transition funding is available to the outgoing President and Vice President for seven months, beginning one month before the January 20 inauguration, to facilitate their relocation to private life.² GSA was appropriated a total of \$7.1 million for the FY2001 transition (P.L. 106-426): \$1.83 million for the outgoing Clinton Administration; \$4.27 million for the incoming Bush Administration; and \$1 million for GSA to provide additional assistance as required by the Presidential Transition Act of 2000.³ These funds are used to provide suitable office space, staff compensation, communications services, and printing and postage associated with the transition. Based on the Department of Justice's 1974 decision, a President who resigns before his term of office has expired is also entitled to transition expenses.

A total of \$1.5 million was appropriated for the transition expenses of outgoing President George Bush and Vice President Dan Quayle (106 Stat. 1729). Of this total, the Bush Administration determined that \$1.25 million would be made available to former

¹ U.S. Department of Justice, Office of Assistant Attorney General, letter to the Administrator of the General Services Administration from Mary C. Lawton, Acting Assistant Attorney General, Office of Legal Counsel, Washington, DC, Aug. 15, 1974.

² 3 U.S.C. 102 note. For a detailed discussion of transition benefits, see: CRS Report RS30706, *Presidential Transition 2000-2001: Background and Federal Support*, by Stephanie Smith, and CRS Report RL30736, *Presidential Transitions 1960-2001*, by Stephanie Smith.

³ P.L. 106-293; Oct. 13, 2000.

President Bush, with the remaining \$250,000 to be used by former Vice President Quayle. During his FY1993 transition period, former President Bush used \$907,939, with an unobligated balance of \$342,061. During the same period, former Vice President Quayle used \$244,192 for transition expenses, with an unobligated balance of \$5,808. For FY1997, \$5.6 million was authorized in the event of a presidential transition in January 1997, which did not occur.

Staff and Office Allowances. Six months after a President leaves office, provisions of the Former Presidents Act, as amended, authorize the GSA Administrator to fund an office staff. During the first 30-month period when a former President is entitled to assistance under the FPA, the total annual basic compensation for his office staff cannot exceed \$150,000. Thereafter, the aggregate rates of staff compensation for a former President cannot exceed \$96,000 annually. The maximum annual rate of compensation for any one staff member cannot exceed the pay provided at Level II of the Executive Schedule, currently \$154,700. A former President supplements staff compensation or hires additional employees from private funds.

The GSA Administrator provides suitable office space, equipment, and supplies at any location within the United States that has been selected by a former President. The funding for this provision becomes effective 6 months after the expiration of a President's term of office. Once a former President has chosen suitable office space, a standard level user charge, equivalent to space rental cost, is included in GSA's budget for former Presidents. GSA makes the final determination on costs for office space and equipment.

On April 17, 2001, GSA awarded a 10-year office lease for former President Clinton for \$346,128 per year. This total cost includes electricity costs, reimbursement to the landlord, Judy LLC, for office improvements, and the cost of space for the Secret Service. In July 2001, former President Clinton took occupancy of the 8,300 square-foot office, located at 55 West 125th St. in Harlem, NY. According to GSA, the lease also includes 308 square feet of space for the Secret Service, at a yearly cost of \$12,385, which the Department of Treasury will pay through GSA. The 10-year lease can be terminated at the end of the second, sixth, and eighth year.⁴

Aides to former President Ronald Reagan announced on April 17, 2001, that he would not renew the lease to his Century City, CA office space, for health reasons. According to press accounts, former President Reagan's 10-year lease, for \$223,128 annually, was due to expire at the end of 2001. It was reported that a small Secret Service detail and staff would move to more modest quarters in the area.⁵

The FY1995 Treasury, Postal Service, and General Government Appropriations Act (108 Stat. 2410) proscribed the use of funds for allowances and office staff of former Presidents for "partisan political activities." The FY1998 Treasury, Postal Service, and General Government Appropriations Act (111 Stat. 1299) contained a provision restoring lifetime staff and office allowances to former Presidents by repealing law limiting the

⁴ U.S. General Services Administration. Office of Communications, "GSA Awards Lease for Former President Clinton's Harlem Office," April 17, 2001. 1p.; and "Government Corrects Cost of Clinton Lease," *New York Times*, Apr. 21, 2001, p. A14.

⁵ Susan Schmidt, "Ex-Presidents on the Move," *Washington Post*, Apr. 18, 2001, p. A19.

allowances.⁶ Elimination of this limitation was actively pursued by the four surviving former Presidents.⁷

Travel Expenses. Legislation enacted in 1968 authorizes GSA funds to be made available to a former President and no more than two members of his staff for official travel and related expenses. GSA makes the final determination on appropriate costs for travel expenses (FY1969 Supplemental Appropriations Act, 82 Stat. 1192).

Table 1 indicates FY2002 funds that were available to GSA in support of former Presidents.

Table 1. GSA Allowances for Former Presidents, FY2002 Actual

Allowance	Ford	Carter	Reagan	Bush	Clinton
Pension ⁸	\$165,000	\$165,000	\$165,000	\$165,000	\$171,000
Staff Salaries	96,000	81,000	96,000	96,000	150,000
Staff Benefits	23,000	0	33,000	40,000	54,000
Travel	35,000	2,000	1,000	43,000	35,000
Rental Payments	110,000	102,000	177,000	169,000	354,000
Telephone	21,000	25,000	15,000	14,000	28,000
Postage	6,000	20,000	10,000	14,000	22,000
Other Services	11,000	71,000	15,000	13,000	80,000
Printing	0	5,000	12,000	12,000	15,000
Supplies	9,000	6,000	20,000	11,000	24,000
Equipment	4,000	9,000	3,000	36,000	36,000
TOTAL	\$480,000	\$486,000	\$547,000	\$613,000	\$969,000

Source: General Services Administration.

Note: This is the most recent information available from GSA, as of March 5, 2003.

Related Benefits

In addition to the federal pension and retirement allowances provided by GSA, other benefits are also made available to a former President.

Medical Expenses. Former Presidents and their spouses, widows, and minor children are entitled to treatment in military hospitals because of their status as secretarial designees, authorized to receive such benefits by the Secretary of Defense. Health care

⁶ The FY1994 Treasury, Postal Service, and General Government Appropriations Act (107 Stat. 1246) had amended the FPA to limit the authorized allowances for a five-year period. Staff and office allowances would have ended in October 1998.

⁷ Karen Gullo, "Allowances for Life," *Associated Press Online*, Jan. 12, 1998.

⁸ These totals reflect pensions received in FY02. According to GSA, the additional \$6,000 received by former President Clinton was for health benefits insurance.

costs are billed to the individual at an interagency reimbursement rate established by the Office of Management and Budget (OMB). Former Presidents and their dependents may also enroll in private health plans at their own expense.

Secret Service Protection. The Secret Service provides lifetime protection for former Presidents who entered office *before* January 1, 1997, and for their spouses (18 U.S.C. 3056). Surviving spouses of former Presidents receive protection until remarriage. Legislation enacted in 1984 allows former Presidents or their dependents to decline Secret Service protection (98 Stat. 3110). In addition to Lady Bird Johnson, former Presidents Gerald Ford, Jimmy Carter, Ronald Reagan, George H. W. Bush, William J. Clinton, and their wives receive protection. Protection costs for former Presidents are not publicly disclosed by the Secret Service for reasons of security.

The FY1995 Treasury, Postal Service, and General Government Appropriations Act (108 Stat. 2413) amended 18 U.S.C. 3056 to limit protection to 10 years for former Presidents who begin serving *after* January 1, 1997, and for their spouses. A spouse's 10-year protection ends upon divorce, remarriage, or the former President's death. Following the death of an acting President (see Twenty-Fifth Amendment to the Constitution), a spouse receives protection for one year. The Secretary of the Treasury can also authorize temporary protection at any time. Protection for a former President's children is available to them until the age of 16 or for a period not to exceed 10 years, whichever occurs first.

On January 19, 2001, President Clinton signed a presidential memorandum to the Secretary of the Treasury, extending Secret Service protection to his daughter Chelsea, and outgoing Vice President Albert Gore and his wife Tipper, for a period of several months. For security purposes, the Secret Service has not released any additional details pertaining to the contents of the Clinton memorandum.⁹

According to Lt. Don Nichols, U.S. Capitol Police, protection for Hillary Rodham Clinton, as Senator, is shared between the U.S. Capitol Police and the U.S. Secret Service. Both organizations have statutory responsibility for her security—the Secret Service for spouses of former Presidents and the Capitol Police for Members of Congress. P.L. 106-554, the Presidential Threat Protection Act of 2000, grants the Secret Service additional authority to investigate threats against former Presidents and their families.

In 1993, the Secret Service was first authorized to accept financial donations to offset the protection costs of former Presidents and their spouses during their travels to make paid appearances or speeches (FY1994 Treasury, Postal Service, and General Government Appropriations Act, 107 Stat. 1253). Since that time, the FY1995 through FY2002 Treasury appropriations acts have contained a provision allowing monetary donations to offset protection costs.

Presidential Libraries. With the exception of Richard Nixon, every former President since the administration of Herbert Hoover has had a presidential library,

⁹ Information obtained from U.S. Secret Service, Office of Public Affairs, Mar. 12, 2001.

managed by the National Archives and Records Administration, established in his name.¹⁰ The process of creating such a presidential library may begin with the establishment of a presidential library foundation, a private organization under the leadership of friends of the President, which usually enjoys tax exempt status, and mandated to receive donations and contributions which will be used to purchase a land site and pay for the construction of an edifice to house the records of the former President. Under current law, when a President departs office, his official records and papers remain in federal custody under the supervision of the Archivist of the United States. When a presidential library facility has been constructed and deeded to the government, the Archivist deposits the President's official records and papers there and assumes management of the library. Such libraries are subsequently funded, in large part, through congressional appropriations to the National Archives to pay for operational costs, including staffing.

¹⁰ For a detailed discussion, see CRS Report RS20825, *Presidential Libraries: The Federal System and Related Legislation*, by Harold C. Relyea.