

SALARIES AND ALLOWANCES: THE EXECUTIVE BRANCH

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ISSUE DEFINITION

This mini brief provides basic information on salaries and allowances available to officers and employees of the executive branch. (See MB80206 for congressional salaries and allowances and MB81264 for judicial salaries and allowances.)

BACKGROUNDThe President of the U.S.

Salary: \$200,000 per annum. (Taxable income)

Expense Allowance: \$50,000 per annum. (Taxable income)

Travel Allowance: \$40,000 per annum. (Not taxable as direct income)

Other: There are appropriations available for the maintenance of the White House. However, expenditures that must be paid out of pocket by the President include family meals, personal furnishings, personal grooming, etc. The recent renovations at the White House and purchase of such items as new official china were all covered by private contributions.

Health Benefits: A President may enroll in any one of several health plans under the Federal Employees Health Benefits Program. His participation is optional and he would be required to contribute to the premiums.

Pension: A former President receives a pension equal to the salary of the head of a cabinet department. Currently those positions at Level I of the Executive Schedule are being paid at the rate of \$69,630 per annum. For further information on the benefits available to a former President and to his family see "Benefits to Former Presidents of the United States," CRS Report 80-211 GOV, Oct. 29, 1980.

Vice President of the United States

Salary: \$79,125 per annum (NOTE: The reader may see that, in the mini brief on congressional salaries and allowances, the same salary is listed for the Vice President as President of the Senate. He receives only one salary in his dual role.)

Expense Allowance: \$10,000 per annum, non-taxable nor allowable as a deduction under the Internal Revenue Code.

Other: See MB80206 for more detail on clerk hire and allowances available to the President of the Senate.

Health Benefits: The Vice President may enroll in and contribute to a health plan under the Federal Employee Health Benefits Plan.

Retirement: The Vice President may elect to contribute to the Civil Service Retirement Program. Must have at least five years of service before being eligible for benefits.

Executive Schedule

The Executive Schedule is comprised of five levels of Executive Branch officials:

Level I	--	Cabinet officials
Level II	--	Deputy secretaries of major departments, Secretaries of military departments, and heads of major agencies
Level III	--	Deputy secretaries of minor departments, heads of middle level agencies
Level IV	--	Assistant secretaries and general counsels of departments, heads of minor agencies, members of certain boards and commissions
Level V	--	Administrators, commissioners, directors, and members of boards, commissions, or units of agencies.

Salaries:	Level I	--	\$69,630 per annum
	Level II	--	\$60,662.50 per annum
	Level III		\$59,500
	Level IV		58,500
	Level V		57,500

Allowances: Generally, specific allowances available to officials on the Executive Schedule. However, the heads of the major departments do have access to such special privileges as chauffeured cars, kitchen staff and other facilities at their disposal. However, these perquisites are not uniform throughout the departments and the use to which they are made varies in accordance with the policy of the individual office holder.

Health Benefits and Retirement: The type of appointment determines the office holder's eligibility to contribute to and participate in the Federal Employees Health Benefits Program and the Civil Service Retirement Program. Generally, if a person is appointed by the President to one of these offices from a Federal position under which that person is already an enrollee, the enrollment continues. However, a person in such a position serves at the pleasure of the incumbent President. Consequently, the official may decide that, in the short term, enrollment in the Federal programs may not be worth the expense. He may decide to continue whatever private coverage he maintained before his appointment.

Senior Executive Service

The Civil Service Reform Act provided for the establishment of a Senior Executive Service (SES). The bulk of the positions within the SES were drawn from the General Schedule positions at GS-16 through GS-18. Some also were drawn from Levels IV and V of the Executive Schedule. The recommended salary rates for the SES are listed below. However, the actual salaries for those which had been positions at Level V or below are frozen at the Level V salary rate (\$57,500) and those which had been at Level IV are frozen at that rate (\$58,500).

The rates effective Jan. 1, 1982 are:

ES 1	\$54,755
ES 2	56,936
ES 3	58,500
ES 4	58,500
ES 5	58,500
ES 6	58,500

The members of the Senior Executive Service are eligible for a system of bonuses. Further information on the bonus system and on other matters related to the Senior Executive Service can be found in "Civil Service Reform Act: Implementation." (IB79094)

General Schedule Employees

The General Schedule, covering most white collar Federal employees, consists of 18 grades, most of which have 10 steps. Advancement from one step to another is dependent on time-in-service factors and results of annual performance evaluations. If a person were to be in the same grade and receive the necessary positive performance evaluations, it would take 18 years to progress from step 1 to step 10.

The Civil Service Reform Act established a merit pay system for managers and supervisors in grades 13 and above. Each agency is to devise a specific performance appraisal system for these personnel. An employee within this system is guaranteed only 50% of the annual comparability increase and is restricted in advancement through the steps of the grade. For further information on the implementation of this system, see MB81258, "Merit Pay for Federal Employees."

Under the provisions of section 5308 of title 5 of the U.S. Code, no General Schedule employee may receive a rate of pay greater than that received by Executive Schedule Level V positions. Level V is set at \$57,500 (as of 01/01/82). Therefore, while the higher grades of the General Schedule have designated rates (shown with an *), salaries actually are frozen at \$57,500 per annum.

The salaries shown for the General Schedule went into effect as of Oct. 1, 1982. For information on the policies and procedures governing the annual comparability adjustment for these salaries see IB80039, "Federal Pay Comparability Reform" (Archived).

GS-1	Range:	Step 1 --	\$8,676;	Step 10 --	\$10,857.
GS-2	Range:	Step 1 --	\$9,756;	Step 10 --	\$12,278.

GS-3	Range:	Step 1 --	\$10,645;	Step 10 --	\$13,840.
GS-4	Range:	Step 1 --	\$11,949;	Step 10 --	\$15,531.
GS-5	Range:	Step 1 --	\$13,369;	Step 10 --	\$17,383.
GS-6	Range:	Step 1 --	\$14,901;	Step 10 --	\$19,374.
GS-7	Range:	Step 1 --	\$16,559;	Step 10 --	\$21,527.
GS-8	Range:	Step 1 --	\$18,339;	Step 10 --	\$23,838.
GS-9	Range:	Step 1 --	\$20,256;	Step 10 --	\$26,331.
GS-10	Range:	Step 1 --	\$22,307;	Step 10 --	\$29,003.
GS-11	Range:	Step 1 --	\$24,508;	Step 10 --	\$31,861.
GS-12	Range:	Step 1 --	\$29,374;	Step 10 --	\$38,185.
GS-13	Range:	Step 1 --	\$34,930;	Step 10 --	\$45,406.
GS-14	Range:	Step 1 --	\$41,277;	Step 10 --	\$53,661.
GS-15	Range:	Step 1 --	\$48,553;	Step 10 --	\$63,115.*
GS-16	Range:	Step 1 --	\$56,945;	Step 9 --	\$72,129.*
GS-17	Range:	Step 1 --	\$66,708;*	Step 5 --	\$75,604.*
GS-18:			\$78,184.*		

Health Benefits: Most rank and file Federal employees are eligible to enroll in the contributory Federal Employees Health Benefits Program. The Program consists of several commercial health insurance carrier plans. Employees usually have an "open season" each year in which they can join, change, or expand coverage. The Federal Government pays 60% of the premiums and the employees 40%. It is estimated that the cost of the premiums for 1983 will increase at an average rate of 24%.

Retirement: In general, the law provides that a Federal employee with 30 years of service and who is 55 years of age may draw an annuity. There are complex exceptions to that rule. It is a contributory program to which the employee pay 7% of salary. For a more thorough discussion of the Federal retirement system, see "Civil Service Retirement System--History, Provisions, and Financing," Committee Print No. 97-3; prepared for the House Committee on Post Office and Civil Service by CRS staff.

Leave: All Federal employees accrue sick leave at a rate of 4 hours earned for every 80 hours worked. An employee working a full year would accrue 13 days of sick leave each year. This leave can be taken only when the employee is ill. The only exception to this would be intense exposure to certain highly contagious and transmittable diseases, such as diptheria. An employee may accrue an unlimited number of hours of sick leave and carry them from one year to another.

Annual leave, or vacation time, is accrued in accordance with the number of years of Federal service. For every 80 hours worked an employee with less than 3 years service earns 4 hours annual leave, an employee with between 3 and 15 years of service earns 6 hours annual leave and an employee with 15 years of service or more earns 8 hours of annual leave. This works out to 13, 20, and 26 days of annual leave each work year. A maximum of 240 hours may be carried from one year to another.

Federal Wage System

The Federal Wage System is the pay system for the blue collar work force. The salaries under this system are set through a complex system of wage surveys in 137 wage areas throughout the United States. The Federal wages within each of these areas are linked to wages for similar occupations in

that area. The wage adjustments are put into effect annually. However, the areas are on schedules that permit geographical staggering instead of one set calendar date nationwide.

Wage Rates: Although the wage rates range broadly according to locality and occupation, the maximum rate of increase during Fiscal Year 1982 is limited to 4%, which was the average rate of adjustment on which the Oct. 1, 1982 General Schedule raises were based.

Other: These employees are under the same health, retirement and leave programs as those under the General Schedule.