

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 \$175,700, 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. P.L. 108-199, the FY2004 Consolidated Appropriations Act, authorized \$3.4 million for allowances and office staff for former Presidents. The President's FY2005 budget requests \$3.5 million for benefits. 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 \$175,700. 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 and Nancy Reagan are the only surviving widows.

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 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.

In order to provide federal funding in the event of a 2004 presidential transition, the President's FY2005 budget requests a total of \$7.7 million. It also proposes to amend the PTA to permit the expenditure of not more than \$1 million for training and briefings for incoming appointees associated with the second term of an incumbent President.

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

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 Transitions: Background and Federal Support*, by Stephanie Smith; and CRS Report RL30736, *Presidential Transitions 1960-2001*, by Stephanie Smith.

as required by the Presidential Transition Act of 2000.³ 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 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 \$158,100. 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 selected by a former President. The funding for this provision becomes effective six 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

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

³ P.L. 106-293; Oct. 13, 2000.

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.

allowances.⁵ Elimination of this limitation was actively pursued by the surviving former Presidents.⁶

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 FY2005 funds requested by GSA in support of former Presidents.

Table 1. GSA Allowances for Former Presidents, FY2005 Request

Allowance	Ford	Carter	Reagan ⁷	Bush	Clinton
Pension ⁸	\$182,000	\$182,000	\$182,000	\$182,000	\$189,000
Staff Salaries	96,000	96,000	96,000	96,000	96,000
Staff Benefits	22,000	2,000	33,000	51,000	78,000
Travel	44,000	2,000	2,000	54,000	44,000
Rental Payments	105,000	102,000	147,000	175,000	460,000
Telephone	15,000	10,000	18,000	14,000	54,000
Postage	9,000	15,000	5,000	13,000	10,000
Other Services	38,000	79,000	45,000	66,000	146,000
Printing	5,000	5,000	6,000	14,000	8,000
Supplies	17,000	5,000	9,000	14,000	15,000
Equipment	6,000	7,000	2,000	34,000	5,000
TOTAL	\$539,000	\$505,000	\$545,000	\$713,000	\$1,105,000

Source: General Services Administration, May 5, 2004.

Related Benefits

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

State Funerals. A former President is traditionally granted a state funeral following his death. Certain military honors and traditions are extended by the military,

⁵ 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.

⁶ Karen Gullo, "Allowances for Life," *Associated Press Online*, Jan. 12, 1998.

⁷ President Reagan passed away on June 5, 2004.

⁸ This FY2005 pension request anticipates the annual increase in Executive Level I rate of pay. According to GSA, the additional \$7,000 requested for former President Clinton is for health benefits insurance.

based on the wishes and requests made for the former President's surviving family members.⁹

The sitting President officially announces the death of a former President and commander-in-chief by presidential proclamation, and offers the nation's condolences to the former President's immediate family. The President also orders that suitable honors be rendered by units of the armed forces under orders of the Secretary of Defense. The Secretary designates the Secretary of the Army as his personal representative. In turn, the Secretary of the Army delegates to the commanding general of the U.S. Military District of Washington (MDW) the overall authority for planning and implementing funeral arrangements for the former President. Each living former President has also prepared a formal funeral request, which is kept on file by the MDW. According to the long-standing custom that an officer escort the immediate family of a deceased military member until burial, the commanding general of the MDW escorts the former President's family members during all funeral ceremonies.

Under the supervision of the U.S. Military District of Washington, each branch of the armed forces provides personnel and support to the state funeral, such as participation by the Armed Forces Honor Guard, which provides security for the former President's remains while they are in repose or are lying in state. Other military honors accorded a former President as a past commander-in-chief include the following: casket bearers representing the armed forces; a 21-gun salute on the day of internment; the participation of military clergy; a flag-draped casket; transport of the casket by a caisson, followed by a caparisoned and riderless horse; and a military band, which plays appropriate music in honor of the former President during the state funeral. A former President, as former commander-in-chief, is also entitled to burial in the Arlington, VA, National Cemetery. In addition to the military, Congress also honors the former President by allowing his body to lie in state in the Capitol Rotunda for a state funeral ceremony, followed by public closed casket viewing.

Following former President Reagan's death on June 5, 2004, President George W. Bush announced by proclamation that U.S. flags on federal facilities throughout the world would be flown at half-staff for 30 days. He also directed the Secretary of Defense to render suitable honors to the former President by units of the armed forces, and designated June 11, 2004, as a National Day of Mourning. After a state funeral ceremony in the Capitol Rotunda, former President Reagan lay in state for 34 hours beginning on June 9 at 9:00 p.m.; a National Funeral Service followed on June 11 at the Washington National Cathedral. Based on his wishes, former President Reagan was interred at the Reagan Presidential Library in Simi Valley, CA.

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 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.

⁹ The military has rendered military honors to former Presidents since the burial of George Washington on Dec. 18, 1799, at Mt. Vernon, VA.

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 and Nancy Reagan, former Presidents Gerald Ford, Jimmy Carter, 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.¹⁰

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.

Presidential Libraries. With the exception of Richard Nixon, every former President since the administration of Herbert Hoover has had a presidential library, managed by the National Archives and Records Administration, established in his name.¹¹ 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. 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.

¹⁰ Information obtained from U.S. Secret Service, Office of Public Affairs, Mar. 12, 2001.

¹¹ For a detailed discussion, see CRS Report RS20825, *Presidential Libraries: The Federal System and Related Legislation*, by Harold C. Relyea.