

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

## [H.R. 1777, Presidential Allowance Modernization Act](#)

### FLOOR SITUATION

On Monday, January 11, 2016, the House will consider [H.R. 1777](#), *the Presidential Allowance Modernization Act*, under suspension of the rules. H.R. 1777 was introduced on April 14, 2015 by Rep. Jason Chaffetz (R-UT) and was referred to the Committee on Oversight and Government Reform, which ordered the bill reported, as amended, by voice vote, on May 19, 2015.

### SUMMARY

H.R. 1777 reforms the pension and allowances provided to former presidents to reduce unnecessary costs to taxpayers. Specifically, the bill sets an annual pension for each former president at \$200,000, plus the annual Social Security cost-of-living-adjustment, and provides a \$200,000 annual allowance for all other costs (except security) associated with being a former president.

The bill provides that the annual allowance will be reduced by \$1 for every dollar a former president earns in outside income in excess of \$400,000. This annual allowance replaces amounts currently provided for travel, staff, and office expenses. The bill also establishes a \$100,000 survivor benefit for the surviving spouse of a former president. Currently, such surviving spouses receive a \$20,000 annual pension.

The bill does not affect funding relating to the security or protection of a former president or a family member of a former president.

### BACKGROUND

The Former Presidents Act provides each former President a pension “equal to the annual salary for cabinet secretaries and funding for staff, office space, travel, and franked mail to assist their post-presidential life. Surviving spouses are eligible for an annual pension of \$20,000.”<sup>1</sup> Former

<sup>1</sup> See [House Report 114-209](#) at 3.

presidents “are also provided Secret Service protection and transition assistance 6 months after inauguration day.”<sup>2</sup>

Congress appropriated \$3.3 million for expenditures for former presidents in fiscal year 2015. The amount included \$1.2 million in rent payments made by the General Services Administration (GSA) for office space. The Administration requested \$3.3 million for these expenditures for fiscal year 2016.<sup>3</sup> However, in recent years, former presidents have earned millions of dollars in speaking fees and book deals after leaving office.

According to Chairman Chaffetz, “This simple legislation is designed to end unnecessary government payments to former presidents who earn substantial income from post-presidential work. History shows that former presidents do very well financially after they leave office. In fact, all living former presidents are millionaires, making it very unlikely that they depend upon their tax-payer funded allowances to make ends meet. This legislation also provides an equitable adjustment to taxpayer funded pensions for former presidents and their surviving spouses.”<sup>4</sup>

### **COST**

The Congressional Budget Office (CBO) [estimates](#) that implementing H.R. 1777 would reduce outlays by \$10 million over the 2016 to 2020 period, assuming that appropriations are reduced by those amounts. Enacting H.R. 1777 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

### **STAFF CONTACT**

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

---

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> See Press Release—“[Chaffetz and Cummings Introduce Bill to Modernize Payments to Former Presidents](#),” April 15, 2015.