President of the United States: Compensation

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Summary

The Constitution of the United States provides that “The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected....” (Constitution of the United States, Article II, Section 1.) The amount of compensation, which is not specified in the Constitution, is set and adjusted by Congress. The President currently receives a salary of $400,000 per annum, which became effective at noon on January 20, 2001, under P.L. 106-58. (P.L. 106-58, Title VI, §644(a); September 29, 1999; 113 Stat. 430, at 478.) An expense allowance, currently set at $50,000, also is provided. This report discusses the President’s compensation and the three most recent increases to the salary enacted in 1949 (81st Congress), 1969 (91st Congress), and 1999 (106th Congress). It will be revised as events dictate.
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Compensation Provided to the President

Article II, Section 1 of the Constitution of the United States provides that “The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them.” The compensation is set and adjusted by Congress. The President’s salary is currently set at $400,000 and is subject to income tax. An allowance, at present $50,000, is not taxable and is to be used “to assist in defraying expenses relating to or resulting from the discharge of his official duties.” Any unused amount of the allowance reverts back to the U.S. Treasury pursuant to 31 U.S.C. Section 1552.\(^1\)

The salary and allowance provisions are codified at 3 U.S.C. Section 102.\(^2\) Upon leaving office, the President receives a pension that is equal to the salary for Level I of the Executive Schedule ($199,700, salary frozen at January 2010 rate).\(^3\) At this rate, the pension is currently $300 short of being one-half of the President’s current salary. The appropriation for the compensation of the President is an account under the Executive Office of the President and is included in an annual appropriations act, which, in the 112th Congress, is known as the Financial Services and General Government Appropriations Act.\(^4\)

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1 P.L. 108-199, Division F, Title III, §301; January 23, 2004; 118 Stat. 3, at 326 [Consolidated Appropriations Act, 2004 (H.R. 2673)]. The current allowance was established in 1949 (Act of January 19, 1949, c. 2, §1(a); 63 Stat. 4) and became effective at noon on January 19, 1949 (§3). The 1949 law provided that the allowance was not taxable. The Revenue Act of 1951 (H.R. 4473) provided that the allowance was taxable: Act of October 20, 1951, c. 521, Title VI, §619(a); 65 Stat. 452, at 569. This provision became effective at noon on January 20, 1953 (§619(e)). P.L. 108-199 provides that the allowance is not taxable: “No amount of such expense allowance shall be included in the gross income of the President.”

2 Title 3 of the United States Code was codified and enacted into positive law in 1948 (H.R. 6412). The provision on the President’s salary is at Act of June 25, 1948, c. 644; 62 Stat. 672, at 678.

The Vice President receives a salary of $230,700 (salary frozen at January 2010 rate). See CRS Report RL33245, Legislative, Executive, and Judicial Officials: Process for Adjusting Pay and Current Salaries, by Barbara L. Schewemle. He receives an allowance, at present $20,000, which is to be used for official purposes only and became effective in FY2003. (P.L. 108-7, Division H, Title I, §1(a); February 20, 2003; 117 Stat. 11, at 348 [Consolidated Appropriations Resolution, 2003 (H.J.Res. 2)].) The allowance was established in 1949 and originally set at $10,000 (Act of January 19, 1949, c. 2, §1(c); 63 Stat. 4), and became effective at noon on January 19, 1949 (§3). The allowance is taxable. The 1949 law provided that it was not taxable, but the Revenue Act of 1951 (H.R. 4473) provides that it is taxable: Act of October 20, 1951, c. 521, Title VI, §619(b); 65 Stat. 452, at 570. This provision became effective at noon on January 20, 1953 (§619(e)). The salary and allowance provisions are codified at 3 U.S.C. §104 and §111. For the salaries of staff members in the Senate Office of the Vice President, from October 1, 2000, through March 31, 2012, see http://www.legistorm.com/office/Senate_Office_of_the_Vice_President/15.html.


4 For the FY2013 appropriations, see the section on the Executive Office of the President (EOP), written by Barbara L. Schewemle, in CRS Report R42730, Financial Services and General Government: FY2013 Appropriations, by Garrett Hatch. The President reports annually to Congress on the salaries of White House staff that are funded under the EOP account. For the salaries of White House staff, as of June 30, 2008, during the Administration of President George W. Bush, see http://www.washingtonpost.com/wp-srv/opinions/graphics/2008stafflistsalary.html?sid=ST2008072401798&pos=1. For the salaries of White House staff during the Administration of President Barack Obama, see The White House, “2012 Annual Report to Congress on White House Staff,” released on June 29, 2012; http://www.whitehouse.gov/briefing-room/disclosures/annual-records/2012. (The 2009, 2010, and 2011 reports are available at the same site.) On January 21, 2009, President Barack Obama, by Presidential Memorandum, stated his intent to freeze the salaries of senior members of the White House staff to the extent provided by law. See, Memorandum of January 21, 2009, Memorandum for the Assistant to the President and Chief of Staff, “Pay Freeze,” in Federal Register, vol. 74, January 26, 2009, p. 4679. The Budget of the U.S. Government for FY2011 included President Obama’s order to freeze pay for senior political appointees, including senior White House staff with salaries (continued...
The compensation provision in the Constitution of the United States has been interpreted to apply to a President’s current term of office. According to The General Principles of Constitutional Law in the United States of America, “an increase made after a President has been re-elected, but before the second term has begun, may apply to his salary during the second term.”

The compensation of the President is exempt from sequestration to reduce budgetary resources.

Adjustments to the Salary of the President

The President’s salary was established in 1789 and has been adjusted five times since—in 1873, 1909, 1969, and 1999—as shown in Table 1, below.

(...continued)


5 Thomas M. Cooley, The General Principles of Constitutional Law in the United States of America (Boston: Little, Brown, 1898), 4th ed. edited by Jon Roland, 2002, available at http://www.constitution.org/cmt/tmc pcl.htm. See also James F. Vivian, The President’s Salary: A Study in Constitutional Declension, 1789-1990 (New York: Garland Publishing, Inc., 1993), p. 36. (Hereafter referred to as Vivian, The President’s Salary.) The Act of March 3, 1873 (17 Stat. 485, at 486) increased the salaries of the President, the Vice President, the members of the Cabinet, the Justices of the Supreme Court, and the Members of Congress. The Act of January 20, 1874 (18 Stat. (Part 3), at 4) repealed the pay increases except those for the President and the Supreme Court Justices because of the Article II, Section 1 and Article III, Section 1 provisions of the Constitution of the United States. (The latter provides that “The Judges, both of the supreme and inferior Courts, ... shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.”)

6 P.L. 99-177, Title II, Part C, §255(g)(1)(A); December 12, 1985; 99 Stat. 1037, at 1083; 2 U.S.C. §905 [Balanced Budget and Emergency Deficit Control Act of 1985 (H.J. Res. 372)]. Legislation currently pending in the 112th Congress, H.R. 6438, the Member Pay Reduction and Responsibility Act of 2012, would reduce the salaries of the President, Vice President, and Members of Congress by an amount equal to the percentage reduction in non-exempt, non-defense discretionary spending (8.2%, as projected by the Office of Management and Budget) if sequestration were to occur. Representative Charles Bass introduced the bill on September 19, 2012, and it was referred to the House Committee on the Budget.

7 For a history of the adjustments enacted in 1789, 1873, 1909, 1949, and 1969, see Vivian, The President’s Salary.
Table 1. Adjustments to the President's Salary, 1789 On

<table>
<thead>
<tr>
<th>Year and Congress</th>
<th>Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1789 (1st Congress)</td>
<td>25,000</td>
</tr>
<tr>
<td>1873 (43rd Congress)</td>
<td>50,000</td>
</tr>
<tr>
<td>1909 (61st Congress)</td>
<td>75,000</td>
</tr>
<tr>
<td>1949 (81st Congress)</td>
<td>100,000</td>
</tr>
<tr>
<td>1969 (91st Congress)</td>
<td>200,000</td>
</tr>
<tr>
<td>1999 (106th Congress), and currently in effect</td>
<td>400,000</td>
</tr>
</tbody>
</table>


A brief discussion of the congressional action that resulted in the three most recent increases to the President’s salary follows.

81st Congress

Congress passed legislation (S.103) to increase the salary of the President to $100,000 per annum in 1949. This amount represented an increase of $25,000 over the previous rate of $75,000, which had been in effect since 1909. The salary became effective at noon on January 19, 1949. The next day, President Harry S. Truman was sworn in for a second term.

During Senate consideration of S.103 on January 13, 1949, a short history of the proposal was provided by Senator Herbert O’Conor:

The bill under consideration has been developed after more than 1 ½ years’ study by a subcommittee ... appointed by the chairman of the Post Office and Civil Service Committee in July 1947....

Following its consideration of the matter in the spring of 1948, the sub-committee submitted its recommendations to the entire Senate Committee on Civil Service. The committee then gave attention to the subject matter and reported favorably a bill, S.1537, Eightieth Congress, but insufficient time was left for the discussion of the matter in the Senate and the portion of the bill relating to the top-bracket officials was deleted when the measure was passed.

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9 63 Stat. 4.

10 Mr. Truman became President on April 12, 1945, following the unexpected death of President Franklin D. Roosevelt.
After months of study the subcommittee held hearings on a proposed redraft of a bill.... Therefore, S.103 as introduced ... represents the best judgment of the Senate Post Office and Civil Service Committee, of representatives of the executive branch, the Hoover Commission, competent persons from private industry, and representatives of the employee organizations.¹¹

91st Congress

Pursuant to P.L. 90-206,¹² the Commission on Executive, Legislative, and Judicial Salaries studied the pay for top positions in the three branches of government and recommended salary increases for those positions. The commission, in submitting its FY1969 report to President Lyndon B. Johnson on December 2, 1968, urged him to bring the matter of the President’s salary to Congress’s attention. The report stated the commission’s belief “that to preserve equity and balance in the pay structure of Government the salary of the President should be changed from $100,000 to $200,000.”¹³ In 1969, the salary of the President was increased to $200,000 per annum when Congress passed H.R. 10 and President Johnson signed the bill into law on January 17, 1969.¹⁴ The salary became effective at noon on January 20, 1969, when Richard M. Nixon was sworn in as President. With the inauguration of Mr. Nixon set to occur at that time, Congress needed to consider the legislation expeditiously or any adjustment in the salary would have been delayed at least until noon, January 20, 1973.

On January 3, 1969, Speaker of the House John McCormack addressed the House and explained the scheduling of H.R. 10 on the legislative program.

[I]n the case of the next president of the United States, unless something is done with reference to increasing his salary on or before January 20, even if we pass the bill later, he could not take advantage of it during his term of office for a period of 4 years.

We are faced with a very practical situation here with respect to the organization of the committees. This will take time, and 12 o’clock January 20 is the deadline. So, if we are going to take any action in connection with an increase in salary for the next President of the United States, it has to be done on or before noon of January 20. If we took action afterwards, then during his term of office he could not take advantage of the increase in salary that the Congress might provide. We feel it is only fair and just.

This action was initiated by the majority leader and myself in conference with the minority leader and the whip and the chairman of the House Committee on Post Office and Civil Service and the ranking member of that committee. It was decided that every effort should be made to try to put a bill through before January 20 providing for an increase in salary for the President of the United States....

Now, next Monday is the only suspension day that we could take advantage of. So the leadership and I felt that we should do so at this opportunity. Otherwise, in spite of every effort we might make, the chances are it would be difficult to get a bill through before January 20.\textsuperscript{15}

During consideration of H.R. 10 on January 6, 1969, House Majority Leader Carl Albert, one of the bill’s sponsors, reiterated the Constitution’s proviso against a sitting President’s salary being increased and emphasized that the legislation “was initiated by Members of Congress and not by the President of the United States. We have not asked for a recommendation either by the present President or by the incoming President.”\textsuperscript{16}

When the Senate considered the bill on January 15, 1969, Senator Hiram Fong stated that he “wish[ed] we had more time, really, to discuss the bill, because I think the Committee on Post Office and Civil Service should discuss it thoroughly.”\textsuperscript{17} Majority Leader Mike Mansfield responded that he agreed and then stated, “But as the Senator knows, we are stymied because following the traditions, precedents, and customs of the Senate, we could not take up proposed legislation for consideration until after the President had delivered his state of the Union message.”\textsuperscript{18}

\textbf{106\textsuperscript{th} Congress}

The President’s salary was increased to its current rate of $400,000 per annum when Congress passed H.R. 2490 and President William J. Clinton signed it into law on September 29, 1999. The bill, as passed by the House, included the salary provision, but the Senate-passed version did not. The conference committee adopted the House position.\textsuperscript{19} This action occurred more than 15 months prior to the effective date of the salary change—at noon on January 20, 2001—when George W. Bush was sworn in as President. The House Subcommittee on Government Management, Information, and Technology of the Committee on Government Reform had


18 Ibid., pp. 910-911.

conducted a hearing on the President’s salary on May 24, 1999. Among those testifying before the committee were a former Special Assistant to President Lyndon B. Johnson, a former Counsel to President Gerald R. Ford, and the former Chiefs of Staff to Presidents Richard M. Nixon, Ronald W. Reagan, George H.W. Bush, and William J. Clinton, each of whom expressed support for a substantial increase in the President’s salary to reflect the prestige of the office and its application as a measure against which the salaries of other top officials in the government are adjusted. Other witnesses who represented public interest groups and compensation experts also testified in favor of an increase in salary to at least $400,000. The Congressional Accountability Project was the only organization that testified against the increase on the basis that it raised the cap on the salaries of the other top officials.

Future Adjustment in the President’s Salary

Any legislation to increase the salary of the 44th President (Barack H. Obama) during his current term would have to have been enacted prior to January 20, 2009, at noon, when the President was sworn in. No legislation proposing such an increase was introduced in the 110th Congress. No legislation to increase the salary of the President who will assume office on January 20, 2013, was introduced in the 111th Congress or has been introduced in the 112th Congress.

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21 The 2008 election resulted in the selection of the President for the term of office covering the period January 20, 2009, through January 20, 2013.