

**[4/17/78-Not Submitted] [CF, O/A 548]**

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THE WHITE HOUSE

WASHINGTON

17 April 1978

MEMORANDUM FOR MIDGE COSTANZA

FROM: RICK HUTCHESON

The attached memo is returned to you. Tim Kraft responded that he will ask the Vice President or Mrs. Carter to present the awards this year.

DATE: 11 APR 78

FOR ACTION: TIM KRAFT

FRAN VOORDE

INFO ONLY:

SUBJECT: COSTANZA MEMO RE SCHEDULE PROPOSAL - GREETINGS AND  
PRESENTATION OF AWARDS TO NATIONAL VOLUNTEERS OF THE  
YEAR

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM THURSDAY 13 APR 78 +  
+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

|                                     |                           |
|-------------------------------------|---------------------------|
| <input checked="" type="checkbox"/> | FOR STAFFING              |
| <input type="checkbox"/>            | FOR INFORMATION           |
| <input type="checkbox"/>            | FROM PRESIDENT'S OUTBOX   |
| <input type="checkbox"/>            | LOG IN/TO PRESIDENT TODAY |
| <input type="checkbox"/>            | IMMEDIATE TURNAROUND      |

| ACTION | FYI |           |
|--------|-----|-----------|
|        |     | MONDALE   |
|        |     | COSTANZA  |
|        |     | EIZENSTAT |
|        |     | JORDAN    |
|        |     | LIPSHUTZ  |
|        |     | MOORE     |
|        |     | POWELL    |
|        |     | WATSON    |
|        |     | McINTYRE  |
|        |     | SCHULTZE  |

|                          |                                                                                         |
|--------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> | ENROLLED BILL                                                                           |
| <input type="checkbox"/> | AGENCY REPORT                                                                           |
| <input type="checkbox"/> | CAB DECISION                                                                            |
| <input type="checkbox"/> | EXECUTIVE ORDER                                                                         |
|                          | Comments due to<br>Carp/Huron within<br>48 hours; due to<br>Staff Secretary<br>next day |

|  |  |            |
|--|--|------------|
|  |  | ARAGON     |
|  |  | BOURNE     |
|  |  | BRZEZINSKI |
|  |  | BUTLER     |
|  |  | CARP       |
|  |  | H. CARTER  |
|  |  | CLOUGH     |
|  |  | FALLOWS    |
|  |  | FIRST LADY |
|  |  | HARDEN     |
|  |  | HUTCHESON  |
|  |  | JAGODA     |
|  |  | GAMMILL    |

|                                     |             |
|-------------------------------------|-------------|
| <input checked="" type="checkbox"/> | KRAFT       |
| <input type="checkbox"/>            | LINDER      |
| <input type="checkbox"/>            | MITCHELL    |
| <input type="checkbox"/>            | MOE         |
| <input type="checkbox"/>            | PETERSON    |
| <input type="checkbox"/>            | PETTIGREW   |
| <input type="checkbox"/>            | POSTON      |
| <input type="checkbox"/>            | PRESS       |
| <input type="checkbox"/>            | SCHLESINGER |
| <input type="checkbox"/>            | SCHNEIDERS  |
| <input checked="" type="checkbox"/> | STRAUSS     |
| <input type="checkbox"/>            | VOORDE      |
| <input type="checkbox"/>            | WARREN      |

DATE: 11 APR 78

FOR ACTION: TIM KRAFT

FRAN VOORDE

INFO ONLY:

SUBJECT: COSTANZA MEMO RE SCHEDULE PROPOSAL - GREETINGS AND PRESENTATION OF AWARDS TO NATIONAL VOLUNTEERS OF THE YEAR

\*\*\*\*\*  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM THURSDAY 13 APR 78 +  
\*\*\*\*\*

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*Rick, we'll ask  
V.P. or TSC to  
do it this year  
TK*

DATE: 17 APR 78

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS) *attached*

JACK WATSON

NELSON CRUIKSHANK

JIM GAMMILL

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

SUBJECT: MCINTYRE MEMO RE PROPOSED COMMISSION ON RETIREMENT  
POLICY

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM WEDNESDAY 19 APR 78 +

+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*memo was  
re-written*

APR 13 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. MCINTYRE, JR. *Jim*  
Director

SUBJECT: The Proposed Commission on Retirement Policy

The legislation establishing the Commission on Retirement Policy has been drafted in OMB and reviewed by the agencies. There are two issues I think you should address before OMB submits the legislation to Congress:

1. The present legislation would establish a two year Commission with a budget of \$2 million and a staff of 15. Some people feel that this is too short a time for a small staff to evolve long term national policy guidelines for retirement programs. A two year deadline also means that the Commission's recommendations will be presented to you in the year before the next election. If the duration of the Commission were longer the recommendations, which are likely to be politically difficult and complicated, would become second term rather than first term issues. How long would you like the Commission to exist?

\_\_\_\_\_ 2 years

\_\_\_\_\_ 3 years

\_\_\_\_\_ Other (specify)

2. The Commission could be established by legislation or by Executive order. Legislation has the advantages of addressing the area of concern as a major bipartisan issue and of obtaining clear authorization for appropriations for this purpose. However, it would also be subject to congressional amendments -- such as a requirement for

confirmation of the members -- and it may be subject to committee jurisdictional conflicts. An Executive order has the advantage of administrative ease and Executive control, but congressional funding would still be required. Also, an Executive order may be seen by Congress as an attempt to circumvent congressional approval.

How would you like to establish the Commission on Retirement Policy?

\_\_\_\_\_ Separate legislation

\_\_\_\_\_ Executive order

The draft legislation for the Commission and transmittal letter are attached to this memo.

**Attachments**

Honorable Thomas P. O'Neill, Jr.  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed for consideration by the Congress is a draft bill, "To establish a Commission on Retirement Policy to investigate and evaluate public and private retirement programs in the United States, and for other purposes."

The purpose of this bill is to make a full and complete investigation of the retirement, survivor and disability programs in the United States, and define national policies for these programs that can be used as guidelines by public and private programs. Such a Commission can make an important contribution because a number of gaps and overlaps exist among the Federal, State and local, and private retirement systems. Moreover, there is a growing concern that many of these systems are not adequately planned or funded.

The recent growth in social security and State and local retirement benefits and the effects of the Employment Retirement Income Security Act (ERISA) have focused both public and private attention on the effects of retirement programs. Outlays for retirement programs account for more than 25% of the Federal budget today and an increasingly large share of the GNP. Payroll taxes and contributions to pension systems are an increasing burden on the income of our work force. Over the long run the ratio of retired people to working people in America is rising significantly, increasing the burden on the labor force of financing retirement benefits. These and other changes require that the structure of, and interrelationship among, retirement programs in the United States --Federal, State and local, or private-- be carefully evaluated.

A number of studies and Commissions are already authorized or underway to look at particular retirement programs, such as the Commission on Military Compensation, the National Commission on Social Security recently established by Congress, and the Advisory Council on Social Security. In addition, there are a number of groups both in and outside the Government that conduct research on specific retirement problems such as the congressional study of State and local retirement systems mandated under ERISA, and the Department of Labor's research on private pension programs. What is now needed is a Commission to provide a comprehensive analysis of the retirement and disability structure of the U.S. in order to evaluate their relationships and their adequacy.

This comprehensive analysis should not preclude consideration and adoption of proposals for immediate changes to retirement systems. Two examples of possible changes to retirement systems are the President's tax proposals relating to the integration of private pension plans and social security, and the recommendations of the President's Commission on Military Compensation. The tax legislation is needed now not only to correct inequities under prior law, but also to take account of the Social Security Amendments of 1977 which will compound the potential abuse under the tax law. It will be at least two to three years before the Retirement Commission's recommendations could be considered; therefore, the Commission should not be used as an excuse to delay legislation to correct obvious inequities in the present retirement systems.

The Commission proposed in the enclosed legislation will be neither expensive nor demand a large staff. The bill proposes that there be an eleven member Commission appointed by the President of the United States, one of whom will be the chairperson. It is intended that the members would be served by a staff of 15, including an executive director. The Commission would have a total budget of \$2 million and would have 2 years to submit its final report, beginning after all the Commission members had been appointed or the funds appropriated, whichever is later. The members of the Commission and the consultants to the Commission would only be reimbursed for their travel and expenses incurred as a result of the Commission, in addition to a per diem allowance.

The Commission is asked to publish a series of reports to include but not be restricted to the following areas:

- (1) The establishment of a national policy on retirement, survivor's, and disability programs that can be used as a guide by public and private programs. The national policy should include such specifications as appropriate retirement ages and replacement rates and be developed within the framework of the available resources and demographic changes that are expected into the middle of the next century.
- (2) The description of the present overlaps and gaps among the Federal State and local, and private sectors in providing income to the retired, survivors and disabled.
- (3) The assessment of the ability of the present Federal, State and local, and private retirement, survivors and disability systems to meet the goals of the national policy in the future.
- (4) The implications of the stated national policy for the tax and benefit structures of the retirement, survivors and disabled programs in the public and private sectors.
- (5) The specific reforms in the present system's policies and organization that may be required to meet the goals that are inherent in the national policy.

These reports will provide both the Administration as well as the Congress with not only a comprehensive inventory of information on the retirement survivors and disability systems in the U.S., but more importantly, with an agenda of needed reforms for both the public and private retirement systems.

I urge Congress to give prompt and favorable consideration to this proposal.

Sincerely,

James T. McIntyre, Jr.  
Director

A BILL

To establish a Commission on Retirement Policy to investigate and evaluate public and private retirement programs in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Retirement Policy Commission Act."

Sec. 2.(a)(1) There is established a Presidential Commission on Retirement Policy, hereinafter referred to as the "Commission," which shall be composed of eleven members appointed by the President of the United States, one of whom shall be designated as Chairperson by the President at the time of appointment.

- (2) The terms of office of persons first appointed as members of the Commission shall be for the duration of the Commission, and a vacancy in the membership shall be filled in the manner in which the original appointment was made.
- (3) A quorum of the Commission shall consist of six members, except that the Commission may establish a lower number as a quorum for the purpose of taking testimony. The Commission is authorized to establish committees, and to delegate authority to them, when necessary to carry out its functions.
- (4) Members of the Commission who are full-time officers or employees of the United States or who are members of Congress shall serve without additional compensation, but shall continue to receive the salary of their regular positions when engaged in the performance of duties on the Commission.
- (5) When engaged in the performance of duties of the Commission, members of the Commission who are not full-time officers or employees of the United States and who are not members of Congress may be compensated at the maximum daily rate for GS-18 of the General Schedule.

- (6) All members of the Commission shall be reimbursed for travel expenses, including per diem in lieu of subsistence, incurred in the performance of duties of the Commission, as authorized by section 5703, title 5, United States Code.
- (7) All members of the Commission will be covered by the Federal Employees' Compensation Act (5 U.S.C. 8101 et. seq.) while engaged in Commission activities and necessary travel related to these activities.

(b) Subject to such rules as may be adopted by the Commission, the Chairperson, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, is authorized to:

- (1) appoint an Executive Director who shall be compensated at a rate not to exceed the rate in effect for GS-18 of the General Schedule set forth in section 5332 of title 5, United States Code.
- (2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees be compensated at a rate in excess of the rate provided for employees in GS-17 of the General Schedule.
- (3) extend protection of the Federal Employees' Compensation Act (5 U.S.C. 8101 et. seq.) to the executive director and staff members while engaged in the course of their employment.
- (4) procure such temporary and intermittent services of experts and consultants as are necessary, as authorized by section 3109, title 5, United States Code.

(c) The Commission is authorized to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703, title 5, United States Code.

(d) Upon request of the Commission, the head of any Federal agency is authorized to detail on a nonreimbursable basis any of the personnel of such agencies to the Commission to assist it in carrying out its duties under this Act.

(e) Financial and administrative services (including those related to budget and accounting, financial reporting, personnel, and procurement) shall be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission, in such amounts as may be agreed upon by the Chairperson of the Commission and the Administrator of General Services.

Sec. 3. (a) The Commission shall make a full and complete investigation of the retirement, survivor and disability programs of the United States, define national policies for these programs and determine the resources, and benefit structures that would be required to meet those policies. It shall take into consideration Federal, State and local, and private plans. It shall be particularly concerned about the gaps, overlaps, and financing of these different systems. Based on such investigation, it shall recommend those policies that are most likely to ensure that the nation has an effective and equitable system of retirement, survivor, and disability coverage.

(b) The Commission shall submit to the President a series of reports, the first of which shall be submitted on or before the end of the first year of the Commission. The reports shall include the Commission's findings and recommendations on both short- and long-term problems with respect to retirement issues including, but not restricted to, the following:

- (1) The establishment of a national policy on retirement, survivor's, and disability that can be used as a guide by public and private programs. The national policy should include such specifications as

appropriate retirement ages and replacement rates and be developed within the framework of the available resources and demographic changes that are expected into the middle of the next century.

- (2) The description of the present overlaps and gaps among the Federal State and local, and private sectors in providing income to the retired, survivors and disabled.
- (3) The assessment of the ability of the present Federal, State and local, and private retirement, survivors and disability systems to meet the goals of the national policy in the future.
- (4) The implications of the stated national policy for the tax and benefit structures of the retirement, survivors and disabled programs in the public and private sectors.
- (5) The specific reforms in the present system's policies and organization that may be required to meet the goals that are inherent in the national policy.

(c) The Commission shall submit its final report, including its recommendations and findings, to the President not later than two years after all of the Commission members have been appointed, or when initial funds become available to carry out this Act, whichever is later. The Commission shall cease to exist 90 days after submission of such a report. All reports and papers of the Commission shall be delivered to the Administrator of General Services for deposit in the Archives of the United States.

Sec. 4.(a) Upon the request of the Chairperson of the Commission, the head of each Federal department or agency that has an interest in or a responsibility with respect to the areas of the Commission's work shall appoint a liaison officer who shall work closely with the Commission and its staff in matters pertaining to this Act.

(b) In carrying out its duties, the Commission may seek the advise of various groups interested in retirement, survivor and disability policies including, but not limited

to, State and local governments, public and private organizations working in the retirement, disability, and survivors pension area, and committees of the Congress.

(c) (1) The Commission or, on authorization of the Commission, any committee of two or more members, may hold hearings and sit and act at such times and places as the Commission or such authorized committee may find advisable, and the provisions of section 1821, title 28, United States Code, shall apply to witnesses summoned to appear at hearings and per diem and mileage allowances to witnesses shall be paid from funds appropriated to the Commission.

(2) The Commission is authorized to secure from any department, agency, or individual instrumentality of the executive branch of the Government information it deems necessary to carry out its functions under this section, and each department, agency, and instrumentality is authorized to furnish such information to the Commission upon request made by the Chairperson.

(d) The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) The Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary to the discharge of its duties and responsibilities.

Sec. 5. There is authorized to be appropriated, without fiscal year limitation, the sum of \$2,000,000 to carry out the provisions of the Act.

SRETIRE BILL:60  
4 April 78

FROM CONGRESSIONAL LIAISON:

4/19/78

RE CONSUMER PRODUCT SAFETY COMMISSION:

Agree with Section 3 -- make sure Eckhardt get publicity on the Sunset portion.

RE COST OF LIVING INCREASES FOR FED. EMPLOYEE RETIREMENT PROGRAM:

Go slow -- wait until Civil Service Reform is over.

RE PROPOSED COMMISSION ON RETIREMENT POLICY:

If it is important to be done quickly, it should be done by Executive Order, not by legislation. Legislation would go to three or four Committees and raise lots of problems.

*Stauss Memo - Concur*