



U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

February 8, 2021

MEMORANDUM FOR ALL MEMBERS, OFFICERS, AND EMPLOYEES

FROM: Committee on Ethics

Theodore E. Deutch, Chairman

Jackie Walorski, Ranking Member

SUBJECT: The 2021 Outside Earned Income Limit and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions Applicable to House Officers and Employees

All Members of the House are subject to certain public disclosure requirements and employment restrictions both during and after their service in the House. Specifically:

1. Financial disclosure filing requirements, including both annual financial disclosure (FD) statements and Periodic Transaction Reports (PTRs);
2. Restrictions on outside employment;
3. Notification requirements for disclosure of negotiations for private employment and related recusals; and
4. Post-employment restrictions.

House employees may also be subject to these requirements and restrictions, depending on their salary level. This memorandum provides details on the current triggering salary figures for Calendar Year (CY) 2021 for each of the categories noted above and summarizes them in a table on page 6. It is each individual employee's responsibility to know whether their salary level subjects them to these standards of conduct and, if so, to comply with them. Please note that this memorandum is not a comprehensive list of every rule or standard of conduct that applies to House staff, but an overview of key standards that are triggered by salary level. Any Member, officer, or employee who has questions about these requirements and restrictions or about the various rules is encouraged to contact the Committee's Office of Advice and Education at extension 5-7103.

FINANCIAL DISCLOSURE

House officers and employees whose “rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule” for at least 60 days at any time during a calendar year are subject to financial disclosure filing requirements, provided that the officer or employee “performs the duties of his [or her] position or office for a period in excess of sixty days in that calendar year.”¹ The GS-15, step 1, basic pay rate for CY 2021 is \$110,460.² The applicable 120% calculation for that rate is therefore **\$132,552**, or a monthly salary of equal to or more than \$11,046. This rate is referred to as the “senior staff rate.”

As a result, House officers and employees whose basic rate of pay is equal to or greater than the senior staff rate (\$132,552) for at least **60 days**³ during **2021** must file an FD statement on or before May 16, 2022.⁴ (Temporary increases in an employee’s basic rate of pay – such as to pay out a bonus – count toward this threshold, but “lump sum” payments do not.⁵) In addition, any new employee paid at or above the senior staff rate must file a “new employee” FD statement within 30 days of assuming employment with the House.⁶ A new employee may request an extension of the new employee FD filing deadline of up to 90 days, but the request must be received by the Committee or on before the original filing deadline.⁷ Finally, any staff who are paid at or above the senior staff rate on January 3, 2021 (or their first day of employment, if later in the year) must file reports (PTRs) on an ongoing basis throughout the year regarding certain

¹ Ethics in Government Act (EIGA) §§ 109(13) and 101(d), 5 U.S.C. app. §§ 109(13) and 101(d) (hereinafter all citations to the EIGA will be to the appropriate federal code citation). In addition, all House Members are subject to financial disclosure filing requirements. 5 U.S.C. app. §§ 101(d) and (f).

² Exec. Order No. 13970, 86 Fed. Reg. 421 (Dec. 31, 2020).

³ The House payroll department operates on a 30-day payroll cycle, meaning that each monthly pay period, regardless of its actual length, is counted as 30 days. Thus, a change to an employee’s base rate of pay in any two months during the calendar year (even non-consecutive months) may trigger the requirement to file an FD. This is true even if the pay change affects only part of a month.

⁴ 5 U.S.C. app. §§ 101(d) and (f). With regard to House employees who are federal civil service or military annuitants, it is the view of the Ethics Committee that financial disclosure obligations do not apply to those whose combined House salary and annuity are at or above the threshold rate for the specified time period (*but see* note 26, below). FD statements are due May 15 annually. In the event that May 15 or another filing deadline under the EIGA falls on a weekend or a holiday, the filing deadline shall be on the next business day.

⁵ *See* Comm. on Ethics 2008 *Ethics Manual* at 283-84, available at https://ethics.house.gov/sites/ethics.house.gov/files/documents/2008_House_Ethics_Manual.pdf; Comm. on Ethics, *Instruction Guide, Financial Disclosure Statements and Periodic Transaction Reports*, at p. 2 (Calendar Year 2019), available at <https://ethics.house.gov/financial-disclosure/financial-disclosure-forms-and-filing>.

⁶ *See* 5 U.S.C. app. § 101(a). The only exception to this filing requirement is for new employees who assume employment with the House within 30 days of leaving a position with the federal government in which they filed a publicly-available FD statement. Individuals who are exempt from filing under these circumstances must notify the Clerk of the House of that fact in writing by letter or through the e-filing system for filing FD statements.

⁷ A request for an extension must be made using either a form available on the Committee’s website or through the electronic financial disclosure filing system at <https://fd.house.gov>.

financial transactions.⁸ PTRs are not annual filings, but must be filed within 30 days of a purchase, sale, or exchange of more than \$1,000 in stocks, bonds, and other securities.⁹

Please note that the requirement to file an FD statement covering calendar year 2020 applies to officers and employees whose basic rate of pay for at least 60 days in **2020** was **\$131,239** or more (a monthly salary at or above \$10,936). Annual FD statements covering CY 2020 are due on Monday, May 17, 2021, for those individuals who continue to be Members, officers, or employees of the House on that date.¹⁰ A filer may request an extension of the annual FD filing deadline of up to 90 days, but the request must be received by the Committee on or before the original filing deadline.¹¹

In addition, House Members, officers, and employees paid at or above the senior staff rate for 60 days or more in a calendar year who terminate their House employment during that calendar year are required to file an FD statement within 30 days of their termination.¹² A filer may request an extension of the termination FD filing deadline of up to 90 days, but the request must be received by the Committee on or before the original filing deadline.¹³

THE OUTSIDE EARNED INCOME LIMIT AND OUTSIDE EMPLOYMENT RESTRICTIONS¹⁴

House officers and employees whose rate of basic pay is equal to or greater than the senior staff rate for **more than 90 days** are subject to limits on the amount of outside earned income¹⁵

⁸ 5 U.S.C. app. § 103(l).

⁹ For detail on the PTR requirement, see the Committee’s August 17, 2012 advisory memorandum “Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended,” which is available on the Committee website (<https://ethics.house.gov>), under the links for Reports/General Advisories. Note that the STOCK Act may require the filing of PTRs as often as once per month for Members and any staff who are paid at the senior staff rate on the first day of the 2021 pay cycle (January 3, 2021). Staff who are paid at or above the senior staff rate for more than 60 days later in 2021 – even if on a temporary basis – will also be subject to the PTR requirement for the remainder of the calendar year and will be required to file an annual FD in 2022.

¹⁰ See *supra* note 4.

¹¹ See *supra* note 7.

¹² See 5 U.S.C. app. § 101(e). The only exception is for filers who, within 30 days of their termination from the House, accept a position with the federal government that requires the filing of a publicly-available FD statement. Departing employees who are exempt from filing under these circumstances must notify the Clerk of the House of that fact in writing, by sending a letter, completing a form available for that purpose, or filing a notice through the electronic financial disclosure filing system.

¹³ See *supra* note 7.

¹⁴ For detailed information concerning limitations and prohibitions for *uncompensated outside positions*, see the Committee’s December 11, 2019 advisory memorandum “Outside Position Regulations,” which is available on the Committee’s website (<https://ethics.house.gov>), under the links for Reports/General Advisories.

¹⁵ The term “outside earned income” means any “wages, salaries, fees, and other amounts received or to be received as compensation for personal services actually rendered” by a House Member, officer, or employee. House Rule 25, cl. 4(d)(1). It does not include, among other things, the individual’s salary from the House, nor does it include income for services rendered before the individual was employed by the House. *Id.* at cls. 4(d)(1)(A), (B).

attributable to each calendar year.¹⁶ As noted above, the senior staff rate for CY 2021 is **\$132,552**, or a monthly salary equal to or greater than \$11,046. The limit on outside earned income attributable to a calendar year is 15% of the rate of basic pay for Executive Schedule Level II in effect on January 1 of that year. As of January 1, 2021, the rate of basic pay for Executive Level II was \$197,300.¹⁷ Accordingly, the outside earned income limit for House Members, officers, and employees paid at or above the senior staff rate for CY 2021 is **\$29,595**.¹⁸

Members, officers, and House employees paid at or above the senior staff rate for more than 90 days are also subject to a number of specific limitations on the substantive types of outside employment for which they may receive compensation and must receive prior approval to receive certain types of compensation.¹⁹ These include prohibitions on receiving any compensation for practicing a profession that involves a fiduciary relationship, receiving any compensation for affiliating with a firm that provides professional services involving a fiduciary relationship, or permitting such a firm to use one's name.²⁰ Receipt of compensation for service as an officer or member of a board of directors is also prohibited.²¹ Prior written approval from the Committee on Ethics is required to accept compensation for teaching and to receive copyright royalties.²² Detailed information regarding these limitations may be found on pages 213 to 238 of the *2008 House Ethics Manual*, which is available on the Committee's website (<https://ethics.house.gov/house-ethics-manual>).

DISCLOSURE OF EMPLOYMENT NEGOTIATIONS AND RECUSALS

House Members, officers, and certain House employees must notify the Committee within three (3) business days after they commence any negotiation or agreement for future employment or compensation with a *private* entity.²³ House employees subject to this disclosure requirement are those employees who are paid greater than 75% of the basic rate of pay for Members (employees earning more than **\$130,500 or 10,875 monthly**).²⁴ This amount is referred to as the post-employment rate.

¹⁶ 5 U.S.C. app. § 501(a)(1); House Rule 25, cls. 1(a)(1) and 4(a)(1).

¹⁷ Exec. Order No. 13,901, 84 Fed. Reg. 72,218 (Dec. 30, 2019) (setting Executive Schedule rates for the first pay period starting after January 1, 2020); Exec. Order No. 13970, 86 Fed. Reg. 421 (Dec. 31, 2020) (setting Executive Schedule rates for the first pay period starting after January 1, 2021).

¹⁸ This amount is proportionally reduced when an individual becomes a Member, officer, or senior employee during the calendar year. For example, an individual who is hired into a senior staff position on July 1 has an outside earned limit that is one-half of the full amount, or \$14,797.50. See 5 U.S.C. app. § 501(a)(2); House Rule 25, cl. 1(b).

¹⁹ See 5 U.S.C. app. § 502(a); House Rule 25, cls. 1-4.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ See House Rule 27, cl. 2; Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (Apr. 4, 2012) (hereinafter STOCK Act) § 17.

²⁴ See *id.*; see also Section 7 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 Dec. 27, 2020), prohibiting a scheduled cost-of-living pay raise for Members. As a result, Member pay will remain at \$174,000 for 2021.

In addition, House Members, officers, and employees paid more than the post-employment rate must recuse themselves from “any matter in which there is a conflict of interest or an appearance of a conflict” with the private entity with which they are negotiating or have an agreement for future employment or compensation, and they must notify the Ethics Committee in writing of such recusal.²⁵

Information on the disclosure and recusal requirements related to seeking private employment applicable to Members, officers, and employees paid at or above the post-employment rate is available in two Committee advisory memoranda, one for Members and officers and one for staff. Copies of both memoranda, which are dated December 18, 2020, are available on the Committee’s website (<https://ethics.house.gov>) under “Reports/General Advisories,” and forms for making the notifications regarding job negotiations or recusal are available under “Forms/Post-Employment.”

POST-EMPLOYMENT RESTRICTIONS

House Members and officers, and employees paid at or above the post-employment rate, are subject to post-employment restrictions.²⁶ In general, a former employee of a Member, committee, or leadership office is subject to the restrictions if, for at least **60 days** during the twelve month period preceding termination of House employment, the employee was paid at a rate equal to or greater than 75% of the basic rate of pay for Members at the time of termination. As noted above, the post-employment rate is \$130,500, or a monthly salary of \$10,875 or more.

Additionally, the triggering salary for employees of other House offices (such as the Chaplain, Chief Administrative Officer, Clerk, General Counsel, Historian, Inspector General, Law Revision Counsel, Legislative Counsel, Office of Congressional Ethics, Parliamentarian, and Sergeant at Arms) is Executive Schedule Level IV.²⁷ For 2021, that salary is **\$172,500**, or a monthly salary more than \$14,375.

Information on the post-employment restrictions applicable to Members, officers, and employees paid at or above the post-employment rate is available in the two Committee advisory memoranda referenced in the previous section.²⁸

²⁵ House Rule 27, cl. 4; STOCK Act § 17.

²⁶ 18 U.S.C. § 207. With regard to House employees who are federal civil service or military annuitants, it is the view of the Ethics Committee that the post-employment restrictions apply to those whose combined House salary and annuity were at or above the threshold rate for the specified time period (*but see* note 4, above).

²⁷ “[O]ther legislative offices” also includes employees of the Architect of the Capitol, United States Botanic Garden, Government Accountability Office, Government Publishing Office, Library of Congress, Congressional Budget Office, and Capitol Police. *See* 18 U.S.C. § 207(e)(9)(G).

²⁸ Most of the post-employment restrictions apply to employees paid more than \$130,500. As discussed in the general advisory memorandum for former staff, however, one provision applies to all former House staff – regardless of rate of pay – and restricts use of confidential information obtained during personal and substantial participation in ongoing trade or treaty agreements.

CALENDAR YEAR 2021

Item	2021 Amount
Outside earned income & outside employment threshold - Outside employment fiduciary restrictions if paid at rate for more than 90 days during 2021	\$132,552 (\$11,046/mo)
Outside earned income limit	\$29,595
Financial Disclosure/PTR threshold - Annual FD required in May 2022 if paid at rate for 60 days or more in CY 2021 - PTRs required during CY 2021 if: <ul style="list-style-type: none"> - Paid at rate on first day of calendar year or first day of House employment (if later); <i>or</i> - Paid at rate for any two pay periods during CY 2021 (<i>e.g.</i>, if get bonus or pay raise during calendar year), subject to PTR requirement for remainder of year 	\$132,552 (\$11,046/mo)
Written disclosure of job negotiations and recusals required if paid <i>more than</i> the post-employment rate	\$130,500 (\$10,875/mo)
Post-Employment threshold for employees of Member, committee, or leadership offices	\$130,500 (\$10,875/mo)
Post-Employment threshold for employees of “other legislative offices” (see p. 5)	\$172,500 (\$14,375/mo)