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Mid-Year Report

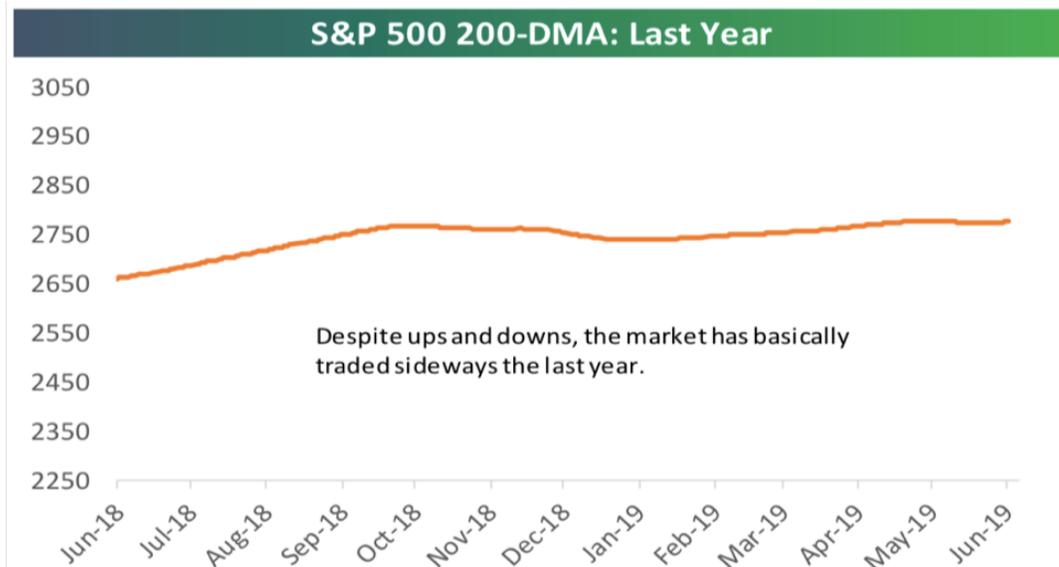
By Keith Burbank

After struggling through a dismal May, stocks rebounded sharply in June posting a gain of over 7%, with the S&P 500 finishing the first half of the year up 17.4%. This was the S&P 500's best first half of the year performance since 1997.

Trade and Fed policy continue to be critical to the outlook for stocks. Although a comprehensive trade deal still appears unlikely in the near term, the US and China reached agreement at the G20 summit to proceed with negotiations on a new deal while not levying any new tariffs against each other's products. Uncertainty related to the trade dispute has had a significant impact on stocks, and this news was cheered by the markets.

Additionally, the clamoring for the Fed to cut rates has increased over the last six months as the growth of the economy and corporate earnings have slowed from the previous 12 months. The Fed held rates steady at its latest meeting but has indicated that if the slowing conditions persist, cuts may be necessary in the coming quarters. Much like the trade news, the potential for Fed easing was welcomed by the markets.

From a longer term perspective the reality is that the market has been running in place for over a year now. The big move up year to date was preceded by a big down move during the last part of 2018.



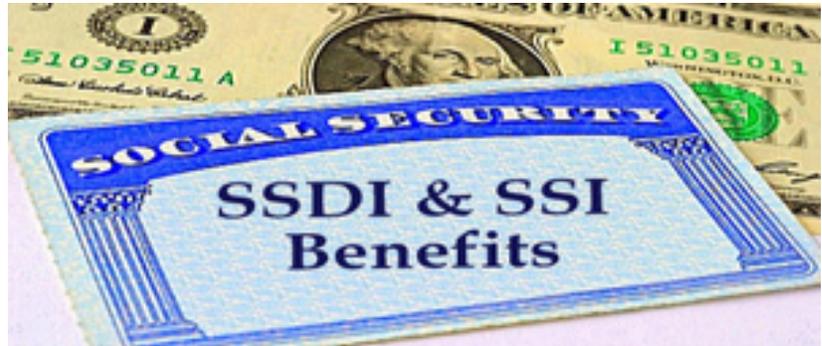
- Continued on pg. 2

Mid-Year Report - cont.

Although these large moves felt significant at the time, if you had ignored the market over that time and only recently started paying attention, you may think that little has happened. That being said, the market has made three closing all-time highs during this period. These all-time highs are significant in that they extend the bull market which is now more than 10 years in length. New highs are new highs, and they're indicative of a market that still has upside momentum. Short-term pullbacks are always a possibility, but until fiscal policy becomes too much of a headwind for global economies, this bull market continues to move forward despite all the uncertainty.

Qualifying for Federal Disability Income

By James G. Steproe, J.D. - Director of Administration



There are two basic ways that disabled persons can receive disability benefits from the federal government. Social Security Disability Insurance (SSDI) is one way and Supplemental Security Income (SSI) is the other.

Both federal programs are overseen and managed by the Social Security Administration, and medical eligibility is determined in the same manner; however, there are distinct differences between the two programs.

Social Security Disability Insurance (SSDI) is funded through payroll taxes. Its recipients are considered "insured" because they have worked for a certain number of years and have made contributions to the Social Security trust fund in the form of FICA Social Security taxes. Also, candidates must be younger than 65.

Supplemental Security Income (SSI) is funded by general fund taxes. It is a "means-tested program", and has nothing to do with work history. To qualify you must have less than \$2,000 in assets (\$3,000 for a couple) and a very limited income. It is what we used to call an "anti-poverty program".

In other words, SSDI is available to workers who have accumulated enough work credits, while SSI disability benefits are available to low-income individuals who have either never worked or who haven't earned enough work credits to qualify for SSDI.

If you are granted Social Security Disability, the Social Security Administration will hold your first 5 months of benefits. This rule only applies to SSDI, not SSI, and the five-month waiting period starts when the SSA determines when you became disabled. This is often referred to as an onset date.

As the term "disability income" would imply, you also need to be "disabled". The Social Security Administration's impairment listing manual (called the blue book) lists a number of impairments, both physical and mental, that will automatically qualify an individual for Social Security disability benefits (SSDI) or Supplemental Security Income (SSI), provided the individual's condition meets the specified criteria for a listing. Updated in 2018, it includes: musculoskeletal problems, cardiovascular conditions, senses and speech issues, respiratory illnesses, neurological disorders, mental disorders, immune system disorders, various syndromes, skin disorders, digestive tract problems, kidney disease and genitourinary problems, cancer, and hematological disorders.

- Continued on pg. 3

Qualifying for Federal Disability Income - cont.

Fitting into one of these categories is convenient; however, one does not have to satisfy the exact listing requirements for an illness to be awarded disability benefits. For example, the Social Security Administration can consider aspects of your condition medically equivalent to the criteria in the listing or a related listing. This is called “equaling a disability condition”. While this method is available, it is rarely used. According to government statistics only 6% of those approved for benefits “equaled” a listing.

Alternatively, you can also be eligible for disability benefits, if you don’t meet or equal the criteria for the blue book listing for your condition, or if your condition limits your functioning so much that you can’t work. Approximately, half of all approved disability applications are approved based on an assessment of the applicants’ limitations.

Approval rates for SSDI are higher on average than they are for SSI. For one thing, SSDI applicants are more likely than SSI applicants to have a higher income and insurance coverage, therefore more likely to have seen a doctor for the medical problems. (It’s very difficult to win disability without seeing a doctor regularly). Also, judges and claims examiners give more credibility to applicants who have a long work history, which is most SSI applicants do not have.

Also, SSI applicants are somewhat more likely to be female as fewer women are eligible for SSDI benefits (about 71% of women compared to 79% of men). Generally, this is because women have fewer qualifying years of work (over 60% of men have worked at least part of every year of their adult life, while only 41% of women can say the same).

Only adults over the age of 18 can receive the SSDI disability benefit. However, under SSDI, a disabled person’s spouse and child dependents are eligible to receive partial dependent benefits, called auxiliary benefits.

Finally, it should be noted that those eligible under the income requirements for SSI are also able to receive Medicaid in the state they reside in, and most people who qualify for SSI will also qualify for food stamps.

The above is a very simple overview of what is a rather complex body of rules and regulations. Having your application accepted is very important, but far from certain in this environment. There are attorneys who specialize in this area, and their services, while expensive, are, in the long run, well worth it.