

Heroes Earnings Assistance and Relief Tax (HEART) Act

The Heroes Earnings Assistance and Relief Tax (HEART) Act added special rules for unused MDEA balances for individuals called to active duty called a Qualified Reservist Distribution (QRD). The HEART Act allows eligible employees to receive a cash distribution of any unused portion of their MDEA balance. Eligible employees must be called to active duty for at least 180 days. Requests for QRDs must be submitted to MMB no later than the last day of the plan year, and a copy of the order or call to active duty must be provided to MMB prior to an authorized distribution of MDEA funds. The distribution is taxable to the employee and is reflected in their W-2 form. The employee must request a QRD on or after the date of the order or call to active duty, and before the last day of the plan year during which the order or call to active duty occurred.