



Separating From the Australian Defence Force Fact Sheet

The details contained within this fact sheet are particularly relevant to ADF personnel who are seeking information related to the potential impacts on their DHOAS eligibility and entitlement because they are separating from the ADF or are no longer completing effective service. If the information contained within this fact sheet does not answer your query, you are encouraged to visit the DHOAS [website](#) or contact the customer service team.

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1. What is effective service?

For ADF service to be deemed effective for the purposes of DHOAS, it must be paid. For permanent ADF personnel, all periods of paid service and unpaid service of 21 days or less are considered effective service. For reserve and continuous full time service (CFTS) ADF personnel, 20 or more days of paid service within a financial year is considered effective service. For ADF personnel on part time leave without pay, this is considered effective service.

For ADF personnel transferring between service types, you need to complete 20 paid days of Permanent, CFTS or Reserve service (or a combination of days from these service categories to meet the 20 day requirement).

If you are transferring from Reserve to Permanent service and you have not completed effective service in the previous financial year, you will be deemed to have provided effective service only from the date you transfer to Permanent service.

2. I am separating from the ADF, can I still access a subsidy certificate?

ADF personnel who are no longer completing effective service with the ADF are deemed a separated member for the purposes of DHOAS. To be eligible to apply for a subsidy certificate, you must have

completed the DHOAS qualifying period and accrued a service credit. Further information on qualifying for DHOAS is found in the [Subsidy Certificate Approval fact sheet](#).

You can only access one final subsidy certificate after your last effective service date, and this certificate has a 12 month expiry date. There are no provisions to extend the validity date.

To commence subsidy payments, you must meet the scheme conditions, including

- The home loan must be established prior to the certificate expiring.
- Occupying the subsidised property prior to the certificate expiring.

Making significant changes to your loan may result in your subsidy payments being ceased. You are not able to access further subsidy certificates once you have used your final subsidy certificate, even if you have a remaining service credit. Please ensure that you consider whether or not you still have access to a certificate before making significant changes to your loan. We would encourage you to contact DHOAS to discuss the implications before making the change.

3. How does my length of ADF service affect my tier level when I separate?

ADF personnel who have completed 20 years or more effective service are entitled to subsidy payments at the Tier 3 level. If your loan balance is less than the Tier 3 subsidised loan limit, subsidy will be paid on the loan balance.

ADF personnel who have completed less than 20 years of effective service are entitled to subsidy payments at the Tier 1 level. If your loan balance is more than the Tier 1 subsidised loan limit, subsidy will be paid on the Tier 1 level. If your tier level is reduced retrospectively, you may have to repay any subsidy payments that were overpaid.

4. How will I know when I have exhausted my DHOAS service credit?

DVA uses data from the Department of Defence's Global Payroll System that provides evidence of ADF personnel changes in service history. When a change in your service is identified, a calculation of your accrued service credit will be completed, and you will be notified in writing. For this to occur, it is important that your contact details we have on your defence home loan account are current.

You will not accrue DHOAS service credit after your last effective service date unless you return to effective service.

5. I currently have a land and/or construction loan, what do I need to be aware of?

If you have, or are planning to establish a progressively drawn down construction loan, you would need a new subsidy certificate to draw down on each progressive instalment and be subsidised on the new instalment balance/s.

If you have or are planning to combine your land and construction loans, you would need a new subsidy certificate to do so. If you have accessed your final subsidy certificate, you can 'suspend' your subsidy payments until the earlier of either maximising your subsidy payments based on your loan balance, or, the subsidy certificate expiry date.

Further information on land and/or construction loans is available in the [DHOAS Land and Construction Loans fact sheet](#) on our website.

6. I am separated from the ADF but I will be completing further effective service

For ADF personnel who are or will be deemed separated but will be completing further effective service, the time you are deemed separated before you return to effective service may impact both your eligibility and the service credit you have accrued. The impact on your entitlement will depend on the length of the break. For more information, please see the [DHOAS website](#).

7. I am medically discharging from the ADF

If you are or will be discharged from the ADF as a result of a 'compensable condition', you may be eligible as an 'incapacitated member' for the purposes of DHOAS. A compensable condition is one or more conditions that the Department of Veterans' Affairs (DVA) have accepted liability for.

To have your current DHOAS entitlements reassessed under the incapacitated member provisions, we require evidence of the conditions for which you were or will be discharged. If you are or were a member of the Permanent Forces, this is your 'DM042 – Medical Transition from the Defence Force - CSC Certificate of Capacity' form. If you are or were a member of the Reserves, you may have to obtain alternative evidence, such as a copy of your Medical Evaluation Committee Review Board (MECRB) determination. You are encouraged to submit an online [Notification of Change in Circumstances](#) form along with a copy of the appropriate document and an up-to-date copy of your ADO service record (long version).

8. What DHOAS benefits can I receive if I am deemed an incapacitated member?

As an incapacitated member, you do not need to satisfy the DHOAS qualifying period and the tier level that you were eligible for as at your last effective service date will remain as is until you exhaust the service credit that you have accrued.

If you have provided less than four years of effective ADF service, you will be entitled to subsidy payments for a minimum of eight years at the Tier 1 level.

If you have provided greater than four years of effective service, you will be entitled to subsidy payments at the tier level you were eligible for when you were discharged. You will also be entitled to service credit for the total period of effective service you have completed in the ADF or a minimum of eight years, whichever is greater.

9. Privacy and your personal information

Your privacy is important to us. We are bound by the Privacy Act 1988 (the Privacy Act) and the Australian Privacy Principles (APPs). The APPs regulate the handling of personal information by Australian government agencies and businesses under the Privacy Act. You can obtain more information about the way in which the Department of Veterans' Affairs will manage your personal information on the [DVA website](#).

10. Data matching

Information you provide to us may be used for data matching with other government agencies to detect and prevent incorrect subsidy payments and fraud.

11. Appeals and requesting a review of your decision

The *Defence Home Ownership Assistance Scheme Act 2008* (the Act) and *Defence Home Ownership Assistance Scheme Regulations 2018* can be found at <https://www.legislation.gov.au/>.

Section 71 of the Act describes the decisions which are appealable. The decisions and the provision under which the decision is made are:

- To refuse to consider an application for a subsidy certificate (Subsection 15(2))
- To refuse to give a subsidy certificate (Subsection 16(3))
- To vary a subsidy certificate (Subsection 24(1))
- To cancel a subsidy certificate (Section 25)
- To refuse to authorise the payment of subsidy (Subsection 27(2))
- To refuse to authorise the continued payment of monthly subsidy (Subsection 27(4))
- In a notice under section 43, to state a day for subsidy to stop being payable to a person that is later than the day requested by the person (Subsection 43(3))
- To revoke an authorisation of the payment of subsidy (Subsection 44(2))
- To vary an authorisation of the payment of subsidy (when this Act applies as if a subsidised borrower has not been a member of the Reserves) (Subsection 45(2))
- To determine the end of a period of warlike service (Subsection 48(3))
- To recover a due amount in the way provided by section 68 (Subsection 68(1))
- To refuse to extend the time for making an application for review of a decision (Subsection 74(3))
- A decision under the regulations that is declared by the regulations to be a reviewable decision for the purposes of this section (Section 17 and Paragraph 19(3)(b))

12. More Information

You can learn more about DHOAS by visiting our [website](#) or by contacting our customer service team on 1300 434 627.

Please Note: All decisions relating to the administration of the Defence Home Ownership Assistance Scheme are made pursuant to the *Defence Home Ownership Assistance Scheme Act 2008* (the Act). Whilst due care has been taken in the preparation of this advice, in the event of any inconsistencies between the information provided herein and the Act, the Act will take precedence.