



Defence Home Ownership Assistance Scheme (DHOAS) Fact Sheet for Separating Members

This fact sheet provides details about accessing the Defence Home Ownership Assistance Scheme (DHOAS), for those members separating from the ADF. DHOAS provides a monthly subsidy payment, on approved home loans, to eligible current and former ADF members.

Important: The following information should be considered very carefully should you wish to access DHOAS after you separate from the ADF.

- You must apply for a DHOAS Subsidy Certificate within two years of separating from the ADF;
- You can access only one Subsidy Certificate post-separation, which is valid for 12 months. There are no options to extend;
- If you've served over 20 years, you will receive Tier 3 payments post-separation. If you've served under 20 years, you will receive Tier 1 payments post-separation; and
- If you continue to serve in the Reserves you will not be deemed to be separated for the purpose of DHOAS, as long as you continue to complete effective Reserve service each financial year.* You're advised to review full details about Reserve service requirements at www.dhoas.gov.au

Note:* "Effective Reserve service" is defined as at least 20 days of active Reserve service within a financial year.

Eligibility Post-Separation

To receive a DHOAS subsidy post-separation, you must be eligible for DHOAS at the date of your separation, and to have an accrued subsidy period. To be eligible, you need to:

- Have served in the ADF on or after 1 July 2008;
- Have completed the minimum DHOAS qualifying period (four consecutive years of Permanent service or eight consecutive years of effective Reserve service);
- Have accrued a subsidy period (Service Credit), which entitles you to access the DHOAS monthly subsidy payments (Permanent ADF members accrue at least one month of entitlement for every financial year of effective service they complete) (see definition of "effective service" above); and
- Hold an eligible DHOAS home loan from one of the three approved Home Loan Providers: Australian Defence Credit Union (ADCU); Defence Force Credit Union (Defcredit); or National Australia Bank (NAB).

Member is Receipt of DHOAS at Separation

- If you are already in receipt of a DHOAS subsidy and you separate from the ADF, you must advise DVA using the [Change of Circumstances](#) form.
- You can continue to receive assistance for as long as you have an accrued subsidy period and an eligible DHOAS home loan.
- Please note your monthly subsidy payments may reduce after you separate, if you have not completed 20 or more years of service at the time of separation.

Post-Separation Subsidy Certificate

- You are advised to carefully consider the timing of your application for a DHOAS Subsidy Certificate and the intended use of your one, post-separation certificate.
- Subsidy Certificates are valid for 12 months only, and there is no option to extend the expiry date.
- We suggest that you apply for a Subsidy Certificate before separating, so that your, post-separation Certificate can be accessed at a later date if necessary (within the two year limitation).
- If you are making instalments on a construction loan and you have separated, you may wish to defer applying for your post-separation Subsidy Certificate until construction is complete.

Subsidy Payments Post-Separation

- Separating from the ADF may have significant impact on your DHOAS entitlement, including:
 - Your subsidy may reduce (further details below);
 - You will no longer accrue further entitlement (months/years of subsidy); or
 - If you received a lump sum within the last 12 months, you may have to repay this amount.
- The amount of DHOAS subsidy you receive after you separate from the ADF will depend on the length of service you have provided prior to separating.
- If you have served less than 20 years at separation, your subsidy will be payable at the Tier 1 subsidy level for the period of your remaining Service Credit. This applies even if you were eligible for higher tier benefits while you were in the ADF.
- If you have served 20 or more years, your subsidy will be payable at the Tier 3 subsidy level for the remaining period of your Service Credit.
- If you elect to rejoin the ADF at a later date, your DHOAS eligibility and entitlement will be assessed according to the "rejoining member" provisions in the DHOAS Act, depending on the length of your break in Service.

Accessing Accrued Entitlement

- You can access DHOAS as long as you have an accrued subsidy period, which is known as a "Service Credit", and an eligible DHOAS home loan. The Service Credit is based on your total years of service, minus the DHOAS qualifying period of service.
- You also take into consideration the impact of any breaks in service, and subtract any periods of time that you have previously accessed other Defence home loan subsidy scheme, Defence Home Owner Scheme (DHOS) or Defence Service Homes (DSH).

For example:

If you separate from the permanent ADF having completed 10 years of service, you will have six years of accrued entitlement (that is, your total years of service minus your qualifying period of four years. This does not include any additional entitlement from war-like service). Therefore after separating, you will be entitled to receive DHOAS for six years, at the Tier 1 level.

Service Period		Qualifying Period		Service Credit	Subsidy Tier Benefits
10 years	<i>less</i>	4 years	<i>equals</i>	6 years	Tier 1

In another example, if you are a Reserve member who has completed 21 years of effective service. You will have 13 years of accrued entitlement (that is, your total years of service minus your Reserve qualifying period of eight years. This does not include any additional entitlement from warlike service).

You will be entitled to receive DHOAS assistance for 13 years and as you have completed more than 20 years of service; your payments will be at the Tier 3 level.

Effective Reserve Service and Separation

- If you are a Reservist and you do not complete effective Reserve service within a financial year, you will be deemed to have separated for the purpose of DHOAS.
- This requirement to complete at least 20 days of service, is not to be considered as separated for DHOAS purposes, and applies to all Reservists whether in the Standby, High Readiness or any other Reserve-type of service. If you do not complete a year of effective service, this could impact on your DHOAS eligibility and entitlement.
- If you are in receipt of a DHOAS subsidy and make changes to your loan and need to reapply for a new Subsidy Certificate after an extended break in effective Reserve service, you need to be aware that the rejoining provisions may impact on your entitlement. This could result in dropping to a lower Subsidy Tier level, shortening the length of your entitlement or disqualifying you altogether.
- You may need to determine if it is better in your circumstance to continue receiving your current DHOAS subsidy (on your existing eligible DHOAS home loan) than it is to reapply, and possibly impact any future entitlements due to the rejoining provisions.
- You are advised to contact DHOAS before making any significant changes to your DHOAS subsidy arrangements.

Medical Separation

- If you are separating for medical reasons and with compensable condition(s), special provisions will apply to your entitlement to subsidy assistance under DHOAS.
- A compensable condition is defined as *"a condition, disease, illness or injury suffered by a person in respect of which compensation is or has been payable under any of the following:*
 - *Safety, Rehabilitation and Compensation Act (SRCA) 1988;*
 - *Veterans' Entitlement Act (VEA) 1986*
 - *Military Rehabilitation and Compensation Act (MRCA) 2004*
 - *A law of the Commonwealth prescribed by regulation"*
- Under DHOAS, an incapacitated member who has eight years or less service will have access to a minimum of eight years subsidy assistance (at Tier 1 benefits).
- Incapacitated member who have served for longer than eight years will have access to subsidy assistance based on the total number of years they have service in the ADF. Their qualifying period is waived when working out their accrued entitlement.

For example:

If you are a Permanent member who has served for 10 years at the time of your separation, you will be entitled to 10 years of DHOAS benefits. You will also receive this subsidy assistance at your eligible tier level.

In this example, with 10 years of ADF service, you are entitled to Tier 2 benefits. If you have completed 12 or more years of service, you would be entitled to Tier 3 benefits.

Further Details about DHOAS

- Comprehensive information about the Scheme is available on the DHOAS website.
- You are encouraged to review the details about how DHOAS works before you submit an application for Subsidy Certificate.

Contact Details

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Phone: 1300 4 DHOAS (1300 434 627)