

SASSA and SAPO Working Together

By: Zethu Khoza

When Minister Jeff Radebe delivered the update on the work undertaken by the Inter Ministerial Committee on the 10 December 2017 he said “the Government is making sure that all social grants will be paid smoothly from 01 April 2018 and beyond.

In order to ensure the uninterrupted payment of social grants, and considering the fact that the Court ordered SASSA to identify ‘an entity other than CPS to pay social grants or take the function over itself’, SASSA’s best option was therefore to adopt an approach which will ensure insourcing of the grant system within government as well as seamless hand over within a period not exceeding five years. SASSA therefore resolved to collaborate with the South African Post Office (SAPO) to ensure a seamless phasing out of the current service provider CPS in compliance with the Court Order in the Black Sash matter dated 17 March 2017.

This new system while drawing on the resources and capabilities of the South African democratic state, will also make allowance for the participation of other partners such as enterprises and commercial banks, in the payment of social grants to beneficiaries”

The implementation will take place under Minister Bathabile Dlamini, the Minister of Social Development. The following issues are matters which all social grant beneficiaries should be aware of:

- All social grant beneficiaries should be aware that they have a choice as to how they wish to receive their social grants. This may be through direct transfer into a bank account of their choice, through the SASSA card account, which allows them to transact at merchants or bank ATM’s or cash at a designated cash pay point.
- Beneficiaries who wish to receive their grants through their personal bank accounts need to complete a form requesting this. The form can be obtained from any SASSA office and must be completed by the beneficiary and the bank he/she has chosen and returned to the SASSA office. As soon as this written request is processed, SASSA will then deposit the social grant money directly into the bank account.
- The implementation plan builds in the option for recipients to migrate to the banking sector without the need for beneficiaries to carry the costs of the bank accounts. SASSA is in discussions with commercial banks for the establishment of a special low cost bank account. Once the product is finalized, any beneficiary can choose to have his / her grant paid through these accounts.
- To ensure that beneficiaries can access their money without disruption, while the new options are being introduced, the current SASSA card held by Grindrod Bank will be valid until the end of December 2018, notwithstanding the expiry date printed on the card – let me emphasize this - the current card will remain valid beyond the current validity date of December 2017.

- Nearly 2.9 million South Africans (which is 29% of beneficiaries) receive their grant payments in cash at more than 10 000 cash points across the country. These beneficiaries use biometric verification at the point to receive their grant in cash. **For the short to medium term, these beneficiaries will continue to use the current cash payment method.**
- SASSA, together with SAPO, are currently assessing the location and suitability of the existing cash pay points. As we move forward, some of these may be closed or relocated. However, the norm of keeping pay points within a 5 kilometre radius of the beneficiaries will be maintained. The migration of pay points to the SAPO facilities will facilitate natural migration to the SAPO and electronic payment channels.
- In as far as the biometric enrolment of new beneficiaries is concerned, SASSA will build capacity to take over the enrolment function from CPS. Once all the administrative processes, including the biometric enrolment, have been concluded, SAPO will issue a payment card.
- Any new applicant for a social grant will be serviced at the existing SASSA offices, and will be issued with the current SASSA card. The process to replace the existing SASSA cards will be announced in due course. Once this is announced, arrangements will be made to reach every beneficiary to replace the existing SASSA card with the new card. In the meantime, however, social grant beneficiaries should continue using the existing SASSA card. Every applicant and beneficiary of a social grant must understand that there is only one SASSA card and that is the blue card which has the South African coat of arms displayed on the face. No-one should be forced to take any other card.

The implementation plan, submitted to the Constitutional Court in December 2017, makes provision for the following key channels through which beneficiaries across the country will receive their grants in the future:

- Payments through bank accounts with commercial banks of beneficiaries’ choice.
- Payment through merchants in large retail shops.
- Payment through the Postbank of SAPO at its outlets countywide.
- Payments through a second tier of merchants which include village banks, General Dealers, small retail outlets, Spaza shops, cooperatives etc., which are legally registered and South African owned and operated.
- Cash at cash pay points

Beneficiaries are assured that payment of grants will continue as normal during the transition period until further notice, while SASSA and SAPO are in the process of developing a plan for the new payment processes. It is expected that, as the new cards linked to Postbank accounts are rolled out, beneficiaries will only then start being paid by SAPO, in terms of the signed agreement. The first payments by SAPO will thus only realistically take place as from May 2018.