

**Statement by the Minister of Social Development, Ms Bathabile Dlamini, on the introduction of the new biometric-based payment solutions for social grants, Pretoria.**

Friday, 17 February 2012

Programme Director,  
Deputy Minister of Social Development, Mama Maria Ntuli,  
Director-General, Mr Vusi Madonsela,  
CEO of the South African Social Security Agency (SASSA), Ms Virginia Petersen,  
Members of the media,  
Ladies and gentlemen,

Special greetings and welcome to this important media briefing.

The ANC led government has made a clear commitment which derives from the election manifesto of the ruling party that it will wage a fight against fraud and corruption. This commitment continues to characterise the work of the Department of Social Development and its agencies, to ensure that we use public funds efficiently and for the intended purpose. It is for this reason that we have decided to embark on a process that will eliminate incidents of fraud and corruption in the social grants system.

This briefing will outline and clarify how the re-registration for social grants beneficiaries will unfold. Currently, the South African Social Security Agency (SASSA) pays social grant benefits to over 15, 3 million South Africans, 10.3 million of whom are children.

We must state upfront that this is not a process for beneficiaries to do new applications but to verify their identification. Over the years, the Auditor-General has raised concerns about the manual system that SASSA has been using.

It is also important to highlight that government seeks to use this process to eliminate fraud and corruption, create a conducive environment for SASSA to have a solid database of all beneficiaries which can enable it to pay grants on behalf of government in the

future.

We want to allay the fears of our people and assure them that their grants will not be cut during this process. The re-registration process of beneficiaries will be done at their local pay points. After the pay points, we will then focus on beneficiaries who get their money from the banks.

We are hoping that we will be able to eliminate or clamp down on those who receive social grants fraudulently. We have identified some hotspots in the country especially in the Northern Cape, Eastern Cape, Western Cape and the southern parts of KwaZulu-Natal.

The gathered details of our beneficiaries will be checked against the population register in the Department of Home Affairs, the database of the South African Receiver of Revenue and that of the Government Employees Pensions Fund. We will work with the Departments of Home Affairs, Health, Basic Education, Defence, State Security and the South African Police Service.

Amongst other spin-offs, this process will allow beneficiaries to receive their grants anywhere in the country as opposed to only their local pay points.

In his State of the Nation Address last Thursday, President Jacob Zuma committed our government to dealing with the triple challenge of unemployment, poverty and inequality.

The Department of Social Development, through the South African Social Security Agency (SASSA) continues to provide hope to millions of women, children, older persons, youth and people with disabilities.

Ladies and gentlemen,

SASSA has embarked on the following processes since January 2012. SASSA awarded a contract to Cash Paymaster Services (CPS) Pty (Ltd) for the payment of social grants in all provinces. This will enable SASSA to introduce an automated biometric-based payment system for social grants.

In the first phase, from 01 March 2012 to end of May 2012:

1. During this period, particularly from 1 April 2012 beneficiaries should continue to collect their

grants at their respective pay points including banks. It is business as usual.

2. New beneficiaries will be enrolled on to the new biometric-based payment system as from the 1st of March 2012 at SASSA local office upon application

In the 2nd Phase, from 01 June to 31 December 2012:

1. Existing eligible beneficiaries, including bank beneficiaries and children will be enrolled on the new biometric-based payment system at SASSA pay points, local offices and designated sites

2. SASSA will conduct home visits for beneficiaries over 75 years of age and bedridden beneficiaries at their homes and institutions such as hospitals.

3. Beneficiaries will be issued with a SASSA branded smart-card

Benefits of the new system are:

- Beneficiaries will be able to use their SASSA branded card anywhere in the country. For many beneficiaries, this will be a dream come true.
- The system will allow the right person, to be paid the right amount, NJALO!
- To allow life certification of beneficiaries monthly
- The system will provide a service of R16.44 (inclusive of VAT) which translates into R2 billion per annum – a saving of R800 million per annum from the previous contracts.
- The improved biometric-based payment system will minimise fraud and corruption
- Beneficiaries will be enrolled within close proximity of the communities where they live

SASSA will also engage in a rigorous information campaign to educate and mobilise beneficiaries, their friends, community members and organisations about the new system.

All these measures are aimed at making “a better life for all” beneficiaries and to ensure that they receive their grants with dignity. We therefore call on all eligible beneficiaries to remain calm, not panic and participate in the process.

Thank you

**Issued by the Ministry of Social Development**

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