

17 February 2020

**SASSA and Post Office provide assurance that social grants will continue to be paid**

The South African Social Security Agency (SASSA) and the SA Post Office (SAPO) assures social grants beneficiaries and the general public of South Africa that social grants beneficiaries will continue to be paid their grant money on time every month.

The weekend media reports suggesting that the Post Office may not be able to process social grants payments are incorrect. We assure everyone that social grant payments to all the more than 11 million SASSA beneficiaries will not be disrupted.

The beneficiary funds are directly deposited into social grants beneficiaries' accounts every month by SASSA, and SAPO serves as a distribution agent of the grants which are deposited into the Postbank SASSA/SAPO gold card accounts. The SASSA/SAPO gold card accounts are opened and managed in accordance with the contract between SASSA and SAPO. Social grant beneficiaries then have a choice as to where they wish to access the funds, and this may be through any bank ATM's, merchant point of sale devices, post offices or at one of the remaining SASSA cash pay points. The SASSA/SAPO gold card can also be used everywhere where VISA cards are accepted for the purchase of goods, as it is a fully fledged debit card. There is no requirement for SAPO funds to be utilised to pay grant beneficiaries. Therefore, the weekend media reports are inaccurate to state that beneficiaries might not get paid because of SAPO.

The reports that SAPO is considering closing grant payments pay-points are also inaccurate and misleading. There are 1 740 cash pay points through the country which are serviced monthly. They located in mostly rural areas where there is no national payment infrastructure. SASSA has the sole prerogative to determine these pay points and not SAPO.

SAPO wishes to reiterate that the reports in the media, which are based on an internal discussion document expressing the views of an individual, that it is losing R60m on the SASSA grants payment contract are inaccurate. The R60m cited in the report actually reflects a cost figure of SAPO that is associated with the grants payments contract and not a loss. On the contrary, the SASSA contract presents a necessary revenue stream for SAPO. The point of discussion in that document, which has obviously been reported out of context, was in relation to the manner in which SAPO is able to structure a number of its cost fundamentals to better the financials of the SASSA payments contract.

SAPO's current business turnaround efforts, and pursuit for additional revenue streams, have no bearing on its grant payments relationship with SASSA which is a long term contract.

ENDS!

Issued by SASSA and the SAPO